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Wednesday, June 12, 2002

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THE HONOURABLE DAN HAYS
SPEAKER

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THE SENATE

Wednesday, June 12, 2002

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

[*English*]

Prayers.

SENATORS' STATEMENTS

THE HONOURABLE JIM TUNNEY

TRIBUTE ON RETIREMENT

Hon. Joyce Fairbairn: Honourable senators, today I want to say a few words about a good friend of mine in this chamber who has challenged my mind with his knowledge and his wisdom, who has lifted my spirits with his laughter and unquenchable optimism, who has touched my heart with his humanity for those less fortunate in this troubled world of ours, and for his kindness to me personally. I am speaking, of course, of our departing colleague Senator Jim Tunney — a dairy farmer for 30 years, an international consultant and a recognized expert on some of the most critical issues facing agriculture in Canada today.

Yesterday, senators on both sides of this chamber hailed all the accomplishments of Senator Tunney, and regrettably I was unable to join in. I simply want him to know that it has been a privilege for me to serve with him in this place. I was so proud to have him join me in touring my beloved corner of southwestern Alberta, last August, to share our innovation in wind power brought about by the giant turbines in the foothills of the mountains at Pincher Creek and, most particularly, to see the drought with his own experienced eyes. He knew the depth of the crisis that we were facing. The people we met have not forgotten his words and his understanding.

In 15 short months, Senator Tunney has made a tremendous contribution to all those he represents and to the country he loves. I know that he is a gem of a colleague in this place. We all know our caucuses are supposed to be secret, but I want to let honourable senators know that Senator Tunney received five standing ovations this morning as our Liberal colleagues bid him farewell.

Like all your friends, I will miss you, Jim. I also want you to become a vigorous and eloquent voice for this institution and the work we are trying to do on behalf of Canadians. I know you will. Please accept my warmest wishes to you, to Gladys and to your family for many more years of happiness and of public engagement.

[*Translation*]

NEW BRUNSWICK

ADOPTION OF OFFICIAL LANGUAGES ACT BY LEGISLATIVE ASSEMBLY

Hon. Noël A. Kinsella (Deputy Leader of the Opposition): Honourable senators, last Friday, New Brunswick adopted a new Official Languages Act. This historic event is of major significance for our province and for all of Canada.

Honourable senators will recall the constitutional resolution adopted unanimously as well by the Senate, which led to the amendment to the Charter of Rights and Freedoms by including section 16(2) relating to official languages in the province of New Brunswick. That amendment to the Constitution was made pursuant to the bilateral amending formula.

Honourable senators are also mindful of the work of this chamber in the protection and promotion of official languages throughout Canada. Therefore, I am confident that all honourable senators will be supportive of the unanimous adoption on Friday last of a new Official Languages Act by the Legislative Assembly of New Brunswick.

It is noteworthy, honourable senators, that on Friday our former colleague Senator Louis J. Robichaud was escorted on to the floor of the New Brunswick Legislative Assembly and invited by Premier Bernard Lord to sit in the premier's seat, from where Senator Robichaud spoke to the legislature. He congratulated the Government of New Brunswick "on its ability to create a masterpiece," and he spoke of how proud he was of each member of the legislature for being able to work together across party and linguistic lines.

We salute all New Brunswickers for their leadership in bilingualism. In the words of Premier Lord, "This is part of our own identity as a province. An identity we are all proud of."

NATIONAL ABORIGINAL DAY

Hon. Yves Morin: Honourable senators, on June 21, we celebrate National Aboriginal Day. Today, I should like to address briefly the serious problem of Aboriginal health, which is actually the most serious health problem faced by our country. If Aboriginal Canadians had the same health indicators as other Canadians, we would be by far the healthiest country in the world. There is only one solution to difficult health problems: it is not by throwing money inefficiently at them but by well-planned scientific research.

This is exactly what the government has done by setting up the Institute of Aboriginal Peoples' Health, one of 13 institutes of the Canadian Institutes of Health Research. Its director, Dr. Jeff Reading, a Mohawk from Southern Ontario, is known nationally and internationally for his research on native health, policy and social determinants. He has particular expertise in participatory research and has focused, in his research on diabetes, tobacco use and heart disease.

[*Translation*]

The challenge he set for himself is to ensure that health research relating to aboriginal populations is useful to them, respects their values and responds to their needs.

[English]

His institute has developed the Aboriginal Capacity and Developmental Research Environments Program to develop Aboriginal capacity in all areas of health research. It will encourage Aboriginal students to pursue careers in health research; provide opportunities to pursue research in partnership with Aboriginal communities; provide opportunities for Aboriginal communities to identify important health research objectives in collaboration with Aboriginal health researchers; and effectively communicate the research results. These centres, at first, are being established in Alberta, Saskatchewan, Manitoba and Ontario.

• (1340)

I also invite honourable senators to celebrate another Aboriginal researcher, Dr. John O'Neil of the University of Manitoba, who is working with Aboriginal communities throughout the province to study factors that impede or advance the development of a First Nations-controlled health care system.

Through the work of dedicated researchers such as Dr. Reading and Dr. O'Neil, Aboriginal peoples in Canada are taking control of their health through research.

NEWFOUNDLAND AND LABRADOR

AGREEMENT ON VOISEY'S BAY NICKEL MINE

Hon. Bill Rompkey: Honourable senators, yesterday, I had the privilege of taking part in one of the most significant announcements ever to be made in our province. My association with Labrador goes back about 40 years, and I cannot remember an announcement as significant for Labrador as this one.

Many honourable senators know of the details already. There is an agreement between Inco, the province and other groups to proceed with development of perhaps the richest nickel mine in the world. There will be an investment of \$3 billion in our province over a period of time. There will be thousands of jobs created for people in an area where jobs are desperately needed and where there are relatively few alternatives.

Over a period of 30 years, there will be a deposit of \$11 billion into the GDP of our province, much of which will be clawed back in equalization. However, there is not much we can do about that at this point. We will just carry on.

Apart from the investment and the jobs, the most significant point is the fact that yesterday, for the first time, I saw at the table, Aboriginal and non-Aboriginal groups in solidarity, pursuing a project that will be a winner for all of them.

Today, I want to congratulate Peter Penashue, President of the Innu Nation, and William Barbour, President of the Labrador Inuit Association. I want to thank the federal government for its contribution. Most of all, I want to thank and congratulate Premier Roger Grimes, through whose perseverance and skill this deal was put together.

The most significant aspect of the agreement for us, in the long run, is not the money and the jobs; it is the fact that there is a

solidarity among the people of Labrador that I had not seen before. Although this is one project, there will be others. For the long term, that is the most significant point.

I congratulate all those groups who were at the table.

STEVEN TRUSCOTT

REVIEW OF MURDER CASE

Hon. Marjory LeBreton: Honourable senators, earlier today I was honoured to participate in an event with the Right Honourable Joe Clark, Leader of the Progressive Conservative Party of Canada, and Mr. Peter MacKay, M.P., Progressive Conservative justice critic in the other place. Our event was in support of Steven Truscott and his quest for justice.

In 1959, at the age of 14, Steven Truscott was convicted for the murder of 12-year-old Lynn Harper. He was sentenced to hang, a sentence which was commuted by then Prime Minister John Diefenbaker. After serving 10 years in prison, he was released on parole and has consistently maintained his innocence since that time.

By supporting his application for a section 690 review, we strongly believe that everything possible must be done to correct this apparent miscarriage of justice. The section 690 review of the case was undertaken, on behalf of Mr. Truscott, by the Association in Defence of the Wrongly Convicted, whose team is headed by renowned criminal justice lawyer James Lockyer.

Last January, the federal Minister of Justice announced the appointment of former Quebec Appeal Court Judge Fred Kauffman, to review the merits of this case. As Peter MacKay stated:

After reviewing volumes of material, the 690 application and supporting documents and having had several conversations and meetings with Mr. Truscott, his family and legal team, I am convinced beyond any reasonable doubt, that Steven Truscott did not murder Lynn Harper.

Honourable senators, given the fact that the original case was built almost entirely on circumstantial evidence, much of which does not withstand proper scrutiny, compelling fresh evidence and the overwhelming historical and public interest in a final resolution, members of the Progressive Conservative caucus in Parliament felt it important to show their support for the effort on behalf of Steven Truscott.

Speaking personally, honourable senators, I saw Mr. Diefenbaker shed tears over Steven Truscott and the way he was treated by our justice system. I met, many times, with Isabel LeBourdais, who wrote the original book on Steven Truscott, when she was visiting Parliament Hill. I believed at the time, in 1959 — and I remember the case vividly — and I have believed ever since, that Steven Truscott is an innocent man.

PLIGHT OF AFRICA

Hon. Eymard G. Corbin: Honourable senators, in less than two weeks, the G8 summit in Kananaskis, Alberta, will take place, at which the leaders of the world's most powerful nations will meet for less than two days.

[Senator Morin]

During this time, one of the main topics on the agenda is the new partnership for development in Africa, or NEPAD, an initiative by African leaders to address the underdevelopment of Africa. The Prime Minister of Canada will be spearheading the discussion on this important matter.

We are all, by now, familiar with the statistics surrounding Africa. Half of Africa's population lives on less than \$1 U.S. a day; 73 per cent of the world's HIV cases are in sub-Saharan Africa, and over one quarter of the continent does not have access to potable water.

It is also a fact that although fault lies with poor leadership by many, but not all, of Africa's politicians, the blame for Africa's current state falls mainly on the West. I know I need not go into any lengthy details surrounding the legacies of both the slave trade and colonialism. However, these legacies, coupled with the political manoeuvrings of the Cold War, saw such things as the police state, institutionization of bribery and despotic rule become standard fare in African society.

To date, the West's attempts at reconciliation have taken the form of IMF and World Bank loans, loan packages loaded with conditionalities that, in reality, have done practically nothing to alleviate the absolute poverty in Africa today. Others have tried before and have failed.

Although NEPAD does address important topics, such as the lack of infrastructure in Africa, as well as the much-needed regional integration of its markets, gender parity and primary school enrolment, it is not my belief that any major gains for Africa will be achieved through this and other initiatives at Kananaskis.

The NEPAD document is well written but requires the support of all major world powers and multilateral lending agencies, something I do not feel it will receive. Regardless of this, we as politicians must not rely on NEPAD and the G8 summit to solve issues of Africa's underdevelopment. By now, we should realize that one-formula reform packages simply do not work with Africa. Instead, we must take the lead in initiating positive and cooperative reforms, on a country-to-country basis. We owe it not only to the future generations of Africa but to ourselves as well, and to the reputation and credibility of our nation.

I wish the G8 summit participants wisdom, clarity and foresight in their deliberations. I hope that the G8 leaders will retain their sense of realism.

ROUTINE PROCEEDINGS

SPECIES AT RISK BILL

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-5, respecting the protection of wildlife species at risk in Canada.

Bill read first time.

