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(HANSARD)

Tuesday, May 13, 2003

THE HONOURABLE DAN HAYS
SPEAKER

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THE SENATE

Wednesday, May 13, 2003

The Senate met at 2 p.m., the Speaker in the Chair.

Prayers.

[*Translation*]

ROYAL ASSENT

The Hon. the Speaker informed the Senate that the following communication had been received:

RIDEAU HALL

May 8, 2003

Mr. Speaker,

I have the honour to inform you that the Right Honourable Adrienne Clarkson, Governor General of Canada, signified royal assent by written declaration to the bills listed in the Schedule to this letter on the 8th day of May 2003, at 4:07 p.m.

Yours sincerely,

Barbara Uteck
Secretary to the Governor General

The Honourable
The Speaker of the Senate
Ottawa

Bills Assented to Thursday, May 8, 2003:

An Act to establish a process for assessing the environmental and socio-economic effects of certain activities in Yukon (Bill C-2, Chapter 7, 2003)

An Act to amend the Criminal Code (firearms) and the Firearms Act (Bill C-10A, Chapter 8, 2003)

SENATORS' STATEMENTS

NEW BRUNSWICK

INCREASE IN AUTOMOBILE PREMIUMS

Hon. Pierrette Ringuette: Honourable senators, I wish to draw a very important matter to the attention of the Senate. For over two years now, the automobile insurance companies have been shamelessly hiking up the insurance premiums for residents of the Atlantic provinces, New Brunswick in particular. I will summarize the situation, if I may.

The insurance companies managed to manipulate the Conservative Government of Ontario into legislating everything their little kingdom desired. Bolstered by that success, and seeing that the Conservatives had cousins in three of the four Atlantic provinces, the companies decided to target consumers in that region next.

In New Brunswick, in 2002 alone, insurance rates increased by 62.4 per cent, not counting discriminatory practices with regard to age and gender nor the fact that New Brunswick's accident rate had dropped by 48 per cent. After several years of inaction, the Lord government struck an all-party legislative committee to examine the issue. The committee wrote an excellent report that was shelved because the insurance companies did not like it. At least the Progressive Conservatives in Nova Scotia imposed a moratorium on increases in automobile premiums while they examined the matter. While Mr. Lord and Mr. Green were strutting around Toronto with the representatives of the insurance companies, New Brunswick consumers were paying increasingly high premiums. This is not surprising, because the Progressive Conservative government in New Brunswick needed money to pay for the elimination of the toll booths. The higher the premiums, the fuller the government's coffers got. In 2002, the Progressive Conservative government of New Brunswick received $99.3 million in various taxes from the insurance companies, thereby endorsing the vicious cycle of increased premiums for consumers. After years of inaction and visits to Toronto, the Progressive Conservative government introduced automobile insurance legislation that lacked vision and maturity.

However, the legislation honours the wishes of the companies and hurts consumers. This legislation, in my opinion, also violates article 2(*d*) of the Charter of Rights and Freedoms, freedom of association, because it prohibits insurance companies from reducing premiums for various associations. Why car insurance and not dental insurance or drug insurance, which associations also have? Will New Brunswick consumers soon have to pay dearly for their insurance?

Senator Comeau: An election in New Brunswick!

[*English*]

STANDING COMMITTEE ON HUMAN RIGHTS

ISSUES OF DISCRIMINATION BASED ON SAME-SEX MARRIAGE

Hon. Donald H. Oliver: Honourable senators, the Canadian public is looking more and more to the Senate of Canada for leadership and direction.

A series of recent editorials in Canadian newspapers and journals has pointed to the emergence of the Senate as more than a body of sober second thought, namely, a body that is leading the debate on new and important public policy initiatives for Canadians. For instance, the Halifax *Chronicle-Herald* said:

> The Senate has remained decidedly more non-partisan and more focused in its efforts. The result has been that the upper chamber's deliberations have been more substantive — and of higher quality — than what usually emanates from the House of Commons.

I have read some of the current debate in the other chamber about the traditional definition of marriage and human rights. The views of the deputies reflect the diverse views of members of the Canadian public, but there is in fact no leadership, particularly in areas of prohibited grounds of discrimination, including sex, sexual orientation and marital status.

Honourable senators, these are important human rights issues. I am no stranger to the issue of human rights. For instance, in 1998, at the invitation of Senator Kinsella, I was the Abdul Lodhi lecturer at the Atlantic Human Rights Centre at St. Thomas University, where I spoke about the universality of human rights. There are some rights that we have intrinsically, by virtue of our humanity. These rights do not have to be purchased, earned or inherited. They are an inherent part of our being.

• (1410)

Honourable senators know that section 2 of the Canadian Charter of Rights and Freedoms outlines some of our human rights, but the more specific definition is contained in section 3(1) of the Canadian Human Rights Act, which states:

> For all purposes of this Act, the prohibited grounds of discrimination are race, national or ethnic origin, colour, religion, age, sex, sexual orientation, marital status, family status, disability and conviction for which a pardon has been granted.

The issue in Canada, today, on which Canadians are looking for the Senate to provide some comment and direction is the following: Does the issue of human rights extend to the issue of same-sex marriage?

I checked over the weekend and between the years 1995 and 2000, I stood in this chamber and asked the Leader of the Government in the Senate on more than 13 occasions when a Senate Human Rights Committee would be established to deal with important and pressing public policy issues. Senators Fairbairn and Graham will be painfully aware of my constant requests that they take immediate action to establish such a committee so that we would have a forum for debating and analyzing these important public policy issues.

With that background, therefore, I feel the time is right for the Senate Human Rights Committee to hold public hearings to deal with issues of discrimination based upon sexual orientation and sexual unions, particularly in relation to same-sex marriage.

The public policy issue arises from the fact that, under the Constitution Act of 1867, marriage falls under federal jurisdiction while the solemnization of marriage is a provincial responsibility. Some Canadian provinces have permitted marriages between same-sex couples, although these unions are not sanctioned under federal legislation.

Honourable senators, the bigger issue for us to determine is whether our courts or Parliament should be making the law on this matter. Canadians are now divided and are searching for leadership and direction.

Honourable senators, the time is right for us as, a chamber, through our Human Rights Committee, to stand up, take a lead and offer some direction on this important public policy issue.

[*Translation*]

NATIONAL DEFENCE

MONTFORT HOSPITAL— MILITARY HEALTH CARE CENTRE

Hon. Jean-Robert Gauthier: Honourable senators, it is a done deal! A new departure! A new collaboration has begun between the military and Montfort Hospital. The Department of National Defence will invest millions of dollars, probably $200 million, in order to set up a new military health care centre at Montfort Hospital, the only French-language teaching hospital in Ontario.

Defence Minister John McCallum made the announcement yesterday to a gathering of dignitaries.

This new hospital site will provide services in both of Canada's official languages. A new wing with six floors, two of which will provide health care to the members of the Canadian Forces and their families, is expected to open in 2005.

This new partnership will make it possible to offer better health care and, at the same time, will create a critical mass of professional skills. The Canadian Forces' bilingual medical officers will be integrated into the medical staff of Montfort Hospital, as will the military's nursing professionals and other health care professionals, who will be able to interact with their civilian counterparts. The medical officers and professionals will also be able to participate in the hospital's teaching mission and take an active part in research.

We all know that Montfort Hospital is one of the most efficient hospitals in Ontario, and it will continue to the offer high-quality services for which it is known.

Montfort Hospital was built in 1953, by the Daughters of Wisdom, and has served the region's francophone community for 50 years. This is a new start, because the hospital was threatened with closure in 1997 by the Ontario provincial government. We went to court and we won. We won in the lower court and we won in the appeal court. Today, Montfort Hospital is officially Ontario's French-language teaching hospital.

I commend everyone who supported us and fought by our side over these many years so that we could finally achieve victory.

[*English*]

MULTIPLE SCLEROSIS AWARENESS MONTH

Hon. Yves Morin: Honourable senators, multiple sclerosis attacks people in the prime of their lives, usually between the ages of 20 and 40. It can put them in wheelchairs, confine them to bed, cause mental dysfunction and affect their ability to see.

Most people with multiple sclerosis anticipate a steady progression from a healthy, productive life to disability. In the words of Winnipeg writer Ingeborg Boyens:

> I totter and stumble through life...I walk on invisible stilts; the mere flapping of a butterfly's wings a mile away will inexplicably upset my precarious balance. My hands are muffled in oven mitts; my handwriting has deteriorated to an awkward scrawl that even I can no longer read. My mouth is filled with marbles; the words I try to enunciate come out rattled and slurred.

This quotation is from the book *Dropped Threads*.

[*Translation*]

The incidence of multiple sclerosis in Canada is among the highest in the world. More than 50,000 Canadians suffer from the disease.

Unfortunately, there is no treatment for it, but research has made significant progress. I am happy to say that Canadian researchers are among the most productive on this front.

[*English*]

Dr. Voon Wee Yong of the University of Calgary is receiving funding, from both the Multiple Sclerosis Society of Canada and the Canadian Institutes of Health Research, for projects that will lead to greater understanding of the role of certain proteins, called matrix metalloproteinases, in the destruction of myelin. His work could lead to new therapies for the disease. Dr. Jack Antel of McGill University is leading an international team to find out if the body's own stem cells can be turned into cells to regrow new myelin.

Honourable senators, these are a few of the research projects being funded by the Multiple Sclerosis Society of Canada and CIHR. These efforts and those of many other fine Canadian researchers could, one day, lead to a cure for multiple sclerosis. Until then, however, Multiple Sclerosis Awareness Month reminds us that the only source of hope for multiple sclerosis patients is research.

NEWFOUNDLAND AND LABRADOR

INITIATIVE TO AMEND TERMS OF UNION

Hon. Lowell Murray: Honourable senators, the House of Assembly of the Province of Newfoundland and Labrador is considering a resolution calling for amendments to the 1949 Terms of Union. The Prime Minister of Canada and his intergovernmental affairs minister have stated flatly that such an initiative is a non-starter and that constitutional discussions will not take place.

Permit me to draw to the attention of honourable senators the advisory opinion of the Supreme Court of Canada in *Reference re Secession of Quebec* and, in particular, to the following paragraphs, beginning with paragraph 69:

> The *Constitution Act, 1982* gives expression to this principle, by conferring a right to initiate constitutional change on each participant in Confederation. In our view, the existence of this right imposes a corresponding duty on the participants in Confederation to engage in constitutional discussions in order to acknowledge and address democratic expressions of a desire for change in other provinces. This duty is inherent in the democratic principle which is a fundamental predicate of our system of governance.

Paragraph 88 states:

> The amendment of the Constitution begins with a political process undertaken pursuant to the Constitution itself. In Canada, the initiative for constitutional amendment is the responsibility of democratically elected representatives of the participants in Confederation...The corollary of a legitimate attempt by one participant in Confederation to seek an amendment to the Constitution is an obligation on all parties to come to the negotiating table.

Significantly, paragraph 153 states:

> The task of the Court has been to clarify the legal framework within which political decisions are to be taken "under the Constitution", not to usurp the prerogatives of the political forces that operate within that framework. The obligations we have identified are binding obligations under the Constitution of Canada.

In light of the binding obligations spelled out by the Supreme Court of Canada, it is proper to ask by what moral, political, legal or constitutional right Messrs. Chrétien and Dion purport to stonewall the initiative being taken by the Province of Newfoundland and Labrador. Messrs. Chrétien and Dion warmly embraced those parts of the Supreme Court opinion that they believed justified the so-called Clarity Act. They must live with all the Supreme Court opinion, not just those parts they find convenient. In the event of a constitutional initiative by Newfoundland and Labrador, the federal government will have to come to the table.

[*Translation*]

NATIONAL NURSING WEEK, 2003

Hon. Lucie Pépin: Honourable senators, this year's National Nursing Week is in full swing until May 18. As a former nurse, I would like to take advantage of this week of celebrations to renew my support for nursing staff in this country. Thanks to the countless roles they fill in health care delivery, nurses never cease to demonstrate that they are key players in the health care system.

• (1420)

This phenomenal contribution made by nurses is the result of the passion and determination of nurses like Louise Lévesque, who dedicated her career to the advancement of the nursing profession. As a professor of nursing sciences, together with her work as a researcher specializing in care for the elderly, she has guided several generations of students. She was one of the first people to identify family health care aides as a group at risk for health problems.

Louise Lévesque contributed enormously to the creation of the first chair in Canada dedicated to nursing care, seniors and the family. She is now at the Institut universitaire de gériatrie of the University of Montreal.

A model of perseverance, last month, Louise Lévesque was awarded the Montreal YWCA's Women of Distinction Award in the area of Health.

Ms. Lévesque's passion is a hallmark of the nursing profession. On a daily basis, nurses provide high quality care, in spite of huge obstacles. In recent years, they have repeatedly spoken out about the deterioration of their profession. Like many others, the Kirby and Romanow reports have highlighted the grievances of nurses and clearly demonstrated that the nursing shortage will prove insurmountable, unless the governments act quickly.

We must recognize that their demands are starting to be heard. The governments seem to be not only realizing that a crisis is imminent but also becoming aware of the real contribution of the nursing staff and the impact of hospital and health care restructuring on the quality of their work. This awareness is reflected in the measures taken by the various levels of government. We can only applaud these efforts made to alleviate the burden of nurses.

However, we must remain vigilant because nurses continue to feel the effects of staff shortage. The recent demonstration by the emergency room nursing staff at Hôpital Maisonneuve-Rosemont is an indication of how urgent the situation is. The nurses of that establishment demonstrated on Mothers' Day to draw attention to the fact that they, too, are mothers and that the 16-hour days nurses are often required to work, not only at Maisonneuve-Rosemont but in every hospital in Quebec, have a big impact on their families.

I recognize that there is a commitment to address the problem. Still, it must be understood that the situation remains urgent. Nurses are kind-hearted individuals who have their profession at heart, and they ask nothing more than some help so that they can do the work they love so much.

[*English*]

ROUTINE PROCEEDINGS

BOY SCOUTS OF CANADA

PRIVATE BILL TO AMEND ACT OF INCORPORATION—PRESENTATION OF PETITION

Hon. Consiglio Di Nino: Honourable senators, I have the honour to present a petition from the Boy Scouts of Canada, a body incorporated by chapter 130 of the Statutes of Canada, 1914; praying for the passage of an act to amend its act of incorporation, in order to consolidate the statutes governing it, to change its name to "Scouts Canada" and to make such other technical and incidental changes to the act as may be appropriate.

QUESTION PERIOD

JUSTICE

DECRIMINALIZATION OF MARIJUANA—EFFECT ON UNITED STATES—CONFIDENTIALITY OF LEGISLATION

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, according to the *Ottawa Citizen* of this morning, the Minister of Justice is in Washington today to meet the United States Attorney General to discuss proposed Canadian legislation touching on the decriminalization of marijuana. The pertinent part of the article reads:

> The watered-down bill will include stiffer penalties for drug traffickers and people caught with marijuana grow operations.
>
> To underline the point, Justice Minister Martin Cauchon will present his plan to U.S. Attorney General John Ashcroft today.
>
> Mr. Cauchon is expected to stress that marijuana will remain illegal and Canada will toughen penalties substantially for marijuana-growing operations. He already described the plan briefly to Mr. Ashcroft last week at a Paris meeting of justice ministers of the Group of Eight leading industrialized nations, but today's meeting will give a fuller explanation.

