



Debates of the Senate

1st SESSION

•

36th PARLIAMENT

•

VOLUME 137

•

NUMBER 147

OFFICIAL REPORT
(HANSARD)

Wednesday, June 9, 1999

—

THE HONOURABLE GILDAS L. MOLGAT
SPEAKER

CONTENTS

(Daily index of proceedings appears at back of this issue.)

Debates: Chambers Building, Room 943, Tel. 995-5805

Published by the Senate
Available from Canada Communication Group — Publishing, Public Works and
Government Services Canada, Ottawa K1A 0S9,
Also available on the Internet: <http://www.parl.gc.ca>

THE SENATE

Wednesday, June 9, 1999

The Senate met at 1:30 p.m., the Speaker in the Chair.
Prayers.

SENATORS' STATEMENTS

NEW BRUNSWICK PROVINCIAL ELECTION, 1999

CONGRATULATIONS TO PROGRESSIVE CONSERVATIVE
PARTY ON WINNING OFFICE

Hon. Noël A. Kinsella (Deputy Leader of the Opposition): Honourable senators, I was examining the *Debates of the Senate* yesterday, and my eyes fell upon the date of October 4, 1995. I thought honourable senators would like to be reminded of what occurred at that time.

Senator Bryden, on that day, stated:

Honourable senators, I should like to draw your attention to the fact that while most of you were enjoying a well-earned summer break, Senator Simard and I were engaged in a somewhat partisan contest in the province of New Brunswick. During that time, in his own inimitable fashion, Senator Simard referred to Frank McKenna and I as two puppies who had made a mess and should have our noses rubbed in it.

I was reminded of that reckless position on September 11. The people of New Brunswick presented us with a beautiful bouquet of 48 red roses. The premier and I rubbed our noses in them and the fragrance will stay with us for the next four years.

Senator Bryden: Good stuff!

Senator Lynch-Staunton: Who is the florist?

Senator Graham: What a fragrance!

Senator Kinsella: Many in New Brunswick missed the participation, leadership and guidance of Senator Bryden.

Senator Graham: Hear, hear!

Senator Kinsella: Some of us waited in great anticipation to counter a move here or a move there that would have come had Senator Bryden been at the helm. Those moves did not come, and our rapid response team had nothing to which to respond.

Senator Lynch-Staunton: Nothing to swat!

Senator Kinsella: As honourable senators know, and in some modesty we are reluctant to report, on Monday, June 7, 1999, the bloom was surely off those Liberal roses.

My congratulations go to premier-elect Bernard Lord for a well-run campaign, one that resonated so well with the people of my province.

Some Hon. Senators: Hear, hear!

[*Translation*]

REGIONAL COUNCIL OF ITALIAN-CANADIAN SENIORS

CONGRATULATIONS ON TWENTY-FIFTH ANNIVERSARY OF
FOUNDING BY THE HONOURABLE MARISA FERRETTI BARTH

Hon. Léonce Mercier: Honourable senators, the Regional Council of Italian-Canadian Seniors celebrated its 25th anniversary this past May 14, 15 and 16. This organization was founded by Senator Marisa Ferretti Barth.

We were treated to three days of highly colourful celebrations, including a walkathon involving 1,700 seniors, two wonderful concerts, and a mass celebrated by the Apostolic Nuncio, to name but a few. A number of dignitaries were in attendance, including Ministers Gagliano and Pettigrew, the Italian Ambassador, the Mayor of Montreal, a number of MPs and senators, myself included, and the municipal councillors, and of course the honorary chairwoman, Ms Mirella Saputo.

I congratulate Senator Ferretti Barth for her excellent work since the creation of this regional council, and for her devotion to senior members of the various cultural communities.

The organization paid tribute to its founder with the unveiling of a superb bronze bust depicting Senator Ferretti Barth's ever-present smile. This was the most emotional moment for all of us. Once again, Madam Senator, congratulations for your commitment to this cause you hold so dear.

[*English*]

NEW BRUNSWICK PROVINCIAL ELECTION, 1999

CONGRATULATIONS TO PROGRESSIVE CONSERVATIVE
PARTY ON WINNING OFFICE

Hon. John G. Bryden: Honourable senators, it is not coincidental that I am wearing my black suit today, as I am an honourable senator troubled.

It is true, as Senator Kinsella said, that I was not as intimately involved in this campaign as I had been in others. Nevertheless, politics is a team sport, and my team got whipped on Monday. Therefore, I am in my second day of mourning.

• (1340)

When you are in this business — if I could paraphrase someone who said this about money — you sometimes must admit that you have won or I have lost. As you can tell from the smiles opposite, winning is much better.

I should like to add my congratulations to Mr. Lord and to his fellow MLAs, and wish him well. As well, I want to congratulate the Liberal members who were successful. To all of the candidates who fought in the election, including those who lost — and I lost some friends — congratulations for taking part in the process.

Mr. Lord and his team must now govern. Mr. Thériault and his team must watch, and test and debate, and give full consideration. Both will do their jobs, and do their jobs well, I am sure.

I am not concerned about the youth of the premier designate. New Brunswick has done very well in choosing and betting on young leaders with potential. In 1960, New Brunswick chose Louis Robichaud, who created a revolution in our province with the “Programme of Equal Opportunity,” which was hard fought, and the province continues to be better for that.

Some Hon. Senators: Hear, hear!

Senator Bryden: In 1970, Richard Hatfield, who was a member of the opposition at that time, was chosen as leader, and many thought that he would undo some of those reforms. That did not happen. Richard Hatfield, at least for the first two — perhaps three — terms in office, built on those reforms, advanced them and, indeed, did a great deal towards bringing the francophone and anglophone populations together in advancing that program.

In 1987, Frank McKenna, who, like the others, was in his 30s, became leader and, over a period of time, wrestled the deficit to the ground. Mr. McKenna did a tremendous job in moving us on to the national and the world stages and, as many in New Brunswick will agree, reinstilled some pride and self-confidence in New Brunswickers.

Now, it is Bernard Lord, in 1999. Our hope and my belief is that he will continue to build our wonderful province on the foundation and success of his predecessors. I, and all New Brunswickers, wish him well.

I also wish to congratulate New Brunswickers, and the party, for one more thing. I should like to congratulate the party on the civility of our campaign. There were no U.S.-style attack ads, no violent demonstrations, no threats to disrupt the democratic process at the polls, no continuing divisions and disunity. Tuesday was a day for elation and disappointment. Today, we are back to being neighbours and friends, and citizens of one of the greatest provinces in our Confederation.

[Senator Bryden]

Some Hon. Senators: Hear, hear!

Senator Bryden: Finally, a word of hope. The national Conservative Party could take some hope from what has happened in New Brunswick on Tuesday. You, too, if you continue to persevere, may come back from the ashes and may, at some point in the future — perhaps three or four elections from now — get the opportunity, Senator Kinsella, to smell the heady sense of victory.

NOVA SCOTIA

CONVENT OF THE SACRED HEART SCHOOL IN HALIFAX—
ONE HUNDRED AND FIFTIETH ANNIVERSARY

Hon. Sharon Carstairs (Deputy Leader of the Government): Honourable senators, on May 21, 1999, the Convent of the Sacred Heart, in Halifax, celebrated its one hundred and fiftieth anniversary as a school. The school, now known as Sacred Heart School, remains primarily a girls' school. However, it now accepts boys up to the age of 12, or in grade 6.

The Convent of the Sacred Heart was one of five convents established by the Religious of the Sacred Heart, Les dames du Sacré-Coeur: two in Montreal — one in English and one in French — one in Halifax, one in Vancouver and one in Winnipeg. Sadly, for me, there are only two schools left: the one in Halifax and the City House in Montreal.

The nuns, whose order was formed some 200 years ago in France, provided me and all of its other graduates, with a wonderful education. Daily prayers in English, French and Latin, curtsies by the thousands, could not deter from the high level of education which made it one of the very few schools in the Nova Scotia of that day that were exempted from writing provincial examinations.

Honourable senators, it was a marvellous education. Just as a bit of history for this particular chamber, when I was reviewing the accomplishments of women in politics for a book that I wrote a couple of years ago, almost all of the women who have achieved political firsts in Canada, except for the more recent ones, graduated from single-gender schools. Two of us, the Honourable Thérèse Casgrain and myself, were educated by Les dames du Sacré-Coeur.

[*Translation*]

THE HONOURABLE LUCIE PÉPIN

CONGRATULATIONS ON APPOINTMENT AS
CHEVALIER DE L'ORDRE NATIONAL DU QUÉBEC

Hon. Pierre Claude Nolin: Honourable senators, I wish to remind you that the Premier of Quebec, on behalf of the Government of Quebec, has recognized one of our colleagues, Senator Lucie Pépin. Senator Pépin was appointed Chevalier de l'Ordre national du Québec. This is proof, honourable senators, that those nasty separatists from Quebec are capable of recognizing the talent of federalists.