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

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

• (1350)

[Translation]

ASSEMBLÉE PARLEMENTAIRE DE LA FRANCOPHONIE

MEETING OF COMMITTEE ON COOPERATION
AND DEVELOPMENT, APRIL 10-14, 2002—
REPORT OF CANADIAN DELEGATION TABLED

Hon. Rose-Marie Losier-Cool: Honourable senators, pursuant to rule 23(6), I have the honour to table, in both official languages, the report by the Canadian Branch of the Assemblée parlementaire de la Francophonie and the accompanying financial report. The report is on the APF Committee on Cooperation and Development meeting held in Monaco, from April 10 to 14, 2002.

MEETING OF PARLIAMENTARY AFFAIRS
COMMITTEE, MAY 11-15, 2002—REPORT OF
CANADIAN DELEGATION TABLED

Hon. Pierre De Bané: Honourable senators, pursuant to rule 23(6), I have the honour to table, in both official languages, the report by the Canadian Branch of the Assemblée parlementaire de la Francophonie and the accompanying financial report. The report is on the APF Parliamentary Affairs Committee meeting held in Beirut, Lebanon, from May 11 to 15, 2002.

[English]

BAN ON WEAPONS IN SPACE

NOTICE OF MOTION

Hon. Douglas Roche: Honourable senators, I give notice that, two days hence, I will move:

That the Senate recommend that the Government of Canada lead an international effort to ban the introduction of all weapons in space through a binding international agreement against the weaponization of space, given

- (i) the termination of the Anti-Ballistic Missile (ABM) Treaty, and U.S. military plans to include space-based weapons in the National Missile Defence (NMD) system; and
- (ii) the weaponization of space would instigate a dangerous and costly arms race and disrupt peaceful commercial and scientific endeavours in space.

ACCESS TO CENSUS INFORMATION

PRESENTATION OF PETITIONS

Hon. Lorna Milne: Honourable senators, I have the honour to present 372 signatures from Canadians in the provinces of Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick

and Nova Scotia, who are researching their ancestry, as well as signatures from 127 people in the United States and two from the United Kingdom who are researching their Canadian roots. A total of 502 people are petitioning the following:

Your petitioners call upon Parliament to take whatever steps necessary to retroactively amend the Confidentiality-Privacy clauses of Statistics Acts since 1906, to allow release to the public after a reasonable period of time, of Post-1901 Census reports starting with the 1906 Census.

I have now presented petitions with 18,229 signatures to this Thirty-seventh Parliament and petitions with over 6,000 to the Thirty-sixth Parliament, all calling for immediate action on this important piece of Canadian history.

I would point out to honourable senators that just a fast scan through these petitions today shows that they came from, in Nova Scotia: Kentville, Spring Hill, North Sydney, Beaver Cove; in New Brunswick: Dufferin, Brockway, St. George; in Ontario: Stony Creek, Simcoe, Port Rowan, Hagersville, Omemee, Richmond Hill; in Alberta: Seven Persons, Edmonton, Medicine Hat, St. Albert, Calgary; in Saskatchewan: Creighton; and in Manitoba from Flin Flon.

QUESTION PERIOD

INTERNAL ECONOMY, BUDGETS AND ADMINISTRATION

STATUS OF CPAC CONTRACT NEGOTIATIONS— INTERVENTION BEFORE CRTC

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, my question is addressed to the Chairman of the Internal Economy Committee. I gave him notice about this topic recently, so I hope I am not taking him by surprise.

This is to clarify the status of the CPAC contract which is presently being discussed between the Internal Economy Committee and CPAC. There is a suggestion that the Internal Economy Committee has intervened before the CRTC, which is currently assessing the renewal of CPAC's licence, and as an intervenor may be objecting to the renewal of that licence.

I have a briefing note that I cannot identify but it seems official enough. I am sorry that I cannot ascribe it to any authorship, but from the way it is written, it seems fairly complete, and even official. In one of the paragraphs it reads:

On April 11, 2002, as part of the CRTC licence renewal process, the Senate filed its intervention opposing the renewal of CPAC's licences unless the Senate's demands were met.

I am hoping that the chairman can reassure us that, despite the dispute we may be having, or the misunderstanding or whatever during the negotiations, this has not led us to oppose the renewal of CPAC's licence.

[Senator Milne]

Hon. Richard H. Kroft: Honourable senators, I wish to thank the Leader of the Opposition for his notice. Although I was quite comfortable in my informal response to him, I have now had an opportunity to review the documentation of negotiations and of the actual interventions. I think I can give some comfort on the matter.

Let me assure honourable senators that there is absolutely no intention, nor has there ever been any suggestion, of a denial of a licence to CPAC. I believe all honourable senators, particularly through our committee work, are great fans of CPAC and are delighted with the opportunity to have our work broadcast through them.

The problem is that there have been issues of scheduling, issues of presentation and timing and the lack of predictability of scheduling that, we felt, needed a lot of improvement. An extended period of negotiation was unsuccessful. Having given notice, we became an intervenor at the hearings. However, there is certainly no question of CPAC being denied a licence and simply not being there. As a matter of fact, that would be totally counterproductive since we are anxious to do more with them.

Let me read to honourable senators from the actual written quotes of the intervention. I will read the overleaf clause.

The purpose of this intervention is to invite the Commission to re-examine CPAC's role as Canada's broadcaster of parliamentary proceedings in connection with CPAC's television coverage of Senate activities. For the reasons elaborated upon below, the Senate submits that CPAC's current coverage does not properly reflect Parliament to Canadians and otherwise fails to implement fully several aspects of the state of policy objectives of the *Broadcasting Act*. Of particular concern to the Senate is the need to:

- (a) provide additional broadcast time for Senate programming in a manner commensurate with the extent and importance of Senate activities;
- (b) make available to the greatest number of Canadians programming of the Senate on a regularly scheduled basis...

The core of the problem is that we are asking that a fresh look be taken by the CRTC, and primarily by CPAC, to recognize the duality of Parliament, and that a fair, reasonable and full presentation of Senate committee work and other programming reflecting the work of the Senate should be instituted to reflect a better balance.

We are, in no way, in competition with the House of Commons. We have carefully scheduled our requests to work around their schedule. They are primarily committed to the live broadcasting of Question Period. We have not made any attempt to interfere with that or any other programming that they have, and the way in which we presented our position has all been extremely positive.

Let me reiterate that we are all supportive of CPAC not doing less but doing more. The idea that we would be involved, in any way, with any suggestion of denial of licence rights to them is really not in order.

• (1400)

I am not sure what document the honourable senator is reading from. However, I have before me copies of the written transcripts. I have the oral presentations and I have the correspondence. There is no suggestion of any of what my honourable friend has just read, in any of these documents.

Senator Lynch-Staunton: That helps to clarify, I hope, the position of the Internal Economy Committee regarding the renewal of the licence. However, I do not understand why the discussions regarding the agreement were brought before the CRTC in the first place. What is their involvement? Bringing that to their attention could be interpreted as faulting CPAC in carrying out its responsibilities. The CRTC may feel that that would affect its decision on the renewal of the licence.

The question is: Why involve the CRTC in discussions on an agreement between two outside parties?

Senator Kroft: The answer is the lack of any alternative. The position of the House of Commons is enshrined in terms of the CRTC licence. They have that on which to rely. We, for historical reasons, do not. Therefore, we had to try to negotiate a position on a bilateral basis. We were not able to negotiate such an arrangement. Therefore, we had to seek the assistance of the CRTC in establishing conditions applying to the Senate, just as there are CRTC conditions applying to the House of Commons.

Senator Lynch-Staunton: The honourable senator is asking that the Senate be on the same basis as the House of Commons vis-à-vis the responsibilities of CPAC, as outlined by the CRTC. Currently, we are not included in those direct responsibilities. Any coverage of Senate activities by CPAC is done voluntarily by them. There is no imposition by the CRTC to do so. Whereas, now, you are asking for that imposition to apply to the Senate as well, is that correct?

Senator Kroft: Our position has always been to attempt to arrive at a satisfactory agreement without that being necessary. That was our attempt over several months, but we were not able to accomplish it. Therefore, we are now seeking to have conditions imposed, protecting the position of the Senate and the right of Canadians to be aware of the activities of the Senate. We have asked the CRTC to make that a condition of the licence, yes.

Senator Lynch-Staunton: I would ask the chairman if he would be willing to send a summary of the discussions and an update on exactly where we stand on this issue to all senators, in the next few weeks. Questions are being asked. The briefing note from which I read — and perhaps I should not have done so — was troubling. The honourable senator has given a summary assurance, but it is not totally clear what we are doing before the CRTC. I ask that a summary of our position and the reaction of CPAC and the CRTC, if there is any, be provided.

Senator Kroft: I would be very pleased to provide that information.

STATUS OF CPAC CONTRACT NEGOTIATIONS—
INTERVENTION BEFORE CRTC—
PROVISION OF CLOSED CAPTIONING

Hon. Jean-Robert Gauthier: Honourable senators, I happen to have knowledge of that presentation also, because I read the

transcript. Nowhere in the discussions with the CRTC, the Senate and CPAC is real-time captioning mentioned. Honourable senators know my interest in captioning.

The hard of hearing in Canada, approximately 3 million people, are waiting for the CRTC to impose real-time captioning. Why did the Senate, in its presentation, not make note of that to the CRTC? Are there any reasons?

Hon. Richard H. Kroft: CPAC receives the transmissions from the Senate in both languages. The matter then rests with CRTC in their discretion, or under their obligations. This has always been part of our concern. We have gone to the length of making both French and English language available to them. They are perfectly equipped now, if I am correct, to broadcast in both languages on the basis of what we provide. Our technology is different and more advanced than that of the House of Commons. We provide no obstacle there.

FOREIGN AFFAIRS

TIMELINE OF FOREIGN POLICY REVIEW

Hon. J. Michael Forrestall: Honourable senators, my question is for the Leader of the Government in the Senate with respect to the foreign policy review. When will the government institute or initiate its foreign policy review, or has it already been completed? If so, has it been referred to cabinet? If it has not been so referred, how will such a review be conducted?

Hon. Sharon Carstairs (Leader of the Government): Honourable senators, the foreign policy review, to the best of my knowledge, has not begun. It certainly has been discussed by the Minister of Foreign Affairs. However, the process has not yet evolved.

Senator Forrestall: Could the Leader of the Government in the Senate provide us with some indication of the timeline? I am assuming that a viable foreign policy review should precede a defence review. I am rather interested in the timeline.

Further, when the foreign policy review is completed, will the minister table it in this chamber?

Senator Carstairs: Honourable senators, to the best of my knowledge, no timeline exists at this particular point in time. The honourable senator has raised a question that has been raised here before. Any defence review would have to take place, obviously, in conjunction with, or subsequent to, a foreign policy review. It is my understanding that that is the process the government will follow. However, neither process has begun.

PRIME MINISTER'S OFFICE

ETHICS GUIDELINES—MINISTERS COMMUNICATING WITH CROWN CORPORATIONS

Hon. Marjory LeBreton: Honourable senators, my question is for the Leader of the Government in the Senate. The Prime Minister has revealed new rules regarding ethics for cabinet ministers. The new guidelines prohibit ministers from having contact with heads of Crown corporations. However, there is no similar ban on ministers' staff, who can still exert influence on behalf of their bosses. This means that if a minister wants

something done for a friend, instead of dealing directly with the head of the Crown corporation, he or she can send an emissary, who has all the authority of their boss's offices, to do the work instead. Under these guidelines, apparently that would be considered perfectly ethical.