There is a convention in this country, if not a law, that specifies that all government legislation is to be considered confidential until introduced in either the Senate or the House of Commons. Does the Leader of the Government in the Senate not agree that her colleague is breaking a long-standing convention, if not the law, by informing a foreign government of the contents of a proposed bill, and no doubt asking for its support, before the bill has been introduced in Parliament?

Hon. Sharon Carstairs (Leader of the Government): Honourable senators, I thank the honourable senator for his question, but, no, I do not believe that the Honourable Minister of Justice has broken with precedent. I think it is safe to say that the discussions that are taking place with Mr. Ashcroft are around the principles of the bill. The specifics of the bill will become evident to all of us in due time, when the bill is tabled in the other place.

Senator Lynch-Staunton: Honourable senators, I would remind the Leader of the Government in the Senate that, not so long ago, the then Minister of Justice was severely reprimanded by the Speaker of the House of Commons for having given a press briefing on the contents of a bill before that bill was introduced in the House of Commons. This is a very similar situation, except that the briefing is being given to a representative of a foreign government.

If it violates House of Commons rules to brief, even in a sketchy way, the contents of proposed legislation before it is made public, surely the Minister of Justice should also be severely reprimanded.

Senator Carstairs: Honourable senators, with the greatest of respect to the honourable senator, it is a matter of discussing the principles behind proposed legislation that will be tabled, not the specific legislation itself. That will be tabled in due course, in the House of Commons.

HEALTH

DECRIMINALIZATION OF MARIJUANA— PRINCIPLES OF DRUG STRATEGY

Hon. Pierre Claude Nolin: Honourable senators, yesterday the Minister of Health confirmed she will talk about a new drug strategy. Is it the intent of the minister to talk about that on Thursday, the same day on which the bill will be introduced in the House of Commons?

Hon. Sharon Carstairs (Leader of the Government): My understanding, honourable senators, is that when the bill is introduced, the principles of a drug strategy will be debated as well.

NATIONAL DEFENCE

REPLACEMENT OF SEA KING HELICOPTERS— COMMENTS ON CHANGES TO PROCUREMENT STRATEGY

Hon. J. Michael Forrestall: Honourable senators, I have two questions for the Leader of the Government. I know Colonel Brian Akitt, the former commander of CFB Shearwater, to be a man of honour and high integrity. Unlike the Minister of National Defence, who is an economist by profession, Colonel Akitt is a professional aviator. He wrote a paper in which he warned that because of political intervention by an ad hoc committee of cabinet in 1999, the so-called Gray committee, the specifications for the new helicopters were diluted to the point where there is a "significant risk to a safe and credible operation."

Can the Leader of the Government in the Senate tell this chamber why an officer and professional aviator of spotless reputation would make such a statement if it were not true?

Hon. Sharon Carstairs (Leader of the Government): Honourable senators, I obviously cannot speak for Colonel Akitt, other than to say that his paper was an opinion piece on the circumstances surrounding the MHP process. The Chief of the Defence Staff has indicated quite clearly that he is confident that there is more than one helicopter that can fulfil the needs of the Canadian Forces, that the competition is robust and that we can find the right helicopter at the best price for the Canadian taxpayer.

Senator Forrestall: Honourable senators, no one wants the best price. It is lowest price compliant.

• (1430)

Today the press reported that a former Deputy Minister of the Department of Public Works, Raymond Hession, a much-respected public servant, labelled the government's procurement strategy based on lowest price compliant, "plain stupid." Can the minister tell us why a senior retired public servant would warn the government that a procurement strategy is stupid?

Senator Carstairs: Honourable senators, every Canadian is entitled to their opinion, and so is Mr. Hession. The government's goal has always been, and remains, to get the right aircraft for the Canadian Forces as soon as possible, at the lowest possible price.

REPLACEMENT OF SEA KING HELICOPTERS— PROCUREMENT PROCESS

Hon. Gerry St. Germain: Honourable senators, my question is for the Leader of the Government in the Senate. I have been asked to go on a military week. The response indicated that they would be putting me with the Sea Kings but, unfortunately, I could not go — not that I will not go. However, the minister has confused me. The minister says that the government is trying to accelerate this process. It has been 10 years since the Liberals took over from the Tories but a suitable choice for a replacement helicopter has yet to be found.

The leader continues to give her responses to Senator Forrestall, who has done an excellent job of following the file. What has to happen? Do we have to literally kill someone? As I said before, the blood of any death as a result of this situation will be on the hands of the Liberals and the cabinet for failing to make a decision.

Honourable senators, when will we get a decision? Do we have to wait for Mr. Chrétien's nephew to hold hands with the French and make a side deal of some kind? Something is going on.

Hon. Sharon Carstairs (Leader of the Government): Honourable senators, I have been very forthright with all senators with respect to this particular policy. Perhaps, if we had not taken office in 1993 with a $42-billion deficit, we would have been able to make decisions prior to this point. However, there were a variety of things that, quite frankly, we were unable to do because of the legacy of the honourable senator's government.

The result is that the process is ongoing. The process is being addressed and, hopefully, we will choose an aircraft in 2004.

FISHERIES AND OCEANS

CLOSURE OF COD FISHERIES

Hon. Ethel Cochrane: Honourable senators, a little more than a week ago I posed a question on the status of the 4X cod fishery, which I mentioned at the time included Minister Thibault's political riding. The Leader of the Government in the Senate began her response by saying, "I hope that the honourable senator is not suggesting that we should not use the best science available." With respect to the 4X cod, the minister added: "—fishing for cod appears to be average. Therefore, the resource is viable and, therefore, fishers are allowed to continue in their occupation."

However, honourable senators, the Fisheries and Oceans Committee heard testimony last week to the contrary. Dr. George Rose, Senior Chair, Fisheries Conservation at Memorial University and a member of the FRCC, told us: "—the science on the 4X cod is weak at present. The 6,000-ton quota that has been set for 4X cod is certainly questionable." He later said: "It is certainly pushing things to have that quota set that high." He also added: "In that area, they are pushing the limits of biological productivity with the cod, in my view."

Therefore, I would like to ask the Leader of the Government: Why did the minister keep the 4X cod stock open to fishing when concrete science was not there to support such a move? What science is Minister Thibault using to justify keeping the cod fishery open in his riding?

Hon. Sharon Carstairs (Leader of the Government): Honourable senators, the honourable senator asked a similar question last week, and I said to her, as she has indicated, that we had to rely on the best opinions of scientists. The scientists with the Department of Fisheries and Oceans have indicated that the policy announced by the minister was the best one to take to preserve the cod.

The honourable senator also indicated that she did not think that we had to close the cod fishery at all. Where are we on this argument? Are we to close down all the cod fishing, or are we to close some where it is shown that it is necessary, but leave open the fishery where it appears to be still viable?

Senator LeBreton: In the Liberal ridings.

Senator Cochrane: Honourable senators, if the cod is in danger in Newfoundland and Labrador, it is also in danger in the 4X area of Minister Thibault's riding. Fish swim. Your former Prime Minister, bless his heart, has also announced that fish swim.

The Chair of the Fishery Resource Conservation Council, Mr. Fred Woodman, told the Fisheries Committee on Tuesday that the stock status report this year was not complete. He said that explicitly. He told us with regard to the report:

> It did not give us an estimated biomass level. They could not do it because of misreporting and dumping and so on. They did not give us a true picture of the resource. We made our recommendation based upon the fact that we had two good-year classes coming in — 1999 and 2000.

That is the two years upon which they based their judgment.

Can the honourable minister tell me if it is common practice for the Department of Fisheries and Oceans to rely on scientific information that is three or four years old when making decisions about the health of the stocks and the levels at which they can be sustainably fished?

Senator Carstairs: Honourable senators, the Minister of Fisheries and Oceans must make the decision on the best science advice available to him. Perhaps, the honourable senator should listen to the former Minister of Fisheries, Mr. John Crosbie, a Newfoundlander and member of her party. He said that he did not think that Mr. Thibault had any real choice.

Naturally, the fishermen do not like that, especially in areas with no alternative to cod, but perhaps the scientists have to recommend it as they see it.

CITIZENSHIP AND IMMIGRATION

BIOMETRIC NATIONAL IDENTITY CARD— PROPOSAL BY G8 NATIONS

Hon. Donald H. Oliver: Honourable senators, a week ago last Monday, all G8 countries agreed to develop travel documents capable of carrying biometric information such as fingerprints and retinal scans. This is a direct response to recent American legislation.

By October 2004 the United States will require nationals of other countries to have this type of documentation in order to enter its territory. In recent months, the Minister of Citizenship and Immigration, Denis Coderre, has advocated a national discussion, not a formal proposal, as to whether Canada needs a new biometric-capable national identity card. In light of our new G8 agreement the minister's idea of a discussion seems highly disingenuous.

Why is the minister continuing the pretence of discussing the possibility of implementing biometric capable identity cards in Canada if the government has already agreed to take this route?

Hon. Sharon Carstairs (Leader of the Government): Honourable senators, the government has not agreed to take this route. My understanding of the file is that the United States and Canada are still actively considering and discussing as to what exactly will be the entry and exit procedures that Canadians must follow as they cross into the U.S. Also, there seems to be great speculation as to when such a system could be put in place even in the United States, let alone in the other G8 countries.

• (1440)

Senator Oliver: Honourable senators, what is the meaning of the G8 agreement of two weeks ago? The U.K. is said to be the only G8 country that is publicly expressing reservations over adopting the use of these biometric-capable travel documents. Britain's Home Secretary, David Blunkett, has said that such a

process should not be rushed and that these new surveillance techniques may hinder freedom of movement as well as trade and commercial arrangements. Has the Canadian government had any discussions with the U.K. government about their concerns?

Senator Carstairs: Honourable senators, I do not know whether these discussions have taken place. I know that Mr. Coderre has expressed his concerns in respect of this information and its form. However, I shall contact the minister's office to find out if he or others have had contact with the United Kingdom to indicate our similar, shared concerns.

HEALTH

SEVERE ACUTE RESPIRATORY SYSTEM— INFRARED SCREENING OF TRAVELLERS

Hon. Brenda M. Robertson: Honourable senators, I have a supplementary to the question that I asked last week concerning the screening of air travellers for symptoms of SARS. There has been confusion surrounding the thermal camera used to screen passengers at Toronto Pearson International Airport. A spokesperson for Health Canada said last week that the camera had been used only for a photo opportunity last Wednesday night and had then been put back in storage. Health Canada has since refuted this statement. However, there were reports that the scanner was not in use at all last Thursday.

Could the Leader of the Government tell the chamber what happened with the infrared camera last week and bring us up-to-date on the current situation?

Hon. Sharon Carstairs (Leader of the Government): Honourable senators, I should have followed up on that file, on the basis of the honourable senator's question last week. I, too, read that news item, but did not follow up on it. I shall do so when I return to my office this afternoon.

CREATION OF NATIONAL CHIEF OFFICER FOR PUBLIC HEALTH POSITION

Hon. Brenda M. Robertson: Honourable senators, the President of the Canadian Medical Association, Dr. Dana Hanson, in an editorial in the *Ottawa Citizen* today, wrote that the SARS outbreak has proven that Canada's health care system is ill-prepared to deal with rapidly spreading infectious diseases, along with more day-to-day problems, and that we need a comprehensive plan to ensure that we are able to meet similar challenges in the future. According to Dr. Hanson, one of the first steps in strengthening and providing leadership in our public health infrastructure should be the appointment of a national chief officer for public health — someone who could coordinate all of our public health officials.

Could the Leader of the Government in the Senate tell us whether the federal government is considering creating such a position?

Hon. Sharon Carstairs (Leader of the Government): Honourable senators, the federal government is working closely with provincial and municipal health care workers in an ongoing process to address this issue. It is for that reason that the Dean of Medicine at the University of Toronto was put in charge of a group that will examine exactly what occurred during the SARS epidemic and will identify what needs to be done in the future. The honourable senator is quite right, in the preliminary to her question, that we were not adequately prepared for that kind of outbreak and that we must now ensure that we are prepared for future outbreaks of this nature.

I have some good news. It is my understanding today that there are only 19 people remaining in hospital across the country and that we expect more people to be released within the next few days.

INDUSTRY

BUSINESS DEVELOPMENT BANK CORPORATION— AUBERGE GRAND-MÈRE FILE

Hon. Marjory LeBreton: Honourable senators, the RCMP investigation into the leaked BDC loan allocation of the Auberge Grand-Mère has revealed missing documents in the file and erased computer files. The leaked loan application contains a footnote showing that the Auberge Grand-Mère company owes $23,000 to the Prime Minister's personal holding company. Clearly, this would have put the Prime Minister in a direct conflict of interest when he phoned the president of the BDC on behalf of the Auberge. These computer documents and pages are missing from the BDC files. Could the Leader of the Government in the Senate tell us if there has been an internal investigation at the BDC to determine who would have erased computer documents and removed material from the Auberge Grand-Mère file? At the same time, could the Leader of the Government in the Senate give us a categorical assurance that Mr. Jean Carle was not in a position to access these files when he was in a senior position at the BDC?

Hon. Sharon Carstairs (Leader of the Government): Honourable senators, the honourable senator asks an impossible question because, as she well knows, the BDC is an arm's-length body from the Government of Canada. Therefore, the BDC does not take orders from the Government of Canada about the investigations it should undertake within its corporate structure. What is clear is that, in 1993, Prime Minister Chrétien sold his shares in the golf course, before he assumed the office of Prime Minister.

Senator LeBreton: Honourable senators, it is interesting that Mr. Chrétien's own accountant talked about the Prime Minister receiving $40,000, and that information is also missing from the documents.

In the affidavit filed by RCMP Corporal Gallant about the forged Auberge Grand-Mère loan application, Corporal Gallant does not include the statement by BDC official France Bergeron that "without the intervention of the federal MP, the project would have never been accepted." Corporal Gallant stated that it was "not up to me to comment on what might be normal or not normal with respect to the work of a member of Parliament."

If Corporal Gallant did not feel that he had the authority to comment on the Prime Minister's activities, could the Leader of the Government in the Senate tell us who would have made the decision to suppress this information in the affidavit?

Senator Carstairs: Honourable senators, just as the government does not interfere in the day-to-day operations of the BDC, it certainly should not interfere in the operations of the RCMP.

SOLICITOR GENERAL

GUN REGISTRY PROGRAM— ECONOMIC IMPACT STUDY

Hon. Gerry St. Germain: Honourable senators, my question is to the Leader of the Government in the Senate and concerns the gun registry. Last month, the government moved the gun control program from the Department of Justice to the Department of the Solicitor General of Canada, along with, I presume, the $70 million that was allocated. The government has not yet advised how much more money must be allocated to cover the additional and ongoing expenses incurred for the fiasco.

Has an economic impact study been established as to how much this will cost Canadian taxpayers before it is over? If not, could the honourable leader tell this chamber why one is not being done?

Hon. Sharon Carstairs (Leader of the Government): Honourable senators, I am not sure that an economic impact study is what the honourable senator wants. Perhaps he has some interpretation of an economic impact study that I do not have.

With respect to the gun registry, the government was clear in the Estimates process about what it wanted, as well as in the budgetary process. As such, the monies were voted appropriately in both Houses of Parliament, to provide those sums of money to the appropriate authority.

GUN REGISTRY PROGRAM—PROPOSAL TO MAKE FIREARMS CENTRE INTO DEPARTMENT

Hon. Gerry St. Germain: Honourable senators, this has certainly had an impact on Canadians. Although the word "impact" may not be correct, there should be an economic review of the entire process.