[English]

AGRICULTURE AND AGRI-FOOD

Hon. Eugene Whelan: Honourable senators, I wish to express the same concern that I have expressed over time for the decision of the Government of Canada to dismantle our Agriculture Canada research stations and leave research under the direction and funding of the private sector.

My concerns have proven to be well founded that the multinationals would only wish to fund research into products that they could control by their patents, or by genetically engineering them so that farmers cannot themselves reproduce seeds, forcing the farmers to buy new seeds each year.

A recent article in *The Western Producer*, by Barry Wilson, demonstrates that my fears, and often-stated warnings, about the dangers of dismantling our research capabilities are now being repeated by many other people. I hope that this recognition does not come too late.

The article states that over the last 10 years, as we have moved from publicly funded research to that funded by multinationals, the situation is not good. We now find that the scientists are forced to spend over a third of their time in fundraising rather than research. Funds are more readily available for short-term projects that will quickly turn a profit rather than for basic research for the common good. Government laboratory equipment is being exploited for short-term gain, and is not being replaced as it wears out. Private companies will not fund laboratories they do not own.

Here in the nation's capital, some short-sighted and costly decisions have been made. For example, the Research Centre for Plant and Animal Diseases, the Greenbank Farm, has been closed, the property rented out and the equipment sold.

- (1350)

The Greenbank Farm Research Station facility was one of the most modern in the world. It had the land and facilities to do research on grain, dairy, beef, hogs and poultry. In closing our facilities here in Ottawa, we lost over 300 scientists from the capital region.

Honourable senators, I wish to point out that we had the largest dairy project in the world. We had over 1,200 dairy cattle being used in research at two different stations, 500 in Ottawa alone. We had beautiful equipment.

We also had the capability of displaying our research skills and modern production practices to foreign visitors to our city. When I was minister, nothing would please me more than to tour those research facilities with foreign dignitaries, who came here to observe for themselves why we were so productive in Canada, in this cold and frigid land called the "land of ice and snow."

Honourable senators, we should not tolerate these losses. I strongly urge the federal government to move immediately to restore funding to the agricultural research station and, above all,

to reopen the Greenbank Farm. Soon, it will be too late, and our scientific expertise and world-class research facilities will be lost forever.

PAGES EXCHANGE PROGRAM WITH THE HOUSE OF COMMONS

The Hon. the Speaker: Honourable senators, I should like to introduce to you the pages from the House of Commons who are here with us this week on the exchange program.

With us today is Mathieu Sirois, from Regina, Saskatchewan. He is enrolled in the Faculty of Social Sciences at the University of Ottawa. He is doing a major in political science.

[Translation]

Valérie Simard is enrolled in the Faculty of Social Sciences at the University of Ottawa. Valérie is from Kapuskasing in Northern Ontario.

Valérie and Mathieu, I welcome you to the Senate. I hope that the few days you spend with us will be both interesting and instructive.

[English]

ROUTINE PROCEEDINGS

ADJOURNMENT

Hon. Sharon Carstairs (Deputy Leader of the Government): Honourable senators, with leave of the Senate and notwithstanding rule 58(1)(h), I move:

That when the Senate adjourns today, it do stand adjourned until tomorrow, Thursday, June 10, 1999, at 1:30 p.m.

The Hon. the Speaker: Is leave granted, honourable senators?

Hon. Senators: Agreed.

Motion agreed to.

APPROPRIATION BILL NO. 2, 1999-2000

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-86, for granting to Her Majesty certain sums of money for the Public Service of Canada for the financial years ending March 31, 2000 and March 31, 2001.

Bill read first time.

The Hon. the Speaker: Honourable senators, when shall this bill be read the second time?

On motion of Senator Carstairs, bill placed on the Orders of the Day for second reading on Friday, June 11, 1999.

BANKING, TRADE AND COMMERCE

COMMITTEE AUTHORIZED TO MEET
DURING SITTING OF THE SENATE

Hon. David Tkachuk: Honourable senators, with leave of the Senate, I move:

That the Standing Senate Committee on Banking, Trade and Commerce have power to sit at 1:30 p.m. tomorrow, Thursday, June 10, 1999, even though the Senate may then be sitting and that rule 95(4) be suspended in relation thereto.

The Hon. the Speaker: Is leave granted, honourable senators?

Hon. Senators: Agreed.

Motion agreed to.

QUESTION PERIOD

INTERNATIONAL TRADE

AGREEMENT BETWEEN CANADA AND THE UNITED STATES
ON PERIODICALS—INTERPRETATION OF WORDING—
GOVERNMENT POSITION

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, my question is to the Leader of the Government. It is in regard to the agreement with the United States on periodicals and an exchange that we had yesterday as to whether or not the United States accepts the same definition of “substantial” as does Canada.

The Leader of the Government indicated that, to him, the Canadian definition of “substantial” meant “majority” and had been accepted by the Americans. However, I have found nothing so far in the documentation prepared by the United States regarding the agreement that indicates that the Canadian definition had been accepted by the Government of the United States.

Since yesterday, has the minister been able to find some documentation or written support on the Americans agreeing that the Canadian definition of “substantial” means “majority”?

Hon. B. Alasdair Graham (Leader of the Government): Honourable senators, I have nothing in writing to indicate what the Leader of the Opposition has suggested.

I have made the usual inquiries and I have been told that the Americans knew how we would interpret it before the letters were signed. The U.S. did not use the word “majority” in the exchange of letters, as did Canada. That, as far as Canada is concerned, will be the operative word.

Senator Lynch-Staunton: Honourable senators, I am sorry to contradict the Leader of the Government, but Canada did not use the word “majority” in the letters; Canada used the word “substantial.”

Canada wrote the letter to the United States trade representative, who, in turn, incorporated that term in her letter and said, “I agree with the following...” In other words, Canada prepared the letter and had the letter confirmed by the Americans and the word “substantial” is the one that appears in the letter.

Senator Graham: Honourable senators, perhaps I should clarify. The Honourable Senator Lynch-Staunton is absolutely correct. The word “majority” does not appear in the exchange of letters. I meant to say, for purposes of clarification, that the word “substantial” would be interpreted by Canadian authorities as “majority.”

Senator Lynch-Staunton: Honourable senators, the question is not how Canadian authorities interpret the word “substantial,” it is how the Americans will interpret the word “substantial.”

I draw the minister’s attention to the transcript of the briefing given by the Americans on May 26. I will quote from two or three excerpts and ask the Leader of the Government whether, after hearing this, it contradicts his optimistic interpretation.

The question to the senior trade official of the United States is as follows:

Is it not true that if a publication comes in and has 50 per cent of more Canadian content then, in fact, it will be treated like a Canadian magazine?

The senior trade official responded by saying:

I think you are dealing with what is known as a net benefits review, and the operative word there is a “substantial” level of original content.

• (1400)

Further on we see:

Q. Does the net benefit test include a majority content principle?

Senior trade official:

Its comparative word in the agreement is “substantial.”

Q. “Substantial” does not mean “majority”?

Senior trade official:

“Substantial” means “substantial.” That’s what’s in the agreement. When the Canadians write their regulations, we will see what words they use.

It is quite clear that the Americans are interpreting the word “substantial” to mean “substantial.” The Canadians claim that the Americans have agreed that the word “substantial” means “majority.” I have found nowhere in the American statements that the opposite is true, and I should like to know from where Senator Graham is getting that interpretation.

Senator Graham: Honourable senators, I would concede that it does not appear in writing, but Canadian authorities have made it quite clear that “substantial” means “majority.”

Senator Lynch-Staunton: Canadian authorities have made it quite clear that “substantial” means “majority.” That is fine.

If you go, then, to a June 4 press release by Canadian Heritage giving their version of the agreement, the following can be found on page 3:

The United States accepts the terms of the agreement which state that a net benefit review by Canada of new investments in the magazine industry will include “undertakings from foreign investors that result in a substantial level of original editorial content for the Canadian market contained in each periodical title.”

That is the American view of “substantial.”

The press release continues:

Canada will use guidelines that call for “a majority of original editorial content for the Canadian market in each issue of each periodical title,” in the review of any new investment in the magazine industry.

This press release from Canadian Heritage acknowledges the inability to reach a meeting of minds on the interpretation of the word “substantial.” The Americans say “substantial.” The Canadians say “substantial” means “majority,” and the Americans deny that, according to Canadian Heritage’s own press release.

How can the Leader of the Government in the Senate claim that both countries agree that “substantial” means more than what it says, which is substantial?

Senator Graham: Honourable senators, that which is important is the understanding that Canadians have negotiated with their American counterparts. I concede that the word “majority” does not appear in the letters, but my understanding is that in negotiations the Canadians made clear to their American counterparts that “substantial” would mean “majority.”

Senator Lynch-Staunton: Honourable senators, I will not prolong this. Yes, Canada agrees, Canada insists, and Canada

will fight to the death — hopefully, better than we did when we caved in to illegal trade sanctions — that “substantial” means “majority,” but where can we find that the Americans agree that “substantial” means what Canadians say it means? Where is the documentation; where is the commitment? Where is it?

