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—

THE HONOURABLE DAN HAYS
SPEAKER

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THE SENATE

Wednesday, March 21, 2001

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

Prayers.

SENATORS' STATEMENTS

INTERNATIONAL DAY FOR THE ELIMINATION OF RACIAL DISCRIMINATION

Hon. Sharon Carstairs (Leader of the Government):

Honourable senators, I remind all senators that today is the International Day for the Elimination of Racial Discrimination. The consequences of racism in society are indeterminable, but they take their toll on people's ability to support their family, on their ability to obtain service in business establishments, on their self-esteem and sometimes on their personal safety.

Sadly, many people around the world, including people in Canada, still suffer from discrimination based upon their nationality or their race. While we Canadians think of racism as something which exists elsewhere, that is because often the expression of racism in Canada is silent.

The International Day for the Elimination of Racial Discrimination was instituted for that very reason. Wherever we find racism, we must address it openly and publicly. Whenever we discriminate against someone, it has an insidious effect on our principles and on the values we hold dear as Canadians. Racism is destructive to the fabric of our society and to the security of future generations of Canadians.

[*Translation*]

As Canadians, we can be proud that our country was one of the first to support the UN decision to designate this day. We are world leaders in our efforts to encourage understanding between our diverse communities and to promote respect for our differences.

[*English*]

We must ensure that Canada continues to evolve into a place where we champion inclusiveness and where each and every one of us can fulfil our potential. I look forward to the day when Canadians and people the world over are judged not by the colour of their skin but by the quality of their character.

Hon. Noël A. Kinsella (Deputy Leader of the Opposition): Honourable senators, indeed, the day that we are marking takes

as its cornerstone the horrendous massacre of 70 peaceful demonstrators in Sharpsville, South Africa, on March 21, 1960.

In marking in Canada the International Day for the Elimination of Racial Discrimination, we join with all those Canadians who have been so active in the struggle for the elimination of racism and all forms of racial discrimination, people such as Dr. Ranjit Perera, who, on his own initiative, has produced this button that reads "I hate racism. I love Canada." It is through great Canadians like Dr. Ranjit Perera that we can be assured that victory in this struggle will be ours.

NATIONAL DEFENCE

REPLACEMENT OF SEA KING HELICOPTERS—
COMMENTS BY ASSISTANT DEPUTY MINISTER, MATERIEL

Hon. J. Michael Forrestall: Honourable senators, Mr. Alan Williams, the Assistant Deputy Minister, Materiel, told a committee in the other place on March 13 of this year that the government's approach to the procurement of the cheapest green vehicle for the Maritime Helicopter Project to replace the Sea King is the correct move. He said that to do anything else would be irresponsible. He said that there is no need for us to spend \$1 more of taxpayers' money than we need to in order to get what we want. He compared buying the cheapest maritime helicopter to buying a car without air conditioning. He said that for \$1 more, one might choose to forgo air conditioning.

• (1340)

I wonder what he would have said if he were talking about front and side air bags for a mere \$1 more. Would he have so quickly and crassly dismissed a safety feature for an extra dollar?

I would call that somewhat irresponsible. If we are buying a helicopter and could get extra endurance, lift, engine capacity and other safety features all for \$1 more, would we not want to protect the people who fly helicopters on our behalf and to protect the people of Canada?

The government leader said "the best equipment for our men and women in the Canadian Forces at the best price," but the Assistant Deputy Minister, Materiel, says "the cheapest" and, by the way, he named the Eurocopter Cougar.

Honourable senators, let the buyer beware.

VISITOR IN THE GALLERY

The Hon. the Speaker: Honourable senators, I should like to draw your attention to the presence of a distinguished visitor in our gallery. I refer to Mr. Björn Bjarnson, Minister of Culture and Education of Iceland.

On behalf of all senators, welcome to the Senate of Canada.

Hon. Senators: Hear, hear!

ROUTINE PROCEEDINGS

APPROPRIATION BILL NO. 3, 2000-01

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-20, for granting to Her Majesty certain sums of money for the Public Service of Canada for the financial year ending 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 Robichaud, bill placed on the Orders of the Day for second reading two days hence.

APPROPRIATION BILL NO. 1, 2001-02

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-21, for granting to Her Majesty certain sums of money for the Public Service of Canada for the financial year ending March 31, 2002.

Bill read first time.

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

On motion of Senator Robichaud, bill placed on the Orders of the Day for second reading two days hence.

NATIONAL HORSE OF CANADA BILL

FIRST READING

Hon. Lowell Murray presented Bill S-22, to provide for the recognition of the *Canadien* Horse as the national horse of Canada.

Bill read first time.

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

On motion of Senator Murray, bill placed on the Orders of the Day for second reading two days hence.

QUESTION PERIOD

NATIONAL DEFENCE

REPLACEMENT OF SEA KING HELICOPTERS— ADEQUACY OF EUROCOPTER COUGAR MARK II

Hon. J. Michael Forrestall: Honourable senators, my question is directed to the Leader of the Government in the Senate. I have in my possession confidential documents marked — and I do not think I will ever understand this — “Canadian Eyes Only,” entitled “Definition Contract Proposals Evaluation Report.”

Assuming that we are all Canadian, honourable senators, I will quote what it says about the Eurocopter Cougar. If someone requests that the document be tabled, I would be pleased to do so.

Hon. Alasdair B. Graham: Give us the date of the document, please.

Senator Forrestall: I am sorry to say that there is no date on it. Perhaps it was from the 1700s, because the thinking is from that era.

I quote:

Any attempt to close this wide variance in air vehicle performance would require either a major redesign of the proposed Super Puma Mark II or a significant change in the operational role of the NSA which would then require reassessment of the Canadian Navy's concept of operations. A redesign is estimated to cost in excess of \$500 million.

Further on, it says:

A significant portion of this difference (350M) relates to modifications to the Basic Super Puma to make it compatible with approximately 50 per cent of...operational requirements.

Purchasing the Cougar Mark II, which is the naval name for the Cougar, would cost between \$350 million and \$500 million just to perform 50 per cent of the navy's operational tasks.

Can the Leader of the Government in the Senate tell me how the government can consider this to be a worthwhile contender; that is, the best value for the buck? We are not talking here about air conditioning; we are talking about the lives of Canadian men and women.

Hon. Sharon Carstairs (Leader of the Government): Honourable senators, I thank the honourable senator for his question. As often happens in this chamber, the honourable senator has documents that I have never seen. However, he has been very good about that. He usually shares the documents with me after he has asked his question. He is very fair about that. He does send them over to me.

I cannot answer the honourable senator's question. I will attempt to get that information for him.

I listened with great interest to Senator Forrestall's statement made under Senators' Statements a little while ago. If I am quoting him accurately, he said the associate minister said, "We should not spend \$1 more than we have to get what we want." I think the emphasis should be placed on "get what we want."

• (1350)

Senator Forrestall: Honourable senators, I am glad to hear someone on the government side has come around to facing the reality.

Only two aircraft are suitable, the Sikorsky S-92, which will be certified within a year, and the EH-101, which we are already in the process of hiring for search and rescue purposes.

I appreciate very much the candor and openness. We are making progress.

To reinforce the good news, because I did not anticipate it, I have a translated French naval document, No. 1013031, of the Naval Staff Fleet Air Arm Division entitled "Instruction on the Limitations for the Use of Helicopters on Surface Ships."

With regard to the Cougar, it states:

There is a risk that the blade securing the system (straps and other devices) might not withstand the movement of the platform in rough seas. In this case it is necessary to remove the blades. With its narrow track and its relatively high centre of gravity, the Puma must be manoeuvred with care.

This means, honourable senators, that the Cougar is not a navalized helicopter. It does not have a folding rotor blade system so that it can fit in ships' hangars. It does not have a folding tail or reinforced landing gear. It has a very high centre of gravity, making it an unstable platform.

My question for the minister is: Will she not admit that the purchase of the Cougar makes no sense, not even to the French navy, that it is not the best equipment to purchase for our navy, and that it will come with risks and unacceptable high costs for conversion?

Senator Carstairs: The honourable senator should know that I will not admit to anything in this chamber with respect to the specific pieces of equipment we should buy, as I have very little knowledge of defence equipment.

However, I will commit to the honourable senator today that if he provides me with that document and the French translation — I am sure it will be sent over right away because he is so very helpful — I will take that piece of information to the Minister of Defence, and I would hope that it will become part of the deliberations.