My next question for the Leader of the Government in the Senate concerns the status of the registry. After the move to the Solicitor General's department, the government then ordered that the registry program be made into a department. It is listed here as the "Order Designating the Canadian Firearms Centre as a Department and the Chief Executive Officer as the Deputy Head." What would the impact of this be on the program? How would it benefit the program? Would it clarify the situation as to the future of the program? How much would Canadians have to pay for this boondoggle?

Hon. Sharon Carstairs (Leader of the Government): Honourable senators, the honourable senator correctly talks about an economic review, and that is exactly what Mr. Hession did. The review was presented to all parliamentarians on the costs to date and the projected costs. The reorganization of the registry is for the purpose of efficiency. Obviously, the Government of Canada would like to get the best value possible from the ongoing monies it is spending on this file.

FIREARMS REGISTRY— POSSIBLE RELOCATION FROM MIRAMICHI

Hon. Gerald J. Comeau: Honourable senators, I should like to continue with the matter of the gun registry. Last week, the Moncton *Times & Transcript* reported that Solicitor General Wayne Easter said that the jobs at Miramichi firearms centre might be relocated. My question is for the Leader of the Government in the Senate. Is the government considering moving the firearms registry from the Miramichi centre? If so, has it done a cost analysis in terms of what this would add to the multi-billion-dollar boondoggle?

Hon. Sharon Carstairs (Leader of the Government): Honourable senators, let me make sure that Hansard is correct as to who your colleague was. It certainly was not me who made that reference, but it was the Honourable Senator St. Germain. It was announced last December or January that the government would be examining the issue of whether the registry should stay in its current location. To the best of my knowledge, senator, no decision has been made, and your suggestion of doing the appropriate analysis is one I will take to the government.

• (1450)

GUN REGISTRY PROGRAM—REQUESTS FOR FUNDS THROUGH SUPPLEMENTARY ESTIMATES

Hon. Gerald J. Comeau: Honourable senators, last week the President of the Treasury Board refused to rule out any further Supplementary Estimates for the gun registry in the coming year. So far, the government has requested Supplementary Estimates no less than 11 times since the start of the gun registry.

Would the Leader of the Government in the Senate, who sits in cabinet, not agree that it is time that the President of the Treasury Board be given instructions to no longer request Supplementary Estimates for the gun registry and that any future costs be placed under the Main Estimates of the budget?

Hon. Sharon Carstairs (Leader of the Government): Honourable senators, ideally that is exactly the way everything should be done, including Senate budgets. We should always put everything in the Main Estimates and rarely, if ever, use Supplementary Estimates. However, the practical reality for many government programs, including the operations of this place, is that sometimes it is required to apply for and obtain the approval of both Houses for the supplementary process.

Senator Comeau: Honourable senators, a $2-million program that turned out to be a $1-billion program should send a message to cabinet that it is about time that the budgeting processes not have to resort to Supplementary Estimates. It may finally dawn on the people in cabinet that there is something wrong with this program.

FIREARMS CENTRE—FIRING OF STAFF MEMBERS

Hon. Gerald J. Comeau: Honourable senators, last week Gary Webster, former head of the Canadian Firearms Centre, could not explain the Prime Minister's comments last December that a number of people had been fired from the firearms centre as a result of the cost increase from $2 million to $1 billion. Could the Leader of the Government in the Senate advise as to who those people were, and if no such people were fired, would they belong to another group that includes the homeless individual who keeps giving policy advice to the Prime Minister?

Hon. Sharon Carstairs (Leader of the Government): Honourable senators, I thank the honourable senator for his question. I clearly do not have names, ranks or serial numbers of any of those individuals, but I will seek an answer for the honourable senator.

JUSTICE

NEWFOUNDLAND AND LABRADOR TERMS OF UNION—CONFLICT WITH CONSTITUTION ACT, 1982

Hon. Lowell Murray: Honourable senators, I have a question that the Leader of the Government in the Senate may wish to take as notice and obtain a considered reply from the legal advisers of the government.

In the view of the government, which of the various amending formulas in the 1982 Constitution Act apply to amendments to the 1949 Terms of Union of Newfoundland with Canada?

Hon. Sharon Carstairs (Leader of the Government): Honourable senators, my friend is quite right. I will not venture an answer on that question this afternoon. I will take it as notice and return with an answer for the honourable senator.

[*Translation*]

DELAYED ANSWERS TO ORAL QUESTIONS

Hon. Fernand Robichaud (Deputy Leader of the Government): Honourable senators, I have the honour of tabling three delayed answers: the response to an oral question raised by the Honourable Senator Comeau, on March 26, 2003, concerning the firearms control program, border control procedures and the departments involved in their implementation; a second response to an oral question raised by the Honourable Senator Comeau, on March 27, 2003, concerning firearms registry, access of foreign law enforcement agencies; and a response to an oral question raised by the Honourable Senator Keon, on April 3, 2003, concerning the severe acute respiratory syndrome, the languages of notices and the availability of translators.

JUSTICE

FIREARMS CONTROL PROGRAM—
BORDER CONTROL PROCEDURES—
DEPARTMENTS INVOLVED IN IMPLEMENTATION

(Response to question raised by Hon. Gerald J. Comeau on March 26, 2003).

A number of border controls are currently in place and a number of others are awaiting the passing of Bill C-10A. Existing measures include the requirement for all returning residents to demonstrate they are the holder of a valid firearms licence and the firearm(s) they are importing are properly registered. Non-residents must also meet registration and licensing requirements in the same fashion as residents, however, they have the option of obtaining a "Confirmed Declaration" which is a temporary form of licensing and registration. These measures ensure that all firearms entering Canada are properly accounted for and the individuals are eligible to possess those firearms. Commercial shipments of firearms are controlled through the issuance of Import and Export Authorizations and are subjected to Customs verification at the point of entry.

These control measures are carried out by the Department of Foreign Affairs and International Trade and the Canada Customs and Revenue Agency. The Canadian Firearms Centre provides the administration support for these controls.

Within the cost spent to end of 2001-02, i.e. $688M, CFC reimbursed Canada Customs & Revenue Agency a total of approximately $13.6M related to costs for services provided at border crossings and system connectivity. CFC's forecast expenditure as at March 31, 2003 for 2002-03, was approximately $100M which included approximately $1.7M of costs reimbursed to CCRA for a total of (13.6M + 1.7M) = $15.3M for border control procedures and system connectivity.

FIREARMS REGISTRY—
ACCESS OF FOREIGN LAW ENFORCEMENT AGENCIES

(Response to question raised by Hon. Gerald J. Comeau on March 27, 2003).

The Canadian firearms registry system transfers to the Canadian firearms registry online only the information that is linked to the firearms licence and to the registration of firearms.

Foreign law enforcement agencies do not have direct access to the database.

The Royal Canadian Mounted Police is responsible for the dissemination and exchange of information with Canadian agencies and foreign law enforcement agencies.

HEALTH

SEVERE ACUTE RESPIRATORY SYNDROME—LANGUAGES OF NOTICES—AVAILABILITY OF TRANSLATORS

(Response to question raised by Hon. Wilbert J. Keon on April 3, 2003).

1) The material being provided to travelers is available in various languages based on the demographics of the travelers at various locations as follows:

1. Incoming Health Alert Notices (yellow cards) English, French, Korean, Chinese (simplified).

2. Outgoing Health Alert Notices (cherry cards) English, French, Chinese (simplified), Chinese (traditional).

3. In-flight Traveler Contact Information Sheet — instructions are available in the following languages: English, French, Chinese (simplified), Chinese (traditional), Hindi, Japanese, Korean, Punjabi, Spanish, Thai, Urdu and Vietnamese.

Ontario's web site is offering SARS information in several languages: e.g. French, Chinese, Italian, Portuguese, Tamil, Vietnamese.

2) It would be extremely difficult to provide travellers, who do not speak either English or French, coming into and leaving Canada, with translation services. However, measures are in place to assist new immigrants and refugees who do not speak English or French entering Canada. Government-sponsored refugees are met at the airport and Citizenship and Immigration Canada (CIC) personnel provide direction and orientation to them. Other refugees who identify upon landing in Canada are also assisted by CIC personnel and provided the necessary services. Training on identifying the symptoms of SARS has been provided to Citizenship and Immigration personnel who interview immigrants coming into the country and are alert in identifying travellers who may be showing symptoms of SARS. Health Canada advisories have been distributed by Citizenship and Immigration to all their service providers to ensure that they are in a position to provide the information to immigrants and refugees who cannot communicate in English or in French.

ANSWERS TO ORDER PAPER QUESTIONS TABLED

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT—PROPERTY RIGHTS FOR ABORIGINAL WOMEN

Hon. Fernand Robichaud (Deputy Leader of the Government) tabled the answer to Question No. 107 on the Order Paper—by Senator Stratton.

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT—FIRST NATIONS LANDS MANAGEMENT ACT

Hon. Fernand Robichaud (Deputy Leader of the Government) tabled the answer to Question No. 108 on the Order Paper—by Senator Stratton.

HUMAN RESOURCES DEVELOPMENT—AMENDMENTS TO CANADA LABOUR CODE

Hon. Fernand Robichaud (Deputy Leader of the Government) tabled the answer to Question No. 109 on the Order Paper—by Senator Stratton.

FINANCE—INSURANCE ACT

Hon. Fernand Robichaud (Deputy Leader of the Government) tabled the answer to Question No. 118 on the Order Paper—by Senator Stratton.

FINANCE—NATIONAL COOPERATIVE BANK

Hon. Fernand Robichaud (Deputy Leader of the Government) tabled the answer to Question No. 119 on the Order Paper—by Senator Stratton.

FINANCE—TAXATION OF NON-RESIDENT TRUSTS AND FOREIGN INVESTMENT ENTITIES

Hon. Fernand Robichaud (Deputy Leader of the Government) tabled the answer to Question No. 120 on the Order Paper—by Senator Stratton.

DEPUTY PRIME MINISTER AND MINISTER OF FINANCE

Hon. Fernand Robichaud (Deputy Leader of the Government) tabled the answer to Question No. 121 on the Order Paper—by Senator Stratton.

[*English*]

ORDERS OF THE DAY

STATISTICS ACT

BILL TO AMEND—THIRD READING—DEBATE CONTINUED

On the Order:

Resuming debate on the motion of the Honourable Senator Milne, seconded by the Honourable Senator Chalifoux, for the third reading of Bill S-13, to amend the Statistics Act.

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, I think that Senator Comeau, last week, touched on the greatest weakness of this bill, which is that it violates a pledge made to Canadians that information given through the census was to remain confidential and secret in perpetuity. To quote from the long form, on the last page after the person has answered all the questions, there it is, in large letters: "The law protects what you tell us. Your personal census information cannot be given to anyone outside Statistics Canada, not the police, not another government department, not another person. This is your right."

The argument against that is that the information that would be allowed through this bill would not be given out, except in specified cases, for another 92 years from the date of the census, and, without restriction, for another 112 years. The argument is this: Will a person really care whether information given in confidence, which can be argued for the most part of a routine nature, is made public 112 years later? I say yes. I will try to convince senators, before voting to support this bill, that my arguments deserve at least a little reflection.

There is a clause in this bill which allows that from 2006 on — at the time of the next census — information given in that census and in those that follow can be made public if the person signing the questionnaire gives consent. I think that is very good except for one flaw — the same census questionnaire applies to more than one person, sometimes to dozens of people. The questionnaire is quite clear regarding who to include in the questionnaire, such as people who are away or absent — like students or spouses working abroad — whose legal address is where the questions are being asked on one particular day. How is one to get the approval of, say, 20 people in one household, 14 of whom are away? How can one get them all to agree or disagree that personal information can be released or not released if they are not there the day that the questions are being asked? I asked if there were regulations covering this aspect and, so far, I am not aware that it has been covered.

I want to mention some of the questions asked in the long form because every new long form becomes more and more intrusive. At one time, the census was strictly a nose count — name, address, age, sex, number of children, marital status, et cetera — basic public information. Now we are going a lot further.

There is, for instance, the relationship between two persons, including whether a common-law partnership refers to two people of the opposite sex or of the same sex who live together as a couple. Some people may not want that information known — whether now or 112 years from now — whatever their common-law status.

There are other questions, such as those concerning household activities. This may sound amusing, but I wonder what the value of this information is to the census people. They want to know how many hours a person spent doing the following activities: unpaid housework; looking after one or more of this person's own children without pay; providing unpaid care assistance to one or more seniors.

• (1500)

What is the point of all this information and how will it be interpreted once it is made public, whether 112 years from now or whenever?

On page 12 of the long form this question is asked: Could this person have started a job last week had one been available? What kind of a question is that? What is the value of that question? Could this person, that is, the person replying, have started a job last week had one been available? That is close to a question like: Do you still beat your wife? What is the value of that? I find that intrusive and none of the government's business, ever.

Page 16 is devoted entirely to income. Most Canadians declare their income on tax returns, which are considered confidential. The same information regarding employment, self-employment income, income from government, other income, dividends and interest is asked for on the census form in similar detail. Whereas, as far as I know, our tax returns remain confidential forever, the same, or nearly the same, information on the census form will be made available in due course. Why this morbid curiosity? Why not be satisfied with what a census is all about? Some will say, "Historians need to know." Only snoopy historians need to know. I do not think that some of this information should ever be made public, unless the individual giving it agrees.

On page 17, this question is asked: Who pays the rent or mortgage, taxes, electricity for this dwelling? Whose business is that? Why would the government want to know whether I pay the rent or my wife pays the rent or my father-in-law pays the mortgage? What does it matter? Perhaps there are families making their children's mortgage payments and they do not want anyone to know this is taking place. "All right," the answer is, "they will not know for another 112 years." That may be so at present, but what I am afraid may well happen is that this is only the thin edge of the wedge.

I refer to the experience that we have had since the social insurance number was introduced. It was put in place in 1964. There was a great deal of debate in the House at the time. Mr. Diefenbaker himself was very concerned that this number would be applicable eventually to all sorts of activities, both government and non-government, which were not even considered at the time the SIN was being proposed. It was to be restricted to UI, which is now EI, and the Canada and Quebec Pension Plans. That is all. The House was assured that was all it would be used for.

Only a few years later, in 1967, the Income Tax Act was amended so that your social insurance number had to be put on your tax return. Eventually, that was applied to all sorts of other government activities and functions, at both the federal and provincial levels, and then eventually at the municipal level. The law was also changed so that anytime a tax slip for a dividend cheque or interest payment is received, your social insurance number must appear on it. That was never the intention at the beginning.

It certainly was not the intention, although it is not disallowed, unfortunately, for the private sector to ask for that number. No matter where you go now, whatever application form you get, you are asked for your social insurance number. Very few will say that giving it is optional. You do not have to give it.

Senator Comeau: But they do not have to lend money to you either.

Senator Lynch-Staunton: That is right.

I raise that point because, in 1964, Parliament was assured that the social insurance number would be used for limited and specific purposes. Now we see it is a free-for-all. We may as well make it public. We may as well advertise it. I suggest the same will happen with this bill. Eventually, if it is passed in this form, someone will

have the bright idea of saying, "Look, we cannot afford to wait another 90 years for this information. Let us change the law and bring it back to 50 years, 25 years or 10 years." Eventually, they will say, "Let us make it all public," unless the person does not want to allow the information to be released. Even then, is that any guarantee that the information will not be made public?