Silence is golden.

Hon. Noël A. Kinsella (Deputy Leader of the Opposition): Honourable senators, on a supplementary question, could the minister explain to this house the meaning of the paragraph on page 3 of the letter dated June 3 sent to Ambassador Barshefsky by Ambassador Chrétien? The pertinent paragraph reads:

Net benefits review will include undertakings from foreign investors that result in a substantial level of original editorial content for the Canadian market contained in each periodical title.

Would the minister explain the meaning of that paragraph in the treaty in percentage terms?

Senator Graham: Honourable senators, “net benefit” means net benefit for the Canadian publishing industry.

Senator Kinsella: The paragraph says “result in a substantial level of original editorial content.” In percentage terms, what does “substantial level of original editorial content” mean?

Senator Graham: It means 50 per cent plus one.

AGRICULTURE

FARM CRISIS IN PRAIRIE PROVINCES— POSSIBILITY OF GOVERNMENT SUPPORT

Hon. Leonard J. Gustafson: Honourable senators, my question is directed to the Leader of the Government in the Senate and concerns the crisis in agriculture. Had honourable senators been in Regina on Saturday, they would have been faced with anger, disillusionment and desperation. The situation is very sad.

My question is not directly with regard to the Agriculture Income Disaster Assistance program or AIDA because we have already given the message that it is not working. The Minister of Agriculture for Saskatchewan has now said that they must change this program because it is not dealing with the problems of farmers, in Saskatchewan in particular, but also in parts of Alberta and Manitoba. Due to Saskatchewan’s very low tax base and the fact that it has 65 per cent of the Canadian grain industry, the province of Saskatchewan cannot bear this burden. This problem must be dealt with by the federal government.

When the Standing Senate Committee on Agriculture and Forestry went to Europe, we heard in 25 meetings in four countries that the Europeans will stand behind their farmers in a big way. There is no question about that. They will receive \$79 billion from the European Union.

The U.S. has indicated clearly that they are standing with their farmers. Last October, they had already paid up to \$80,000 per farmer.

Our farmers have lost 41 per cent of their income on commodity price decreases alone. Saskatchewan cannot bear that burden, nor can parts of Manitoba and Alberta. Those two provinces are much more diversified and have no major problems in commodities with marketing boards. Those farmers are doing quite well. However, the grain farmers are in big trouble.

Will the government stand with the farmers or not? Will it make the commitment that it will stand with the farmers and deal with the situation or, at least, will it give the farmers some dignity by providing clear answers?

I do not wish to be repetitive. I have asked questions on this matter before, but we are facing a serious crisis as we move into the summer.

Hon. B. Alasdair Graham (Leader of the Government): Honourable senators, I recognize, sympathize with and appreciate the concerns that are regularly expressed by Senator Gustafson on a subject which is very dear to him. It is a cause of concern for colleagues from that part of the country in particular, though it should be of concern to everyone.

Unfortunately, as we learned from Senator Gustafson and others, producers of certain commodities are facing financial difficulty. The situation remains particularly serious in some provinces, most particularly in Western Canada. That is why the Agricultural Income Disaster Assistance program was designed to provide financial assistance to those farmers who are most in need.

All 10 provinces are participating in the AIDA program, which is providing up to \$1.5 billion in aid to farmers in need. I think it would be acknowledged that some provinces are finding it more successful than others.

• (1410)

Furthermore, the Minister of Agriculture and Agri-Food is working with his provincial counterparts to renew the framework agreement on the agricultural safety net. Like AIDA, safety net programs are designed to provide assistance whenever it is most needed.

Having said that, I have been in regular discussions with the Minister of Agriculture, and I know he recognizes that there are difficulties in some areas. The last time we had an exchange of this kind, I suggested that honourable senators urge the farmers most directly affected to fill out the required forms. I recognize that perhaps this in itself is not enough.

When Senator Gustafson asks if the Government of Canada will stand with the farmers, I would emphatically say "yes."

Senator Gustafson: I am glad to hear that.

SHORTCOMINGS IN AGRICULTURE INCOME DISASTER ASSISTANCE PROGRAM—GOVERNMENT POSITION

Hon. Leonard J. Gustafson: Honourable senators, with respect to the AIDA program, however, herein lies the problem, as told to me by a farmer and his son. The farmer had three good crops of canola, giving him a high average. He is probably one of the better-off farmers in the district, but he receives a payment. His son, who is just starting out, has had difficulties and did not raise canola. He happens to be in a position where he gets nothing.

Senator Roberge: He is a Conservative.

Senator Gustafson: I do not think he is. I think he is a Liberal.

In any event, the AIDA program is not working. The Minister of Agriculture in Saskatchewan, Mr. Upshall, indicated clearly this past week in a news release that it must be changed.

Given the fact that Parliament is preparing to adjourn for the summer recess, will the Leader of the Government in the Senate carry to the Minister of Agriculture, the Prime Minister and his cabinet the desperation of the situation? The Americans paid out \$50,000 to \$80,000 per farmer back in October. The farmers who are hurting in Saskatchewan cannot wait until next spring to do something about it. They will not be there. I can tell you firsthand that three farmers right around our farm are gone now, and there will be more of them.

Honourable senators, this is a crisis situation. Will the minister carry to the cabinet that it must move on the AIDA program and make quick, positive changes?

I talked today to the President of the Saskatchewan Association of Rural Municipalities. He had just come from a meeting with the Minister of Agriculture from Saskatchewan and said that something must be done because this is a desperate situation.

Hon. B. Alasdair Graham (Leader of the Government): Honourable senators, I am fully in support of Senator Gustafson's comments. However, there is one thing that I should put on the record, namely that the state of agriculture in Canada, generally, is fundamentally sound.

Senator Gustafson: That is right, but the problem lies with the grain.

Senator Graham: The most recent farm income projection for 1999, I believe, was something of the order of \$6.7 billion for the entire sector. This represents, if I remember correctly, an 11 per cent increase over the previous five-year average.

When I discussed this matter with the Minister of Agriculture and Agri-Food, he pointed out that the experience of AIDA in 1998 would be used as a model they could build on and modify for 1999.

We must remember, honourable senators, that the Minister of Agriculture must get agreement from the 10 other provincial Ministers of Agriculture.

I shall be attending a cabinet committee meeting very shortly with the Minister of Agriculture and I shall again bring my honourable friend's representations directly and forcefully to his attention.

FARM CRISIS IN PRAIRIE PROVINCES—
POSSIBILITY OF GOVERNMENT SUPPORT

Hon. David Tkachuk: Honourable senators, we have heard this before. Senators Gustafson, Andreychuk, myself and other senators have raised this issue in the past.

In reading *The Ottawa Citizen* today, I saw a headline entitled "Chrétien calls brain drain a myth." It is just like Quebec in 1995 when separatism as a myth, and we almost lost the country. Apparently the brain drain is a myth and high taxes are a myth. We have not heard the Prime Minister speak about the farm issue.

A farmer in Saskatchewan does not receive employment insurance. A farmer in Saskatchewan lives under a socialist government that says no one can buy the land unless he or she lives in Saskatchewan, so the farmers cannot even sell the land. If someone from California wants to buy it and is not willing to move to Saskatchewan to farm it, they cannot buy it. If someone else owns the land and they move to Alberta, they have to sell it. That is what is happening in our province. The farmer sitting there with no cash income from the commodity he grows is restricted by the provincial government from selling his one asset, and the only people allowed to buy it are the people around him, who are just as poor.

What is happening here? The southeast corner of Saskatchewan is flooded. In Quebec we have an ice storm, and all hell breaks loose. Well, this is our ice storm; this is our flood; this is our disaster!

Honourable senators, we try to be nice in this chamber and say, "You have to help the farmers." The government leader responds, "I will bring this up in a cabinet meeting."

Mr. Minister, the message is that we cannot wait. If the honourable senator had been at the meeting on Saturday, he would have realized that no Liberal would dare show his or her face in that room, and did not.

Senator Gustafson: Correction — Senator Herb Sparrow was there.

Senator Tkachuk: Our friend Senator Sparrow was there. He is the only member of the Liberal caucus who understands this problem, and I congratulate him for it.

Some Hon. Senators: Hear, hear!

Senator Tkachuk: My deepest apology, Senator Sparrow. You know how much we like you.

We ask the Leader of the Government to not only talk to the cabinet, but to the Prime Minister of Canada, as the leader in this country. Perhaps he could visit Saskatchewan or talk to the farmers there, or talk to the municipalities and the provincial government in an effort to do something about this situation, because the Minister of Agriculture is not doing anything. The Minister of the Canadian Wheat Board, that Liberal from Regina, would not know a farm crisis if it sat on him. Do something about this!

Hon. B. Alasdair Graham (Leader of the Government): Honourable senators, I shall be very happy to bring my honourable friend's representations to the attention of the Minister of Agriculture and the Prime Minister. To begin with, I suggest that perhaps the best way of dealing with this matter is to change the government in Saskatchewan.