REPLACEMENT OF SEA KING HELICOPTERS—CONCERNS OF AEROSPACE INDUSTRY ASSOCIATION OF CANADA

Hon. J. Michael Forrestall: Finally, I wonder if the Leader of the Government would care to get some confirmation from her colleagues that in the last week or so Peter Smith, President of the Aerospace Industry Association of Canada, met first with the Deputy Prime Minister, Mr. Gray, then with Ministers Gagliano and Eggleton, and I believe again this morning with the Deputy Prime Minister, with regard to his association's concerns about the maritime helicopter project procurement process.

Hon. Sharon Carstairs (Leader of the Government): I thank the honourable senator for his question. I have no idea what Mr. Smith was doing, but if he was attending all those meetings, he was indeed a very busy man. If I can get confirmation, I will bring it back to the Senate chamber.

FINANCE

EFFECT OF CURRENT DEVALUATION OF DOLLAR—PROPER VALUATION RATE

Hon. David Tkachuk: Honourable senators, I have a question for the Leader of the Government. Does the Government of Canada have a deliberate policy to devalue our currency, the Canadian dollar, vis-à-vis the United States dollar, in order to stimulate exports and create jobs in Canada?

Hon. Sharon Carstairs (Leader of the Government): Honourable senators, there is a very simple answer: No.

Senator Tkachuk: The dollar, over the last little while and over the last number of years, has fallen substantially to a low several days ago of little over 63 cents. Is the Leader of the Government saying that the Government of Canada has no economic policy to strengthen the Canadian dollar?

Senator Carstairs: Honourable senators, the Canadian government, led ably by its Finance Minister, has confidence in the Canadian economy. The Canadian economy is doing very well. As I indicated in response to a question from the Honourable Senator Bolduc yesterday, in comparison with other international currencies, the Canadian currency has also been doing very well. In relation to the American currency, it is clearly not doing as well, but if one looks at the Australian dollar, the Japanese yen, or the United Kingdom pound sterling, the Canadian dollar has done very well. It is because the Canadian economy is also doing very well.

Senator Tkachuk: Honourable senators, I have one further question. I can understand why the American dollar is doing better against other currencies.

Hon. Nicholas W. Taylor: Tell us, then.

Senator Tkachuk: It is because the United States has a stronger and more productive economy and the world sees safety in the American dollar. We cannot continue to say, on the one hand, that our currency is dropping just as badly as the rest of the currencies in the world and, on the other hand, go on to say, "You cannot compare us to the Japanese, who have their own economic problems, and therefore our economy is doing well," even though we are next door and our currency is dropping as badly as all the other currencies. We are next door to the Americans.

Senator Taylor: We are getting more for oil.

Senator Tkachuk: As a westerner, Senator Taylor, I want to talk to you about the Canadian dollar, because we are subsidizing exports from Ontario. I have a right to speak.

Senator Taylor: You don't know economics. Why not sit down?

Some Hon. Senators: Oh, oh!

The Hon. the Speaker: Order!

Senator Taylor: There is only so much you can listen to from an idiot.

Senator Tkachuk: I would like an apology.

Senator Taylor: Okay.

Senator Tkachuk: I want a real apology. I will not have this kind of talk.

Senator Taylor: I apologize, Your Honour. I think I overrated him.

Hon. Lowell Murray: Honourable senators, the question that arises —

Senator Tkachuk: I will ask my other questions tomorrow. Go ahead.

Senator Murray: I have a supplementary question to ask of the Leader of the Government. If, as we were led to believe yesterday, and again today, the economy is doing so well because the dollar has been devalued, is it the position of the government that the economy would do even better if the dollar were further devalued? In other words, what is the position of the government? Is it that the Canadian dollar is undervalued or overvalued or is it like Baby Bear's porridge, just right?

Senator Carstairs: Honourable senators, the simple answer is that the Canadian dollar is performing well. To answer partly Senator Tkachuk's question, as he had some valid points, I think it was based to some degree on a false premise. The honourable senator is, in fact, comparing the Canadian dollar and saying that it compares to the falls in the other currencies. Yes, the Canadian dollar has fallen in the past year. Since January of 2000, it is minus 7 per cent. However, the Australian dollar in the same period fell by 25 per cent. The Japanese yen in the same period is down 16 per cent. It is because of the strength of our economy that our dollar has not fallen to the same degree as in the case of Japan, almost two and one half times, and in the case of the Australian dollar, three and one half times. It is an indication that our economy is stronger than their economies.

Hon. Gerry St. Germain: Honourable senators, my question is to the Leader of the Government. She really has not answered Senator Murray's question as to how low the Canadian dollar should go. Should we just keep letting it go right down to nothing? Our global wealth is diminishing. What concerns me, and I hope concerns the Liberal Party, is our loss of major companies. We have lost MacMillan Bloedel, Seagrams has been bought up by an offshore company, and everything we own in this country is basically half price for Americans.

• (1400)

When I was in the Royal Canadian Air Force, we flew against the Americans. We were as good as them, if not better, in the years of proper equipment. I have always compared myself to the best, not the worst. Senator Tkachuk was trying to bring that forward, namely, that we should be comparing ourselves with the best. I know that it is hard for the Liberals in Alberta to think that way, but to be perfectly honest, I am concerned about MacMillan Bloedel and the huge oil companies that are being bought up by Americans at half price. This trend will exacerbate itself by virtue of the dollar continuing to decline. Everything will be at wholesale prices and worth less. What is the leader's comment in that respect?

Senator Carstairs: Honourable senators, we can compare ourselves very well to the housing starts south of the border because our statistics are better. We can also compare ourselves more favourably in terms of job creation because we have done a better job at creating jobs over the last eight months. Twice as many jobs have been created in Canada as in the United States in terms of the rate of increase in jobs. In addition, our retail sales are also doing better than south of the border. When I compare myself with the United States and when the government compares itself with the United States, we say, quite frankly, that we are doing very well and that we are leading the pack.

Senator Kinsella: What about the NHL?

Senator St. Germain: Again, I ask the Leader of the Government in the Senate the following: How low should the dollar go? As well, is there no concern about the major Canadian corporations being bought up by American corporations at wholesale prices or below wholesale prices? There must be a concern. Even in the province of Alberta, Americans are buying up oil companies at 50 cents on the dollar and less as the dollar decreases. The situation will just get worse. What is the government doing about this?

Senator Carstairs: I thank the honourable senator for his question, but is he suggesting that the government should get in there and directly control the marketplace in this country? Is that what he is suggesting? Is that what the Canadian Alliance Party stands for now: Government intervention every step of the way?

Senator St. Germain: Honourable senators, the Liberals were always critical of the Mulroney administration because it kept interest rates a bit high, but at least it kept some semblance of reasonableness in the value of the Canadian dollar. That discouraged the acquisition of Canadian corporations such as MacMillan Bloedel. That is my concern. I am prepared to compete, but let's become more productive and get on with the show. We must stop believing that something exists when in fact it does not. The rhetoric is that we are as productive as the Americans. At one time, our dollar was worth more than the American dollar. If we were competitive now our dollar would be holding level with the American dollar, regardless of what the rest of the world is doing.

Senator Carstairs: If the honourable senator were really serious about what he wanted to do and if he wanted the dollar to increase, then he would disassociate himself entirely with his party's policy of a flat tax, which would probably result in a 50-cent dollar.

Some Hon. Senators: Hear, hear!

THE SENATE

COMMENT BY SENATOR TAYLOR

Hon. Edward M. Lawson: Honourable senators, my question is for the Leader of the Government in the Senate on the incident we experienced a few moments ago when Senator Taylor attacked and called Senator Tkachuk an idiot. In his feeble attempt to apologize, he said, "I think I overrated him." In all my years here, I have never heard a more contemptible statement in this chamber.

Honourable senators, if Senator Taylor does not have the decency to make an honourable apology for his outburst, will the government leader set some standards and direct him to apologize, or will the leader apologize on behalf of her side of the chamber?

Hon. Sharon Carstairs (Leader of the Government): Honourable senators, perhaps I did not make my remarks clear. In trying to respond to Senator Tkachuk — because all I try to do in this chamber is try to answer questions — I did, I hope, recognize that his question was valid.

Frankly, I do not support that kind of interchange on the floor of the chamber. I hope that I will never be guilty of that kind of interchange. I hope that Senator Taylor will give an unqualified apology.

Hon. Nicholas W. Taylor: Can I apologize, honourable senators?