I am also concerned that the long form questions are becoming more intrusive, more personal and, I believe, more irrelevant. I know there is an argument that governments and others can trace demographic and social factors from census results, thus allowing various policies to be tailored for the long term. That is what it says in theory. Whether in fact that is true, I somehow doubt it.

Passing this bill will violate a pledge made that census information never be made public. Second, there is no question that passing the bill will lead to a discussion of accelerating the release of the information. Perhaps this will even be suggested in the form of an amendment. Third, more and more intrusive questions of a personal nature are being asked on the long form, and they should never be made public. For all these reasons, in particular the first one, I urge honourable senators not to support this bill.

Hon. Yves Morin: Honourable senators, I should like to ask a question of the Honourable Senator Lynch-Staunton.

My question concerns two issues. One issue concerns the disclosure of information, and I follow Senator Lynch-Staunton in that regard. I strongly believe that information in the census should not be disclosed at whatever time. One of the strengths of our census is that it is confidential and will remain confidential. If there are any indications that it will not remain confidential, then people will stop giving confidential information.

Where I do not follow the honourable senator is in the matter of the census being more extensive in its questions. We know, for example, that issues like the social determinants of health are becoming extremely important. Statistics Canada has taken a leading role in the world relating to issues such as economic development, the social network, housing, education, and so forth, with the health status of a given population. As a matter of fact, these non-medical social determinants of health are more important than health care delivery, hospitals, physicians, and so forth.

I realize that people are asked if they are working or not, but this is an important issue as far as public health is concerned.

Does the honourable senator agree that non-disclosure of the census is important, but the fact that more and more questions are being asked bears some relation to health and to the economic development of our country? I might say that Statistics Canada is one of the leading organizations among OECD countries.

Senator Lynch-Staunton: If the information were to be kept as a collective bit of information rather than an individual bit of information, then I might agree with Senator Morin. However, we will now see that what is collected for millions of people as a whole, broken down by age and region but still very impersonal, will become personal information, rather than a conclusion based on information that remains impersonal and confidential.

Hon. Lowell Murray: Honourable senators, has Senator Lynch-Staunton had an opportunity to read the new legal opinion, if I may call it that, of the Department of Justice on this matter and to appreciate the fact that absent this bill, with the restrictions it imposes on access, Statistics Canada will be seriously exposed to a situation in which litigation would probably succeed in opening personal information in the census in an unrestricted way?

• (1510)

Senator Lynch-Staunton: I have not seen that legal opinion or the one that preceded it, apparently, which stated the contrary; however, having had experience with Department of Justice opinions, I am somewhat cynical of them. I am thinking particularly of the Pearson bill and others that came to us with the full support of the Department of Justice.

So, no, I have not seen the opinion; however, even if it says what it says, is that risk worth taking?

Hon. Gerald J. Comeau: On the question of legal advice from the Department of Justice, if the Department of Justice is suggesting that it might not survive a court challenge, does this not suggest that we should enforce the confidentiality or bring an amendment to the current legislation that would enforce the confidentiality rather than giving in and saying, "Since the Department of Justice is saying that this will not survive a court challenge, let's give in and throw the books open"?

Senator Lynch-Staunton: I could not agree more with the honourable senator. We see that the government is not hesitant in the budget implementation bill to put in retroactive legislation. If that principle applies there, it can apply in this case also.

On motion of Senator Comeau, debate adjourned.

CANADIAN ENVIRONMENTAL ASSESSMENT ACT

BILL TO AMEND—SECOND READING

Hon. Colin Kenny moved the second reading of Bill C-9, to amend the Canadian Environmental Assessment Act.

He said: Honourable senators, I rise to speak today about Bill C-9, to amend the Canadian Environmental Assessment Act.

Some honourable senators may not be familiar with the Canadian Environmental Assessment Act or the practice of environmental assessment. Quite simply, environmental assessment is a planning tool to identify, assess and mitigate potential negative environmental impacts on proposed projects.

I suspect that all honourable senators will agree that preventing environmental harm through sound project design is much better than trying to clean up or repair damage after it has occurred.

The Canadian Environmental Assessment Act, or CEAA, as it is commonly referred to, has been in place since 1995. This act requires an environmental assessment of proposed projects, such as the construction of a new dam, where the Government of Canada is the project proponent or has a decision to make about whether to provide funding, land or a regulatory permit that allows the project to proceed.

The breadth and scope of the act is far-reaching.

The Hon. the Speaker: Senator Kenny, I am sorry to interrupt.

Honourable senators, it is becoming quite noisy in the chamber. I would ask honourable senators who wish to have conversations to defer them or to carry them on outside the chamber.

Senator Kenny: Thank you, Your Honour.

Each year, the Government of Canada assesses about 6,500 projects with the potential to negatively affect our air, health, water, wildlife and natural spaces. It is important to remember that the act also touches upon billions of dollars of potential investment.

Honourable senators will know that making or amending environmental laws is time-consuming and often a difficult process. The stakes are high for the health of our environment and for the health of our economy. Views are usually polarized. The government often finds itself in the position of being pushed and pulled by environmental groups, industry, Aboriginal peoples and provincial governments.

What is remarkable about Bill C-9 is its support from a wide range of interests. When this bill was first introduced in the House of Commons, the Canadian Environmental Network, an umbrella organization of environmental groups, issued a news release that congratulated the government for bringing forward to Parliament many issues where consensus was found among diverse interests. At the same time, the Mining Association of Canada commended the government for its bold and important steps.

Honourable senators, the message for us is quite clear. An open and comprehensive five-year review of CEAA has resulted in a bill that will promote progress and shared environmental priorities. The story behind Bill C-9 goes back to June 1998, when the Canadian Environmental Assessment Agency, the body that administers CEAA, began to prepare the five-year review of the act. Their first step was simply to ask the following question: What are the problems with the current act?

The response came from inside and outside the government. Concerns were raised about poor federal coordination and uncertainty in the process. Inconsistent quality of assessment and limitations to public participation were identified.

These preliminary consultations provided the foundation for a discussion paper released by the Minister of the Environment in December 1999. For its part, the discussion paper was a frank admission to the problems with the current act. The identification of the problems in the discussion paper was an essential step for ensuring that the review of the act was focused on finding practical solutions.

The five-year review saw cross-Canada consultations that included public sessions, regional workshops, meetings with the provinces, discussions with Aboriginal peoples and a special Internet Web site.

The Minister of the Environment's regulatory advisory committee was asked to examine the issues and options identified in the discussion paper and come forward with recommendations.

After hearing from Canadians from all regions and walks of life, the Minister of the Environment developed his report to Parliament and a bill of the proposed changes.

"Strengthening Environmental Assessment for Canadians" was tabled in March 2001. At the same time, Bill C-19, predecessor to Bill C-9, was introduced in the House of Commons. The House of Commons Standing Committee on Environment and Sustainable Development took a year to review Bill C-9. The committee heard what Canadians had to say about the minister's proposals. The committee considered over 200 possible amendments. In the end, the House of Commons passed a number of amendments that I believe improve the bill.

Honourable senators, Bill C-9 will make the federal environmental assessment process more predictable, certain and timely. It will improve the quality of assessments and strengthen the opportunities for public participation. It deals head-on with problems originally identified in the 1999 discussion paper.

The highlights of Bill C-9 include measures to improve federal coordination and application of the act. Projects that undergo a comprehensive study level of assessment will no longer face the double jeopardy of potentially having to undergo a second in-depth assessment by a review panel.

There is new authority for ministers to issue prohibition orders to stop project construction before the environmental assessment is complete. Bill C-9 recognizes Aboriginal traditional knowledge and requires that the Canadian Environmental Assessment Agency consult Aboriginal peoples on policy issues related to CEAA. The bill proposes to create a new class of screening tool to deal with small significant projects in an environmentally sound manner.

As a result of Bill C-9, follow-up programs will be mandatory for projects after a comprehensive study, mediation or review panel. The bill proposes to make the transboundary sections of the act more operable and specifically recognizes the importance of promoting the ecological integrity of Canada's national parks.

Bill C-9 requires the establishment of an Internet site of project information so that Canadians can have timely access to information about projects occurring in their communities.

Finally, this proposed legislation will extend environmental assessment obligations to over 40 Crown corporations.

The government has committed $51 million over the next five years to support the implementation of these improvements and others in the bill.

Honourable senators, careful consideration of this legislation will put us a step closer to a revitalized environmental assessment process that will work on behalf of all Canadians.

• (1520)

Hon. Mira Spivak: Honourable senators, I thank Senator Kenny for his glowing words and his intelligent review of the bill. It will not surprise him or anyone else that I view it in a slightly different light.

I want to look at the history that began many years before the government proclaimed the legislation in 1995. I want to briefly relate it, because it gives us a benchmark for what this bill does and does not do. It is, by and large, a history of progressive weakening of Canada's commitment to environmental assessment — a progressive weakening of the good use of this planning tool that can help us avoid costly mistakes and prevent irrevocable harm to our environment.

In the 1970s, Canada was on the forefront of what was then a novel concept of environmental assessment. Before Mr. Justice Thomas Berger conducted his royal commission into the social, environmental and economic impacts of the proposed Mackenzie Valley pipeline, few countries thought it necessary to examine the cost to the environment before approving a major project. In his 1977 report to the government, Judge Berger wrote of the North as "a heritage, a unique environment that we are called upon to preserve for all Canadians." He wrote of the strong feelings held by the people in the North about the pipeline and large-scale frontier development. In the end, the government of the day accepted his recommendation that no pipeline be built for 10 years to allow time for settling of land claims.

Some seven years passed before this bill's antecedent came into being. It came in the final days of the government of Prime Minister Pierre Elliott Trudeau, and it came in the form of an Order in Council that set out the environmental assessment and review process guidelines, or EARP, pursuant to the Department of the Environment Act.

I have it on excellent authority that there were two reasons that the Trudeau government put EARP in place. On the high road, it knew that it was remiss in not having a legislated process for environmental assessments. By then, other countries had moved ahead. On the not-so-high road, it wanted to make mischief for its successor, which it correctly assumed would soon be a Progressive Conservative government.

Make mischief it did, although not for several years. The guidelines order was not discretionary. It required the federal government to conduct an environmental assessment of any project supported by federal funds on federal land or requiring a decision by a federal minister, such as the issuance of a permit under the Fisheries Act.

For much of the 1980s, however, few people believed that this Order in Council compelled the government to conduct the assessments. It was viewed as voluntary. It was, after all, not legislation. Then, in the late 1980s, the Saskatchewan government proposed to dam up the Souris River, a river that, after the spring runoff has passed, resembles a prairie drainage ditch. The river flows into North Dakota, where it had periodically caused spring flooding, and then winds its way north again into my province of Manitoba. "Souris," of course, is French for mouse. With respect to environmental assessment, it was the mouse that roared.

Opponents of the Rafferty-Alameda dam project — environmentalists, farmers and others — challenged the review process that essentially, and illogically, divided the river in three. They wanted a full federal review that would examine the environmental impacts that, like the water, crossed international borders. Federal courts heard these challenges and, to the considerable surprise of the government, affirmed that EARP was enforceable. Unfortunately for those who challenged the Saskatchewan dams, the decision came too late. Construction was already underway.

Faced with a clear need for legislation, the Mulroney government developed and passed the Canadian Environment Assessment Act in 1992. It set out the regime that we have today, both its strengths and its weaknesses.

On the plus side, it logically drew distinctions between the thousands of federal projects each year that need only be screened for assessments, the scores that require detailed reviews, known as comprehensive studies, and the few that have a potential for creating significant adverse environmental effects, or rouse such public concern that the appointment of an independent review panel is more appropriate. It also gave better assurances of public participation in those panel reviews and provided for intervener funding.

On the downside, it greatly enhanced ministerial discretion to submit projects to one form of review or another, and it left some crucial matters undefined, matters as key as what constitutes a significant adverse environmental effect or when public concern is sufficient to trigger an independent panel review. I recall debating that legislation, trying to create something workable. With the wisdom of hindsight and the knowledge of how this law has been applied, or rather, not applied, it is apparent that we created a regime that was weaker — less protective of the environment — than the EARP regime that the courts had said must be applied.

Nevertheless, when Environment Minister Copps moved second reading of the act that this bill amends, she described it as

> — one of the most outstanding environmental acts in the world. With the Canadian Environmental Assessment Act and its important amendments, Canada will be a world leader in environmental thinking and practice.

Experience has proved otherwise. Under the regime that the act created, we have failed to appoint independent panels to review the world's largest above-ground storage of nuclear waste, to harness Ontario's highest waterfall for hydroelectric power, to grant one forestry company 25 per cent of the land mass of my province of Manitoba, or to consider the cumulative impact of logging on a large adjacent tract in Saskatchewan.

We have also failed — and this is something our Energy and Environment Committee noted in its report two years ago — to require that our nuclear power plants undergo even a level two assessment; that is, a comprehensive study, when aging reactors are shut down for years and significant modifications are made to the power stations and utilities attempt to restart the reactors, as Ontario Power Generation plans to do this summer at its Pickering station.

In fact, none of our nuclear power generating stations has been assessed as a whole under EARP or under this legislation. We had review panels under the EARP guidelines on the concept of deep geological disposal of nuclear waste, on uranium mining developments in northern Saskatchewan, and on the uranium mine tailings of Elliott Lake. There has been no assessment of the potential of our nuclear power plants to cause significant adverse environmental effects, including adverse health effects to people who live close to these plants, or, God forbid, in the event of a catastrophic event that could spread radioactive contamination over much of Toronto and downwind to northern New York State.

We have had no comprehensive study or panel review because the plants were constructed before the courts determined that EARP was enforceable and because the act we are amending does not include prolonged shutdowns of reactors or significant retrofits among the projects that must be assessed. Comprehensive studies have been required of a military parachute training area, a water pipeline and road construction. All this law required of Ontario Power Generation was that it meet the requirements of the screening, the same level-one assessment that in the Pickering area examined bridge repairs at a golf course, reconstruction at a railway level crossing, and demolition of barns on various sites.

The assessment act gives ministers the discretion to order independent panel reviews when the projects pose a potential for significant adverse environmental effects and when there is public concern. In the case of the Pickering shutdown of four reactors, there was a well-documented history of public concern. The City of Toronto, the City of Oshawa and more than 200 other interveners called for a comprehensive federal review. A referendum calling for a provincial assessment was supported by some 87 per cent of more than 17,000 residents. A team of scientists from the University of Toronto and McMaster University, hired by the City of Pickering, also recommended an upgrade in the federal review. There was a formal request to the Minister of the Environment to refer the project to an independent panel. All to no avail. The so-called trigger of public concern was jammed. Neither the regulatory commission nor the minister required the utility to do more than what is described as an enhanced screening.

Your Energy Committee commented on the inadequacies of that assessment and recommended that the government correct the glaring oversight in the act by requiring comprehensive studies, at a minimum, of projects involving significant modifications to nuclear reactors and nuclear power stations and the re-start of reactors following prolonged shutdowns.

• (1530)

Bill C-9 ignores that recommendation. On that ground alone, we could choose to oppose this bill, given that the Senate adopted the committee report. However, we have to dig deeper to understand how the problems I have mentioned — and several others — remain in the act, despite the mandatory five-year review of the legislation. We also see that, as parliamentarians, we cannot amend Bill C-9 to prod the government to accept our earlier recommendation.