Except for the ban on direct physical involvement by a minister, how does this new rule really change anything?

Hon. Sharon Carstairs (Leader of the Government): Honourable senators, this new rule makes things much clearer in two aspects: First, the minister who has responsibility for a particular Crown corporation cannot contact that individual, nor can his staff, about a particular constituency issue or problem, if it is a direct reporting procedure. If, however, it is not a direct reporting procedure, a minister's staff person can contact an officer of a Crown corporation to make that officer aware of a particular constituency issue. To do otherwise, I would suggest, honourable senators, would make that member of cabinet, who is also a member of Parliament, unable to serve constituents.

ETHICS GUIDELINES— INFLUENCE ON SPONSORSHIP PROGRAM

Hon. Marjory LeBreton: Honourable senators, the new ethics package announced by the Prime Minister has been labelled as a response to the reports of widespread mismanagement in the federal government sponsorship programs in Quebec. However, nothing in the package directly relates to these scandals, thereby giving the government the appearance of doing something on this matter, while it is actually doing nothing.

How do these guidelines shed light on the mess that was the government's sponsorship program? Could the government leader tell us exactly how the government will keep something similar from happening in the future?

Hon. Sharon Carstairs (Leader of the Government): I will take the two issues separately, since they are two separate issues. The ethics parcel that was announced by the Prime Minister looks not just at one government program but at all government programs. It crosses the entire aspect of all government activities and sets clear guidelines for the future respecting the relationships of ministers and consultations of members of Parliament, including the members of this chamber.

In terms of the sponsorship program, we already know of an audit that was conducted in 2000. We know that the Auditor General has indicated that she has serious concerns with that program. We have urged the Auditor General to open up the entire evaluation of the sponsorship program, and we have called in the RCMP on a number of files where it became clear that there might be — and I stress "might be" — criminal activity. They are to investigate any potential criminal activity.

• (1410)

ETHICS GUIDELINES—POWERS OF ETHICS COUNSELLOR IN DEALING WITH LOBBYISTS

Hon. Roch Bolduc: Honourable senators, my question is for the Leader of the Government in the Senate.

[Senator LeBreton]

The 1993 Liberal Red Book promised, in part, the following:

The Ethics Counsellor will have the power both to require reporting of lobbying fees in relation to government procurement contracts and to disclose publicly any contract, fee, or activity that may be contrary to the Code of Conduct for Lobbyists.

Could the government leader advise the Senate as to why there was no mention of giving the Ethics Counsellor any such power in the ethics package released on Tuesday?

Hon. Sharon Carstairs (Leader of the Government): The government has been very clear that it wants to make changes to the Lobbyists Registration Act. These changes would include the following: a clearer definition of lobbying and the need to register; stronger enforcement provisions, including disciplinary measures and penalties; and simplified registration and strengthened deregistration requirements by requiring all lobbyists to update or renew their filings every six months.

As the honourable senator is already aware, the Ethics Counsellor has already been charged with investigating the activity of lobbyists, and that will be ongoing.

ETHICS GUIDELINES—TABLING OF ANNUAL REPORT OF ETHICS COUNSELLOR

Hon. Roch Bolduc: The Prime Minister promised yesterday that the annual report of the Ethics Counsellor "will be presented to the Speaker of the House." The French version refers to le président de la Chambre des communes. Hence, it is clear that only the House of Commons will receive this report. Could the government leader please advise the Senate as to why the annual report of the Ethics Counsellor will not also be tabled in this house of Parliament?

Hon. Sharon Carstairs (Leader of the Government): It has been the practice that reports that are tabled in the House of Commons are subsequently tabled in the Senate. If further clarity is necessary in that matter, I will bring it to the cabinet table.

Like the honourable senator, I too believe that the annual report of the Ethics Counsellor should also be tabled in the Senate of Canada.

ETHICS GUIDELINES—CODE OF CONDUCT

Hon. Marcel Prud'homme: Yesterday, the Prime Minister announced new ethics guidelines for the ministry and a new appointment procedure for the Ethics Counsellor. If you read further, on page 9 of the guidelines, it says:

The Prime Minister has asked the Leader of the Government in the House of Commons, with the Leader of the Government in the Senate, to work with the government's caucus and opposition parties so that Parliament can consider a Code of Conduct by October 2002.

The government will support parliamentary adoption of a Code of Conduct by year-end.

Having sat on one of several committees that looked at a code of conduct years ago, and having followed the work of the Milliken-Oliver report in 1997, I know that some of us would wish to participate in this endeavour.

The Prime Minister's announcement, as quoted above, states that the government's caucus and opposition parties will be involved in the process of considering a code of conduct. I would hope that honourable senators will take note that there are others, beyond the government's caucus and opposition parties, who may also be touched by this issue.

It has also been the case in the past that recommendations come too late, regardless of the issue. In that regard, it is my hope that the new czar of the conduct of members of both Houses of Parliament will be fully bilingual. The new appointee need not be either a French Canadian or an English Canadian. As long as the new appointee is fully bilingual, he or she can be of Polish origin, for example. What is important is that the appointee is fully bilingual and can put people at ease. This will be a very serious matter. I know from experience that those who are beyond reproach will be bothered by the mistakes of a very few. I hope the matter of bilingualism will be taken into consideration when this important matter is being considered, given the October deadline.

This issue has already been studied. I participated in it. For months, we studied it, then I disappeared. Senator Oliver and Mr. Milliken then took over. The issue is the same; nothing is new. One must be beyond reproach.

Let me draw the attention of honourable senators, for a moment, to the issue of dependents and spouses. Honourable senators will recall that John Crosbie's wife was adamant about not being included. The same argument will come back again.

It is in that regard that I should like to alert honourable senators, since we are leaving for the summer, of all the difficulties present. If there are those of us who believe we have something to offer, I would hope that our suggestions would not be rejected just because we sit in this corner.

Hon. Sharon Carstairs (Leader of the Government): Honourable senators, it is my strong view that all honourable members of this chamber should be a part of the ongoing work with respect to this file, since all of us will be affected by a code of conduct that will impose requirements on each and every one of us.

We have a very good starting point with Senator Oliver and Speaker Milliken's report of 1997. That should be the first issue of study. We have already begun, in our own caucus, as a result of the Prime Minister's announcement some weeks ago, a study of that report and comments that will be developed as a result of that. It is my hope that that will also happen in the other caucus.

At the appropriate time, we will pass legislation to put into force and effect, if that is the wish of members of both Houses of Parliament, such a code of conduct. It is my hope that the process will involve the active participation of each and every one of us.

Senator Prud'homme: My only comment is that the Criminal Code already covers everything required to control our conduct. Senator Oliver and others agonized over that matter. Hence, I do

not understand why there are those who insist that it would look good if we had a so-called code of conduct, when, if we applied the Criminal Code to the letter, there would be many people embarrassed to sit in either chamber.

Senator Carstairs: I do not agree that the Criminal Code covers all of the activities of parliamentarians. Honourable senators, when I first arrived here, it was with some surprise and amazement that documents that I was forced by law to fill out as a member of the legislative assembly in the Province of Manitoba were not available as similar declarations here in the Senate of Canada. I was quite shocked. The Speaker may remember that I asked for those forms, in order to complete them as I had done previously. Those declarations are not covered by the Criminal Code. That is just one example.

Should we have that kind of disclosure? That is what this debate will be about. I hope it will be fulsome, and I hope it will involve all members of the chamber.

GUIDE FOR MINISTERS AND SECRETARIES OF STATE—RESIGNATION FOR MISCONDUCT

Hon. Donald H. Oliver: Honourable senators, my question is to the Leader of the Government in the Senate.

It relates to the code of conduct guides that were announced yesterday by the Prime Minister, particularly the "Guide for Ministers and Secretaries of State." The first sentence under "Guide for Ministers and Secretaries of State" in yesterday's announcement reads as follows:

In our system of government, the Prime Minister is responsible for judging the conduct of Ministers and Secretaries of State.

Honourable senators, the Prime Minister has allowed a lot of questionable conduct. Can we assume from this that, in carrying out his responsibilities, the Prime Minister judged Alfonso Gagliano's behaviour to be acceptable; that he saw no problems with Andy Scott discussing internal RCMP matters within earshot of others; that he thought it was okay for Brian Tobin to spend \$40,000 on office furniture; that he saw no problems with David Dingwall intervening to have a federal-provincial highway project go through his riding; that he judged it okay for Ethel Blondin to use government credit cards for personal expenses; that he had no problems with Maria Minna giving untendered contracts to members of her riding campaign team for public relations work on an AIDS conference that had already ended? None of those ministers was asked to immediately resign.

• (1420)

Would the government leader not agree that one of the main reasons this government now faces ethics problems is the Prime Minister's failure to live up to the responsibility of judging the conduct of ministers and secretaries of state?

Hon. Sharon Carstairs (Leader of the Government): Honourable senators, first, I will give a simple answer: no. I do not agree with the honourable senator's statements. I do not agree with the honourable senator's accounting of activities as he has laid them out this afternoon.

With respect to the conduct of ministers and secretaries of state, under the principle of ministerial responsibility that I believe the Prime Minister was enunciating, only the Prime Minister has the right to hire and fire ministers of cabinet. That is a well-respected parliamentary principle. The ultimate judges of whether he has done his job well are, of course, the people of Canada.

Senator Oliver: Can the honourable minister point out what is in the new package that could have prevented the Groupaction scandal?

Senator Carstairs: Honourable senators, first, we do not know whether there was any criminal activity. That is being investigated by the RCMP, as it rightly should be. That is not the purview of parliamentarians. That is the purview of the police forces in this country.

In terms of whether the guidelines issued today could have brought these things to light sooner, we will know what went wrong with the sponsorship program when the Auditor General has made her final report. We know that mistakes were made. The government has been clear about that. We know that the audit done internally, at the request of the government, pointed out some of those errors and omissions, and they were addressed.

The ethics package goes far beyond one particular incident or program. It goes beyond Canadians' attitudes and perceptions of how politicians are performing and what their expectations of those politicians should be.

TRIBUTE TO PAGES ON DEPARTURE

The Hon. the Speaker: Honourable senators, before proceeding to Orders of the Day, I have a few comments to make.

[*Translation*]

I would like to take a moment to recognize some of our pages who will be leaving us soon.

[*English*]

I should like to start by noting Melanie Ching. Melanie is from Darlingford, Manitoba. She is a student at Carleton University and is going into her fourth year of a Bachelor of Arts Honours degree in Political Science, concentrating in Canadian politics with a minor in Canadian studies. As part of her degree, she will be participating in the Carleton-Leeds Internship Exchange Program and will be travelling to work at the British Parliament in London, England, for the coming school year.

[*Translation*]

Grant Holly is from Chatham, Ontario, and has graduated from Carleton University with a degree in public administration. Grant has been admitted to McGill University's Faculty of Law. He has postponed his admission until September 2003, to study in French and to travel.