The Hon. the Speaker: Honourable senators, I should like to make a brief intervention as your presiding officer to point out that, while certain liberties are useful in terms of the give and take in Question Period as it is practised in this place, the rules do provide that the use of a certain kind of language — "sharp language" is what the rules say — are the order of our proceedings and should be respected by all senators.

Honourable Senator Taylor, I think you wanted to say something.

Senator Taylor: Honourable senators, to the members of the house, I must confess that I have imported some of the language from the other place. Perhaps I have spent too many years in the opposition myself. I certainly apologize for that. I am not sure that "idiot" is listed as a non-word —

Some Hon. Senators: Oh, oh!

Senator Taylor: Wait a minute. Regardless of whether it is or not, I certainly withdraw it and apologize. I will do whatever is necessary, even, if possible, to let the honourable senator start over again and I will smile while he is asking his questions.

Hon. David Tkachuk: Honourable senators, could I say something?

The Hon. the Speaker: Honourable Senator Tkachuk, this is out of order but, under the circumstances, I will recognize you.

Senator Tkachuk: Honourable senators, I do not mind being called an idiot; I have been called a lot worse. Many times I have felt like saying things in this chamber, in the other chamber or on the street, that would be considered rude where I come from, but I think God gave me a brain so that I can think through what I wish to say and not say a rude thing.

Honourable senators, I asked for an apology. I think that I deserve an unquestionable apology. Both times the senator has risen, he has not done that. I do not mind that, as long as the same rules apply to everyone. If this is an example of the way we are to behave in this place, then I think it is up to His Honour or to the government leader to make it crystal clear to Senator Taylor that we do not behave this way in the people's house.

The Hon. the Speaker: Honourable senators, I should like to point out the specific rule that I was referring to a moment ago in the context of the exchange that has just occurred between honourable senators. Rule 51 states:

All personal, sharp or taxing speeches are forbidden.

I incorporate that admonition in our rules to the conduct of senators in Question Period.

ANSWERS TO ORDER PAPER QUESTIONS TABLED

DEPARTMENT OF HEALTH—RACIAL DISCRIMINATION COMPLAINT

Hon. Fernand Robichaud (Deputy Leader of the Government) tabled the answer to Question No. 6 on the Order Paper—by Senator Oliver.

HEALTH—COMPENSATION FOR HEPATITIS C VICTIMS

Hon. Fernand Robichaud (Deputy Leader of the Government) tabled the answer to Question No. 13 on the Order Paper—by Senator Lynch-Staunton.

TRANSPORT—NATIONAL SAFETY CODE FOR MOTOR CARRIERS

Hon. Fernand Robichaud (Deputy Leader of the Government) tabled the answer to Question No. 7 on the Order Paper—by Senator Spivak.

ORDERS OF THE DAY

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—MOTION IN AMENDMENT—DEBATE CONTINUED

On the Order:

Resuming debate on the motion of the Honourable Senator Cordy, seconded by the Honourable Senator Setlakwe, for an Address to Her Excellency the Governor General in reply to her Speech from the Throne at the Opening of the First Session of the Thirty-seventh Parliament,

And on the motion in amendment of the Honourable Senator Kinsella, seconded by the Honourable Senator Rossiter, that the following be added to the Address:

We respectfully affirm to Your Excellency that the Speech from the Throne would have captured the imagination of the people of Canada if it contained the following words:

“Canadians are the finest people in the world community today. Our common citizenship speaks to many ways of being Canadian and affords us unique opportunities to be leaders for freedom and dignity for every person with who we share planet earth in the 21st Century.

My government recognizes that we are blessed with an incomparable landscape, natural and human resources, and an historical foundation of freedom, peace and civility. Canada has always been a place where people, seeking opportunity, fairness and security, can build a future.

Despite these enduring strengths, many Canadians feel they no longer share in the Canadian dream. The world is changing rapidly around us, but we face an uncertain and challenging future without a plan. There is a growing sense we have lost our direction.

We need to restore a “common purpose” to this country — to recapture the sense that we are acting together in the interests of the whole community, and to encourage those acts of will that have defined Canada and moved it forward at critical times in our past.

My government’s blueprint for this country’s future is a plan to strengthen Canada’s communities, build a vibrant economy, and govern with integrity.

Strengthening Canada’s communities

Canadians feel that the fabric of Canada’s communities and institutions has been weakened in recent years.

Canadians’ faith in their healthcare system has been shaken. Healthcare cuts have closed thousands of hospital beds, jammed emergency rooms and created unacceptable waiting lists for critical services and treatments.

Cuts to post-secondary education funding have resulted in higher college and university tuition fees, and intolerable debt loads for students. Access to higher education is being lost in Canada, even as the knowledge economy raises the premium on higher qualifications.

At a time when Canadians do not feel safe in their communities, the RCMP has been starved for resources. Meanwhile, the gun registration program is costing Canadians hundreds of millions of dollars, while treating law-abiding gun owners as if they were criminals.

Canadians want to see their common values reflected in Canada’s social programs: self-reliance and personal responsibility balanced by compassion, investments in a healthy and well-educated populace, safe communities and fiscal responsibility.

Canadians want their national government to provide leadership in protecting the environment.

My government's Plan for Canada addresses all these issues to build a stronger Canada through stronger communities.

My government will:

- Immediately restore the cash portion of the Canada Health and Social Transfer to at least 1993-94 levels. This would restore completely the health and post-secondary education dollars cut from transfers to provinces.

- Add a sixth principle to medicare — guaranteed stable and predictable long-term healthcare funding — through legislation. Never again will a government be able to scoop billions of dollars out of health care.

- Increase and make refundable the caregiver credit, in consultation with groups representing seniors and Canada's disability community.

- Change the repayment terms for Canada Student Loans to provide that loans are repaid as a percentage of net after tax income starting the first full working year after graduation.

- Introduce a tax credit for post-secondary students repaying Canada Student Loans to a maximum of 10 per cent of the loan principal, per year, for the first 10 years after graduation, provided they remain employed in Canada.

- End the taxation of scholarships awarded to students in colleges and universities.

- Provide the RCMP with stable funding, and with an explicit priority to defeat organized crime, particularly money laundering, human and contraband smuggling, fraud and computer crime.

- Replace the federal Young Offenders Act with new legislation that reflects the principles of protection of the public, deterrence and denunciation balanced with rehabilitation, and the greater use of restorative justice.

- Repeal the current long gun registration system and uphold and enforce provisions that control criminal and unsafe use of firearms.

- Make the health of Canada's children an explicit priority of environmental legislation by introducing a Safe Water Act and a Safe Air Act.

Building a stronger economy

The average Canadian today loses about 47 per cent of his or her income to taxes. High taxes have eroded the standard of living of Canadian families. They have made our businesses less competitive. And they are driving young professionals and entrepreneurs to seek their futures in other countries.

Canadians know that today's balanced budget and growing economy were only achieved through their sacrifice and hard work. They want to share in Canada's prosperity, but they want tax reductions to be fair and benefit all Canadians.

Canadians also know that success in today's world requires that we be competitive with our trading partners, that the new economy demands we reward investment, innovation and creativity.

Canadians want the burden of the national debt — now totalling \$560 billion — lifted from the shoulders of their children.

And Canadians want strategic investments targeted towards their priorities.

My government will:

- Cut taxes for all Canadians by raising the basic personal exemption from the current level of \$7,231 to \$12,000 by 2005. This tax cut will remove 2.3 million low income Canadians — those least able to pay taxes — from the tax rolls. It will also deliver across-the-board tax relief of up to \$1,100 (federal/provincial) to the average taxpayer.

- Increase the married and equivalent spouse amount to \$12,000 by 2005. When this change is fully implemented, a single earner family would not pay income tax until their income reached \$24,000 per year.

- Introduce a child tax amount of \$1,176 to assist Canadian families. This will create a tax cut for families with children of \$200 per child.

- Eliminate the personal capital gains tax immediately. This will free venture capital, reward personal initiative and help reverse the brain drain by encouraging entrepreneurs to build their future in Canada.

- Cut excise taxes on gasoline, diesel fuel and home heating fuels to help ease the burden of rising energy costs.

- Eliminate the national debt — the mortgage on our children's future — within 25 years, and pay down the principal on the debt by \$25 billion over the next five years.

- Implement an annual "Red Tape Budget" detailing the estimated total of each new proposed government regulation, including the enforcement costs to the government and the compliance costs to individual citizens and businesses.
- Actively expand global trading partnerships with other nations, while promoting human rights and the environment, and protecting our culture.
- Establish the Federal Agriculture Stabilization Transfer (FAST), a comprehensive national safety net program, to include a revenue/income stabilization component and a reliable disaster relief fund.
- Work with the international community to protect trans-boundary fisheries from unsustainable harvesting practices on our east and west coasts.