The flaw lies in the act itself. Unlike most mandated five-year reviews, the review we passed was not placed in the hands of Parliament. The act required the minister to undertake a comprehensive review of its provisions and operation. The minister defined the terms, tabled his report to Parliament and drafted bills — Bill C-19 in the last session and renamed Bill C-9 in this session. They do not include amendments to sections that cause difficulties or add new sections that could correct obvious omissions. Now we are constrained to sections of the act that Bill C-9 addresses. We cannot open up the full act and do what we think is required.

Fortunately, Bill C-9 does amend the section that will govern the next review of the legislation. Next time, a parliamentary committee will set the scope of the review.

Bill C-9 does make other improvements, as Senator Kenny has noted. It does bring most Crown corporations under the act's regulations, at least within three years, unless they devise their own acceptable regulations.

The Export Development Corporation would still be exempt, and that is problematic, as the Auditor General observed two years ago. The EDC introduced its own environmental review process in April 1999. When the Auditor General examined it, she found that more than 90 per cent of the projects examined were not properly assessed. Assessments of 24 of 26 projects got a failing grade, and nine of 13 others that did not qualify for reviews, according to the Auditor General, posed environmental risk.

The Auditor General said the following:

> The corporation does not have sufficient information to know if environmental risks exist and are being adequately addressed, and how Canadians could be supporting projects which they would feel do not meet environmental standards.

With Bill C-9, we could still see the government give loans or loan guarantees in support of nuclear reactor sales or aircraft sales or other exports without taking the most basic steps to see how the environment is directly affected elsewhere as a result of our government decisions, so it is business as usual for the EDC.

Other Crown corporations, namely the Atomic Energy of Canada Limited, will have three years to decide how they will be included. Frankly, they are nervous. Their anxiety should not be a reason to see this improvement fall by the wayside.

The bill has other benefits, as Senator Kenny eloquently set out. Some non-federal entities on federal lands, such as airport authorities, will be covered. Quality control of assessments will be required by the Canadian Environmental Assessment Agency, and there will be additional funds.

However, Bill C-9 also takes one giant leap backwards. As the act stands, ministers can appoint an independent review panel at almost any time, including at the end of a comprehensive study. In fact, that final option was exercised once at the end of one of approximately 100 comprehensive studies. In the assessment of 40,000 projects, only 10 panels have been appointed, nine of them following screenings and one following the more detailed comprehensive study.

Bill C-9 removes that option. Departments, agencies and, in time, Crown corporations must decide after a screening whether a comprehensive study or independent panel is needed. I appreciate the argument that this change lends greater certainty from the perspective of project developers. It removes the need to take part in a comprehensive study and then receive the unpleasant surprise that an independent panel will start work.

My misgivings about this change are these. First, there could well be another instance in which this screening process fails to recognize that a panel review is ultimately required. The amended bill would provide no recourse to correct that significant error.

Second, by holding out the possibility of an independent panel review — which in my opinion is the best way to assess things — something that project proponents want to avoid, there is incentive to conduct thorough comprehensive studies. Do the job well and that is all you have to do. Remove that remedial option and there is a far smaller real-world penalty for making less than adequate effort in the course of a comprehensive study.

That brings me to another huge problem with this bill. There is no enforcement provision, no penalty, no "or else" for simply ignoring the act. However, with the bill comes a new position of environmental assessment coordinator. I will be interested to hear in committee to what extent the coordinator can stop up those leaks in the bill.

I now want to get to the very crux of the matter, as the current Minister of the Environment defines it. In his report, he declared that the "core strength" of the act is found in its provision for independent panel reviews. I agree that this is where it should lie. The other forms of assessment, mediation aside, are essentially self-assessments. Proponents and departments determine whether there will be harm to the environment, how to mitigate it and whether the project should go ahead. Interested parties and ordinary citizens can contribute information, but, ultimately, departmental officials, relying heavily on information provided by developers decide to grant the permit, approve the funds or proceed with the project on federal lands. The vast majority of the time, these internal assessments are good enough but certainly not always. Sometimes, an independent perspective is required.

[Senator Spivak]

Since 1995, there have been 40,000 such screenings leading to approximately 100 comprehensive studies. Only 10 independent panels have been appointed; that is, 0.025 per cent of assessments. I am not suggesting some magic percentage should be achieved. I am suggesting that, too often, independent panel reviews have been denied.

I have cited the nuclear reactor case. I want to give some detail on two other glaring omissions. Without being too parochial, the first comes from my own province. Imagine 15 million hectares of forest on the Manitoba-Saskatchewan border. That is an area larger than New Brunswick and Prince Edward Island combined. Imagine a plan to take more than 2.5 million cubic metres of timber a year out of it and to construct more than 1,400 kilometres of new, all-season and winter roads with more than 35 river crossings. Know that federal officials determined that at least 20 of those crossings required federal approval under the Navigable Waters Protection Act. Consider that our Department of Fisheries and Oceans had in hand a commissioned study that found approximately 6 million acres contained superior quality fish habitat that would be at high risk from forestry and road construction. Add to that that the environment minister declared the area of national and international importance for migratory birds, and know that a similar project in the days of EARP was found to require a federal assessment.

Honourable senators may be shocked, as was I, to know the government's position on the assessment of the project. It decided that the project, for assessment purposes, did not include a new pulp mill to be constructed or 1,400 kilometres of road or any of the millions of acres of forest to be harvested. It was simply a 20-by-70 footbridge over the Sewap Creek that required a permit under the Navigable Waters Protection Act.

Manitoba's Future Forest Alliance, a coalition of citizens and environmental organizations, tried repeatedly to have the minister invoke section 46 of the act that allows him to launch a full-panel review when a project in one province may cause significant adverse environmental effects in another project or internationally. The discharge of mill effluent into interprovincial and international waters, the destruction of migratory bird habitat and the destruction of millions of hectares of fish habitat never really counted. The central issue here was the government's absurdly narrow interpretation of the term "project." In this instance, it could not see the forest for the bridge.

• (1540)

Just as shocking, a federal court and a federal appeal court upheld that interpretation. As a backhanded reward for years of effort in trying to enforce the spirit of the federal act, the Future Forest Alliance was ordered to pay the forestry company $25,000 in costs. That onerous practice, incidentally, of the Department of Justice, seeking an order of costs against citizens who challenge the government's interpretation of the act, has become routine.

Bill C-9, now before us, does nothing to prevent a recurrence of this extremely unfortunate outcome should anyone attempt to force a panel review of a forest as opposed to a bridge.

Now a new Manitoba Hydro power project is being planned. The province is seeking federal funds from the Kyoto implementation budget.

What about the environmental assessment? At present, only the Manitoba Clean Environment Commission will review a project. This project, which is a huge industrial project, should have a full panel review. Native people who live in that area are calling for a full review and have lobbied the government.

Honourable senators, the second example I would like to cite comes from Inverhuron, Ontario, a hamlet of approximately 300 families immediately next to the Bruce nuclear complex. These families are concerned about their local food and drinking water that has been tested at 50 times the level of natural background radiation. They have suffered childhood leukemia deaths and two documented cases of advanced aging disease in children within a 25-kilometre radius of the plant. As the president of the ratepayers' group told the committee in the other place, "When you see a six-year-old child who looks like sixty and who dies before the age of nine, it breaks your heart."

These families live near the world's largest nuclear facility, nine reactors and a heavy water plant that, in the past, emitted hydrogen sulphide gas. It is Canada's only production facility to burn radioactive waste. In the past, it has emitted dioxins and furans hundreds of times in excess of national limits. It has two dedicated radioactive storage sites to store the waste from the Bruce, Pickering and Darlington nuclear stations. There have been documented leaks from these sites of radioactive contaminants into the groundwater.

When they learned that Bruce would also be the site of a new high-level waste storage facility for spent fuel bundles — some 40,000 tons of it — making it the world's largest nuclear waste storage facility, here is what Normand de la Chevrotière, the ratepayers' president, said that families believed:

> This is a slam dunk. If anything deserves a panel review, this has to be it. But we'd better not be complacent. We'd better participate in the process.

With no intervener funding, because a panel review was not recommended, they spent thousands of their own dollars to hire experts. They had the support of their local MP, Ovid Jackson, the local medical officer of health, the Canadian Federation of Agriculture and the neighbouring First Nations. They learned the hard way that overwhelming public concern was not sufficient to trigger a panel review.

They went to court and discovered that the project had changed materially in the middle of the public comment period. When they lost in Federal Court, they appealed and lost again. They sought leave to appeal to the Supreme Court and were denied. In the end, on top of lawyers' fees, they faced $100,000 in costs to Ontario Power Generation and the federal government.

Mr. De la Chevrotière sums up the horrific experience this way. When their children ask what happened, they can reply:

> We did everything humanly possible. We exhausted every regulatory avenue. We exhausted every legal avenue. We did not fail you; the system and the government failed you.

Honourable senators, that system is not changed at all by Bill C-9. By any measure, the act's "core strength" is wanting. It proved spineless when dealing with the world's largest nuclear waste storage facility, Ontario's largest waterfall or forests the size of two provinces combined. Any impartial observer viewing the facts would ask us to stop pretending, to either remedy the huge deficiencies in the law or to toss it out and start again.

That, in fact, is what some parties in the other place are suggesting. They contend that we need a radically different environmental assessment law. I tend to agree. However, we are constrained from doing that here today. Instead, we can only impose, in principle, what this bill fails to do.

I suggest that we must proceed without amendment to gain the relatively modest benefits contained in Bill C-9. However, I would like to see our committee make substantial recommendations about the enormous deficiencies in the assessment process that could be corrected in the next round of review, or sooner.

From Thomas Berger to 2003, Canada's commitment to sound environmental assessment has been on a downward spiral. It can only get better if we come to our collective senses and embrace the concept of environmental assessment as a tool to help us plan better, think longer and build stronger for future generations.

The Hon. the Speaker *pro tempore***:** Are honourable senators ready for the question?

Hon. Senators: Question!

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

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

On motion of Senator Kenny, bill referred to the Standing Senate Committee on Energy, the Environment and Natural Resources.

CODE OF CONDUCT AND ETHICS GUIDELINES

INTERIM REPORT OF RULES, PROCEDURES AND THE RIGHTS OF PARLIAMENT COMMITTEE— DEBATE CONTINUED

On the Order:

> Resuming debate on the consideration of the eighth report (interim) of the Standing Committee on Rules, Procedures and the Rights of Parliament entitled: *Government Ethics Initiative*, deposited with the Clerk of the Senate on April 10, 2003.

Hon. Terry Stratton: Honourable senators, I would like today to give a brief report on my opinion as to what has taken place with the study in the Standing Committee on Rules, Procedures and the Rights of Parliament with respect to the ethics package, while reserving my comments for the bill itself. We have presented here an interim report. There is much work to be done. The interim report is just a stone skipping across the surface where we touch on several issues but not to any great depth and substance.

My primary concern has been, and will continue to be, the appointment of the ethics officer. There were two opinions. One was that the ethics officer should be appointed through statute. The other opinion was that the ethics officer should be appointed by the Senate.

The committee had a teleconference with representatives of the House of Lords. One Lord stated that the Law Lords in the House of Lords would no more touch on issues of privilege with respect to the House of Lords than fly to the moon. However, he believed that our Supreme Court, being far more activist in his opinion, would not hesitate to touch upon privilege if we use the statute option.

Honourable senators, I have grave concerns in that regard, and I believe that we simply should not go there. We already have too many laws in this land. If we open the door to allow an activist court to intervene for whatever reason, they will intervene.

The intent of the government would be to bring in the legislation that is currently in the other place. It will come here and we will debate it. I think that there will be a lot of debate.

As I said, we have merely touched the surface of this bill and the entire ethics package. We need to examine it because it deserves consideration in the fullness of time. Thinking matures over time as different witnesses are heard. You do not simply form opinions off the mark and stick to them. Opinions do change and thinking evolves as you hear different witnesses and take the time to reflect about the impact and the effect this proposed ethics package will have on this chamber. It is important that honourable senators have the opportunity to reflect over time.

• (1550)

Some of us do not believe there needs to be an ethics package because there is substantial evidence that we have sufficient rules in place. I tend to agree. However, having said that, we move forward with the realization that we will have an ethics package. The Senate will develop the ethics rules. Having served on the Standing Committee on Rules, Procedures and the Rights of Parliament for a while, I am aware that it will take a great deal of time to arrive at a set of rules, which will continue to evolve and change over time as we meet issues in this chamber that we feel must be dealt with.

Honourable senators, those are my comments. We on this side still do not see the urgency for this interim report. The government was able to review the evidence and learn the thinking of the committee on this issue. Some of us feel quite strongly that we are a little premature in the report because our thinking has not fully matured.

Hon. Joan Fraser: Honourable senators, it is a pleasure to speak today to this report because, unlike Senator Stratton, I believe it is a very good report. The committee worked hard on it, taking pains over every phrase in it. It is a classic example of how Senate committees go to the heart of an issue and make fundamental points about it. It is particularly gratifying to see how strongly our report influenced the government in the preparation of the bill that it has presented to the other place, which in itself was a good reason for preparing the report. That bill will make its way here in due course and we will examine it then. The committee served the Canadian people well.

Above all, it was our committee that said that the Senate should have its own ethics officer and that he or she should be appointed with bi-partisan support in this chamber. These are fundamental points and the committee's view was both strong and unanimous on them.

[*Translation*]

Today, honourable senators, I would like to speak on a subject on which the committee has not been able to reach a consensus, despite very serious thought and discussion. That is the question of the status of the ethics officer. Should the office be created by legislation or within our own rules, the *Rules of the Senate*?

With your leave, I would like to explain how my own thoughts on this subject have evolved — Senator Stratton is right: our opinions do evolve. I will begin by quoting the first basic principle the committee cited in its report, a principle on which we were unanimous. On page 3 of the report, it says:

> The public should have confidence that Parliamentarians conduct themselves with a high standard of ethical behaviour.

That is simple, clear and true. It is self-evident.

[*English*]

The public must be able to have the confidence that we conduct ourselves to the highest standards. The question is: How best can we arrange our affairs so that the public will have that confidence? It is not enough for us to simply stand on our honour and give public assurances that we have only the highest standards. The time is long past when the public was willing to give its trust simply because someone said "trust me." From Watergate to Lewinsky; from Profumo to gifts of diamonds in Paris; from the Pacific and Beauharnois scandals to Vander Zalm; and to great public betrayals such as the Enron affair, the public has learned to be sceptical. Understand me, honourable senators, I am not suggesting that senators are in any way corrupt or dishonest; we all know better. I am suggesting that we are, at least, as subject to public scepticism as any one else.

While that scepticism has a healthy side, it has a dangerous corrosive effect. When people do not believe in the integrity of their parliamentary institutions, they lose faith in the integrity of their democracy. A Ph.D. is not necessary to understand that a decline in public trust leads to a decline in democratic participation, electoral turnout and participation in political

parties. Our democracy can work only when people believe in it. Honourable senators, we have no greater duty than to serve and enhance our democracy, including citizens' faith in it. I have long believed that it is important for people who hold public office to have clear, strong, public rules of conduct and, in particular, rules about conflict of interest, in all the many guises that such conflicts may assume.

When I speak of people who hold public office, I am using that phrase in the lay sense and not in the narrower legal meaning. I am using it in the ordinary way that a member of the public might understand it — referring to anyone who is paid from the public purse to conduct the public business, as we all are.