[*English*]

Alicia Tumchewics, from Yellowknife, Northwest Territories, thoroughly enjoyed her experience as a page. She plans to continue her studies in language teaching at the University of

[Senator Carstairs]

Ottawa in September, after returning to Yellowknife for the summer. Alicia tells us she will always remember her time in the Senate. We appreciate that.

We thank all of you for your service to the Senate.

Hon. Senators: Hear, hear!

ORDERS OF THE DAY

NUCLEAR FUEL WASTE BILL

THIRD READING—MOTION IN AMENDMENT— VOTE DEFERRED

On the Order:

Resuming debate on the motion of the Honourable Senator Gauthier, seconded by the Honourable Senator Jaffer, for the third reading of Bill C-27, respecting the long-term management of nuclear fuel waste.

Hon. Mira Spivak: Honourable senators, I wish to thank Senator Gauthier for his work on Bill C-27 and his explanation of government policy. I also wish to thank Senator Keon for his work on this particular bill. I remain unconvinced, however, along with many of the witnesses appearing before the Standing Senate Committee on Energy, the Environment and Natural Resources, that this bill represents the best approach to the problem of nuclear waste management.

Concerns were also expressed by other members of our committee, in particular, the chairman, Senator Taylor, who asked for amendments — one proposed by me and one by Senator Finnerty — that were voted down in committee. I wish to comment both on the substance of the amendments and the process in committee.

First, however, I should like to comment on some of the concerns raised by witnesses appearing before the committee, in particular, members of the Seaborn panel, which, honourable senators will remember, was called some time ago to do an assessment on the matter of nuclear waste management. For example, the B.C. Freedom of Information and Privacy Association felt that Bill C-27 will create yet another quasi-governmental body "...that will make public policy profoundly affecting the public interest and public safety; will perform what amounts to public services; will be responsible for spending an enormous amount of public funds, and yet will remain fundamentally unaccountable to Parliament and the Canadian public." In its brief, the organization noted that Britain has adopted a freedom of information bill that includes quasi-governmental organizations and can even include private organizations that perform public functions. Some of these provisions are also included in the freedom of information laws of Scotland, Ireland, Jamaica, Australia and New Zealand. Canada, therefore, is not in the forefront.

The Assembly of First Nations suggested that Bill C-27 be amended to make it clear that a decision by the Governor in Council on the management of nuclear fuel waste is "based on the principles of sustainable development." They stated that:

...the Federal Government is effectively relying on the nuclear energy industry to advise it of its options and implement the decisions.

In addition they said:

...the provisions of clause 14 of the Bill, are wholly inadequate to ensure that the interests of First Nations are protected.

They further stated the following:

The Federal Government by proceeding in this manner is abdicating its responsibility for protecting the public good, as well as compromising its fiduciary responsibility to First Nations. The Assembly of First Nations condemns this approach in the strongest language.

Concerns were expressed as well as to how the waste management organization will interpret significant socio-economic effects. They said:

...considering it is composed of bodies with a vested interest in limiting the liabilities of the waste management organization, it is conceivable that they would strive to define this term narrowly.

These were just some of their concerns.

The Sierra Club, whose representative testified before the committee and had made numerous representations beforehand, spoke to two main issues, the first one being “the lack of independence of the proposed waste management organization.” The proposal in clause 6, that the waste management organization be comprised only of representatives of the nuclear industry, which, in their words, is responsible for this deadly and long-lived radioactive waste, is an outright conflict of interest. The “polluter pays” principle, which Senator Gauthier spoke of, can be implemented without the polluter being in charge of the solutions.

The Sierra Club noted that the nuclear industry’s predilection for deep geological disposal is well known, but the international consensus on this issue is a myth promulgated by the nuclear society.

• (1430)

There is no consensus in society or in the scientific community on the issue of deep geological disposal being the best method.

The second main issue of the Sierra Club is the advisory council. In clause 8(2), the bill proposes that the advisory council be appointed by the waste management organization, which “virtually ensures that even the advisory council will reflect the nuclear industry viewpoint.” The Sierra Club’s position is that while there is no place for the nuclear industry on the board — that is, in a decision-making position — they could be on the advisory council where they could offer advice. “But,” says the Sierra Club, “it is scandalous for...conflicted people to be making the decisions.”

Honourable senators, not only should “the minister,” under clause 2, be the Minister of the Environment — that is, the designated minister responsible for the act — and not the

Minister of Natural Resources, who is in a clear conflict of interest because he is also responsible for Atomic Energy of Canada Limited, but since the waste management organization should be truly independent, its members should be appointed by the Minister of the Environment.

The former members of the Seaborn panel had similar concerns. Mr. Blair Seaborn, the chairman, stated:

...I fear that a WMO created by the nuclear energy corporations themselves will not have an easy time convincing the public that it is acting in the public interest.

...the board should be appointed by the federal government...

...it will not come under the scrutiny of the Auditor General nor...the Commissioner for the Environment and Sustainable Development.

...the definition of nuclear fuel waste in clause 2 —

— should —

— include the word “domestic”...

Former Senator Lois Wilson, also a member of the Seaborn panel, testified that Bill C-27 falls short of capturing the intent of our recommendations. “Some of the words are the same,” she said, “but they do not reflect what we had recommended.”

Senator Wilson made four points. The waste management organization should be established at arm’s length from the utilities and the Atomic Energy Commission. That was a unanimous recommendation of the Seaborn panel. The fact that the AECL’s model for deep underground disposal remains as one of the options is likely to be pursued vigorously, despite the fact that the Seaborn panel noted 95 technical deficiencies in the model. This does not build public confidence. Second, with respect to the board, Senator Wilson’s views are the same as Mr. Seaborn’s. Third, the advisory council should be appointed by the federal government. Fourth, with respect to public consultation, the bill says the minister “may” engage in consultation with the general public and Aboriginal peoples, but Senator Wilson thought it should be mandatory.

Dr. Louis LaPierre, the third member of the Seaborn panel, said that it was stressed on numerous occasions during the panel’s hearings that the agency should be perceived as being free of vested interest. However, as I read the bill, with the waste management organization and the advisory council being named by the waste management organization, there is a possibility that this may not be the case and that the latest science may not be addressed. This is just a smattering of the concerns.

Against this background of testimony, two modest amendments were proposed. One was to ensure that only domestic waste would be processed so that, in the words of the Sierra Club representative, Canada would not become an “international nuclear waste dump.”

The second amendment addressed clause 15 of the bill, which reads:

The Governor in Council, on the recommendation of the Minister, shall select one of the approaches for the management of nuclear fuel waste from among those set out in the study, and the decision of the Governor in Council shall be published in the *Canada Gazette*.

The intent of the amendment made in committee, by changing “shall” to “may,” was to enable the minister to select any other options that new technology may produce for the processing of nuclear waste and storage. For example, the Atomic Energy Commission of France is working on the disposal of nuclear waste through transmutation. As the Planetary Association for Clean Energy testified, this could result in a greatly reduced volume of radioactive substances to be stored.

With a dramatically reduced shorter radioactive life, storage requirements may be quite different from those made necessary by unprocessed spent nuclear fuel. The global management of spent fuel could be made easier, safer and less onerous.

Honourable senators, these modest amendments were voted down with the help of some senators who were not permanent members of the committee, who had not heard any of the witnesses and who freely admitted knowing nothing of the issue. Yes, that is what happened.

Under these extraordinary circumstances, I cannot support the bill, and I should like to move in this house the amendments that were made in committee. Perhaps there will be a change of heart.

MOTION IN AMENDMENT

Hon. Mira Spivak: Honourable senators, I move, seconded by Senator Cochrane:

That Bill C-27 be not now read a third time but that it be amended

(a) in clause 2, on page 2, by replacing line 9 with the following:

“‘nuclear fuel waste’ means domestic irradiated fuel”;
and —

— in other words, it cannot be imported —

(b) in clause 15, on page 8, by replacing line 41 with the following:

“recommendation of the Minister, may select.”

The intent of these amendments is to not only ensure there is no nuclear waste imported into Canada that would be addressed by this bill but also to give the minister — the designated minister in the bill being the Minister of National Resources — the ability that, as new technology is developed, not to be limited to just those options that will be put before him and that are in the bill by the waste management organization, an organization not at arm’s length from the government and totally under the jurisdiction of the nuclear fuel industry.

Senator Kinsella: Well said. Agreed unanimously.

[Senator Spivak]

The Hon. the Speaker: It was moved by the Honourable Senator Spivak, seconded by the Honourable Senator Cochrane, that Bill C-27 be not now read a third time but that it be amended —

Senator Kinsella: Dispense!

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

Some Hon. Senators: Yes.

Some Hon. Senators: No.

The Hon. the Speaker: Will those honourable senators in favour of the motion in amendment please say “yea”?

Some Hon. Senators: Yea.

The Hon. the Speaker: Will those honourable senators opposed to the motion in amendment will 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: Is there agreement between the whips as to the ringing of the bells?

Hon. Bill Rompkey: I would propose a half-hour bell.

Hon. Terry Stratton: I would suggest that we defer the vote to tomorrow at 3 o’clock, with a 15-minute bell.

Senator Rompkey: Agreed.

The Hon. the Speaker: The vote will take place at 5:30 tomorrow, and the bells will ring at 5:15.

Hon. Sharon Carstairs (Leader of the Government): No, Your Honour, the agreement was for a vote at 3 o’clock tomorrow.

The Hon. the Speaker: I am sorry. I did not hear that. Let me make sure that I understand so I can put the question to the chamber.

There is agreement between the whips that the vote not be recorded at 5:30 but rather at 3:00 tomorrow. Is it agreed, honourable senators?

Hon. Senators: Agreed.

The Hon. the Speaker: The vote will then be at 3 o’clock tomorrow. The bells will ring 15 minutes prior to the vote, or at 2:45 p.m.

Hon. Douglas Roche: Your Honour, I wish to make a speech to the bill. I cannot be here tomorrow. Will you permit me to make a speech on third reading of the bill now?

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

Hon. Noël A. Kinsella (Deputy Leader of the Opposition): Honourable senators, the motion before us has been made.

• (1440)

The matter before the house is the amendment to Bill C-27 proposed by Senator Spivak, which is now subject to a house order for a vote, that vote to be taken tomorrow at 3 o'clock with a 15-minute bell.

We appreciate the fact that Senator Roche wants to speak to the amendment or to the bill. If it is to the bill, then we are two steps removed, and that creates difficulty, I think, procedurally.

The Hon. the Speaker: Procedurally, when I asked senators if they were ready for the question, the time to have risen would have been before the question was put. For Senator Roche to speak now would not be in accordance with our rules.

However, we have a remarkable way of facilitating people here by way of leave. If Senator Roche is asking for leave, he may do so. Otherwise, we must proceed with the Order Paper.

Senator Kinsella: To be clear, after the vote is taken tomorrow, which I expect will be successful, we will then have an amended bill, and Senator Roche would be able to speak to the bill, as amended. Should I be wrong in my prophecy, we would be at least back to third reading of the bill, unamended. That would be the time at which Senator Roche could speak.

Senator Graham: Senator Roche will not be here, though.