Governing with integrity

A strong democracy is essential to everything we want to do as a country.

What makes democratic government work or fail is the public's willingness to accept or support decisions made on their behalf. Just as we need wealth to prosper, we need trust to govern. That trust has been missing in Ottawa.

Intolerance of legitimate dissent has dramatically weakened the role of Members of Parliament. We cannot continue to inspire our most able citizens to stand for public office if they are shut out of involvement and influence after they are elected.

My government would restore integrity to the governing of Canada by increasing the democratic accountability of government to Parliament.

The government will:

- Strengthen the role of MPs by allowing more free votes in the House of Commons. MPs must be able to represent the views of those who elected them.
- Empower Parliament to scrutinize the spending practices of federal departments without a time limit.
- Introduce comprehensive "whistle-blower" legislation.
- Increase annual defence spending over the next five years to support adequate strength levels, improve the

quality of life of armed forces personnel and support the procurement of new equipment.

A balanced and prudent plan

My government's plan for Canada is a balanced and prudent blueprint to restore purpose and direction to Canada, to point us towards a successful future in a changing world.

The numbers add up for Canada. In my government's five-year plan:

- We've placed the greatest emphasis — over \$55 billion — on reducing taxes to leave more money in the hands of Canadians. It's their money, and we want to leave it up to them to save, spend or invest as they see fit.

- Our mandatory debt repayment plan will eliminate the debt mortgage on our children's future within 25 years. Over the coming five years, our plan will reduce the federal debt by \$25 billion. As part of this plan, we will reallocate 1.3 per cent of the current annual program budget to reducing the debt.

- We have identified targeted new investments in programs totalling \$7.4 billion.

Members of the House of Commons:

You will be asked to appropriate the funds required to carry out the services and expenditures authorized by Parliament.

Honourable Members of the Senate and the House of Commons:

May Divine Providence guide you in your deliberations."—(*Pursuant to Order adopted March 1, 2001—3 sitting days remaining*).

Hon. Ross Fitzpatrick: Honourable senators, it gives me great pleasure to rise today and speak on the government's Speech from the Throne. I am particularly pleased to do so because it gives me an opportunity to outline the ways in which British Columbians will benefit from the agenda this government has identified.

The agenda outlined in the Throne Speech clearly reflects the government's pan-Canadian vision. It is designed to benefit Canadians from coast to coast to coast. It is an inclusive agenda which demonstrates that this government intends to follow through on its commitments to create opportunities for all Canadians to ensure that no individuals or families are left behind as we move into the new millennium and confront the many new challenges and opportunities offered by a knowledge-based economy.

• (1410)

There are many good programs announced in the Speech from the Throne, and I will only have time to identify a few of the most significant. Therefore, I should like to highlight some of the national programs that will be of benefit to all Canadians, but particularly British Columbians. For example, the government has reaffirmed its commitment to put an additional \$21 billion into our national health care system over the next five years. This government is determined to ensure that Canadians continue to receive high-quality and accessible health care.

Two weeks ago, I had the pleasure of announcing \$3 million in funding for the BC Telehealth Program. This initiative will improve the accessibility to health care services for rural patients in British Columbia. This cutting-edge teleconferencing equipment means that not as many patients in the Okanagan-Similkameen Valley, for example, will need to travel to Vancouver to receive treatment or diagnosis.

Honourable senators, all Canadians, including British Columbians, will benefit from other programs designed to promote equality of opportunity and social well-being. The payments of the National Child Benefit Program, for example, will continue to rise over the next four years. The government has also announced its intention to focus additional resources on those who need particular assistance, including the disabled, Aboriginal peoples, and youth at risk.

In the same way, the government is committed to working with all Canadians to ensure that everyone is able to take advantage of the opportunities presented by a knowledge-based economy. The Throne Speech commits the government to ensuring that we have a skilled workforce as part of a national economic strategy to maintain Canada's economic competitiveness. It will intensify its efforts to promote higher literacy skills for Canadian workers in all regions, including British Columbia. It will work with partners to ensure that youth at risk, who are leaving the education system, are better able to make the transition from school to work.

Honourable senators, perhaps one of the most important initiatives of the government in this regard is its plan to make Canada one of the most "connected" countries in the world. The government's decision to establish a National Broadband Task Force to ensure that all citizens have access to the electronic highway by the year 2004 is, in my view, both far-sighted and revolutionary. The government's commitment to ensure that the so-called "Information Highway" in Canada is accessible to low-income individuals, to those living in rural areas and isolated communities, to schools and to voluntary organizations may well prove to be the most important national infrastructure initiative since the building of the national railway system. It is a project

that all Canadians, and certainly those living in rural and remote areas of British Columbia, will benefit from immediately.

The same can be said for many of the government's plans in the area of the environment. Specific initiatives have been announced to conduct research on the subject of water quality, to provide additional federal monies for the development of municipal infrastructure for water and sewage treatment facilities, and to establish new centres of excellence for research in areas of agriculture and natural resources. It is obvious that Canadians in all parts of the country, and certainly in British Columbia, will reap considerable benefits from the activities proposed in these programs, both in terms of the quality of life and in terms of their economic prosperity.

There are a number of government initiatives outlined in the Speech from the Throne that, while intended for the benefit of Canadians, will be of particular interest to British Columbians, for example, the government's commitment to double its investment in research and development by the year 2010. As the Speech from the Throne outlined, the government intends to strengthen the research capacity of Canadian universities and government laboratories, and also to accelerate the process of technological transfer in which research discoveries are translated into commercial products and services.

In the 2000 budget, the Government of Canada provided \$900 million to support the establishment of 2,000 Canada Research Chairs in universities across the country by 2005. I wish to take a moment to compliment UBC President Dr. Martha Piper for her outstanding work in this initiative, and the leadership role she has assumed to ensure the success of the universities of British Columbia in their participation in this exciting program. For British Columbia, with its many excellent universities and world-class research scientists, this message can only come as very positive news.

Honourable senators, the government has clearly indicated its commitment to ensuring strong and safe communities for Canadians living in both urban and rural settings across the country. For example, the Speech from the Throne reaffirms the government's commitment to work closely with provincial and municipal counterparts to improve public transit and affordable rental housing in urban areas such as Vancouver.

The Throne Speech reaffirms the government's commitment to Aboriginal peoples. The government has adopted significant measures to improve the quality of life of First Nations. It is taking a proactive role in the fight against drug abuse and has introduced educational programs that are aimed at reducing the number of Aboriginal newborns affected by fetal alcohol syndrome. The government has created the Aboriginal Head Start Program — an investment of close to \$50 million per year — which benefits thousands of First Nations, Inuit and Métis pre-school children and their families. Canada is committed to providing young Aboriginal Canadians with the basic tools that they need to take greater advantage of the opportunities that Canada has to offer. This is a much needed program for British Columbia Aboriginal communities.

Honourable senators, I believe the initiatives that I have just described, and many others outlined in the Speech from the Throne, have the potential to be of great benefit to the people of British Columbia. It is also my view, however, that the degree to which British Columbians actually profit from these various federal programs will be determined in large measure by the actions of their provincial and municipal politicians and their local members of Parliament, and to some extent by their own actions as well.

Considering the media discussions of the recent federal election, I should like to briefly tackle the issue of what some have referred to as the apparent alienation of many western Canadians and British Columbians from their national government, a situation that some members of the media argue has been accentuated by the results of the last election. Let me say clearly that I do not subscribe to this thesis, but I do fully understand the concerns of westerners about having their voices heard in the corridors of power in Ottawa. Of course, this is not a new concern. Historically, it has always been difficult for federal governments in Canada, of whatever political stripe, to govern from the centre in the national interest. After all, Canada is an immense country spanning six time zones and bordering three of the world's oceans. Vancouver is nearly 4,600 kilometres from Ottawa, separated by mountain ranges, prairies and boreal forests. It is hardly surprising that the physical distance between citizens in British Columbia and their national government has often led to a certain degree of psychological distance as well.