Senator Lynch-Staunton: Shame!

Senator Kinsella: The Prime Minister should visit the area.

Hon. Mira Spivak: Honourable senators, I wish to remind you that a similar situation exists in Manitoba, perhaps not with the same government and not in the same context, but farmers in southwest Manitoba are suffering one of the worst natural disasters in 20 years. In May, rains were 400 per cent above average, after a wet fall and winter. Some 2 million acres are under water. In some areas, only 10 per cent of this year's crop is in the ground and farmers are now missing crop deadlines. The situation in southwest Manitoba is worse than what farmers in the Red River Valley overall suffered during the 1997 flood. Two years ago, the government provided \$26 million to help those farmers survive their losses. To date, it is offering nothing to the farmers in southwest Manitoba.

I am aware that the Minister of Agriculture plans to visit the province later this week. However, the question of this year's farm income over the income generated in 1998 is difficult. My honourable friend should look realistically at some of those figures as they relate to Manitoba and Saskatchewan and look at the grain situation. It is a far different picture.

Can the Leader of the Government in the Senate assure us that the government is prepared to help these farmers? Will the Minister of Agriculture have a solid assistance program to offer when he heads west?

• (1420)

I do not always agree with my colleague Senator Tkachuk. However, I must say that fine words will not help the situation. Where is the action? Where is the beef?

The Hon. the Speaker: Honourable senators, before the Honourable Senator Graham replies, I must advise the Senate that there are five minutes left in the Question Period.

Senator Graham: Honourable senators will be happy to learn that I do not have a five-minute answer to the question.

The Minister of Agriculture and Agri-Food is in almost daily consultation with his provincial counterparts, in particular those in Western Canada. He is certainly aware of the seriousness of the flooding in southwest Manitoba. The problem has also been brought to his attention by several honourable senators, in particular by my seat-mate the Deputy Leader of the Government.

The minister will be visiting that particular part of Manitoba this Friday. I cannot say that he will bring with him specific plans or proposals. I am sure that he will want to listen to the people and then present possible recommendations to the government and his cabinet colleagues.

Senator Spivak: Honourable senators, indeed, the Government of Manitoba has offered assistance. Is the Leader of the Government aware of any negotiations or any plans to match that assistance or to increase it? What sort of assistance will be given to farmers? It is quite clear from the numerous witnesses who have appeared before the Standing Senate Committee on Agriculture and Forestry that the AIDA program is not working and that this disaster is of an entirely different nature.

Can the minister give us any details that we can take back to some of the people who are asking us for assistance?

Senator Graham: Honourable senators, I cannot give any specific details. I have listened to the representations of Minister Axworthy and Secretary of State Duhamel on behalf of their fellow Manitobans. I have also listened to the Deputy Leader of the Government. I am sure that the Honourable Senator Spivak would agree that in the crisis with respect to flooding in Manitoba, the Government of Canada was very upfront and centre.

Senator Lynch-Staunton: Yes. It was before an election. You could see Chrétien with a sandbag.

Senator Graham: I hear Senator Lynch-Staunton mumbling that the assistance was provided at the time of an election. It is totally and absolutely unfair to bring politics into a debate about a time when Manitobans were suffering and the whole country, including our Armed Forces, went to their aid, and did so generously and courageously. The spirit of cooperation among Canadians was admired not only across the country but, indeed, around the world.

Senator Lynch-Staunton: Where is it now? The farmers are going bankrupt.

Hon. A. Raynell Andreychuk: Honourable senators, the Minister of Agriculture and Agri-Food will be visiting Manitoba. He had to be persuaded to visit Saskatchewan; and, at that, he will only be visiting a small corner of Saskatchewan by helicopter. Perhaps if he took a truck and tried to drive the roads, he would understand what the disaster is all about. Perhaps if he would spend more than two hours in Saskatchewan, he would begin to understand what the issues are.

Aid must be delivered immediately. There is not the financial flexibility in Saskatchewan that there is in both Manitoba and

Alberta. Can the minister assure us today that the government will put together some disaster relief for those who have been flooded? I have lived all my life in Saskatchewan, and I have never before seen a lake instead of my province.

Senator Kinsella: Answer the question.

Senator Graham: Senator Kinsella says, "Answer the question."

Senator Kinsella: Where is the Prime Minister today, is he golfing or skiing?

Senator Corbin: Be quiet.

Senator Graham: I will yield the floor to Senator Kinsella if he wishes to continue to mumble or ask a question. In the meantime, I will try to address the question asked by Senator Andreychuk.

The Minister of Agriculture is visiting Manitoba and will be visiting Saskatchewan. He is in regular contact with the authorities in those provinces and is doing his utmost to provide assistance and relief in the most appropriate way, that is, the Canadian way.

Senator Andreychuk: Honourable senators, how quickly can we get it? The farmers in Europe have been promised continued subsidies for three years. We have all heard Senator Gustafson talk about there being immediate subsidies in the United States. The farmers in Saskatchewan about whom I am most concerned are those who operate the family farms which, surprisingly, still exist. They cannot weather this summer.

We have lost 15,000 farmers already. They continue to leave daily. It is a crisis that cannot wait until next week or the week after. Can the minister give us any assurance that there will be some immediate disaster relief for those who have been flooded? Will the AIDA program be changed?

I am not an accountant. However, I have listened to representatives of Saskatchewan accountants who say that it is a nightmare to try to fill out the forms. The cost is phenomenally high. If a farmer has a net income of \$300 per year and is asked by his accountant to pay \$600 to fill out the forms, what sense does that make?

Will there be some assurance today that there will be immediate disaster relief for the flooding and that the AIDA program will be adjusted? It may fit nine provinces. It does not fit Saskatchewan. It needs changing immediately.

Senator Graham: Honourable senators, I will be seeing the Minister of Agriculture at 3:30 this afternoon. I will bring all the representations that have been made today directly to his attention.

Senator Lynch-Staunton: Is that all you do?

Hon. Herbert O. Sparrow: Honourable senators —

The Hon. the Speaker: Honourable senators, I am sorry, but the time allotted for Question Period has expired.

Senator Lynch-Staunton: Leave is granted.

The Hon. the Speaker: Delayed answers.

Senator Kinsella: Order, order!

The Hon. the Speaker: Orders of the Day.

Senator Lynch-Staunton: Shut out, which is typical when one of their members asks a question.

Senator Graham: Honourable senators, may we have leave to invite Senator Sparrow to ask his question?

Some Hon. Senators: Hear, hear!

The Hon. the Speaker: I must warn honourable senators that I have other names on the list. Is it your wish, honourable senators, that I recognize those other senators as well?

Senator Lynch-Staunton: Senator Sparrow only.

Senator Prud'homme: Since he is the dean of the Senate, we should extend that courtesy to him.

The Hon. the Speaker: Honourable senators, do I understand correctly that you wish leave only for Senator Sparrow to ask his question?

Hon. Senators: Yes.

The Hon. the Speaker: The Honourable Senator Sparrow.

Senator Sparrow: Honourable senators, perhaps when the Leader of the Government in the Senate meets with the Minister of Agriculture and other ministers this afternoon he will, as he has agreed to do, bring to them the concern of the senators who have already spoken to this serious situation.

Action must be taken to save a great part of the agricultural industry in Saskatchewan, and it must be taken now.

The Leader of the Government in the Senate can tell the ministers with whom he will meet this afternoon that if they delay in taking action now and wait for the next year, which appears to be what is happening, the farmers needing help will be 20 per cent or 30 per cent fewer than those they could help now. That is crucial. We cannot afford to lose those farmers, as Senator Andreychuk has already pointed out.

• (1430)

Will the minister please take the message that any further delay will result in the loss of another 20 per cent or 30 per cent of our agricultural community?

Senator Lynch-Staunton: Good point.

Some Hon. Senators: Hear, hear!

Senator Graham: Honourable senators, I will be pleased to bring to the attention of the Minister of Agriculture and my other cabinet colleagues the representations from the Honourable Senator Sparrow, who was at one time Chairman of our Agriculture Committee. As a matter of fact, he was awarded an honorary Doctor of Science degree from McGill University for his work on the widely known Senate publication called "Soil at Risk."

It is rather interesting that we should be extending the Question Period today because, when we started the afternoon, under "Senators' Statements," Senator Carstairs' first line was to recognize a one hundred and fiftieth anniversary on May 21. I thought for a moment that she was going to talk about me because my birthday was on May 21, as it was for the Convent of the Sacred Heart in Halifax. Sometimes I feel that it should have been my one hundred and fiftieth birthday.

VISITORS IN THE GALLERY

The Hon. the Speaker: Honourable senators, I should like to draw your attention to the presence in our gallery today of a distinguished group of visitors. They are a delegation from the Republic of Yemen, led by His Excellency Abdul Aziz Abdul Ghani, Chairman of the Consultative Council of the Republic of Yemen.

Accompanying the delegation is His Excellency Mohamed Hazza Mohamed, Ambassador of the Republic of Yemen to Canada.