[Translation]

Hon. Fernand Robichaud (Deputy Leader of the Government): Honourable senators, according to the comments made by my honourable colleague, tomorrow, after the vote on the amendment, the Honourable Senator Roche could speak. I agree. He believes that this bill will be amended? I am not so sure.

[English]

The Hon. the Speaker: If I might clarify my understanding, all of that is so, but Senator Roche indicated that he would not be here tomorrow, so he has asked for leave to speak today. However, I take it leave is not granted. Senator Roche, I will let you speak.

Senator Roche: I was rising to respond, Your Honour. It is not my wish to interfere with the *Rules of the Senate*. I fully understand that. However, I should like to explain that I did not rise when Senator Spivak put her amendments because I thought I would be interfering with an immediate vote. Thus, I did not seek to speak at that point. If I am not permitted to speak today, I will understand that. However, I want the Senate to know that I oppose this bill, and I should like some opportunity to explain my reasons for opposing the bill and supporting Senator Spivak's amendments.

The Hon. the Speaker: Honourable senators, my interpretation of the exchange between the house leaders is that consent is not granted to revert to the proceeding prior to the vote. We will proceed with the Order Paper.

CANADA NATIONAL MARINE CONSERVATION AREAS BILL

THIRD READING

On the Order:

Resuming debate on the motion of the Honourable Senator Sibbeston, seconded by the Honourable Senator Bryden, for the third reading of Bill C-10, respecting the national marine conservation areas of Canada.

Hon. Gerald J. Comeau: Honourable senators, we are all familiar with the old saying that you do not get a second chance to make a favourable first impression. If one does not make a good first impression, one should at least try to correct the first bad impression. This would be wise advice to follow with Bill C-10, the marine conservation areas bill.

Bill C-10 has not been favourably received by Canadians who will be most impacted by the bill. The parliamentary process on this bill has made matters worse by reinforcing the impression that government supporters have no intention of hearing the concerns of coastal communities. Supporters of this bill state that they have studied the bill and that there is nothing further to be heard.

Let us look at this great consultative process. There were a total of eight meetings at committee, two with Parks Canada officials and two with Department of Justice officials to discuss Aboriginal concerns. Therefore, four of the eight meetings were with Ottawa officials. Out of the four remaining meetings to deal with real witnesses, one was with a representative from the Aboriginal Fisheries Commission, one with the World Wildlife Fund and one with the Canadian Nature Federation, who are supporters of the bill. In fact, there was one videoconference with seven witnesses from Northern British Columbia coastal communities who were each given three minutes to detail their concerns.

Government members spent more time selling the bill than listening to the concerns of the witnesses from the coastal communities. In effect, there was only one meeting to hear the views of non-Aboriginal coastal communities: so much for the great consultation. The committee refused to hear from the Gulf Island communities, and did not even bother to seek the views of the entire East Coast of Canada, the entire North or the entire Great Lakes region. All it heard from was the northern part of British Columbia.

I leave it to honourable senators to draw their own conclusions. Members of the committee can be excused because they are mostly from regions far away from the coastal communities.

Incidentally, according to the proceedings, the chair, after stating that he was satisfied that the committee had heard from a sufficient number of witnesses, declared that he was in a conflict of interest and turned the meeting over to the deputy chair for clause-by-clause consideration of the bill, which took only a few seconds. This was after all the testimony had been given by witnesses at the one meeting. Remember that we had one meeting with witnesses which were allowed three minutes each, after which the chairman says, "Oh, I am in a conflict of interest. I do not want to hear from further witnesses. I will hand the committee over now to the deputy chair because I am in a position of conflict." Again, I leave it to honourable senators to draw their own conclusions.

This bill is another example of government interfering in the lives and livelihoods of the people of coastal communities. It is, again, imposing central Canadian urban interests and values on their poor country cousins. It presupposes that the residents of coastal communities cannot be expected to protect the marine environment.

We realize that central Canadians have the political muscle to impose this bill, but it is not helpful. Academics wonder why Canadians are being turned off government. Why is there growing cynicism and apathy? Why are people demanding direct democracy and placing less faith and confidence in their parliamentarians? Why are so many Canadians not even bothering to vote anymore? This bill is a perfect example of why the process of governing is getting such a negative image, and why it is losing the confidence of average Canadians who struggle to make a living from the resources of the land and of the sea.

The government says it cannot afford to conduct research on fisheries and marine habitat. There have been cutbacks in enforcement capabilities and resources. Yet government can find the money to create a brand new bureaucracy to implement marine conservation areas, at a time when we have the tools to do so already under the Oceans Act, which is still not properly funded.

Both the House of Commons and the Senate committees to which this bill was referred refused to travel to the communities impacted by this bill to listen to their concerns first hand. Obviously the members felt that they knew better, and did not need to take into account the concerns of coastal communities. They invited the concerned parties in the coastal communities to give their views by way of video conference, and each was allowed three minutes. Hallelujah!

Honourable senators should be aware of the concerns expressed at committee and should delay this bill until proper consultation can take place. This committee heard, but it did not listen. Perhaps this chamber will approach the matter more seriously.

• (1450)

Honourable senators will recall that the committee spent all of one evening listening, via videoconference, to the concerns of a few coastal communities. Allow me to summarize some of the issues raised by the few witnesses who were able to get through the loophole to finally appear before the committee.

The following excerpts are from the testimony of Ms Betty J. Barton, President, Terrace and District Chamber of Commerce:

Forest and fishing industries are currently sagging.

Potential future resource development of northwestern B.C. marine areas could be severely limited.

The passing of this legislation could drastically restrict our fisheries, catch levels, fish farms, municipal tourism, shipping levels and oil and gas exploration.

Another example of people in the east making a decision about our lives in northwestern British Columbia.

Consultation has been less than adequate.

My concern about any of this going through is that the consultation process in the northwest, to date, in our minds, has been minimal, and once Bill C-10 is in place, how much more consultation will take place before these MCAs are put in wherever they are asked for along the coast?

The consultation is an uncertain thing, from what we have seen to date, either with Parks Canada, our local municipalities, the regional districts, the provincial government or anyone who has a stake in this.

We would like you to get rid of Bill C-10 altogether.

The following excerpts are from the testimony of Ms Jo Ann Groves, Councillor, Town of Smithers.

Legislation will have a detrimental impact on our already depressed economy.

Another level of oceanic bureaucracy.

We must take into account the interest of all parties that depend on or have an interest in the ocean environment.

The challenge now is to find ways to preserve and renew the richness of life based in rural and small communities, while at the same time adapting our institutions, government and infrastructures for life in a very different British Columbia.

The following excerpts are from the testimony of Ms Sharon L. Hartwell, Mayor, Corporation of the Village of Telkwa:

We are suffering in British Columbia, and especially in the North.

Businesses are closing and bankruptcies are climbing.

Why does the federal government feel that we will not do what is right to protect heritage in British Columbia?

Each marine conservation area and proposed development should be investigated on a case-by-case basis in order to determine if a balance can be struck between use and protection of the natural environment.

The following excerpts are from the testimony of Ms Joanne Monaghan, Vice Chairman, Regional District of Kitimat-Stikine:

At present our area is hurting badly. I do not know if honourable senators are aware, but we have lost thousands of jobs in our regional district because of the softwood lumber issue.

North coast communities are, therefore, very concerned that adoption of Bill C-10 will preclude aquaculture development, restrict access and discourage risk capital.

The second industry looming on the horizon for the northern half of coastal British Columbia is offshore petroleum exploration and development.

Again, federal government policy can support this economic transition, or circumscribe it by limiting access to resources.

There are other unknown resources. For example, sea animals and plants on the coast of British Columbia may be the foundation of new industries in Canada in the supply of highly valued products to a global marketplace demanding food, food components and pharmaceuticals.

However, we really would like to give you another invitation to come out to our area and see our concerns for yourself.

Bill C-10 presents another threat to our traditional economic sectors. B.C. is already suffering from poor commodity prices, and the marine conservation areas act also seems poised to prevent new opportunities from being realized in such sectors at aquaculture and petroleum development.

The following excerpts are from the testimony by Mr. Bill Beldesi, Chair, Skeena-Queen Charlotte Regional District:

One of the things we all share is our connection and proximity to the ocean. We depend on it for a place to travel, a place to work on, a place to play on and some of us even live on it.

The Skeena-Queen Charlotte Regional District joins with all the Northwest Coast communities in opposing Bill C-10. We do so because we are convinced that this bill will be unnecessarily restrictive legislation, negatively affecting our ability and our communities to pursue our chosen occupations and lifestyle.

We thank honourable senators for this discussion, for giving us this last-ditch opportunity. Our effort to have members of the House of Commons come to the North and talk to the people who will be most affected were unsuccessful. To be frank, your intervention is our last hope on this issue.

I should like to re-emphasize the overlapping of the proposed legislation. We believe that Bill C-10 is creating an additional level of bureaucracy while developing the marine conservation areas.

Already, the 1997 Oceans Act allows the minister to form and implement marine protected areas if he or she deems necessary.

The overlapping responsibilities between Heritage and DFO will include areas involving fishing, aquaculture, marine navigation and safety. What does that equal? In our opinion, that equals inefficient manpower and tremendous waste of taxpayers' dollars.

I could not have said it better.

Mr. Beldesi also said:

As was mentioned previously, as a result of the continuing poor economic climate of the northwest part of British Columbia, we are seeing communities in a last-ditch struggle to survive. We do not need more restrictive legislation such as Bill C-10 that will eliminate or escalate the expense of future economic development, whether it be gas and oil, electric generation by marine-based wind farms, the laying of underwater transmission lines or pipelines,

increased aquacultural opportunities or possible mineral exploration.

In closing, please consider this legislation carefully, honourable senators, and oppose Bill C-10. Thank you very much.

The following excerpts are from the testimony of Mr. Robert Corless, Deputy Mayor, District of Kitimat:

We believe that this legislation is based on policy direction set by Parks Canada in the 1980s and is decreed to serve international quotas rather than the present and future Canadian needs.

Simply, we view Bill C-10 as based on outdated suppositions and international ideals.

Canada does not need blanket restrictions on everything to preserve values.

Our marine environment is assured scrutiny, due diligence and ultimately protection under numerous pieces of legislation including the Oceans Act, the Department of Fisheries and Oceans — which can establish marine protected areas — the Canadian Wildlife Act and the Migratory Birds Convention Act, whereby Environment Canada can establish national wildlife areas, or marine wildlife areas under the Canadian Environmental Assessment Act. The CEAA process, with all its marine and ecosystem-based triggers, when combined with British Columbia's environmental legislation, leads the world for the most comprehensive custodial measures ensuring environmental sustainability.

Bill C-10, in-perpetuity legislation, regardless of the implications of decisions today on generations 50 to 100 years from now, once a marine conservation area is described and set down under Schedule I, it can never be removed or reduced without a change to the act. This is an excessive use of government.

You can understand my colleagues' concerns about consultation. Our council had to write twice to get an interview to let our views be known. We are very concerned about the consultation process around the table because we have had very little up until now. It is a concern to us. Frankly, we are having trouble trusting the process.

Honourable senators, need I say more? You have now heard the eloquent words of the representatives of just a fraction of the many thousands of people who asked to be given a fair hearing. Even if Bill C-10 were flawless, which it is not, the lack of trust in the process is a major cause for concern for all members of this chamber.