This is probably what Allan Fotheringham had in mind last month when he jokingly suggested that the solution was to move British Columbia closer to Ottawa. This obviously is not possible to do physically. That is why I have argued that we must overcome this insecurity not only by our actions but also by our attitude. As everyone in my home turf, the Okanagan-Similkameen, knows, distance is not the only thing that separates this part of the country from the centre. Over time, other differences have emerged to heighten this sense of distance. For most of our history, we relied upon natural resources to form the basis of our economy, as did the other Western provinces, while the economy of Central Canada depended on manufacturing. Predictably, there have often been conflicts between the two. Each of the four Western provinces has also evolved a distinctive political culture, responding to the concerns and interests of the ethnically and culturally diverse groups of immigrants who have settled here. Taken together, these differences have resulted in a degree of discontent with the centre, which every federal government in this century has had to address in one way or another.

• (1420)

Certainly, it is important to recognize that British Columbia is now a region in its own right, which in fact has now been recognized by Parliament, with issues and concerns quite different from its Prairie neighbours. Yet, in many respects, I feel that our provincial and municipal political leaders, as well as our federal representatives, have failed to take advantage of this

[Senator Fitzpatrick]

potential source of new-found influence. In my view, there has been too little effort made to constructively sell British Columbia's real interests to the national decision makers or to buy into the opportunities presented over the past several years by various federal government initiatives. Instead, there has been an unfortunate tendency to expect the federal government to make all overtures rather than recognizing that much can be gained from taking the initiative like Dr. Piper did.

Rather than working constructively with the federal government to achieve greater economic and social benefits for the province, too often there has been a strident and automatic criticism of some federal initiatives and outright rejection of others. All too often, the political leadership has chosen confrontation rather than cooperating and working together with the federal level to achieve the best possible outcome for British Columbians.

Meanwhile, Alliance spokespersons who represent the greatest numbers in the other place from B.C. have concentrated on their own agenda rather than working to improve or modify the programs that have been proposed. There is often little sense that these MPs consider it a part of their responsibilities to lobby aggressively on behalf of their constituents. This is particularly unfortunate since it is the essential role of the official opposition in parliamentary democracies to offer constructive criticism of the government.

Like my Senate colleagues across Western Canada, I have worked hard in the past to represent the views of the people of British Columbia in Ottawa, and I will continue to do so in this new Parliament. I hope that my good friend Senator St. Germain, a British Columbian and former representative in the other place who now wishes to represent the Alliance Party in this chamber, will choose to take a leadership role in expressing the need for this type of constructive criticism that is currently lacking in his party.

There is an opportunity, honourable senators, for government and opposition to work together, and I believe there is also a real opportunity for individuals, organizations and communities to offer an alternative brand of political government.

Hon. Wilbert J. Keon: Honourable senators, I wish to take a few moments today to comment on a few of the initiatives in the recent Speech from the Throne. First, however, I should like to take this opportunity to congratulate the appointments of the Leader and the Deputy Leader of the Government in the Senate, Senator Carstairs and Senator Robichaud, as well as Senator Mercier as whip. They have many responsibilities and challenges ahead in the next year. I am sure that, with their extensive parliamentary experience and leadership skills, they will do very well.

Equally, I should like to publicly applaud the opposition leadership team, Senators Lynch-Staunton, Kinsella and DeWare, who, with our depleted numbers on this side, have an enormous responsibility.

I am also pleased to welcome the new senators, Senators Hubley, Tunney, and my dear old friend Senator Morin.

The government's commitment to invest in research and development at a number of levels is particularly encouraging. New federal investments will strengthen the research capacity of universities, accelerate Canada's ability to commercialize research discoveries, open up opportunities for national partnerships and generate collaborative international research that will benefit Canadians in the areas of health, water, the environment and natural resource management.

I also acknowledge the announcement of additional federal funding to support the work of the Canadian Institutes of Health Research. This has been a favourite project of mine for many years, indeed, even before the concept that finally came into being was conceived out of the Medical Research Council.

There is no doubt that the enhanced funding and support of the Canadian Institutes of Health Research will dramatically improve the health research funding environment in this country. The impact that enhanced federal funding through the CIHR has already had on the health research environment is profound. It has opened up opportunities across the full spectrum of health research from basic biomedical to population health. It has opened up new funding opportunities for researchers who are not in the biomedical areas. It has vigorously engaged researchers in the competition for CIHR funding with increased collaboration across disciplines. It has strengthened the elaboration of partnerships between the private, public and community-based sectors. These endeavours increase Canada's visibility as a leader in the research and development field.

The announcement of additional new funding will continue to support these positive changes. At the same time, it will enable the institutes to continue to expand their research into disease prevention and treatment, the determinants of health and health system effectiveness. I will follow with interest the progress in this area because it is vital that appropriate funding arrive in the right place at the right time for the system to evolve. At the present time, however, the exact critical path of this funding remains somewhat foggy, which is of concern to many scientists across the country.

Honourable senators, I also acknowledge the commitment made by the government to work in collaboration with the provinces and territories to create a citizens' council on health care quality to ensure that the public's perspective is considered in developing meaningful indicators of health system performance. Most of the current discussions about health reform are focused only on the needs — that is, funding levels associated with hospitals, nurses and physicians — with little attention given to the ends. We need to know more about the outcomes generated through our investment in the health care system.

Although the delivery and management of health care in this country is a responsibility of the provinces and territories, Canadians across the country continue to look to the federal

government for leadership. A strong federal leadership role in the health arena is critical to ensure sustainability of a national health system capable of meeting the future needs of all Canadians.

While the Speech from the Throne moved us in the right direction in responding to some of the challenges that lie before us, there are some important challenges in the health sector that remain and that were not addressed. Of particular importance is the need for a clear national action plan that will support and advance the renewal of the health system. This plan must clarify that present concerns about the health care system are not related to funding alone.

It deeply concerns me, honourable senators, to see all of the arguments about health care boiling down to dollars and cents.

- (1430)

Throwing millions of dollars, even billions of dollars, into the system without appropriate planning will have little impact. Indeed, the major determinant of health in Canada remains wealth. It has little to do with health care delivery, which is costing us so much. Injecting more money into the health system without a clear plan of action will not take us where we need to go.

Honourable senators, I urge the government to commit to putting a clear plan of action into place. A plan is needed that will address four critical issues as priorities.

One of these priorities was in the Conservative election platform, and I believe that the government should adopt it; that is, institute a series of performance targets and goals for our health system, as well as a system of public report to measure progress toward achieving those goals.

Second, develop strategies and programs that will focus on the retention and repatriation of Canadian physicians and Canadians trained abroad. As we are all aware, the lack of physician availability in Canada is paralyzing the provinces and territories in some areas at the present time. It has significance in rural and remote communities. Doctors, nurses and other health care professionals are moving because of high taxes, low incomes, and increasingly frustrating conditions in which to practice.

I would emphasize my belief that health professionals are not going south for the money. They are going south because they can treat patients in the manner they want to treat them. I am under no illusion that the United States has a better system than ours because America spends 14 per cent of its GDP on health. They do not. We have a better system than they have. However, we must find a way of providing more freedom within our system for our health professionals, who are frustrated at the present time by having to be accountable for the cues and frustrations of the patient.

Third, there should be a focus on integrating the solitudes of health, which I keep repeating, including population health. Indeed, until we return to the bottom line and measure everything by population health, we will not know what we are doing.

Honourable senators, we must integrate population health, public health, health services delivery, health research, and health education. These solitudes currently stand in silence by themselves. Integrating these solitudes would generate new solutions and place greater emphasis on investing in the non-medical determinants of health, health research, injury prevention, health promotion, rehabilitation, and the treatment of chronic diseases on certain population groups.

Fourth, develop a national strategy for an integrated information system. While some efforts have been made in recent years to respond to this need, much remains to be done. Indeed, I have spent years serving on advisory committees to respond to this need, and I am well aware that much remains to be done. Providing every Canadian with a unique identifier — an electronic health record — would be a huge step in the right direction. Honourable senators, this identifier would ensure that the consumer's unique health number is accurately captured and used as a primary means of identification in all transactions on health services. The identifier would enable point of care registration updating and provide designated health care provider access to consumer history with the appropriate privacy codes built-in.

This is not impossible. For example, American servicemen carry a small tag that contains their health record. It has more information on that health record, I can assure you, than any large chart that you can see in the medical reports department of any institution at this time. It is possible to do this. We simply must get busy and do it.

Honourable senators, we, as senators and as patients, and some of us as health professionals, share a responsibility to ensure the sustainability of our health care system into the future. I challenge each one of you to respond to this responsibility and to play a role in strengthening the role of the federal government in providing the leadership that is necessary to integrate our solitudes, whether they be geographic, functional or institutional.

It will require that the federal government integrate these solitudes, for only then will we have a sustainable system.