Hon. Senators: Hear, hear!

The Hon. the Speaker: On behalf of all honourable senators, I wish you welcome to the Senate of Canada.

ORDERS OF THE DAY

BUDGET IMPLEMENTATION BILL, 1999

THIRD READING—MOTION IN AMENDMENT—
DEBATE CONTINUED

On the Order:

Resuming debate on the motion of the Honourable Senator Moore, seconded by the Honourable Senator Kroft, for the third reading of Bill C-71, to implement certain provisions of the budget tabled in Parliament on February 16, 1999;

And on the motion in amendment of the Honourable Senator Bolduc, seconded by the Honourable Senator Beaudoin, that the Bill be not now read a third time but that it be amended:

(a) on pages 10 to 12, by deleting Part 3; and

(b) by renumbering Parts 4 to 9 and clauses 20 to 50 and any cross-references thereto accordingly.

Hon. Donald H. Oliver: Honourable senators, on campuses across the country in the next few weeks, Canada's best and brightest will be graduating from universities, community colleges, high schools and trade schools. These graduates will be forced to make several important choices and decisions regarding their future. Unfortunately for Canada, some of these graduates will decide to leave and pursue career opportunities in the United States.

For many, as is sadly the case with too many professionals, taxes will play a role in that choice. Sadly, this bill does not begin to address the major tax gap between Canada and the United States.

Honourable senators, although the issue of emigration has been much debated in Canada for decades, there is growing evidence that the brain drain has, in fact, re-emerged as a serious problem in our country, and that it could affect our future social and economic development.

Canadian migration to the United States is not a new occurrence. It has a very long history. Mr. Don Devortz of Simon Fraser University said, in the January 19, 1999 *Fraser Forum*:

...there has been movement of Canadians to the United States and Americans to Canada for centuries.

Honourable senators, historically, the reasons vary from avoiding persecution to highly skilled Canadians moving to the United States simply to work. A study in the 1950s described this movement as the "brain drain."

There are many reasons why Canadians are deciding to work south of the border. Perhaps the most influential factor is higher taxation in Canada. Taxation levels are of particular concern. The migration of highly skilled Canadian workers has been a concern for companies operating in the knowledge-based economy of tomorrow, especially high-tech companies like Northern Telecom Ltd., Nortel and Newbridge.

Because of high taxation, the chairman of Northern Telecom Ltd. recently pointed out that the company might have to move to the United States because of the loss of 300 to 500 engineers a year who are seeking employment south of the border.

In the *National Post* on March 12 of this year, Jonathan Chevreau said:

...for every American coming to work to Canada, six Canadians head south.

Honourable senators, Nortel CEO John Roth also said that he will move Nortel to the United States if Canada does not offer his

company tax breaks that he feels it needs in order to compete internationally. Mr. Roth argues that if an engineer moves from Ontario to Texas and is making the same gross salary, this employee ends up, after taxes, with \$25,000 more in his or her pocket. This does not take into account the value of our dollar, or the fact that United States salaries are, on average, more than 60 per cent higher than Canadian ones.

Government policies do not persuade people to stay in Canada.

David Perry of the Canadian Tax Foundation says a \$100,000 salary puts an average U.S. taxpayer in the 25 per cent tax bracket versus the 50 per cent bracket for the same money earned in Canada.

Other companies that are suffering are Canada's struggling National Hockey League teams. These teams have petitioned against property and capital taxes in Canada. Rod Bryden, the owner of the Ottawa Senators, says that he may still have to sell the team to United States buyers if Canadian governments do not offer tax cuts to the Canadian franchises.

The Ottawa Senators, it is said, pay more in taxes than all the American NHL teams combined — this in spite of the fact that they are losing money. Governments at all levels are raising taxes and are not sensitive to profits.

Since the North American Free Trade Agreement, it is much easier for professionals to obtain working visas to the United States.

Honourable senators, if we are to facilitate the movement of Canadians to the United States, then, in turn, we must remain competitive by offering similar benefits, salaries and income tax rates.

We must also invest in research, since we lose many of our highly skilled graduates to the United States because the American government and industry are willing to fund research projects at a higher level than our government or industry.

The brain drain is a problem for most of the provinces in Canada, although, for Atlantic Canada, the brain drain has been not only to the United States but also to Central and Western Canada. Quebec was somewhat protected from the brain drain because of the language barrier but, nonetheless, Quebec is losing some of its professionals and highly skilled workers, such as surgeons and researchers, to the United States.

Some people claim that the brain drain is an exaggeration. For example, a study conducted by economists for the Bank of Montreal indicated that the net emigration levels from Canada to the United States have increased only modestly in recent years. That same study also suggests that emigration has been less severe in the 1990s than in the 1950s and 1960s. The bank implies that the flow to the United States is based on non-economic factors.

The Prime Minister and the Minister of Finance also say that there is no proof of a brain drain. Senator Tkachuk quoted a statement made by the Prime Minister earlier today. However, Mr. Chrétien, Mr. Martin and the economists at the Bank of Montreal ignore an important reality. It is not as simple as

comparing the number of Canadians we lose to the number of immigrants we gain. One important element of the debate over whether or not there is a brain drain is that we must not pay attention to the number of Canadians we lose and the number of immigrants we gain. Instead, we must focus on the quality, not the quantity, of Canadians that we are losing. We are losing highly skilled, trained individuals, and we are not gaining these same types of individuals. Engineers, surgeons, researchers, CEOs: These are the people who are leaving, and the cost of replacing them is extremely high.

Mr. Don Devortz of Simon Fraser University, in *The Ottawa Citizen* on April 17, estimated that the churning costs of losing more than 40,000 highly educated Canadians, and then replacing them with people from foreign countries, has been about \$11.8 billion to Canada over the past 10 years. According to Mr. Devortz's research, the Canadian taxpayer is the principal loser. In the January *Fraser Forum*, he also said that the taxpayer:

...subsidizes the highly skilled during their education period in Canada under the implicit contract that graduates remain in Canada to pay for the next generation.

Honourable senators, every time a highly skilled Canadian leaves for the United States, we, as taxpayers, suffer.

• (1440)

There is growing evidence of a brain drain and there are many factors contributing to it, including lower taxes, higher salaries, better funding for research, a stronger dollar and other luring offers that entice Canadians to accept job offers and move their families to the United States.

This could be detrimental to the future of our economic growth. McGill University economist Reuven Brenner said in the *National Post* on April 3:

The answer is...simple: Labour is cheap because it is less skilled, less disciplined, or less motivated — in part because of taxes, and in part because the vital few have left. The currency is weak because investors, seeing the departure of the vital few, then shun Canadian dollars.

Honourable senators, it is important that governments in this country create the social and economic climates that will keep our best and brightest at home.

In conclusion, I wish to take a minute to reflect on the graduation ceremonies I mentioned at the beginning of my remarks. Over the next few weeks, people from across Canada will be gathering to celebrate the scholastic achievements of their family and friends. For too many Canadians, that moment is bittersweet because their newly minted graduates will be pursuing a new life south of the border. Taxes, which are not adequately addressed in this bill, will likely be a major factor in this decision.

Hon. Raymond J. Perrault: Honourable senators, the information brought to us by Senator Oliver on the subject of the brain drain, real or alleged, is very relevant.

One of the saddest sights is the line-up of graduates and recruiters at Canadian universities just after graduation day. There is a loss to this nation in that process of leaving Canada for employment elsewhere. I think Senator Oliver and others may agree that a person who has enjoyed the blessings of the Canadian educational system has some responsibility to use that training on behalf of this nation.

There is an immense responsibility, for example, on those who study medicine. Approximately \$1.5 million of public investment resides in every graduate of a medical school. It may be higher than that. In fact, I think it is closer to \$2 million. It is sad that some of these graduates blithely skip off to some location where working conditions are better and incomes are higher.

A few years ago, I was contacted by a young man from another country who was studying in Canada. His area of study was the establishment of water purification methods and techniques. This young man was sent by the taxpayers of his impoverished country to come to Canada. He studied in Canada for three years. Then he approached me and a number of others for help to stay in Canada. Should his request have been granted, the investment in him by his impoverished nation would have been wasted. He sought support to stay in Canada, and yet he had received more from his poor country in order to obtain an education here.

I told him that his first responsibility was to go back from whence he came and to give back some of the advantages and learning that had been extended to him by his nation's taxpayers. Certainly, only a relative few of his fellow countrymen had been able to avail themselves of the type of water purification training that he had received in Canada. Needless to say, he did not get any help from me, and I do not think a person in that position should get help from those of us in Canada.

Yes, I think there is a brain drain of some dimension, even though there are denials. We read about people from our communities taking positions in the United States. I suppose that is what happens in a free society. There is an interchange across the border. Some Americans come to Canada; it is true. Yet I, for one, resent the fact that many of our young people who are well educated, many of them in the computer sciences — perhaps the opportunities do not exist as they do in some other countries — prefer to sign on with a high-paying American corporation on graduation day, and that is the last that we see of them.