The Hon. the Speaker: I regret to advise the honourable senator that his 15 minutes have expired.

Senator Comeau: On a point of order, it is my understanding that the sponsor of the bill from this side had slightly more than 20 minutes, unless I am mistaken.

The Hon. the Speaker: The first speaker at first or second reading on either side is entitled to 45 minutes.

• (1500)

Senator Comeau: Have I used up my 45 minutes?

The Hon. the Speaker: The record indicates that you are the fourth speaker on this bill, according to the Table. Accordingly, the rules indicate that you have 15 minutes.

Senator Comeau: I have a point of order.

The Hon. the Speaker: Is the honourable senator asking for leave?

Senator Comeau: I wish to be absolutely sure on this. I am the first speaker from this side.

Senator Lynch-Staunton: Senator Carney spoke.

Senator Comeau: Honourable senators, I have about half a page left. I would seek leave for an extension.

[*Translation*]

Hon. Fernand Robichaud (Deputy Leader of the Government): Honourable senators, Senator Comeau is the fourth speaker on this issue. We are prepared to give him the time necessary to complete his remarks on this bill.

[*English*]

Senator Comeau: Honourable senators, I misunderstood the process. I thought the sponsor on this side of the house was the one who had 45 minutes. Apparently, I am wrong. That is something that should be reviewed under the rules.

In conclusion, honourable senators, even if the bill were flawless, which it is not, the lack of trust in this process is a major concern for all honourable senators. One of the major objectives of this chamber is to provide a voice for those who feel that their voices are not heard, to hear dissenting opinions. It is our duty to hear those voices and to listen attentively. Let us do what is right. Let us do our duty.

MOTION IN AMENDMENT

Hon. Gerald J. Comeau: With that in mind, I move, seconded by the Honourable Senator Beaudoin, that this bill be referred to committee to hear testimony from further witnesses.

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

Some Hon. Senators: Yes.

Some Hon. Senators: No.

Hon. Tommy Banks: Honourable senators, it will not come as a surprise to Senator Comeau to know that I disagree, almost as much as it is possible to do so, with the impression that he has of the bill. I disagree with his impression of the witnesses and with the way in which the committee approached the question.

I have said before in another part of the debate — and I believe that those witnesses were assured of this in the teleconference to which the honourable senator refers — that if and when a marine conservation area is proposed, the consultation that is set out clearly in this bill will take place. I have no doubt that those same

persons will, if they happen to live in an area in which such a thing is proposed, find that that consultation will take place.

I wish honourable senators to bear this in context. Witnesses spoke of the impropriety of perpetuity with respect to what is, in effect, a park. I know it is not the same thing as a national park, but there are similarities. No one would suggest that the National Parks Act ought to preclude perpetuity. The entire point of the National Parks Act is perpetuity. We do not want some successive government some time from now to be able to say: “Banff National Park is not a national park any more because we found a mountain full of copper.” That is not what national parks are for. That is not what they are about.

I wish to say to Senator Comeau that I have no difficulty imagining people who might have lived in areas such as Banff or Gros Morne, before they were made national parks, having established ways of life there with lovely homes by the river, objecting vehemently to someone who comes along and says: “We want to make this a national park.” I understand that. However, the larger national interest in that hypothetical event would, I think, maintain that Canadians who live in the mountains have the same right to have certain parts of our marine heritage protected as people who live in Peggy’s Cove have with regard to our mountain heritage. That is what this bill does.

The complaint was made — and Senator Comeau referred to this — that the bill is based on outdated concepts. Preservation of our natural heritage is never outdated, I would hope. That same witness who appeared in the teleconference also referred to a blanket prohibition. There is no such thing as blanket prohibition, except for the extraction of non-renewable mineral resources. The marine conservation areas, as honourable senators have heard before, are to contain sections that are marvels of sustainable development. Mineral extraction is not sustainable development, almost by definition.

I disagree also with the honourable senator’s contention that Canadians are not in favour of this bill. I believe that the majority of Canadians are in favour of the preservation of our natural heritage and that it be done so in perpetuity when it is done and when it is done carefully.

I wish to remind honourable senators that, as is the case with the new National Parks Act, unlike the Oceans Act and the areas that are protected under it, and unlike the Canadian Environmental Protection Act, marine conservation areas will not be formed by regulation.

This bill sets out in the first place that the government will do exactly what it said it would do. In the second place, it sets out precisely the means and the process by which those ends will be achieved, and mandates that the minister shall do the kinds of consultation that I have suggested will take place.

Most important, honourable senators, these areas will not be established by regulation, as under the Oceans Act and the Canadian Environmental Protection Act. They will not be established by fiat; nor will they be established by the department, the minister, the government or the cabinet. These areas will be established at the pleasure of Parliament, and not only Parliament, in the normal sense of the word, but only in the event that either House of Parliament does not veto them. They

can be established only in the event that there is demonstrable support in the communities that they will affect their establishment.

We here, and people in the other place as well, will be able to say, without giving an excuse and without having to justify it, “This proposition will not proceed,” if we are not satisfied here, and only here, that there is support in the area in which a marine conservation area is proposed.

I do not see how anything could be more appropriate than that the establishment in perpetuity of areas that will maintain our natural heritage should be established at the pleasure of Parliament, rather than otherwise. Bill C-10, along with the National Parks Act, is a great step in that direction.

I urge all honourable senators, when it comes time, to oppose the motion in amendment of Senator Comeau and to support the bill as it stands.

The Hon. the Speaker: Is the house ready for the question on the motion in amendment?

Senator Robichaud: Question!

The Hon. the Speaker: Will those honourable senators in favour of the motion in amendment please say “yea”?

Some Hon. Senators: Yea.

The Hon. the Speaker: Will those honourable senators opposed to the motion in amendment 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: I look to the whips for agreement with respect to the time for the bell.

Hon. Bill Rompkey: It is agreed that there be a 15-minute bell.

Hon. Terry Stratton: I agree.

The Hon. the Speaker: Normally, this would be a one-hour bell. The whips are requesting a 15-minute bell, which would require leave of the Senate.

Honourable senators, is leave granted?

Hon. Lowell Murray: No. If they want a 30-minute bell, they can have a 30-minute bell.

Senator Rompkey: I would propose a 30-minute bell.

Senator Stratton: Certainly.

Senator Rompkey: Do I hear 20?

Senator Prud’homme: I propose 45.

Senator Stratton: Honourable senators, there are no committees meeting at this time. However, if there is a 30-minute bell, some committee will be wanting to meet.

The Hon. the Speaker: There is no leave for a 15-minute bell. Is there agreement between the whips for a 30-minute bell?

Senator Rompkey: Yes.

Senator Stratton: Yes.

The Hon. the Speaker: Is leave granted, honourable senators, for a 30-minute bell?

Hon. Senators: Agreed.

The Hon. the Speaker: The whips have agreed to a 30-minute bell. The Senate has agreed.

Call in the senators.

• (1540)

Motion in amendment negated on the following division:

YEAS
THE HONOURABLE SENATORS

Adams	LeBreton
Andreychuk	Lynch-Staunton
Atkins	Meighen
Beaudoin	Murray
Bolduc	Oliver
Cochrane	Prud’homme
Comeau	Robertson
Di Nino	Roche
Forrestall	Rossiter
Gustafson	Spivak
Kelleher	Stratton
Keon	Watt—25
Kinsella	

NAYS
THE HONOURABLE SENATORS

Austin	Joyal
Baker	Kirby
Banks	Kolber
Biron	Kroft
Callbeck	LaPierre
Carstairs	Lapointe
Christensen	Léger
Cook	Losier-Cool
Cools	Maheu
Corbin	Mahovich
Cordy	Milne
De Bané	Moore
Fairbairn	Morin
Ferretti Barth	Pearson
Finnerty	Pépin
Fitzpatrick	Poy
Fraser	Robichaud
Furey	Rompkey
Gauthier	Setlakwe
Gill	Sparrow
Grafstein	Stollery
Graham	Tunney—45
Hervieux-Payette	

ABSTENTIONS
THE HONOURABLE SENATORS

Nil

The Hon. the Speaker: Honourable senators, we will now resume debate on the main motion for the third reading of Bill C-10.

Is the house ready for the question?

Hon. Senators: Question!

The Hon. the Speaker: Honourable senators, it was moved by the Honourable Senator Sibbeston, seconded by the Honourable Senator Bryden, that this bill be read the third time.

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

Some Hon. Senators: Yes.

Some Hon. Senators: No.

The Hon. the Speaker: Will those honourable senators in favour of the motion please say “yea”?

Some Hon. Senators: Yea.

The Hon. the Speaker: Will those honourable senators opposed to the motion please say “nay”?

Some Hon. Senators: Nay.

The Hon. the Speaker: In my opinion, the “yeas” have it.

Hon. Noël A. Kinsella (Deputy Leader of the Opposition): On division.

Motion agreed to and bill read third time and passed, on division.

BANKING, TRADE AND COMMERCE

COMMITTEE AUTHORIZED TO MEET DURING
SITTING OF THE SENATE

Hon. E. Leo Kolber: Honourable senators, with leave of the senate and notwithstanding rule 58(1)(a) I move:

That the Standing Senate Committee on Banking, Trade and Commerce have power to sit at 3:30 p.m. today, even though the Senate may then be sitting, and that rule 95(4) be suspended in relation thereto.

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

Hon. Senators: Agreed.

Motion agreed to.

SOCIAL AFFAIRS, SCIENCE AND TECHNOLOGY

COMMITTEE AUTHORIZED TO MEET DURING
SITTING OF THE SENATE

Hon. Michael Kirby: Honourable senators, with leave of the Senate and notwithstanding rule 58(1)(a), I move:

That the Standing Senate Committee on Social Affairs, Science and Technology have power to sit at 3:30 p.m. today, 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.

**BILL ON ACCESSION TO WORLD TRADE
ORGANIZATION AGREEMENT BY
PEOPLE'S REPUBLIC OF CHINA**

THIRD READING

Hon. Jack Austin moved the third reading of Bill C-50, to amend certain Acts as a result of the accession of the People's Republic of China to the Agreement Establishing the World Trade Organization.

He said: Honourable senators, Bill C-50 has been reported to the Senate without amendment. I congratulate the Standing Senate Committee on Foreign Affairs for its thorough examination of the issues raised by Bill C-50. This examination included the way in which technical trade issues would be applied.

For example, Senator Carney, who held the post of minister for international trade for a time in the Mulroney government, pursued the mechanics of “preliminary determination.” We were told by officials that under existing Canadian legislation, the responsibility for preliminary determination under WTO safeguards is that of the Minister of Finance. Should the Governor in Council receive the advice of the Minister of Finance that the provisional application of a safeguard measure be made, the matter is referred to the Canadian International Trade Tribunal for a further determination of whether there is injury to domestic producers.

• (1550)

Senator Andreychuk asked why the special safeguards in Bill C-50 were China specific. The officials advised that these special provisions in Bill C-50 were negotiated with China due to the size of China, its population and its economy, which made China a very different economic partner from almost any other in the world trade system. They are seen as an economic powerhouse in the making. Many other countries, including the United States, have acted to put in similar safeguards.