Hon. John. G. Bryden: Honourable senators, with my health record, I should like to ask some questions of the honourable senator. My questions will be gentle.

I appreciated very much the identification of the requirement to integrate the solitudes that relate to our medical well-being. However, there was one comment that the senator made in relation to physicians leaving Canada to go south. He said that it was not necessarily because of the money, although there is more money. He noted that they go south in order to be able to treat their patients in the way that they want.

I have spoken to a number of physicians who had gone to the United States and have returned. One of the reasons for their return was exactly the opposite of what the senator indicated. These doctors said that they were not free to treat their patients in the way they felt was professionally the best. They were constrained by the quotas imposed by the health management companies that set their premiums and by things such as the

number of cardiograms that can be demanded and the number of tests that can be demanded.

Is the senator aware of this practice? Is it a valid concern that has been brought back? Indeed, are constraints in the United States' insured system that impede doctors in their ability to treat their patients with the testing and diagnostic techniques that they would ordinarily do because of the restraints imposed by these insurance corporations?

Senator Keon: Honourable senators, there is no question that the HMOs are flexing their muscles south of the border. Physicians and surgeons must get permission to proceed with certain investigations that are expensive prior to the HMO agreeing to cover the investigation. There is no question about that.

On the other hand, there is the private option in the United States. I am not advocating the private option here. I am simply saying that it does provide a freedom for people who want to break out of the system and get rapid access to certain medical treatments. Therefore, the physician is not always delivering the bad news.

- (1440)

There is the private option, if someone wants to pay for it, even if they are covered by an HMO. It is a different system, and I believe that the HMOs are much more frustrating than the system we have in Canada. I have worked in the Canadian system for 30 years, and I have not been very frustrated because it is a good system. However, there is no question that there are areas where people are becoming increasingly frustrated. We must address those areas. We cannot continue to ignore them and simply believe that because we have such a great system, the reasons behind the frustration do not matter. In fact, they matter a great deal to the people who are caught in the system: the patients and the physicians. We must address the issues and resolve them.

Hon. Ione Christensen: Honourable senators, I join with my colleagues in congratulating our new Speaker and the leadership on both sides of the chamber as they carry out their duties. They will be providing guidance to the members of this chamber in the coming session. I believe that we are in good hands.

I will also take a moment to welcome our three new senators to the chamber. They bring with them a broad range of experiences and new ideas, and I have no doubt that they will contribute greatly to the work of the Senate.

A Speech from the Throne sets out an overview of what the government plans to achieve during its term of office. Such speeches are often short on specifics and, as a result, are open to speculation that may be either positive or negative. It is a given that the Throne Speech will not fully meet the expectations of every Canadian. Each sector of society places its issues at a high priority and, if it is not presented in that light, then government is perceived as failing to meet those needs. While this may lead to stimulating debate, it hardly sheds light on what is or is not being accomplished during the term of office.

For this reason, when preparing my comments on the Speech from the Throne, I looked for concrete evidence that results were forthcoming. Is there action in the areas that were addressed?

Honourable senators, the best way for me to answer that question is to look at my own territory, the Yukon, to see if some of the urgent needs are being met. I should like to share with you some of my findings.

In the Speech from the Throne, the Governor General underlined the government's commitment to help Canadians take advantage of learning opportunities. Since then, the government has contributed close to \$400,000 over three years for literacy programs in the Yukon. These funds will help many Yukoners not only to feel better about themselves but also to enable them to participate even more in our economy and our communities.

The government addressed the advance of programs for disease prevention, focusing, in part, on reducing the incidence of preventable diabetes, as well as problems such as FAS and FAE. These problems affect many Yukoners, especially in our Aboriginal communities. To meet this commitment, the Government of Canada announced its contribution of nearly \$140,000 to three Yukon community health projects, addressing exactly those issues.

In Canada, we pride ourselves on living in one of the safest countries in the world. Feeling secure in our homes and our communities is fundamental to our Canadian way. However, crime is a reality in all societies and, as with all social conflicts, prevention is the best solution.

In the Speech from the Throne, the government told Canadians that the focus must be on prevention as much as on punishment. To meet that commitment, the government is supporting the efforts of community organizations in the Yukon by awarding \$322,110 to 27 crime-prevention projects. These Yukon crime-prevention initiatives will help to reduce the risk of violence in many of our communities.

The speech also highlighted the fact that to be a successful society, we must acknowledge and engage with the parts of our society that are less advantaged. Clearly, our homeless citizens need help and support. In March, the government assisted Yukoners by giving an initial \$47,000 to help prevent and alleviate homelessness in Whitehorse. It was not a large amount, but it was definitely a start.

Honourable senators, the picture that I paint is not a perfect one. I think it is safe to say that the government could do more, and I sincerely believe that, given the opportunity, it will do more. Many issues still need to be addressed but we, as a nation, must set the right priorities. As responsible citizens, we must ensure that everyone receives a fair share. Whether it is in the economic field, crime, health or the environment, our government is taking steps. Sometimes such steps may seem small, but they are steps nevertheless, and they are in the right direction.

Hon. Leonard J. Gustafson: Honourable senators, in responding to the Speech from the Throne, I should like to make

a few comments about agriculture and the committee that I chair. I will also provide a reflection of what I witnessed last week when I attended a conference of rural municipalities in Saskatchewan, where 2,500 farmers, councillors and reeves had gathered.

The question that came most often to mind in those four days was: Does the Government of Canada really care about Saskatchewan farmers? That was the question on the minds of most of the farmers. Many farmers asked me, "Len, do they really care about us?"

I want to make it clear that the government has taken some initiatives, but it has not taken steps to deal with the crisis situation that exists. Can Canada afford to not deal with the problem? When we examine that situation and compare it to situations in the United States and Europe, it becomes clear that we are falling far short of a program that will rehabilitate agriculture.

Honourable senators, I was reviewing statistics indicating that the agricultural economy on Prince Edward Island is faltering at about 50 per cent of the average income. What part of society could withstand that? On the Prairies, the figure is even higher — 60 per cent.

On the other side of the issue, input costs on fertilizer have more than doubled. Fuel costs have gone up exorbitantly. Any amount of money that the government has contributed is eaten up by last year's input costs.

That issue is in addition to the low commodity prices that we face. We have heard for 15 years that the Americans will remove their subsidies, the Europeans will do the same, and that will solve the problem. Well, it will not happen in the short term, at least. The U.S. farm policy will be in place for four additional years, and the U.S. has already increased subsidies. They have moved their subsidy off durum wheat and applied it to hard wheat because the projection is that there will be a need for hard wheat.

• (1450)

You can expect to see North Dakota and South Dakota seeding almost wall to wall hard wheat, because they will be subsidized to a greater amount. Where does that leave Canadians? Where does that leave the Government of Canada in dealing with the situation?

Some honourable senators, including Senator Stratton and others, travelled to Europe with our committee for a period of 10 days and attended 25 different meetings in four different countries. We started at the House of Lords in London and finished at the farmers' union in Paris. One thing came across clearly. We were told that North Americans, unlike Europeans, do not understand what it means to be without food. Politically, they feel that they can never again let their farmers down because their people would not stand for it. We take our food supply for granted in Canada. The prospect of what might happen in the farming community strikes an emotional cord with those of us who are close to the issues and a part of farming. We are at the point where some serious decisions must be made.

The Agriculture Committee of the Senate, which I have the privilege of chairing, has been a good one. There has not been a challenge from the Liberal side, from this side or from independent senators, on the fact that there is a farm crisis. The problem has been well recognized. The question is: Why is the government not recognizing it as a crisis? Is it the bureaucracy? Has the bureaucracy formulated a direction that the country will take, that there will only be a certain number of farmers left, and that farms will be run by other corporate interests? What is the holdup here? I have talked to many Liberal members of Parliament in the other place. They will admit there is a crisis and a serious problem. Hopefully, the government will move in a positive direction and deal with this crisis. If not, we have a major problem on our hands.

Honourable senators, I want to deal with what is happening with Canada's resources. On the West Coast and the East Coast, we have the fisheries. There is the lumber industry, which is involved in negotiations because of trade problems with their counterparts in the U.S; then there is the oil and gas industry. Gas prices are increasing because of American demand. I was surprised to see the oil statistics from Saskatchewan. Sixty per cent of our oil production goes directly to the United States. That figure is not quite as high as for agriculture, but it is close. As well, that is only Saskatchewan's contribution and does not include the figures for Alberta.