Perhaps we should have some sort of rule. Senator Oliver made reference to the possibility of some way of paying back the public investment in a well-trained Canadian graduate. There may be merit in that suggestion. Perhaps we should study it. One of the Senate committees could take this on as a project, namely: the brain drain, real or imagined. Let us put out a call for witnesses and find out what is going on out there. It is of great importance to the nation.

Hon. Erminie J. Cohen: Honourable senators, I rise today to speak at third reading of Bill C-71. As we are all aware, this legislation implements some of the proposals contained in the February 1999 budget, along with several other recently announced measures. Among them are changes to the Canada Health and Social Transfer, the Canada Child Tax Benefit, the National Child Benefit and the Goods and Services Tax Credit.

These are all tax tools designed to assist low-income Canadians. They are becoming increasingly important, given the fact that 79,000 more Canadians are living in poverty today than when the current government was elected. They are especially important for poor families with children when we consider that 26.7 per cent of poor Canadians are under the age of 18.

As you will recall, the Canada Health and Social Transfer, which replaced the Canada Assistance Plan and Established Programs Financing Plan, includes funding for provincially administered social assistance programs. The Canada Child Tax Benefit provides income-tested benefits to low- and modest-income families. The National Child Benefit is a supplement to the Canada Child Tax Benefit that is paid to low-income families, although it is clawed back by the provinces, with the exception of New Brunswick and Newfoundland, from families receiving social assistance.

The Goods and Services Tax Credit was established to ensure that low- and modest-income Canadians did not pay any more tax than they did before the GST replaced the former federal sales tax.

Some of the measures contained in Bill C-71 will make modest improvements to these federal programs. I must stress the word "modest." I do not intend today to speak about what Bill C-71 contains. Rather, I will talk about what it does not contain.

Simply put, honourable senators, Bill C-71 represents a missed opportunity. The current tax system works against good social policy in Canada, and the government has had every opportunity to make it work better. However, the legislation before us makes it clear that the government has chosen not to do so. Canadian social policy remains shackled by a tax system that seems to dim the hopes of poor Canadians for a brighter future at every turn.

I would frame my remarks in the context of my current position as co-chair of the PC Caucus Task Force on Poverty. We have been travelling across the country from St. John's, Newfoundland to Vancouver, British Columbia, listening to the views, experiences and recommendations of Canadians who are living in poverty and those of various groups who work with them. Time and time again we have heard their pain, their unhappiness and their heartbreak as they relate their never-ending struggles just to survive, to be able simply to feed their families and put a decent roof over their heads — things that we who are lucky enough are able to take for granted.

We have listened to the incredible frustration they have expressed at how the current tax system not only contributes to the situation of poverty in which many Canadians find themselves but also seems to be doing its darndest to keep them in it. The people from whom we have been hearing include not only Canadians who are on social assistance but also those who are among the ranks of the working poor. I will cite a couple of instances of the government's failure in Bill C-71 to address the taxation-related problems faced by members of this group.

For example, the National Child Benefit, which is targeted in Bill C-71, aims to address the so-called "poverty trap" problem at very low levels of income. However, the problem is as serious as ever as incomes approach \$30,000. Keep in mind that, of course, \$30,000 is not a great sum upon which to raise a family of four or more. The problem is that the combination of income taxes, CPP premiums and EI contributions, together with the phase-out of GST credit, Canada Child Tax, National Child Benefits and provincial tax credits, can result in the working poor losing more than \$6 out of every \$10 of additional income. The National Child Benefit needs to be better integrated into the income tax system. Bill C-71 fails to do this.

• (1450)

More generally, under the current system, each additional dollar of income over \$7,190 is taxable. This means that minimum wage workers, who barely have enough to live on as it is, must pay taxes on the often pitiable amount of money that they earn through many long hours of labour. This is shameful. In fact, it is nothing short of an embarrassment for a country as rich as Canada to "nickel and dime" our working poor people to death.

In my province of New Brunswick, for example, once you cross that taxation threshold, you must pay a total of \$31.64 in federal and provincial income taxes and payroll taxes for every additional \$100 that you earn. That includes \$17 in federal taxes and \$10.20 in provincial taxes. It also includes, net of tax credits, \$1.86 in Employment Insurance premiums, and \$2.58 in Canada Pension Plan contributions. Honourable senators, that is almost one-third of taxable income above \$7,190. These charges are being levied on the Canadians who are least able to afford them — people who are often forced to go to food banks because they cannot afford to shop at the grocery store.

Honourable senators, I urge the government to take a long, hard look at how our current tax system treats people who are living in poverty, whether working or not. One step towards this goal might be to raise the threshold at which incomes become taxable to a much more realistic amount.

The government should also ensure that its tax credits are properly integrated into a system which currently acts as a disincentive to employment, and denies poor Canadians the hand up that they so desperately need now more than ever.

On motion of Senator Di Nino, debate adjourned.

PRIVILEGES, STANDING RULES AND ORDERS

CONSIDERATION OF ELEVENTH AND NINTH REPORTS OF COMMITTEE—DEBATE CONTINUED

On the Order:

Resuming debate on the motion of the Honourable Senator Maheu, seconded by the Honourable Senator Fitzpatrick, for the adoption of the eleventh report of the Standing Committee on Privileges, Standing Rules and Orders (restructuring of Senate committees) presented in the Senate on June 2, 1999.—(*Honourable Senator Prud'homme, P.C.*)

And on the Order:

Resuming debate on the motion of the Honourable Senator Maheu, seconded by the Honourable Senator Ferretti Barth, for the adoption of the ninth report of the Standing Committee on Privileges, Standing Rules and Orders (independent Senators) presented in the Senate on March 10, 1999.—(*Honourable Senator Kinsella*)

Hon. Douglas Roche: Honourable senators, I wish to address the eleventh report of the Standing Committee on Privileges, Standing Rules and Orders together with the ninth report of the same committee. Honourable senators will be glad to know that even though I will speak about two reports, I will not speak for twice as long.

I wish to make it clear that, as an independent senator relatively newly arrived, I pay my full respects not only to all senators but also to the Senate and its traditions and its rules. I should also like to make it clear that the heart, the core, the kernel of my address is summed up in my desire to protect the rights of independent senators.

I seek to look ahead to the composition of the Senate as it may unfold in the years ahead, just as I look back at the composition of the Senate and the role of independent senators in the years gone by. In order to do that, I must first respectfully draw to the attention of honourable senators that I find a discrepancy between the ninth report and the eleventh report. That is why I wish to address them both at the same time.

The ninth report, tabled on March 10 of this year, makes it clear that it is talking about independent senators. The committee recommends that independent senators be appointed to sit as full members on Senate committees under the following conditions. I was waiting for something to happen with that report, which I support, when I suddenly saw tabled on June 2, a few days ago, the eleventh report which has suddenly excised the word “independent.”

The report recommends that the rules be amended by adding two additional members to any standing committee, provided that the vote of the committee of selection on the addition is unanimous. I find it a very strange potential rule to apply to certain members unanimity in their selection that is not applied

to other members. It is this discrepancy that I am respectfully addressing.

Some may say that I have a vested interest in this speech. I do not deny that. I put my cards on the table. However, I hope that it will be understood that, in considering myself, I am also considering the rights of all senators, and that there not be any discrepancy among any senators in this chamber. I do not seek to have any more rights than any other senator, but I also hope that you will understand that I cannot be content with having fewer rights than other senators.

I said I would spend a moment looking at the history of this subject. After all, honourable senators, between 1867 and 1999, 814 persons have been appointed to the Senate. Of those, 11 have identified themselves as independent. Inasmuch as five of those 11 are sitting in the Senate today, I think this is a relevant issue.

For a long time, independent senators were appointed to sit on Senate committees, and have even chaired committees on occasion. For example, Senator Hartland Molson — well known and highly respected in this chamber — was the acting chairman of the Standing Senate Committee on Transport and Communications in 1958 and 1961. Our present colleague Senator Pitfield, who is also an independent, was chairman of a Special Senate Committee on the Canadian Security Intelligence Service in 1983. The precedent is thus very clearly established for independent senators to be full members of standing Senate committees.

• (1500)

Not only that, but my search of the records — and I will stand corrected if someone shows me that I am wrong — I cannot find in the *Rules of the Senate of Canada* any prohibition on independent senators being appointed to committees. It is up to the Committee of Selection to determine who will be on which committee.

A survey was taken in 1994 of the senators of the day, concerning whether there should be independent senators appointed. You will see that something happened between the late 1980s and 1994. I believe I know what happened, but I do not wish to go into that. I do not imagine that many senators would relish my going down that avenue now. That “something” which happened resulted in some sort of arrangement whereby independent senators were deprived of full membership on committees. I will not talk about that. I will only talk about the present day, and recognize that, in a survey done in 1994, senators were asked whether independent senators should be permitted to be members of Senate committees. The result showed that 87.1 per cent of the respondents in the Senate thought that independent senators should be able to sit on committees, and 9.7 per cent felt that they should not.