As I mentioned in my address on second reading, by agreement with China, these safeguards are to remain in place until 2013.

Senator Carney also asked what tests applied to the phrase “significant cause” in Bill C-50. The use of this test by Canada is questioned by the Chinese Embassy, as this term does not appear in WTO agreements but only in the protocol of accession of

China. Canadian officials believe that the use of the phrase “significant cause,” which is also used in comparable U.S. legislation, is within WTO practice. In any event, should a dispute arise, it is WTO justiciable.

As honourable senators know, Bill C-50 received strong endorsement from Canadian industry, which sees itself as being in competition with Chinese imports where there are Chinese export surges or other circumstances beyond normal trading patterns. China well recognizes its responsibilities to ensure normal trade practices, and will monitor its own export industries and their trade behaviour.

I have previously spoken about the importance of China’s accession to the WTO. China is a major trading partner in the world trading system, and its prominence will increase exponentially. Canada’s policies for many years have been based on engagement with China. Not only do we aspire to see China as a responsible member of the world trading system but, in time, as a democracy with “Chinese characteristics.”

Let us be clear to those whose concern is with human rights: Liberal trade with any country should never be seen as conferring moral approval. The world community has other ways of raising such issues.

Honourable senators, Canadian business believes it has a role to play in the development of China’s economy. In this morning’s *National Post*, there was an article headed, “China soon to top Canada in insurance sales: Sun Life.” Sun Life, Canada’s largest life insurer, is predicting, in this article, that the size of China’s life insurance market will pass Canada’s in as little as five years. Sun Life has made China a major investment market, as has Manulife.

Honourable senators, Bill C-50 is ready for your approval and I request that you provide it at this time.

Hon. A. Raynell Andreychuk: Honourable senators, I do not wish to speak to the subject matter of Bill C-50, as I believe we raised our concerns in the committee. In addition, department officials have, I believe, put on the record their understanding of our concerns and the monitoring that needs to go into the process of this bill. The fact that we are putting in separate rules for our dealings with China means that those rules need to be monitored to see whether they are effective, and benefit Canada.

There was an issue of a letter from the Chinese Embassy requesting an appearance before the committee and raising some concerns. That was adequately dealt with in the committee when the Chair undertook to see that a letter would go to the minister, indicating these concerns, and there will be a further and more adequate response to the Chinese officials.

Honourable senators, what I wish to put on the record today is the fact that there was no minister or parliamentary secretary to defend this bill at committee. While, perhaps, there was some discussion, Senator Austin had one view and I had another, of the need to have a minister present, it has always been the position on this side that if there is a significant bill — and I believe that Bill C-50 is such a bill — the minister, or at least a parliamentary secretary, should be there to defend it. We were told, in the committee, that the minister could not make himself available and there was no other official who could step in. That is why the concerns were raised both in the committee and here in the chamber by Senator Lynch-Staunton.

Yesterday, we had the benefit of having Minister Pettigrew come before us for a more global discussion of his portfolio. At that time, I raised the idea that it would be appropriate, and it should be his policy in the future, that he would try to be present when any bill is being presented on his behalf. He indicated to the committee that he could not make it to the committee on the day that had been requested, but he indicated that he could be available on other dates, and that he would make his parliamentary secretary available. I indicated for the record that that was not what had been said to us, and the Chair then made the same comment.

I believe that, in fairness to Minister Pettigrew, I need to put this on the record. There has been some misunderstanding or some issue at another level, but the minister has indicated that he was available, and that he will now be available for any other piece of legislation that comes forward in this house.

With that, the reading can go forward for completion.

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

Motion agreed to and bill read third time and passed.

APPROPRIATION BILL NO. 2, 2002-03

SECOND READING—DEBATE AJOURNED

Hon. Anne C. Cools moved the second reading of Bill C-59, for granting to Her Majesty certain sums of money for the public service of Canada for the financial year ending March 31, 2003.

She said: Honourable senators, I rise to speak to second reading of Bill C-59, for granting to Her Majesty certain sums of money for the Public Service of Canada for the financial year ending March 31, 2003.

Bill C-59 is also known as Appropriation Bill No. 2, 2002-03. Bill C-59 provides for the release of full supply for the 2002-03 Main Estimates, for a total amount of \$39.4 billion.

The 2002-03 Main Estimates were introduced in the Senate on March 5, 2002. On March 6, they were referred to the Standing Senate Committee on National Finance for examination. On March 21, the Senate adopted the Senate committee’s interim report on the Main Estimates, being the committee’s thirteenth report. The Senate then passed Bill C-52, which was given Royal Assent on March 27, 2002. Since then, the Senate committee has continued its study on the Main Estimates 2002-03, and has met several times on these estimates.

• (1600)

On June 6, 2002, a few days ago, the Standing Senate Committee on National Finance presented its second interim report on the Main Estimates to the Senate, that is, the committee’s sixteenth report. The Senate adopted that committee’s report yesterday, June 11. That interim report on the Main Estimates, 2002-03, supports Bill C-59, Appropriation Bill No.2, 2002-03, now before us for consideration. I ask honourable senators to support Bill C-59, the supply bill.

Honourable senators, the 2002-03 Main Estimates are for a total of \$170.3 billion. This amount represents an increase of \$5.2 billion, or 3.1 per cent, over last year's Main Estimates for 2001-02. These Main Estimates, 2002-03, represent budgetary spending authorities for a total of \$168.3 billion. This amount represents over 97 percent of the expenditure plan as set out in the December 2001 budget by then Minister of Finance Paul Martin. The remaining balance includes provisions for further spending under statutory programs or for authorities that will be sought through the Supplementary Estimates. The December 2001 budget also provided for the revaluation of the government's assets and liabilities, and allowed for the anticipated lapses of spending authority.

Honourable senators, the Government of Canada submits its Estimates to both Houses of Parliament in support of its request for authority to spend public funds. These Estimates include information on both budgetary and non-budgetary spending authorities. I shall explain the meanings of budgetary and non-budgetary expenditures.

Budgetary expenditures include all those expenditures to service the public debt, all those operating and capital expenditures, all those transfer payments to other levels of government, organizations or individuals, and all those payments to Crown corporations.

Non-budgetary expenditures include loans, investments and advances that represent changes in the composition of the financial assets of the Government of Canada.

As I just stated, Appropriation Act No. 1, 2002-03, had provided for the release of interim supply in the amount of \$16.9 billion for the 2002-03 Main Estimates. Now the Senate is being asked to vote on the second appropriation bill, the bill for full supply, being Bill C-59. Bill C-59 represents the remaining portion of spending that is appropriated annually. As I said before, the National Finance Committee's second interim report adopted yesterday, June 11, supports Bill C-59, the Appropriation Bill No. 2, 2002-03.

Honourable senators, these Main Estimates, 2002-03, support the government's request for Parliament's authority for the government to spend \$56.3 billion under program authorities, for which Parliament's annual approval is required. The remaining \$112.1 billion, which is 67 per cent of the total, is for statutory expenditures, and those statutory expenditure forecasts are provided for information purposes only.

The President of the Treasury Board, the Honourable Minister Lucienne Robillard, appeared before our National Finance Committee on May 29, 2002. She was accompanied by Treasury Board officials Richard Neville, Deputy Comptroller General, and David Bickerton, Executive Director of Expenditure Operations and Estimates Directorate. Senators discussed these Estimates in some detail with the minister. The committee also called other Treasury Board officials to the table. These included Bill Austin from the Social and Cultural Sector, Jane Cochran, Executive Director of Procurement and Project Management, and Roberta Santi, Associate Deputy Comptroller General.

Minister Robillard spent a lengthy time, almost three hours, with the committee. She answered the committee members' questions fully, as she always does. Minister Robillard was open and amenable to senators' questions.

Honourable senators, I propose now to give an overview of some of the major changes in the 2002-03 Main Estimates. First, I shall recite the increases. Following that, I shall recite the decreases.

The following major increases include: \$3.8 billion for the statutory adjustment to the net Employment Insurance benefits and administration as reflected in the consolidated specified purposes accounts; \$1.3 billion for the Canada Health and Social Transfers; \$1.2 billion for direct transfers to individuals, such as increases in Old Age Security and Guaranteed Income Supplement; and \$613 million for public security and anti-terrorism initiatives.

These major increases also include: \$439.1 million for salary increases, including funds for the salaries of judges, RCMP members, and members of Parliament and House Officers' remuneration as adjusted in accordance with Bill C-28; \$382 million for the Resource and Management Review to meet Canada Customs and Revenue Agency's workload requirements, address rust-out, provide for investment requirements, and restore historical service levels; \$349 million in payments to various international financial institutions relating to the commitments made by Canada under multilateral debt reduction agreements; \$348.6 million for the Department of National Defence spending, including \$110.6 million for pay and benefit adjustments approved for military and civilian personnel; and \$348.1 million in transfer payments under the Canada Infrastructure Program.

Honourable senators, continuing with my overview of the major increases in the 2002-03 Main Estimates, there will be: \$216.2 million to address core operational and/or capital requirements, including recruitment, retention and learning initiatives; \$169.8 million for the establishment of the Primary Health Care Transition Fund; \$155.9 million in contributions for the new Strategic Highway Infrastructure Program; and \$143.5 million for the Fisheries Access Program to support the transfer of fishery licences to Aboriginal fishers and to address sustainable economic development and exploration of Aboriginal and treaty rights; \$140.5 million for employer contributions to insurance plans for public service employees, largely caused by an increase in health care and other insurance programs and provincial health payroll taxes; \$113 million for government office accommodation, being additional space requirements of government departments, increased costs, and temporary space required to allow maintenance to the existing office space; \$107.6 million to meet the increased demand for ongoing programs and services, including the implementation of the Labrador Innu Comprehensive Healing Strategy; and \$97.5 million for climate change initiatives related to the Climate Change Action Plan 2000.

Honourable senators, the other amounts that are increases include: \$97.1 million in disability pensions due primarily to annual price indexation adjustments, and increases in the volume of attendance allowance awards and an increase in the level and number of disabilities as clients age; \$85 million in payments to the provinces and territorial governments; \$81.6 million for the introduction of two new contribution programs designed to give Canadians more access to arts festivals and live professional performances, to improve physical conditions for artistic creativity and innovation, and for new initiatives to provide Canadians with quality cultural events by assuring the consolidation and improvement of the organizational,

administrative, and financial condition of arts and heritage organizations; \$77 million for the implementation of regional innovation initiatives; \$76.7 million for the establishment of the new Federal Tobacco Control activities; \$76 million for the new Atlantic Investment Partnership Initiative; \$75.7 million for the merger of the Communication Coordination Services Branch of Public Works with Communications Canada; and \$74.3 million for the increased costs of doing business abroad, including Canada's membership costs in international organizations.

Honourable senators, these seemingly endless numbers are the true purpose of Parliament. The study of the Estimates and the business of holding governments to account require a high degree of study and a fair degree of exertion. Control of the public purse is the essence of Parliament. I shall continue now with my recitation of changes in the Estimates.