One must then consider the mining industry. Canada provides 25 per cent of all the potash produced in the world. That amounts to approximately half of the net return from agriculture in Saskatchewan. It is no small business. Moving on from there, one might think about water or our natural resources as a whole. The significant point to consider is the fact that these resources come from rural Canada. We must ask ourselves the question: Are we managing our resources properly?

I just heard some American politicians state that they will be asking the President of the United States to intervene on the softwood lumber issue. I suppose the question we should ask is: Do we really have a policy on our natural resources? We have great resources, but we have become hewers of wood and drawers of water. We are probably giving away resources, even with a low dollar. It seems like a great deal of money when it is paid back in American dollars, but it is still pretty cheap. The Americans are buying our resources pretty cheaply. Perhaps we should demand a level playing field with the Americans through free trade. I know many people would not agree with that, but I think it would work.

As a farmer, I feel that we must start using the levers that we have on the resource issue to bring the Americans to the table. At present, the West Coast of the United States is short on power. Just yesterday, the power was off again in Los Angeles and other parts of the West Coast. They have warned their citizens that this will happen again and again. I attended a funeral recently and met three oilmen from Calgary. I asked them what was forcing the price of gas up and they stated that the Americans are willing to pay a high price. They need the oil, it was deregulated, and

[Senator Gustafson]

they will ask the same price from the people of Alberta. I am told that the price of natural gas has tripled in Alberta. Without belabouring the point, I must ask: Are we handling our resources in a proper way, be they agricultural or other resources?

Honourable senators, there is another important point that I feel I must raise. There are 6 billion people in the world today. There are 1.5 billion people who are not getting proper food. They do not have enough to eat. I have a cartoon here. My secretary will send each honourable senator this cartoon because it sends an important message. In this cartoon a man is throwing a ball, and the caption reads:

This man throws a ball to other men. He makes \$1,000,000 a year.

This man acts silly on television. He makes \$5,000,000 a year.

This man feeds the nation and the world...

Then there is a sign which reads: "Foreclosure auction today." That about sums up this serious situation.

Do we have a moral responsibility to those who have no food? That is a good question to ask a country like Canada. Saskatchewan alone has 40 per cent of the arable land that will produce food. I remember Prime Minister Brian Mulroney saying, "Len, the only thing we can fault you farmers for is you are too productive."

Honourable senators, we have a crisis situation on our hands that must be managed and it can be managed. We, as farmers, can compete with the Americans, with the Europeans and with any farmers anywhere in the world. The question is, though, do we have a program? Do we have some long-reaching programs that will deal with the whole area of agriculture, the whole area of our natural resources and the tremendous responsibility of managing the resources of this great country?

- (1500)

I had planned to talk a bit about the environmental end of things, but I will leave that to Senator Spivak. Certainly, the time has come when we must look at this subject from the broader perspective of what we are facing in the whole area of resources in Canada, not the least of which is agriculture.

The Hon. the Speaker *pro tempore*: Is the Honourable Senator Bryden rising to ask a question of the Honourable Senator Gustafson?

Senator Bryden: Yes, Your Honour.

The Hon. the Speaker *pro tempore*: I am sorry to advise Senator Bryden that Senator Gustafson's time has expired. Does the honourable senator wish leave to continue?

Senator Gustafson: Yes.

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

Hon. Senators: Agreed.

Senator Bryden: An interesting change in the slant is starting to appear in our national press in relation to rural issues and, in particular, the farming issue. What would my honourable friend say to the press who ask us if Canada can any longer afford to support farming for export to Europe?

Senator Gustafson: Honourable senators, to those who ask such a question, I say that we cannot afford not to do it. I will deal with this question on the basis of our marketing boards. I have always taken exception to marketing boards, whether they deal in milk, chickens, turkeys or other commodities. They are doing quite well because they are only providing a commodity that is consumed. I do not want to take that away from them. However, I think Canada has the greater moral responsibility in those areas, and certainly in grains and oilseeds, of providing for the world.

I have been very interested in the work of the Canadian Foodgrains Bank. This is how it works. A farmer will donate an amount of grain to the bank. The government has a good program of matching that amount, which then goes to Third World countries that cannot afford to buy it. The collection of food is organized through various churches. The program was started by the Mennonites back in 1925, after they endured the great starvation. It has been an excellent program.

I want to share with honourable senators the response of a farmer who came from Germany as an immigrant to Canada, a man I knew well. Unfortunately, he has now passed on. He brought in a 200-bushel truckload of wheat to Lampman, Saskatchewan. They had called for 10 carloads of wheat. Do you know that the farmers from that one town gave 30 carloads of wheat? His truckload alone contained 200 bushels.

This is what he told the CBC. He said, "During the difficult years, I lived on rutabagas for a year in Germany. I will gladly give 200 bushels of wheat to help feed someone who is hungry."

Honourable senators, as proud Canadians, each one of us would take that responsibility when we can provide and produce one of the most important commodities in the world. You and I would not be here without food.

In answer to the honourable senator's question, we cannot afford not to do it, morally, economically and every which way.

Senator Bryden: Honourable senators, the world has a moral obligation to feed the 1.5 billion people who do not have enough food. Some people, for the first time, at least in my memory, are starting to ask: Why does the Canadian taxpayer have to assume the cost of trying to feed these people? Why is that not an international obligation of the United Nations?

I come from a rural background. When I was much younger, I came through a very difficult time when the family farm had to be phased out. We could not compete. The senator raised the issue of natural resources, whether they be potash or oil and gas. What is it about farming — and I ask this as someone who lives in rural Canada — that makes us expect that all the taxpayers of Canada will support us not only in producing but in competing on a worldwide basis? It happens year after year after year. As the honourable senator said, when he was in government, they injected \$6 billion. If, for 15 years, the oil and gas industry asked the taxpayers of Canada to give them \$2 billion every second year to keep them producing, do you think the taxpayers of Canada would react in the same manner as we rural Canadians react because we happen to produce a commodity that is sold on the world market? Why is there a difference?

Senator Gustafson: Honourable senators, with regard to the honourable senator's first question concerning the United Nations, I must say that I have been thinking about this for quite some time. The matter should be taken to the United Nations, which I realize has a food program. Certainly, Canada should play a part in carrying this serious situation to the United Nations.

The figures that I presented came from a missionary organization that had just compiled figures on the world's population. They determined where the underprivileged and the starving are living. Canada should properly be carrying this matter to the United Nations. Our Department of Agriculture should be dealing with this issue at the world level. There is no question about that. Canada cannot do it alone, but we can do our part.

With regard to the taxpayers of Canada, I realize that the average citizen does not get as emotional about the agricultural situation as we farmers do. It seems like the land is a part of us. One of the sad things is that one can see when a farmer is going broke. For example, he may have \$150,000 worth of land and he owes the bank \$160,000; yet, he cannot understand that the farm is not his. It is still his farm, even though the bank owns it.

One of the writers of the Old Testament put it this way. He said that we are fed out of the bowels of the earth. If we do not reap out of the bowels of the earth, we will all be gone. We have had it.

Because this is such a serious situation, I hope that Canadians will be benevolent enough to realize that we have some responsibility here. Like every other senator in this chamber, I believe that we live in the best country in the world. If we cannot help to do something about this crisis situation, who will?

Many of these situations arise out of revolutions, wars and things that should not be going on. The fact is that many countries do not have the stability that we have in Canada. Certainly, we should be showing them leadership.

• (1510)

Hon. Mira Spivak: Honourable senators, I have listened to the Honourable Senator Gustafson often, and he is always inspiring. I believe that he left one thing out of his speech, and I should like to ask him about it.

The producer is the person who is not getting a fair share. The question would not arise in terms of taxpayer subsidies — which the oil and gas industry receives — if the producer were getting a fair share.

Honourable senators, several reasons have been suggested as to why the producers are not getting a fair share. It has been suggested that there is a lack of competition among agri-businesses. In other words, there is a monopoly and they control the market.

Input manufacturers have merged to a point where their market power allows them to snatch away any extra dollars that the farmer makes. Producers are going broke because the economic structure does not allow them to make money. They do not have any market power.

Equally important, apart from the crisis situation, billions of dollars are not being applied in the right way because there is an oversupply. A small reduction in world grain supplies would increase prices, yet the government is funnelling production.

This analysis is put forward by many groups, including the National Farmers Union. Naturally, I support them. Would Senator Gustafson respond to this analysis? Does the honourable senator agree with it?

Second, I think that this analysis is a correct analysis of the situation. It would eliminate the taxpayers having to bear the burden. The producers are most efficient now. They have done everything. They have expanded. They cannot be any more efficient.