Some senators have made the observation that unless we restore in the Senate full participation of independent senators as such, they end up being second-class members of this chamber. How can we have rules stating that some members of the Senate can be members of committees and other members cannot? Are we not all appointed by the same constitutional process?

I would say, in drawing the attention of the Senate to the status of independent senators, that this is not happenstance. This is not some whim whereby some senator comes in here and says that he or she chooses to be independent because they do not wish to be this or that. When I was appointed, an official document was issued by the Prime Minister's Office, under the date of September 17, 1998, called "Appointments to the Senate." One sentence in that document from the Prime Minister stated that Mr. Roche will sit as an "Independent" senator; independent with a capital "I." The status is recognized in the appointment process. I believe, without belabouring this argument too much, that while it has a certain complexity to it, we must stand on the principle of full rights for independent senators.

I sought those rights on November 5, 1998, when I wrote respectfully to the Honourable Léonce Mercier, the whip of the Liberal Party, and I sent a copy of the letter to Senator Shirley Maheu, chairperson of the Standing Committee on Privileges, Standing Rules and Orders. I also sent a copy of the letter to the deputy chairperson, Senator Brenda Roberston. In that letter I applied for membership on two committees. Thus, from an early moment following my entry into the Senate, I sought to exercise what I thought was my right, not necessarily to be appointed to the committee of my choice but to be appointed to committees. It is only now, when I see the eleventh and ninth reports in contradistinction to each other, that I rise to bring this matter to the attention of the Senate.

Furthermore, yesterday something interesting happened. In response to a certain event, or let us call it a pseudo event, that was attempted to be held on Parliament Hill — and I do not imagine many Canadians were impressed with this event that had to do with the future of the Senate — the Senate itself issued a document called "Key Messages and Fact Sheets." In other words, the Senate got out the message of what this institution has been doing, and is doing, and it is a good message. You have probably all seen it; I certainly commend it to you. I commend those who have written the document and who did the excellent research that it contains.

In this document, in which the Senate is drawing to the attention of the Canadian people the value of the Senate — that is why it ought to be supported by the Canadian public — we find that Senate committees are exploring topics and issues that often do not arise in other legislatures and, as it states:

...examine questions of public policy in more depth with greater freedom from partisan political dynamics.

Honourable senators, the Senate is bragging — and I say more power to them — for having committees that are doing in-depth work and that are free from partisan political dynamics in the one breath and, in the other breath, denying independent senators full membership on committees.

I believe that this is an anomaly. I probably have said enough. I should like to offer, respectfully, a way out of this dilemma. I will make it as a suggestion, rather than attempting to move a motion; that is, depending on what happens after the following

two sentences, and then I will determine what my future course will be.

I should like to suggest that the way out of this dilemma is for most of the eleventh report to be accepted. That is to say, the parts which Senator Maheu drew to the attention of the Senate, namely, the composition of two new committees, on defence and on human rights, and then the change in the number of members of committees, and so on. That part of the eleventh report, as far as I am concerned, is very commendable.

However, when we get to section 3 of the eleventh report, I suggest that it be dropped, and that section 3 be replaced by the principal findings of the ninth report. Thus, having dropped the section of the eleventh report, it would be replaced by the words, "Your committee recommends that the Senate rules be amended so that..."

Then picking up the language from the ninth report:

1. That independent Senators would apply to the Selection Committee;
2. That the Selection Committee would be authorized to nominate independent Senators to Committees. Where the Selection Committee nominates an independent Senator to a Committee, it will also nominate one additional non-independent Senator to that Committee, thereby increasing the normal size of that Committee by two members;
3. That no independent Senator could sit on more than two committees;
4. That only one independent Senator would be allowed per committee.

Honourable senators, you will note that I made that in the form of a suggestion because I am hesitant for the moment, anyway, to offer an amendment. I would hope that the suggestion that I have made, in good faith and in respect of the full composition of the Senate, would be met with some agreement, and certainly in a manner that does not delay this process.

I feel it can be said, without putting too fine a point on it, that this matter has dragged on for quite a while. Let us get this thing settled and finished before the Senate rises. When we return in the fall, all senators, irrespective of where they sit in this house, will then realize that they are here and that they are participating, not on sufferance, but on principle.

• (1510)

Hon. Edward M. Lawson: Honourable senators, I wish to add a word or two to the research the Honourable Senator Roche has done. Frankly, I do not know what the issue is all about.

When I came here in 1970, Senator Molson served on a committee and served as chairman of a committee. I was invited to serve on a number of committees and did so for about 20 years. Who changed the rules? Who took away the rights we had all those years? When did it change?

An Hon. Senator: The Liberals.

Senator Lawson: Many senators will recall the infamous debate about the GST. The government of the day, the Conservatives, gave the opposition the right to put forward eight amendments. There were two independents sitting at that time, Senator Stan Waters and myself. We said, "Wait a minute, you have overlooked the independents. We must have similar rights."

With the support of the then opposition Liberal Party, we had a mini-strike. We finally settled with the Speaker and whoever else had the authority, which flowed from Prime Minister Mulroney. They agreed that the two independents would have the right to put forward one amendment, which we did.

Honourable senators, I am not aware that my rights have been taken away. I am not serving on a committee by choice because I was not able to do so, but I had the opportunity to serve on any committee in which I wished to participate. If there is need for legislation to give me back my rights, the question is, who took my rights away?

Hon. John Lynch-Staunton (Leader of the Opposition): Exactly. Does Senator Lawson not feel offended because he is an independent senator and is being singled out in the proposed rules and being given a special status?

Senator Lawson: I am absolutely offended because I see no need for it. My rights are there. I was not aware that someone took them away from me. If I find out, I will hold them accountable. We are not Liberal senators, Conservative senators or independent senators. We are all senators with equal rights.

Senator Corbin: Absolutely.

[Translation]

Hon. Marcel Prud'homme: Honourable senators, I must say that I found the Honourable Douglas Roche's speech extremely interesting.

[English]

Honourable senators, I have been extremely fair and patient. I have tried everything for six years and two days. I have not threatened or used blackmail. I have not used the rules which state that once you are a member, you could come the following week. All I needed to do was say "no," and that would be it, we would be back the following week. However, I am intelligent enough to know that to have the entire club against you forever is not a good thing. There is also a cost involved with respect to calling the Senate back just because you were full of anger, so I have held my anger.

I tried to cajole, but it did not work. I tried to smile, but it did not work. I tried to yell, but it did not work. Now, I see my honourable friends Senator Lawson, Senator Roche and Senator Wilson reacting. They, of course, know our friend Senator Pitfield. I do not dare speak for every independent senator, but here we have five senators with different characters, styles and

know-how. This situation is becoming, to be frank, totally ridiculous. Senator Roche has pointed out exactly how ridiculous it could be made across Canada.

Ninety per cent of our discussion yesterday was about the great work we do in committee. I have volunteered to sit on various committees, and I have been turned down.

I will not get personal by pointing fingers and saying this senator or that senator never attends committee meetings. I will leave that to the commoners in the other chamber. I think we should be gracious with each other.

Let me remind honourable senators of one thing: I attended — and I reported this to Senator Roche — the meeting that led to the ninth report. Do we live in a democracy or not? Senator Maheu, who is extremely fair, let the discussion at that meeting go on and on. Other senators may not know, but there was a vote at that meeting. The vote was unanimous, less one. That means Conservatives and Liberals must have voted in favour of the report, less one. I did not vote because I am not a member of the committee. I am a half of I do not know what, but not for long. We have limits.

Honourable senators, you have some good soldiers here ready to defend the integrity of the Senate. You have people who are ready to go right across Canada to fight for the Senate. When someone attacks the Senate, they attack my country. Canadians will decide what to do with the Senate, not members of the other chamber, for whatever reason. We can defend ourselves, but do not eliminate those of us who are ready. Besides, I will not go on bended knee to beg. Independent senators have a right to be on committee.

Some people say we are all senators. I heard that argument and I reflected upon it. However, I double checked, and my appointment stated "independent senator."

I am in favour of the ninth report. I think it is complete, and the ultimate place to discuss this report is on the floor of this chamber. I suggest we vote on the report and not drag our feet forever.

Certain suggestions have been brought forward by Senator Roche, with which I am sure Senator Lawson agrees. I do not know if Senator Wilson agrees with these suggestions, but I imagine she does. We could accept both reports today and stop working. We could adopt the ninth report as is, a report voted on by the Rules Committee, with only one dissenting vote. We could then adopt the eleventh report of the Rules Committee, with the exception of the third part at the end. It is an addition that was thrown in at the end.

Is that not the essence of an open discussion? Is that not a fair appeal to all colleagues?

I cannot speak for other senators, who each have their own way of stating emotions publicly. You have known mine for six years and two days. I am tired of being a volunteer.

Honourable senators know my love of the issues dealt with by the Foreign Affairs Committee. I do not know if I will be a member of that committee, but they will go to Europe next week for two weeks.