There are, as many honourable senators have observed, some rules that govern us now. All of these rules are public in the Criminal Code, the Parliament of Canada Act, the Constitution Act, 1867 and in the *Rules of the Senate*. Some of the rules are also very strong. It is hard to get much stronger than the Constitution and the Criminal Code. However, few of the rules are clear. I even wonder how many senators, for example, know exactly what is meant by section 23. (3) of the British North America Act, which refers to our property qualifications:

> He shall be legally or equitably seized as of Freehold for his own Use and Benefit of Lands or Tenements held in Free and Common Socage, or seized or possessed for his own Use and Benefit of Lands or Tenements held in Franc-alleu or in Roture, within the Province for which he is appointed,...

The Criminal Code provisions are no clearer to a lay eye. For example, how many members of the public would readily understand that when the law speaks of a benefit that may be bestowed by Her Majesty, it is not referring to the actual physical person of our sovereign. When you read all these rules, which you can do in the interim report, it is easy to understand why the committee agreed that they should be modernized and clarified. This may seem to be a digression, but it goes back to the question of public's ability to have confidence. For that confidence to exist, we must not only be but also be readily seen and be understood to be acting to the highest ethical standards.

One of the rules of thumb that a reasonable person will use in judging whether that confidence is justified is the matter of whether the rules are established and enforced at arm's-length to the people to whom they apply. Self-regulation, although honourably practised by many groups in our society, does not necessarily inspire the same degree of public confidence that an arm's-length system can inspire. Who among us cannot recall hearing public scepticism expressed about some case of professional self-regulation? For example, it might have been a case where the public believed that the professional society of sedan-chair carriers merely wrapped the knuckles of one of its members who had committed a serious offence when the public believed that a stronger penalty was justified.

The higher the public office with which one is entrusted, the higher the standard of ethical conduct to which the public has the right to know that one is held. Honourable senators, there are few higher public offices than the one that we are privileged to hold. There are some, I grant you. Only one of us is a cabinet minister, to name the most obvious distinction, but we are all legislators. We are all here to vote on laws that affect the daily lives of Canadians. We have the power to accept, reject or amend those laws. There are few higher public duties than that. We have the additional advantage of being permanently secure in our jobs, until the age of 75. This is a public privilege of the very highest order demanding a correspondingly high and transparent ethical system.

• (1600)

[*Translation*]

Honourable senators, I know, as we all know, that we are all aware of that. I know that the honourable senators are very much aware of their responsibilities and that no one takes these responsibilities lightly. However, I also know that the public, whom we serve, does not understand us, and that too often our fellow citizens distrust us, specifically because we have permanent jobs, and our rules are not very clear. There is an idea around that we have must have something to hide — and there are commentators and politicians who encourage such rumours.

[*English*]

In our era, one of the key ways in which powerful groups — and most people would classify senators as a powerful group — can increase public confidence is by having a strong regulatory system. As I argued a moment ago, the more independent that system is, the more confidence the public will feel in it. That is why, for a long time, I thought that the whole system of parliamentary ethics controls — both the rules and the enforcement — should be set out in law.

Since we in Parliament make the laws, even that is not entirely at arm's-length from us, but it is as close to real independence as one can get for us as legislators. It would be harder for us to change the law to give ourselves some advantage than it would be simply to change our in-house rules. We need only to think about how hard it is, politically speaking, to change the laws about our own pay to understand that.

However, since I came here, I have also come to have a deeper understanding of another crucial principle: the importance of parliamentary privilege. Like almost everyone else, I find that word to be a bit outdated, but the concept is vital. Instead of calling it privilege, let me call it the concept of the rights and independence of Parliament and of each chamber of Parliament. For our democracy to work as it should, it is vital for Parliament to safeguard its rights and independence.

Centuries of struggle and reflection have confirmed that Parliament must be in full control of its own affairs if it is to serve the people faithfully. In particular, Parliament must not be subject to judicial interference as it goes about its business, including the business of setting and enforcing its ethical standards.

How do we square the circle? How do we reconcile these two apparently contradictory principles: the need for an arm's-length system to maintain public confidence and the need for internal control of our own affairs as parliamentarians? Clearly, a compromise that respects both requirements is necessary. Fortunately, we are not the first to consider the dilemma, and the remedy is fairly straightforward, as experience in several Canadian provinces has shown. It is to have an ethics commissioner who is himself or herself a person of guaranteed autonomy, appointed under a statute and with bipartisan support, removable only by a resolution of the parliamentary chamber he or she serves. This makes it clearly a bipartisan and arm's-length relationship.

That person, however, is given no decisional authority. Instead, the legislature itself continues to make and apply the rules about parliamentarians' conduct. The commissioner, in our case the Senate ethics officer, is simply empowered to gather information, to give advice and, where appropriate, to make recommendations to the legislature based on the legislature's rules. The legislature retains all authority to make decisions and take action according to its own parliamentary rules. This, it seems to me, absolutely preserves the rights and independence of Parliament.

It is a system that may lack the elegant intellectual symmetry of a system based only on statute or one based only on in-house parliamentary rules, but experience suggests that it has the advantage of working. It works well in most of the provinces, and I think it is a system that could work well here.

Many senators, including some members of the Rules Committee, do not share this view. They argue that we should beware of setting any part of our system out in a statute where the courts may feel inspired to interfere. Some of them, as did Senator Stratton, cite the House of Lords' system as an appropriate precedent for us to follow. As senators know, the Lords' system is entirely in-house, established under the Lords' rules and administered by a registrar who is the clerk of the judicial office, the Law Lords.

Since our Senate was modeled on the House of Lords to a significant degree, that is a significant precedent to consider. However, I would argue that in this case the differences between our two chambers matter more than the similarities.

To begin with, the House of Lords is now significantly less powerful than the Canadian Senate. It simply does not matter as much in real parliamentary terms as we do.

Second, its nature is very different, even now that hereditary seats are being done away with. The key fact is that members of the House of Lords are not paid. Since they obviously must support themselves, this means that the British system is based upon the assumption that they will all have substantial outside interests, that their job at the Lords is a part-time affair.

We, in contrast, are paid. While our salaries may not be much in comparison to senior levels of the private sector, they are high in relation to the earnings of most Canadians and even of most public servants. In the range of public service, we are well paid. Certainly, we are paid a full-time wage, and in the public's mind, this obviously brings a comparable degree of responsibility. Therefore, while I have the greatest respect for the Lords, I think their system is of only limited relevance to us in this matter.

There is another level of difficulty with the Lords' system; that is, the fact that their registrar is an ordinary employee of the House of Lords — a senior employee, to be sure, but with no independent legal standing. Is it fair to put on such a person the burden of judging the people who are his or her employers? Would the public have faith in such a system, or would it simply dismiss the commissioner as a lapdog? That would not be fair to the commissioner or to Parliament. I think that is another reason for not going the same way the Lords have gone. The Lords have their own traditions; Westminster has its own traditions and its own political context. We must pay attention to our political context.

Honourable senators, I have not discussed the bill. We shall come to that when the bill comes to us; nor have I discussed what I think should be in the actual rules of conduct that we shall proceed to consider and adopt. That will, indeed, be a subject of fascinating discussion.

I just wanted to talk about the principle that did so occupy the members of this committee as they went about producing the interim report, and explain the reasoning behind the position that I have come to.

[*Translation*]

We all love the Senate, our beautiful Senate, as Senator Beaudoin has called it. We all want to protect and improve it.

[*English*]

If I thought that a statutory ethics officer would diminish in one scintilla the rights and independence of this chamber, I would argue forcefully against it. However, I believe that the appointment of an ethics officer, who not only was but was seen to be at arm's-length from us, could only serve us and enhance our stature as we go forward.

On motion of Senator Robichaud, debate adjourned.

[*Translation*]

NATIONAL ANTHEM ACT

BILL TO AMEND—SECOND READING—
ORDER STANDS

On the Order:

> Resuming debate on the motion of the Honourable Senator Kinsella, seconded by the Honourable Senator Corbin, for the second reading of Bill S-14, to amend the National Anthem Act to reflect the linguistic duality of Canada.—(*Honourable Senator Prud'homme, P.C.*).

[*English*]

Hon. Noël A. Kinsella (Deputy Leader of the Opposition): Honourable senators, Senator Robichaud has moved the adjournment of this debate. I know that all honourable senators are looking forward to hearing from our colleague Senator Prud'homme. Hopefully he will speak this week.

[*Translation*]

Hon. Fernand Robichaud (Deputy Leader of the Government): The Honourable Senator Prud'homme, who had to be absent this afternoon, has indicated that he wants me to defer debate to the next sitting. He has also indicated that, either this week or the next, he will be taking time to study the items adjourned in his name in order to be in a position to speak on them in the near future.

Order stands.

• (1610)

[*English*]

INTERNAL ECONOMY, BUDGETS AND ADMINISTRATION

THIRTEENTH REPORT OF COMMITTEE ADOPTED

On the Order:

> Resuming debate on the motion of the Honourable Senator Bacon, seconded by the Honourable Senator Maheu, for the adoption of the thirteenth report of the Standing Committee on Internal Economy, Budgets and Administration (Policy on Equipment, Furniture and Furnishings) presented in the Senate on April 2, 2003.—(*Honourable Senator Kenny*).

Hon. Colin Kenny: Honourable senators, I have several brief comments to make about this report. In general, I think it is a good report and a positive step forward.

I have now had an opportunity to compare the current report with the previous situation. I think that honourable senators will benefit from this report and that it will be of value to them.

My one observation and my one concern is that we are continuing to move items into senators' research budgets. As a matter of principle, I believe we should keep our research budgets solely for intellectual assistance, and that the provision of desks, computers or like material, would be more appropriately met out of the Senate general budget.

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

Motion agreed to and report adopted.

FOURTEENTH REPORT OF COMMITTEE ADOPTED

On the Order:

> Resuming debate on the motion of the Honourable Senator Bacon, seconded by the Honourable Senator Maheu, for the adoption of the fourteenth report of the Standing Committee on Internal Economy, Budgets and Administration (Policy on Telecommunications) presented in the Senate on April 2, 2003.—(*Honourable Senator Kenny*).

Hon. Colin Kenny: Honourable senators, I wish to thank whoever provided the comparisons of the current policies with the new proposal.

This is a positive and useful step for the Senate. My reservations are precisely the same as those concerning the thirteenth report of the committee. I am concerned when we see monies coming out of our research budgets. I should note that our research budgets have not increased. I believe that communications matters should generally be paid from the Senate budget as a whole.

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

Motion agreed to and report adopted.

LEGACY OF WASTE DURING CHRÉTIEN-MARTIN YEARS

INQUIRY—DEBATE CONTINUED

On the Order:

> Resuming debate on the inquiry of the Honourable Senator LeBreton calling the attention of the Senate to the legacy of waste during the Chrétien-Martin years.—(*Honourable Senator Eyton*).

Hon. David Tkachuk: Honourable senators, 10 years ago, long before Paul Martin controlled the Liberal caucus and the Liberal Party of Canada, the people of this country delivered victory to the Liberal Party of Canada. We on this side of the house are still recovering, and after yesterday's by-election our recovery is progressing well.

We watched as the Liberals assumed power, promising to review the free trade agreement, cancel the GST, cancel the Toronto airport agreement and cancel the helicopter purchase. Those four promises drove the Liberal Party to victory. Those four promises were the vehicles of attack for alleged corruption, alleged bad economic policy, alleged bad transportation policy and alleged bad defence policy, as enunciated by the Progressive Conservative government. A change in these policies was what would make life better for the Canadian people.

We on this side of the house knew that these policies were essential for the strong economic and political development of Canada. Naively, perhaps, we also believed that this nonsense perpetuated by the Liberals would not be bought by the Canadian people in the numbers that translated on that day in 1993.

Failing that, though, we, having battled the Liberals for decades, and knowing them, believed that none of these promises would be kept, so no harm done. To our horror, and to all those involved, they kept two of them. Of course, they denied making the other two, as if all that happened in this place over the GST and the free trade agreement never took place.

It seems that their speeches during the election campaign did not take place either. One policy caused an election — the free trade agreement. The other almost caused a constitutional crisis as the Senate was reduced to all-night vigils in the GST debate.

After the election, the Liberals adopted these two policies. In the case of free trade, the Prime Minister set about a course of expansion as Canada's newest trade advocate, leaving John Turner's fight of his life in the rear-view mirror.

The Liberals, having fought every cost-cutting and reduction measure proposed by the Mulroney government, and having run an election on increased spending in almost every government department, adopted deficit cutting measures and balanced budgeting as their financial mantra immediately upon coming to power. These were the Liberals we knew.

They then engaged in the most shameful act of character assassination against Paxport Inc. and hired Robert Nixon, former Liberal finance minister in the Ontario Liberal government, newly minted chairman of the federal Crown corporation Atomic Energy of Canada, father of Jane Stewart, Liberal MP and now cabinet minister, and personal friend and campaign chairman of the Prime Minister. It seems that Mr. Nixon not only had Liberal pedigree but sired Liberals as well. He was hired to examine the contract with the developers to develop the Toronto airport.

The developers breathed a sigh of relief at this turn of events as they stared at a new definition of fairness. They would be the first to be welcomed to the real Age of Aquarius for Liberals only.

The cancellation of the Pearson airport development agreement would be the beginning of the first assault on fair play, honesty in government, and a ruthless assault on the Constitution and the rule of law. The new gang in town would attempt to use legislation to assault the law itself.

Pearson was a precursor of much to come. They dismantled the helicopter purchase contracts, paid everyone off with taxpayers' money, sacrificed the safety of the very people who pledged to protect us, and then proceeded to do the same thing with Pearson, because only this place, the Senate, stopped the Liberals from hijacking the Constitution itself. The government, led by the Prime Minister, then went to court where facts would stare them in the face and capitulated without a fight; the shame of it all.

• (1620)

The Liberal government based their decision, for all that transpired on the Pearson airport issue, on what was produced by Robert Nixon. His three-week report produced a work of fiction for the Prime Minister, which I believe was written by someone in the Prime Minister's office who actually believed their own deceit.

In 1993, a private sector consortium won a bid to develop and operate Terminals 1 and 2 at Toronto's Lester B. Pearson International Airport. This agreement would have resulted in $700 million of private sector investment, creating 14,000 person years of employment. Looking for an election issue in 1993, and without providing any substantive proof, the Chrétien-Martin Liberals charged that the Pearson airport agreement was a patronage scam designed to give developers huge undeserved profits at taxpayers' expense. The Liberals did not let the fact that under this agreement no government money would have been used to get in the way of an opportunistic exercise in character assassination of the agreement's principal players, including the former government and the developers in the Pearson Development Corporation.

It would predictably follow that upon executing a quick review of the Pearson redevelopment agreement in which Nixon concluded that it was done under terms too generous to the private sector consortium, the Liberals moved to cancel the agreement.

It would later prove to be ironic that the Liberals would take the view that the redevelopment agreement for Terminals 1 and 2 was too rich because, in a subsequent breach-of-contract lawsuit over this affair, the government lawyers would eventually wind up arguing that the exact opposite was the case; that the developers would have lost a bundle on the project.

Nonetheless, the government followed up on the Nixon report by introducing Bill C-22, to abrogate the Pearson airport agreement, to give the government immunity from any lawsuits related to this abrogation and to remove the legal right of the Pearson Development Corporation, the group that won the bid to operate Terminals 1 and 2, to seek redress from the courts. Instead, the government wanted a situation where the transport minister would arbitrarily determine limited compensation for the developers' expenses.