Senator Gustafson: Honourable senators, I want to provide Senator Spivak with a few numbers. A farmer receives four cents from the price of a box of cornflakes. The hockey player whose face is on the box gets 10 cents. Farmers get four cents from the price of a loaf of bread. Farmers are not earning too much from the food they grow; they are earning too little. If we were to check on how the processors are doing economically, and we could include the oil companies, we would see high earnings. They have had record years with record income.

In answer to Senator Spivak's question, the farmer is not getting a fair share of the profits. He is being controlled. My youngest son said that if the price of grain went up, and the fuel companies and the fertilizer companies raised their prices, it would do him no good. This is another area of agriculture that should be examined.

Honourable senators, I am not in favour of government intervention. However, currently, we are in big trouble and this crisis situation must be looked at.

Hon. Herbert O. Sparrow: Honourable senators, Senator Gustafson referred to the athlete's picture on a box of cornflakes and what he earns. Colonel Sanders receives even more for his picture on the chicken box.

The questions that have been asked have suggested that government assistance is only going to help certain export markets, and that is not the case. The farmers of this country feed Canadians. Those farmers are in trouble now. Subsidies feed Canadians. We must have those subsidies or we will lose our agricultural industry.

The newspaper from which the senator quoted is trying to destroy any argument that we might have that we are subsidizing the consumers outside this country. In fact, there may be some of that, but we are trying to protect the agricultural industry.

We are prepared to subsidize teachers by paying millions of dollars. Do we criticize that? The answer is no. We pay the medical profession to look after our health care. Are we critical of that? The answer is no. We are demanding that.

However, it is entirely another story when we talk about feeding our people. They are not supposed to eat. Should not the people who supply that service be treated in the same way as teachers, nurses or anyone else?

Senator Spivak said that the taxpayers bear the burden. It is not a burden to pay money to supply the food that we require. Would Senator Gustafson please comment on these remarks?

Senator Gustafson: Honourable senators, no comment is necessary. Senator Sparrow made his point well.

What the senator says is true. As Canadians, we have not taken this matter seriously in light of the importance of food for Canada or food for export.

I thank the honourable senator.

Senator Bryden: Honourable senators, it has always concerned me that we must never be without food. It is my submission, whether we are discussing hogs in New Brunswick, beef in New Brunswick or wheat in Saskatchewan, that we do not need to subsidize our agricultural industries to feed Canadians.

Indeed, there are countries in the world, such as New Zealand and Australia, that have done away with agricultural subsidies and have stopped trying to compete internationally for these commodities. Those countries are concentrating on feeding their own people.

Honourable senators, a concern was expressed regarding the "feather industry," which has marketing boards for the chickens and the eggs. We do not supply Colonel Sanders. Those chickens all come from the United States.

I am pleased that Senator Gustafson raised the requirement to have a thorough, ongoing look at this resource. There is no question about that need. However, it must be based on how a philosopher would approach a religious question as opposed to how a theologian would approach a religious question. The philosopher would question all of the questions, including whether there is a God, whereas the theologian assumes there is a God. Both of them are very rigorous in their analysis.

• (1520)

When we do our thorough analysis of how we should treat our natural resources, whether fish, food, lumber, wheat or pork, we must consider the fundamental issues of international trade. When preparing our analysis, we may wonder if we are holding up our ability to feed or to warm — using oil and gas to juxtapose with that — our own people. Perhaps we are really saying that, on a global basis, we can compete globally with the rest of the world, whether Europe, the U.S. or Russia.

The analysis must be thorough and all “sacred cows” — pardon the pun — will be examined. Senator Gustafson and Senator Spivak indicated that something must be done because the agri-businesses are taking a huge chunk. If they did not take such a big chunk, the farmers would receive more. Who will tell the agri-businesses not to take such a huge chunk? Presumably, the government will tell them.

Those of us who come from rural backgrounds, who are fiercely independent, who want to keep government out of our businesses, barns and fields and who want to proceed our own way, can make it. I can remember this happening in the past. We can make it as long as we do fairly well.

I recall reading about discussions surrounding various commodities, such as dairy, chicken and eggs, pork, beef in Atlantic Canada — which never became part of the marketing board system — and beef and grains in Western Canada, for which there is no marketing board per se, but the Canadian Wheat Board has been there for a long period of time. My concern is that we, as a huge resource-producing nation, perhaps without enough thought — and this is heresy, I am sure — walked into a free trade agreement with an “elephant” to our south. That “elephant,” whether we had a free trade agreement or not, would have paid us whatever we asked for our oil and our gas because they needed it. They will not pay us what we ask for our lumber because they have enough lumber to keep those who support their political machines underway.

We are in a situation such that when we do this analysis, we must do it on a continental basis. There are those who say — and I am not one of them — that the farming programs and the farms that exist within a reasonable circumference of highly populated areas do very well. It matters not whether they grow turnips or raise chickens, whether they are regulated or not regulated, or whether they feed race horses or the population of Toronto.

Honourable senators, we have a problem in Canada that we must resolve. The problem is not farming versus taxpayers. At

this stage, the real problem is rural versus urban. That is quite different from the issues that arise in health care. For example, if I have a heart attack right now, Senator Keon is here to help me. Within five minutes, there would be an ambulance at the front door. The attendants would place top-notch equipment on my chest and then transport me to one of the best hospitals in the world, where I would have the best care. However, if I happened to have a heart attack on my farm, which is 30 miles or one hour from Moncton, it would take 30 minutes for the ambulance to arrive. The attendants would have only oxygen — none of the other equipment — to keep me alive until one hour later, when we finally reached the hospital.

We have a fundamental urban-rural problem in our country. When the comment was made that the farmer makes four cents on the sale of a box of cornflakes while the hockey player whose picture is on the box receives ten cents, I said that Saskatchewan produces many hockey players, too, so there is a good return on the hockey player. The fact is that we must decide if rural Canada and the rural people exist for a reason other than keeping the towns and cities apart.

Senator Gustafson: Honourable senators, first, I ask Senator Bryden if he thinks I am a theologian or a philosopher? Second, what will Canada do if it does not deal properly with rural Canada?

I was at a Wheat Pool meeting last night. There was one member of Parliament and one senator in attendance. I was the senator. Later, when I arrived at the party hosted by the police, we could barley move because there were so many people. That sends a message. I asked the Saskatchewan Wheat Pool President, Marvin Wiens, how many elevators they had in Saskatchewan previously. He said that they had about 1,000 and that there is not one wooden elevator remaining. There is no question that there has been tremendous change in rural Canada.

The gross national product of this country comes from the resources of this country, which are rural. Twenty-one years ago, Alvin Hamilton said to me that there was an unidentified war between urban Canada and rural Canada. That should not be. Should we not be responsible as a government and as Canadian people who are blessed? Should we not take responsibility for doing the right thing for both urban and rural people?

Senator Bryden: Honourable senators, in response to Senator Gustafson’s first question about whether he is a theologian or a philosopher, I will not answer it directly other than to say that I know that in his barn and his stables there are no sacred cows.

Of course, we must be responsible. However, I sometimes wonder when people talk about the new service economy and that our biggest gross national productivity comes from services — not goods, but services. Services must be provided to something, and for a reason. If nothing is manufactured, why are there services? If there are no cars, there is no need for service stations.

I believe that if our resource industries contribute to our gross domestic productivity on a continuing basis, and they do that globally, then they must be able to compete globally. That will be demanded increasingly of not just the gold or zinc industries, but of all industries, which includes the fishing industry and the farming industry in Canada.

[*Translation*]

• (1530)

Hon. Fernand Robichaud (Deputy Leader of the Government): Honourable senators, normally on Wednesdays we try, insofar as possible, to adjourn the Senate around 3:30 p.m. in order to allow committees to sit.

I would point out to honourable senators that there remain two days of debate on the Address in Reply to the Speech from the

Throne. Thursday, and Tuesday of next week, honourable senators will certainly be able to speak.

Honourable senators, I ask for your cooperation so that we may adjourn in a few minutes in order to allow committees to sit as planned.

On motion of Senator Kinsella, for Senator Beaudoin, debate adjourned.

BUSINESS OF THE SENATE

Hon. Fernand Robichaud (Deputy Leader of the Government): Honourable senators, it is already 3:30 p.m. and, pursuant to a relatively formal agreement, I move that the Senate adjourn. I ask that all items in the Orders of the Day and on the Order Paper stand in their present order.

The Senate adjourned until tomorrow at 2 p.m.

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