I shall continue to outline the increases in these Main Estimates 2002-03 as follows: \$74 million for the creation of a new program under the National Shipbuilding and Industrial Marine Policy Framework to stimulate employment in Canadian shipyards and an increase in payments under the Technology Partnerships Canada Program; \$69.5 million for the construction of the new Canadian War Museum, including the revitalization and development of the LeBreton Flats site, including site decontamination, road work and servicing; \$60.5 million in capital funding to complete the purchase of a new office building in Vancouver and for health and safety repairs to various installations; \$60 million for contributions for agricultural risk management, the Canadian Farm Income Program; and \$60 million to strengthen and enhance the Canadian Broadcasting Corporation's radio and television programming.

• (1610)

Honourable senators, still further increases include: \$56.1 million for the establishment of the Office of Indian Residential Schools Resolution of Canada, created in June 2001 by Order in Council; \$54.4 million, in large part due to the implementation of programs committed under the Ozone Annex of the Canada-United States Air Quality Agreement as well as for funding for the Climate Change Action Fund; \$53.2 million for interim funding, to ensure the integrity of the Canadian Food Inspection Agency's programs and to enhance the regulation and control of veterinary drug residues in food-producing animals and food products of animal origin; \$50.7 million, mainly for the increase in Canada's commitment to its international assistance envelope; and \$50.1 million for the encashment of notes of international financial institutions in order to meet Canada's commitment to the African Development Bank.

Honourable senators, in my description of the Main Estimates 2002-03, I shall speak now to the major decreases.

The major decreases include: \$5.4 billion in public debt interest and servicing costs; \$183.8 million as a result of the completion of the 2001 Census of the Population and the 2001 Census of Agriculture; \$133 million for the Canada Jobs Fund because of the June 2000 decision to close down the fund; \$101.7 million in payments to international organizations related to the encashment of notes by the International Development Association in accordance with the Bretton Woods and Related Agreements Act, as well as payments to the International Monetary Fund's Poverty Reduction and Growth Facility; \$91.8 million for government-wide initiatives largely due to the

sunsetting of funding for the Government On-Line initiative; and \$76 million to the Canada Education Savings Grant Program because the department now has access to a broader historical database from which to produce more accurate forecasts of funding utilization.

Honourable senators, I continue with the decreases, which include: \$75.3 million for the merger of the Communication Coordination Services Branch of Public Works with Communications Canada; \$70 million to the Canada Student Loans Program due to the change in financing arrangements for student loans and student assistance as a result of the change to directly financed student loans; \$59.5 million to contributions to provide farm income assistance to the agricultural community Spring Credit Advance Program; \$57 million to the health infrastructure initiatives, due to the timing of the funding announcement in budget 2001 and the fact that incremental funding for this initiative will be accessed through the 2002-03 Supplementary Estimates; and finally, \$50 million in anticipated contribution payments to provinces under the terms of the disaster financial assistance arrangements.

Honourable senators, I move now to the non-budgetary side of expenditures. As I said before, non-budgetary expenditures include loans, investments and advances that represent changes in the composition of the financial assets of the Government of Canada. On the non-budgetary side, there is a net change of \$200 million, with the major increase being \$223.4 million in payments to various international financial institutions, and the major decrease being \$100 million related to the loans disbursed under the Canada Student Financial Assistant Act. This represents a summary of the Main Estimates 2002-03. This represents the contents of Appropriation Bill No. 2, 2002-03, Bill C-59, termed by us as our full supply bill.

Honourable senators, in closing, I should like to share some other aspects of Minister Robillard's appearance before the Standing Senate Committee on National Finance.

In her opening remarks to the committee, Minister Robillard, President of the Treasury Board, outlined some significant changes in the Estimates and highlighted several government initiatives. She noted that the events of September 11, 2001, have had an effect on government spending. She mentioned the comprehensive package of security-related initiatives totalling \$7.7 billion over six years, of which \$1.5 billion will be spent in the current fiscal year. Furthermore, Minister Robillard even noted that the government currently has several initiatives designed to assist in the development of the volunteer sector of society. The minister also discussed recruitment and retention issues in the Public Service and indicated her intention to introduce a bill this fall in the House of Commons on the reform of the public service. She highlighted the efforts of the Treasury Board to improve the government's ability to hire high-quality recruits and to retain its best employees. Honourable senators, I thank Minister Robillard.

I should also like to take this opportunity to thank Mr. Paul Martin, who is no longer in the cabinet, for his enormous contribution as Minister of Finance. I am sure that I speak for many senators in expressing thanks for the fine work he did while he was the Minister of Finance.

Finally, I should also like to thank the Treasury Board officials, Mr. Neville and Mr. Bickerton, who, as I have said before, are open and candid with us time and again.

In closing, as I ask honourable senators to pass Bill C-59, as deputy chairman I should like to thank, first, all the honourable senators who are members of this committee. I shall not name them, but I can see some of them looking at me as I speak. I should like to say that their dedication and commitment to this rather difficult and sometimes tedious work, to my mind, is to be admired.

Last but not least, to use a rather tired phrase, I should like to thank the chairman of our committee, Senator Lowell Murray. I should also like to say, in my deepest appreciation, that there are certain benefits to having a meeting chaired by a former minister of government in this instance. The senator in question is now a member of the opposition, but in another time, he was a member of former Prime Minister Mulroney's cabinet.

I should also like to note, honourable senators, that the House of Commons, which appears to be following the example of the Senate, seems to be moving to re-establish a committee for the study of Estimates. Yes, our committee is called the National Finance Committee, but it is really the Senate estimates committee.

Having said that, honourable senators, I thank you and invite all of you to support this very important initiative.

[*Translation*]

Hon. Roch Bolduc: Honourable senators, I am not going to speak at length because normally debate on a bill for granting to Her Majesty certain sums of money for the public service of Canada is brief. There are, however, two points I wish to make.

Not long ago, the Standing Senate Committee on National Finance gave serious consideration to the equalization formula, and a report was produced. There was almost no substantive debate on the principle, except for one point of view expressed by Michel Boucher, from ENAP in Quebec City, who said that, in principle, fiscal redistribution by the Government of Canada was a further obstacle to the effective allocation of resources in Canada. I do not want to get into that. Although I am somewhat of the same opinion, I agree that we should make an exception, which in this case is already provided for in the Constitution of Canada, and we know that it is not easy to amend our fundamental charter. It must also be remembered that we are talking about a program equivalent to 8 or 9 per cent of the federal budget. Setting aside the cost of servicing the debt, this is almost 1 per cent of Canada's GDP.

The committee's recommendations strike me as reasonable. I would be in favour of having the Department of Finance look further into a macroeconomic formula which would be easier to understand and which would entail less risk of error, such as occurred recently, to the astonishment of the governments of Quebec, Ontario and Manitoba.

Naturally, equalization is but one aspect of tax transfers to the provinces.

[Senator Cools]

• (1620)

In addition to these transfers to other levels of government, there are transfers to individuals. The Government of Canada has undertaken a vast redistribution of revenues over the last 50 years. Despite this, the distribution of revenue in Canada does not satisfy everyone, since equity is a vague concept that is only partly operative. Consequently, Canadian federalism is characterized, according to Quebec, by a significant tax imbalance caused by the rapid rise in health care costs, which were socialized during the 1960s without concern about the perverse incentives in the system that was set up. On top of this, the federal government reduced its contribution.

The Kirby commission identified problems with the current system as a whole, but unless we change the incentives that are part of the system, it does not make sense to me to approve more public money.

My second comment on the tax imbalance relates to the fact that if the Government of Canada assumed its share of health care costs and NATO defence costs, the federal surplus would be quite different. Quebecers often forget this. They claim that the federal government has money and that health care spending in the provinces is on the rise. They forget that the federal government may not be pulling its weight not only in health care, but also when it comes to defence. This creates a surplus that we would otherwise not have.

There is reason to be sceptical about the tax imbalance issue. I am not saying it does not exist. My leader said the imbalance existed. The imbalance is not what people think it is. It exists because of health care. There is federal and provincial spending in education and in research. In these other areas, we are probably not doing our share. In recent years, we have been spending more on innovation. It is not a complete imbalance. It suits Quebec politically to claim that this is the case. I see this from a different perspective. We must be more moderate.

Canadian federalism has some virtues, in that it shares power between governments, a division I favour. It means we are not subject to just one yoke. This concentration has one major weakness: the same taxpayers are taxed twice for the same purpose, for instance, health. This is a familiar problem in economics. Everyone is fishing in the same fishing hole, so the name of the game, politically, is that the first one to get there wins. This is problematic.

Because of this situation, if there is financial imbalance in Canada, the solution is not to hand money back to the provinces, but to get it back into the taxpayers' hands through federal tax cuts. Before sending money to Quebec City, Toronto or wherever, it needs to go back to the people. It is their money. If there is any surplus, give it back to them. We will see what happens next. If other governments want to tax people, let them do so and shoulder the responsibility. The more redistribution there is, the more encouragement there is of a kind of systemic irresponsibility. Several people on this side of the floor do not agree with this expression of my prejudices. That is all I have to say for today.

Hon. Lowell Murray: I want to thank Senator Bolduc, not only for his remarks on our report on the federal equalization program, but also for his very important contribution to our review. I am very proud, and committee members can also be very proud that, yesterday, the Senate adopted our unanimous report. While we are proud of this, I can assure you that the governments of the provinces that will benefit from this will be very grateful.

A few weeks ago, I had the opportunity to meet public officials from the four Atlantic provinces, in Moncton. Most are concerned about the fate of the equalization program. It is not as if the equalization program were in danger of being abolished, not at all. However, the federal government has a tendency to lean towards direct payments to individuals, rather than transfers to the provinces. This puts provincial governments in an unenviable position, considering their responsibilities, particularly in the area of social policies and programs.

[*English*]

With regard to the supply bill now before us, I see no reason to prolong the debate, nor to delay the passage of the bill.

As I reported to the Senate yesterday, and as Senator Cools, the sponsor of this bill, confirmed earlier, the Standing Senate Committee on National Finance is well launched on our consideration of the Estimates for the fiscal year 2002-03. We have already submitted two interim reports. In an hour or so, we will be continuing our consideration of the financing and accountability of arm's-length foundations set up by the government to pursue public policy objectives. We will also be considering whether and when to report on our discussions of yesterday with the chairman of the National Capital Commission.

In view of all that, honourable senators, I can assure colleagues that, in reasonably good conscience, they can vote supply. I join Senator Cools in commending this bill to your support.

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

Motion agreed to and bill read second time.

The Hon. the Speaker *pro tempore*: Honourable senators, when shall this bill be read the third time?

On motion of Senator Cools, bill placed on the Orders of the Day for third reading at the next sitting of the Senate.

[*Translation*]

BUSINESS OF THE SENATE

Hon. Fernand Robichaud (Deputy Leader of the Government): Honourable senators, I seek the unanimous consent of the Senate to have all remaining items on the Order Paper stand until tomorrow. This consent would allow us to adjourn. Honourable senators would then be able to make it to the committees that are currently sitting.

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

Hon. Senators: Agreed.

Motion agreed to.

The Senate adjourned until Thursday, June 13, 2002, at 1:30 p.m.

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