To add fuel to the fire, it should be remembered that the Transport Minister at that time was the great icon of Liberal non-partisanship, impartiality and fairness, Doug Young. During the course of this affair, he developed quite a reputation for making intemperate remarks directed at almost anyone who had questions regarding our government's arbitrary actions.

In the debate that followed over Bill C-22, Progressive Conservative senators objected to provisions that violated fundamental principles of the rule of law and the right of the affected parties to have open access to the courts. After PC amendments were rejected by the Liberal majority in the House of Commons, and the Liberals failed at several attempts to pass Bill C-22, this legislation died on the Order Paper in February 1996.

In April 1996, the Liberals reinstated Bill C-22 in close to its original form, Bill C-28, and it was no better received than the earlier legislation. Like its predecessor, it, too, was defeated in the Senate.

Meanwhile, a $622 million breach of contract lawsuit by the developers against the Liberal government was making its way through the courts. On a separate front, in the face of the government's refusal to hold an independent inquiry into the Pearson affair, the Senate struck a special committee to examine the events surrounding the Pearson airport agreements and their cancellation by an order of the Senate on May 4, 1995. After hearing over 130 hours of testimony and 65 witnesses, the special committee issued its report in December 1995.

The committee concluded that there was no evidence that the public interest had been set aside during the negotiation of the original agreements. The Conservatives also found that the report upon which the government rationalized its decision to cancel the agreement, the Nixon report, was demonstrably inadequate in the information, time and analysis used to make its recommendations.

On April 16, 1997, the federal government and the Pearson Development Corporation reached a $60 million out-of-court settlement over the consortium's lawsuit. The government wound up paying $45 million for direct out-of-pocket expenses, and $15 million to cover the consortium's legal costs and interest. It should not be overlooked that taxpayers were also on the hook for the government's legal bill.

The Greater Toronto Airport Authority, the GTAA, which is now managing Pearson, received $185 million in rent relief from the government so that it could pay $719 million to buy back Terminal 3 from the Pearson Development Corporation.

Also, in early 1997, transport documents suggested that the cost over 20 years of the Liberal government's decision to cancel the Pearson airport agreement was roughly $873 million and adjustments for inflation and tax considerations would push this figure higher.

In monetary terms, the combined cost to Canadian taxpayers of this Liberal exercise in opportunism ended up approaching over $1 billion.

In terms of wasted economic benefits, the cost generated by this wasteful fiasco was just as steep: a loss of some 14,000 person years in employment and the loss of additional secondary job creation.

Two tangible ways of assessing this issue in terms of being another exercise in massive Liberal waste are also apparent. First, considerable parliamentary resources had to be utilized in the fight against Bill C-22 and Bill C-28; and, second, in the work of the Special Senate Committee on the Pearson Airport Agreements.

Particularly in the Senate, extraordinary effort was expended to fight for basic principles that the government's arbitrary actions threw by the wayside: First, the rule of law; second, the rights of Canadians to have access to the courts to protect themselves from arbitrary government action; and, third, the issue of what was the most prudent policy course for the Canadian government to pursue with respect to the matter of Pearson's redevelopment.

In fighting for these issues and others, the work of honourable senators on both sides of the Special Senate Committee and in the main chamber was invaluable and indeed it was the right thing to do.

How needless these efforts would have been had the government not chosen the route of contract cancellation and had instead upheld the policy route developed by the previous government. These efforts by parliamentarians can be viewed as another example of government waste generated by the actions of the present Liberal government.

What was the policy decision that was causing the problem? The policy decision that the Conservative government made was that there should be private sector development of airports as well as local, municipally controlled airports.

It seems that the concern of the Liberal government was that someone might make a profit. Someone might make some money by running an airport; as if municipal airports do not have to make money. Municipal airports must make the same profits as private airports must make; otherwise, who would fix the airport? Who do you think pays for the infrastructure? Who pays for the buildings? There is no such thing as a non-profit corporation. A non-profit corporation only means one thing: It does not have to pay any income tax. It is not because it does not make a profit, because they all have to make profit. If they do not make profit, governments have to write a cheque to pay for the infrastructure. That is exactly what they do.

When the Liberals chose to cancel the contracts to redevelop Terminals 1 and 2 at Pearson, they were gutting the work of public servants who managed the process, of the policy framework people, of the negotiation process and of every public servant and every business person involved in putting the agreement together. With barely an afterthought, the Chrétien-Martin Liberals threw all of this work by the public service, the government and the policy people out the window.

Did the Liberals knowingly cause such massive waste in the name of some high-minded ideal? I doubt it. I know they did not. Were they motivated by some deep concern for what was in the best interest of the travelling public, the Canadian taxpayers and the people of Toronto? We have the result of 10 years of transportation policy by the Liberal government. Just travel to Pearson International Airport. Try to find an airline outside of WestJet that has good economic infrastructure. All of those issues were the result of bad Liberal transportation policy. It started with the cancellation of the Pearson airport agreements.

An Hon. Senator: Give me a break!

• (1630)

Senator Tkachuk: I do not have to give you a break. I am telling you that we have a worse situation today than we had 10 years ago. All our airlines are almost bankrupt. Toronto Pearson International Airport is a disaster area. It is 10 years hence, and that would have been finished five years ago. We would today be reaping the benefits of the 1993 Pearson Airport Agreements that the Liberal government cancelled. I am just telling you what exists today. I am not making this up. We all know it, because we fly on planes, and we know exactly what is going on.

The Liberals did this in much the same way that guided them to attack and distort for electoral gain and thereby cancel another Progressive Conservative policy, that is, the helicopter project.

In fact, informed by the benefits of the passage of time, the Liberal EH-101 debacle and the Liberal Pearson fiasco are twin illustrations of the pernicious outcomes that can arise when cheap electoral politics are mixed with governing.

As the months wind down on this Liberal government and the Prime Minister searches to define his legacy —

The Hon. the Speaker: Honourable Senator Tkachuk, I am sorry to interrupt, but your 15 minutes have expired.

Senator Tkachuk: I would ask leave to continue. I only have a minute or so remaining.

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

Hon. Senators: Agreed.

Senator Tkachuk: Honourable senators, as the months wind down on Prime Minister Chrétien's time as Prime Minister and as he searches for issues to define his legacy, voters will not let him forget his approach to the redevelopment of the Pearson airport, particularly as it can be viewed through the ever-expanding prism of massive Liberal waste of taxpayers' money and resources.

Every time we travel through Pearson today, we are reminded of another broken promise. It was the Liberals who said, "There will never ever be an airport tax at Pearson," yet 10 years later, every time we buy a ticket and go through Pearson airport, it costs us, the taxpayers of Canada, $10 — another broken promise by the Liberals.

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

COMPETITION ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-249, to amend the Competition Act.

Bill read first time.

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

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

THE BUDGET 2003

INQUIRY—DEBATE CONTINUED

On the Order:

> Resuming debate on the inquiry of the Honourable Senator Lynch-Staunton calling the attention of the Senate to the Budget presented by the Minister of Finance in the House of Commons on February 18, 2003.—(*Honourable Senator Morin*).

Hon. Yves Morin: Honourable senators, this afternoon I should like to briefly respond to the unjustified criticisms of the recent federal budget, criticisms that have been heard from many of the health care delivery system stakeholders.

[*Translation*]

I was therefore surprised to read certain statements to the effect that the flaws in the federal budget demonstrate that health is not a priority for the Canadian government and that it is deviating from the recommendations of the Romanow report and the report by the Standing Senate Committee on Social Affairs, Science and Technology.

[*English*]

This statement in fact summarizes much of the unfair criticism that has been reported in the press in relation to the budget. The first criticism states that, in spite of its stated priorities and the repeatedly expressed wishes of the Canadian population, the proportion of spending allocated to health is inadequate. The second line of criticism would assert that the government, in its budget, did not follow the recommendations of various studies, specifically those of the Standing Senate Committee on Social Affairs, Science and Technology and of the Romanow commission.

[*Translation*]

In fact, the basic premise underlying both reports is that any new funding must be conditional upon the achievement of certain reforms that are a priority, namely, primary health care, home care and pharmacare, as otherwise these reforms would never see the light of day.

That is why the lion's share of the new transfer payments, that is $16 billion over five years, will be allocated to this fund for reform.

One might well wonder whether the recent funding announced by several provincial departments of health in the areas of primary health care and home care would have come along if it had not been for the conditional nature of the federal transfers.

When it is definitely known that the provinces have brought in these reforms, in about five years, then all federal transfers in this area will then be consolidated into a Canadian health transfer fund.

[*English*]

This means that the current CHST will be split in 2004-05 into a Canada health transfer and Canada social transfer. The budget assumes, with reason, that 62 per cent of the old CHST goes to health. On that basis, the amount of cash going to support health care in 2005-06 will be $13 billion, not including the $4 billion in reform funds and the remaining $500 million in cash left from the 2002-03 surplus. This would amount to about 25 per cent of provincial and territorial spending on hospitals and physician services. This is exactly the proportion of federal funding recommended in the Romanow report.

There are other needs, however, in the Canadian health system that are not covered by transfers to provinces. The budget addresses them very efficiently. For example, there is generous funding for health promotion and health protection. More than $1 billion over two years will be allocated to ensure the safety of air, water and food.

[*Translation*]

But there is more. In many areas, increased payments will enhance the efficiency of our services.

For example, the funding allocated to the Canadian health information system now exceeds $1 billion, which makes it one of the best funded systems in the OECD.

The same is true for granting agencies in health research. Their higher funding levels will no doubt benefit our university hospitals, whose plight is well known.

In fact, the new amounts earmarked for health research this year total more than $345 million. The knowledge development resulting from this infusion of capital will surely have a significant impact on the health of Canadians and the efficiency of our health care delivery system.

[*English*]

Many other areas of the Canadian health care delivery system will be positively influenced by this new budget. For example, its governance will be facilitated by additional funding to the Canadian Institute for Health Information, a real Canadian success story. Funding will also be allocated for the creation of the new health council, which has been universally acclaimed and whose mission to demonstrate accountability, excellence and innovation will really transform our system. There is also money for the new institute of health safety, for technology assessment and for the study on human resources in the health field.

Under the new funding for palliative care in the form of EI benefits for compassionate leave, I should like to recognize the important, crucial work of Senator Carstairs in this regard.

In addition, many of the new initiatives announced in the budget will build on recommendations contained in volume six of the report of the Standing Senate Committee on Social Affairs, Science and Technology.

• (1640)

There is, for example, explicit reference of catastrophic drug coverage, short-term acute home care, electronic health care records, primary health care and so forth. These are the priorities of our report.

[*Translation*]

I would like to draw particular attention to the $90 million over five years allocated to health care for minority language communities. There is another $1.3 million allocated to health care for Aboriginal nations.

We now know how important the social determinants of health are. We know, in particular, that factors such housing and a harmonious setting in early childhood are more vital to human health than hospital care. The budget invests an extra $1 billion in these social determinants of health.

[*English*]

In fact, honourable senators, this is really a health budget. This year alone, $5 billion out of a total spending of $6 billion goes to our health system. That is 80 per cent of the budget.

[*Translation*]

Honourable senators, in fact, more than 80 per cent of new spending announced in the last budget will go directly, or indirectly, to health. As a result, I believe this is a budget that will mark an era as one of the most transformative factors in our Canadian health care system.

Hon. Roch Bolduc: Honourable senators, I would like to ask a question. I broached this subject in my speech on the budget. I understand that the government has invested in health care. Does this represent health care reform, or simply an investment in health care?

Senator Morin: Honourable senators, I thank the honourable senator for his question. It gives me an opportunity to touch on the numerous commissions that have studied Canada's health care system in recent years. All of the provinces have carried out studies and the federal Liberal government established the Romanow Commission, which recommended reforms. Closer to home, the Standing Senate Committee on Social Affairs, Science and Technology also recommended reforms.

I am very happy to say that these different reforms were accepted and agreements were established in the February 2003 agreement with all of the premiers. Also, for the first time, the provinces will be accountable through this health council to demonstrate that the various reforms were carried out. For the first time in the history of Canada, different commissions proposed almost identical reforms. They were accepted by the various stakeholders, provincial governments and the federal government. Ottawa funded the reforms and the provinces must report back in five years. This is a unique initiative and the federal government must be commended for it.

Hon. Michael A. Meighan: Honourable senators, the advantage with taking our time in the Senate before beginning our debate on the budget is that it allows us to reflect rather than respond immediately, as is the tradition in the other place. We have the opportunity to observe the effects of the budget and to see what changes it causes, if such is the case, before responding.

Today, I would like to speak on a subject to which I have devoted much time in the past few years, the military, and the army reserves or militia.

Before dealing specifically with these subjects, I would like to make some comments on the nature of Mr. Manley's first budget as Minister of Finance. The minister and the government of which he is a part have missed the ideal opportunity to serve the Canadian people. In fact, the real concerns of Canadians have in fact been set aside or simply ignored in the interests of the current Prime Minister's legacy, and to commit federal spending in coming years, in order to limit the flexibility of the next Prime Minister. One could even say that the needs of Canada were treated haphazardly: a little here, a little there, but never touching on anything substantial.

[*English*]

Honourable senators, a government that runs a surplus year after year on the backs of taxpayers, with no considered plan as to how to spend this money, is a government with no overarching fiscal plan and, certainly, no vision for the future.

The priorities after health care, defence and education should be paying down the debt and tax relief, especially for Canadians at the lower end of the economic scale. A rigorous commitment to debt reduction — not debt reduction as an afterthought — would pay large dividends down the road. Right now, the amount to service the debt on an annual basis is the federal government's largest single expenditure. Reducing this amount would give the government freedom to choose among policy initiatives. It would provide more money for health care, defence or perhaps allow it to reduce taxes, giving Canadians more disposable income.

I believe the greatest legacy the Prime Minister could have left Canadians would be a country whose surpluses help pay down the mortgage on our future through debt repayment. This would have translated into more money for health care, defence, education, even student debt or lower taxes. However, this is not what the finance minister did in his budget. Spending has increased, spread over a cornucopia of initiatives with the hope that at least one of them may be memorable enough to serve as a legacy for Mr. Chrétien.

Of course, the area where the Prime Minister does leave a legacy, and I am afraid a sad one at that, is in the area of defence — a legacy of neglect, a legacy where it was always known that if money was needed to fund initiatives from the gun registry to advertising contracts, it could always be taken out of the defence budget.

Before I begin to criticize the government for what it has done to our military, I believe I should, in all fairness, congratulate our current Minister of National Defence, the Honourable John McCallum, for being able to secure a somewhat remarkable — at least for this government — increase in spending. As the minister told the Senate Veterans Affairs Subcommittee the day after the budget was tabled, he had succeeded in finding sufficient money to close the gap "between our budget and what we were called upon to spend." It is a beginning, but it is only a beginning.

Unfortunately, after years of neglect, after years of telling the military it had to do more with less, after years of commitments that have strained our forces to the breaking point, it is not good enough now to simply attempt to close the gap. I say "attempt to close the gap" because the ongoing deficit is estimated to be between $1 billion to $1.5 billion per year. That is billion, not million. That is not surprising, given the way budgets have treated defence since the government came to power in 1993.