Honourable senators, the Speaker has been clear. He says that every senator has rights. Therefore, it would be my right to go to Europe. I could decide in a few minutes that this trip sounds interesting and pay for all of my expenses.

• (1520)

The Clerk of the Senate says that we may attend any committee, any private meeting or *in camera* meeting. Therefore I can attend. Well, enough. I am not that stupid to spend that kind of money, but I could, just on principle. I could say, "Mr. Clerk, add my name to the list and add room for one more, and I will pay."

You do not want to push in that way. I think I have been fair. I enjoy listening to another point of view. It was probably put better to you in the English way by Senator Roche. He is different than me. He puts it in a sweeter way, while I put more passion into it: Is that not Canada at its best? We combine in a surprising way. You may think that we decided that *in camera*.

I am happy for the contribution of Senator Lawson. We did not speak about that.

There is no coup against the majority of the Senate. Please, do not adjourn. Take a decision today in the good spirit of people who are trusting their colleagues, their friends, as equal partners, ready to abide by the rules by accepting, therefore, the ninth report as is, and accepting the eleventh report without the third section that refers to independent senators. Then we will see how it works. If it does not work, senators, we will come back. You can be the first on either side to come back and say that it does not work, but, first, let us try it in a good Canadian spirit where we give and take. I give a lot, you give a little, or we can give equally. That is what Canada is all about. That is what Canada was made for. That is what you should decide today.

Hon. Lois M. Wilson: Honourable senators, I support Senator Roche in his comments. When I was appointed to the Senate by the Prime Minister, he realized that I was not a member of either the Conservative or the Liberal Party; he still persisted in appointing me. I assumed that that was a valid appointment, and I still assume so.

When I came on board, I was told that independents could not be members of committees and could not vote on committees. When I asked why, no reason was given. My own constituents are puzzled by this to this day. If I ever find a reason, I will tell them. I was interested in Senator Lawson's background on that one.

The ninth report is more clear because it does acknowledge that we are independent senators. We will not go away. It does suggest some helpful ways to incorporate us into the system.

I understand the eleventh report resulted from a compromise between the two parties. I have never been able to find out the nature of that compromise. This report is not as clear. I do not agree that I should be the subject of a necessary, unanimous consent before I may sit on a committee, as if I am unworthy.

Senator Lawson: Honourable senators, I move the adjournment of the debate.

Senator Prud'homme: Honourable senators, I see some senators smiling with pleasure. May I make a special call to Senator Lawson that we dispose of this matter today?

Senator Kinsella: There is no debate on an adjournment motion.

The Hon. the Speaker: Honourable senators, the adjournment can be refused but it cannot be debated.

It is moved by the Honourable Senator Lawson, seconded by Honourable Senator Wilson, that further debate be adjourned to the next sitting of the Senate.

Is it your pleasure, honourable senators, to adopt the motion?

Some Hon. Senators: Agreed.

Some Hon. Senators: No.

The Hon. the Speaker: Would all those in favour of the adjournment motion will please say "yea"?

Some Hon. Senators: Yea.

The Hon. the Speaker: Would all those opposed to the adjournment motion please say "nay"?

Some Hon. Senators: Nay.

The Hon. the Speaker: In my opinion, the "nays" have it.

And two honourable senators having risen.

The Hon. the Speaker: We will have a standing vote. The whips advise me that there will be a five-minute bell. The vote, therefore, will take place at 4:30 p.m.

Hon. Eymard G. Corbin: That is unfair, very unfair.

Senator Kinsella: Follow the rules.

Senator Corbin: A five-minute bell is undemocratic. Every senator has the right to come to this place and vote.

• (1530)

The Hon. the Speaker: Call in the senators.

Motion agreed to and debate adjourned on the following division:

YEAS

THE HONOURABLE SENATORS

Adams	Kirby
Andreychuk	Kroft
Austin	Lawson
Beaudoin	Lewis
Bolduc	Losier-Cool
Bryden	Lynch-Staunton
Buchanan	Maloney
Callbeck	Meighen
Carstairs	Mercier
Cochrane	Milne
Cohen	Moore
Comeau	Oliver
Cook	Pépin
Cools	Perrault
De Bané	Poulin
DeWare	Poy
Di Nino	Roberge
Doody	Robertson
Fairbairn	Robichaud
Ferretti Barth	(<i>L'Acadie-Acadia</i>)
Forrestall	Robichaud
Grafstein	(<i>Saint-Louis-de-Kent</i>)
Graham	Rompkey
Grimard	Rossiter
Gustafson	St. Germain
Hervieux-Payette	Stewart
Joyal	Stollery
Kelleher	Watt
Kenny	Whelan
Kinsella	Wilson—58

NAYS

THE HONOURABLE SENATORS

Angus	Maheu
Eyton	Prud'homme
Johnson	Roche
LeBreton	Simard—8

ABSTENTIONS

THE HONOURABLE SENATORS

Corbin
Taylor—2

[*Translation*]

SCRUTINY OF REGULATIONS

FIFTH REPORT OF STANDING JOINT COMMITTEE ADOPTED

The Senate proceeded to consideration of the fifth report of the Standing Joint Committee for the Scrutiny of Regulations (*budget*), presented in the Senate on May 13, 1999.—(*Honourable Senator Carstairs*).

Hon. Céline Hervieux-Payette: Honourable senators, I move that the report be adopted.

The Hon. the Speaker: Is it your pleasure, honourable senators, to adopt the motion?

Hon. Senators: Agreed.

Motion agreed to and report adopted.

[*English*]

BUSINESS OF THE SENATE

Hon. Sharon Carstairs (Deputy Leader of the Government): Honourable senators, because several Senate committees have planned to sit, there is agreement that all other items should remain on the Order Paper in the order in which they presently appear.

The Hon. the Speaker: Is it agreed, honourable senators, that all items presently on the Order Paper will stand, but remain in the same order in which they appear on the Order Paper?

Hon. Senators: Agreed.

The Senate adjourned until tomorrow, Thursday, June 10, 1999, at 1:30 p.m.

CONTENTS

Thursday, June 9, 1999

	PAGE		PAGE
SENATORS' STATEMENTS		Senator Graham	3556
New Brunswick Provincial Election, 1999		Senator Kinsella	3557
Congratulations to Progressive Conservative Party on Winning Office. Senator Kinsella	3553	Agriculture	
Regional Council of Italian-Canadian Seniors		Farm Crisis in Prairie Provinces—Possibility of Government Support. Senator Gustafson	3557
Congratulations on Twenty-fifth Anniversary of Founding by the Honourable Marisa Ferretti Barth. Senator Mercier	3553	Senator Graham	3558
New Brunswick Provincial Election, 1999		Shortcomings in Agriculture Income Disaster Assistance Program—Government Position. Senator Gustafson	3558
Congratulations to Progressive Conservative Party on Winning Office. Senator Bryden	3553	Senator Graham	3558
Nova Scotia		Farm Crisis in Prairie Provinces—Possibility of Government Support. Senator Tkachuk	3559
Convent of the Sacred Heart School in Halifax— One Hundred and Fiftieth Anniversary. Senator Carstairs	3554	Senator Graham	3559
The Honourable Lucie Pépin		Senator Spivak	3559
Congratulations on Appointment as Chevalier de l'Ordre national du Québec. Senator Nolin	3554	Senator Andreychuk	3560
Agriculture and Agri-Food		Senator Sparrow	3561
Senator Whelan	3555	<hr/>	
Pages Exchange Program with the House of Commons		Visitors in the Gallery	
The Hon. the Speaker	3555	The Hon. the Speaker	3561
<hr/>		<hr/>	
ROUTINE PROCEEDINGS		ORDERS OF THE DAY	
Adjournment		Budget Implementation Bill, 1999 (Bill C-71)	
Senator Carstairs	3555	Third Reading—Motion in Amendment—Debate Continued.	
Appropriation Bill No.2, 1999-2000 (Bill C-86)		Senator Oliver	3562
First Reading.	3555	Senator Perrault	3563
Banking, Trade and Commerce		Senator Cohen	3564
Committee Authorized to Meet During Sitting of the Senate.		Privileges, Standing Rules and Orders	
Senator Tkachuk	3556	Consideration of Eleventh and Ninth Reports of Committee— Debate Continued. Senator Roche	3565
<hr/>		Senator Lawson	3566
QUESTION PERIOD		Senator Lynch-Staunton	3567
International Trade		Senator Prud'homme	3567
Agreement between Canada and the United States on Periodicals— Interpretation of Wording—Government Position.		Senator Wilson	3568
Senator Lynch-Staunton	3556	Senator Corbin	3568
		Scrutiny of Regulations	
		Fifth Report of Standing Joint Committee Adopted.	
		Senator Hervieux-Payette	3569
		Business of the Senate	
		Senator Carstairs	3569



If undelivered, return COVER ONLY to:
Public Works and Government Services Canada —
Publishing
45 Sacré-Coeur Boulevard,
Hull, Québec, Canada K1A 0S9