I recall for honourable senators that the last budget of the government led by Prime Minister Brian Mulroney designated $12.4 billion for defence. By 1996, this government had brought it down to $10.6 billion and further reduced to $9.8 billion in 1997. This downward spiral continued through 1998, to $9.4 billion.

Senator Lynch-Staunton: Who was the Minister of Finance then?

Senator Meighen: It seems to me it was the Honourable Paul Martin, future and putative prime minister. His name seems to come up frequently in our discussions.

While budgets in more recent years have started to restore funding, it does not make up for years when the defence budget was raped and pillaged.

When I was a member of the Special Joint Committee on the Future of Defence Policy, then Minister Collenette appeared before us and unequivocally stated — and Senator Rompkey will remember this — that our military needed consistent funding year

after year in order to plan, to be efficient and to be effective. I know Senator Rompkey was a strong advocate of that principle, and I hope his influence increases, too. As Senator Rompkey knows, this has not happened. It has been to the detriment —

An Hon. Senator: Whom does Senator Rompkey support?

Senator Meighen: I do not know if he is one of the 124 or not.

Leaving my friend Senator Rompkey, for the moment, and getting back to the Manley budget, it should be noted that the Forces themselves have to cough up another $200 million in savings to help the government address the sustainability gap. Mr. Manley's budget allocates $100 million to cover the cost remaining for our military commitment in Afghanistan.

• (1650)

Honourable senators, where will the money come from to sustain our return to Afghanistan as promised by the Prime Minister?

Honourable senators are well aware that the Conference of Defence Associations and others stated that the budget provides less than what the Canadian Forces require to prevent further deterioration of our capabilities. Our own Standing Senate Committee on National Security and Defence has recommended the immediate infusion of $4 billion. The defence committee in the other place has recommended a 50 per cent increase in spending over the next three years — $18 billion in new money.

We have before us a budget that has not taken into consideration some of the pressing needs of our Armed Forces. I do not want to impinge on the territory of my friend Senator Forrestall, but on top of the list are the maritime helicopters. I am sure honourable senators would not want me to read the articles in the press of the last few days where phrases such as "plain stupid" and "abject failure" come to the surface time and again with regard to the process adopted by this government.

We need maritime helicopters, long-range troop transport planes and funds dedicated for training. We need improvements to military housing. Obviously, the most important need by far and away is the replacement of those aging Sea Kings.

Honourable senators, it is almost 10 long years from the time when the current Prime Minister made a political promise, and it was nothing more than a political promise during the heat of the 1993 election campaign, to cancel the purchase of the helicopters if his party was elected to govern the country. Unfortunately, his party was elected and his promise was kept.

Since that time, taxpayers have paid approximately $1 billion to enable the Prime Minister to keep this promise. Perhaps if he had found another $1 billion, he might have kept some of the other promises to which Senator Tkachuk referred.

There were contract cancellation fees, monies paid to keep the Sea Kings flying and lost revenues for Canadian industry. All of these would have benefited had the contract been honoured.

I hope that the first order of business for the new Leader of the Liberal Party — perhaps it will be our friend Mr. Martin — will be the purchase off the shelf, if possible, of a new fleet of naval helicopters.

These acquisitions cannot and will not happen with funding levels stuck at 1993 levels. In other words, this budget contains no new money. It merely refills the military coffers that the government robbed between 1993 and last year. Either the government is genuinely committed to national security or it is not. Quite frankly, after watching this government's indecision over the Iraq conflict, one wonders.

[*Translation*]

Honourable senators, the Senate Committee on National Security and Defence has produced a number of reports dealing with the precise nature of our security and our defence capabilities. These unanimous reports have been acclaimed for their insight and their high relevance to the debate. It is time that the government recognizes that, with the atmosphere of hostility now reigning in the world, we will have an opportunity to fight conventional wars on the other side of the world. If we want to be thought of as a nation that supports its allies, we must be equipped to do so.

[*English*]

Supporting our regular armed forces are our reserves, as all honourable senators are aware. Our reserves need resources for training, equipment and salaries. Our army reserves, the militia, have been cash starved for years. The reserves need some of the money dedicated for defence if they are to be able to support our regular forces.

Money must be forthcoming; it must reach the armoury floor. New recruits must be processed, hired, trained and paid. I would ask that the Minister of National Defence make it clear that sufficient money be directed to the reserves so that they can and do fulfill their valuable functions both at home and abroad.

Since the terrorist attack of September 11, 2001, all of us have become conscious of our vulnerability to attack. We do not live in the fireproof house that North America was described as being many years ago.

Canada is a country with multilateral obligations. We cannot and must not sit on the sidelines and let other countries sacrifice for us. In order to do our share, we must be properly equipped. This does cost money, money that this government has not seen to allocate in sufficient amounts to enable us to pull our full weight in the continuing fight against terrorism.

I hope that other honourable senators will address this issue in subsequent speeches on the budget and bring pressure to bear on the government, for we ignore this issue at our peril. We, as

Canadians, risk becoming irrelevant on the world stage. We risk becoming a country that cannot be counted on to support its allies and a country incapable of living up to its international commitments. Surely, one thing on which we can all agree is that Canada deserves better than this.

On motion of Senator Stratton, debate adjourned.

[*Translation*]

HUMAN RIGHTS

MOTION TO AUTHORIZE COMMITTEE TO STUDY LEGAL ISSUES AFFECTING ON-RESERVE MATRIMONIAL REAL PROPERTY ON BREAKDOWN OF MARRIAGE OR COMMON LAW RELATIONSHIP— ORDER STANDS

On the Order:

Resuming debate on the motion of the Honourable Senator Maheu, seconded by the Honourable Senator Bacon,

That the Standing Senate Committee on Human Rights be authorized to examine and report upon key legal issues affecting the subject of on-reserve matrimonial real property on the breakdown of a marriage or common law relationship and the policy context in which they are situated.

In particular, the Committee shall be authorized to examine:

The interplay between provincial and federal laws in addressing the division of matrimonial property (both personal and real) on-reserve and, in particular, enforcement of court decisions;

The practice of land allotment on-reserve, in particular with respect to custom land allotment;

In a case of marriage or common-law relationships, the status of spouses and how real property is divided on the breakdown of the relationship; and

Possible solutions that would balance individual and community interest.

That the Committee report to the Senate no later than June 27, 2003;

And on the motion in amendment of the Honourable Senator Carney, P.C., seconded by the Honourable Senator Keon, that the motion be amended in the first paragraph thereof by replacing the words "Standing Senate Committee on Human Rights" by the words "Standing Senate Committee on Aboriginal Peoples"; and

That the reporting date be no later than March 31, 2004 rather than June 27, 2003.—(*Honourable Senator Rossiter*).

Hon. Fernand Robichaud (Deputy Leader of the Government): Honourable senators, before the standing of Item No. 108, which is the Honourable Senator Maheu's motion, as well as the amendment to it, the debate was adjourned on behalf of the Honourable Senator Rossiter. I have been asked when this issue could be examined, since it is very important. It will require a fairly in-depth study, and some members of the committee would like to start as soon as possible so that the motion is given the attention and time it deserves.

[*English*]

Hon. Noël A. Kinsella (Deputy Leader of the Opposition): I will undertake to consult with Senator Rossiter and report.

[*Translation*]

Senator Robichaud: Honourable senators, I would like to know when the Honourable Senator Kinsella will address the Senate again on this subject.

[*English*]

Senator Kinsella: Honourable senators, I am tempted by my learned colleague Senator Bolduc, but I will consult with him and report tomorrow.

Order Stands.

• (1700)

CANADA-EUROPE TRADE RELATIONS

INQUIRY—DEBATE ADJOURNED

Hon. Raymond C. Setlakwe rose pursuant to notice of March 27, 2003:

That he will call the attention of the Senate to Canada's trade relations with Europe.

He said: Honourable senators, as I rise today to speak to trade relations with Europe, I have in mind two terse comments from persons for whom I have a good measure of affection and admiration. The first is the Honourable Jean-Luc Pépin, a wonderful parliamentarian and endearing educator. Some of you may have had the pleasure of debating or bantering with him.

In a speech delivered in Toronto in March 1974, as Canada's Minister of Trade and Commerce, he stated, tongue in cheek: "Canadians don't export. We permit others to import from us." That was quite some time ago. Since then, FTA and NAFTA have somewhat brought Canadian exporters out of their torpor, certainly as far as the U.S market is concerned.

[*Translation*]

However, we have been far less successful with the other element in the essential pair of liberalization and diversification. This brings me to the inaugural address of Thomas Jefferson, on March 4, 1801, in which he said:

[*English*]

Peace, commerce and honest friendship with all nations — entangling alliances with none.

[*Translation*]

Honourable senators, as far as trade is concerned, we are entangled with our neighbours to the South because we did not diversify our trade. I will be frank, but without falling into the trap of primary anti-Americanism, because on that Pavlovian reflex I subscribe to the views of French philosopher Jean-François Revel, as expressed in his latest work, entitled: *L'obsession anti-américaine*.

I am concerned about the state of dependency on the United States that we are left in because of our seeming inability to convince Europe — or more specifically its officials in Brussels — to establish a fertile free trade area with Canada.

I am even more concerned when I read a significant document by the Conference Board of Canada from last October, which addresses the challenges and choices our country will be up against in the coming decade.

The few separate paragraphs I will quote now are a faithful reflection of the general tenor of the document:

[*English*]

> Economic integration with the United States has expanded significantly in many areas beyond merchandise trade.
>
> By 2010, our business linkages will be even more driven by our relationships within North America....Canadians will become more North American. (They) see themselves as globally focused, but their choices and behaviours will lead them more and more to being simply North Americans.

The Conference Board comments continued:

> As we look toward 2010, it is clear that without a concerted effort by both government and business, Canada will most likely become even more dependent on the U.S. market.

The Canadian Council of Chief Executives, CCCE, agreed, when they stated:

> North American integration, it says, is irreversible...but the bilateral trade, investment, regulatory, security and institutional relationship do not reflect the advanced level of integration between the two countries.

You would expect the CCCE to use the present state of Canadian-U.S. affairs as leverage for diversification, but no. It recently travelled cap in hand to the United States in an effort to offset what might be negative commercial consequences of our country's independent and legitimate decisions on both Iraq and our full involvement in the war against terrorism.

[*Translation*]

These findings prompt the authors to promote solutions of a structural and institutional nature that are intended to safeguard some of the elements of economic and trade sovereignty.

These analyses, which are as disconcerting as they are realistic, are a powerful argument in favour of another type of solution: an energetic effort of diversified trade toward the huge European market, leading ideally to a free trade agreement.

There are justifications for such an initiative and they come down to some simple economic proposals.

Before the recent addition of some 15 additional members, the European Union accounted for 25.5 per cent of the world GDP, thus representing a huge market that will soon equal that of the United States with its 32.2 per cent.

Our exports to Western Europe no longer account for more than about 5 per cent of our total exports, a 45 per cent drop over the past four decades.

Our economy is regularly weakened by fluctuations in certain sectors of the U.S. economy or by trade disputes that flare up, even within free trade agreements.

Our dependence on U.S. markets is greater than ever. Even NAFTA does not prevent restrictive trade practices from being used.

This evolution — which seems more like a gradual drift — has been advantageous for Canadians, but at the cost of definite vulnerability to pressures from our American friends, who are pursuing open and integrated markets around the world, which will benefit themselves first.

As Raymond Aron wrote in 1974, in *The Imperial Republic*:

[*English*]

> A world without frontiers is a situation in which the strongest capitalism prevails.

The benefits of diversification towards Europe should be self-evident, particularly if it grows our total trade, as it should, and does not take away from our commercial relations with the United States. The advice on diversification comes from on high. After portraying Canada's trade regime as among the world's most transparent and liberal, the WTO now calls on the Canadian government to seek trade diversification, as the volume of our exports to our southern neighbour "makes the Canadian economy particularly vulnerable to events in the United States."

There are sound economic reasons for diversification, but because the project calls for political leadership, its proponents are often portrayed as advocating it on strictly political grounds. It is not so. Canada was the first nation in 1949 to insist, under Prime Minister St. Laurent's leadership, that NATO not be an exclusively military alliance, that it should also consider other matters of common interest, such as trade. Much fun has been made of Mitchell Sharp's Third Option in the 1970s, but had it succeeded, our commercial interests would now be well rooted in Europe's large and expansive market and there would be less coughing in Canada when the U.S. economy catches a cold.

In 1997, in London, our Prime Minister renewed his proposal of 1994 to negotiate free trade between Canada and Europe if, he added, as it seemed likely, the United States, for domestic reasons, could not join in the negotiation of a NAFTA-EU free trade agreement. The Americans, as I have discovered on two recent trips to Washington, may now be more inclined to a joint approach with Canada towards negotiations with Europe. Currently, 25 per cent of foreign direct investment, FDI, in Canada originates from Europe. In turn, it receives the same proportion of Canada's total FDI. Yet, surprisingly, efforts to build trade upon sound foundations have failed, a failure that is a shared responsibility.

On the one hand, our own trade sector has been shivery to Europe, which confirms Jean-Luc Pépin's views and illustrates Carl Beige's November 1989 judgment: "Canada is like a womb with a view. We do not want to face the discomfort of the real world." On the other hand, European bureaucrats in Brussels have been quite imaginative, although not too credible, in opposing free trade with Canada while simultaneously negotiating it with other countries.

It is argued that the lack of a U.S. fast-track negotiating authority has hampered free trade discussions between NAFTA and Europe. However, the argument is debunked by Europe's agreement with Mexico. Why, then, is Canada left aside? Among other reasons, we are told that it is because Brussels wants free trade only with developing countries. Of course, the argument does not hold water. Brussels has agreements with Norway and Sweden and is negotiating with East European countries.

Also, Europeans are keen to protect their common agricultural policies. That is no wonder because these policies foster overproduction and allow higher internal purchasing prices and excessive export subsidization of farm commodities, all of which provide European governments with solid partisan, political support from their farming communities. Under the guise of slowly reforming these policies by applying a multi-functionality concept that stresses the non-economic benefits of agriculture, it may be that Brussels assist only giving protectionism another name.

• (1710)

Canada must be relentless in calling for the end of distortions in agricultural trade. However, at the same time, we need to convince Europeans that Canada's economy has evolved dramatically; bulk agricultural products no longer form a significant part of Canada-EU trade; and, although agricultural policies must be overhauled, they need not prevent us from progressing rapidly toward free trade.

Fortunately, a Canada-European Union trade enhancement agreement is soon to be negotiated, following the December Canada-EU summit in Ottawa. It will entail discussions about standards, regulations, investments and movements of people and professionals across the Atlantic, but not the elimination of trade barriers.

[Senator Setlakwe]

[*Translation*]

As you know, honourable senators, we live in an era in which the economy, business and trade act as the vehicle for social, political and even cultural values and ideas.

Under these circumstances, are we able to move forward and integrate our trade even more closely with the United States, without jeopardizing the elements of our identity born of the history, traditions and values left to us by our European ancestors?

Can we afford not to reflect, in our trade relations, our country's rich diversity that millions of people around the world envy?

The former Minister of Industry and Trade, Roy MacLaren, answered this question eloquently last August. He said:

[*English*]

> Let us not fool ourselves. The prospect of pursuing successful policies distinctive in terms of our history, traditions and values...is dim if we do not diversify the sources of our affluence.

[*Translation*]

The man dubbed the czar of American trade, Robert Zoellick, wrote the same thing recently in *The Economist*:

[*English*]

> America's trade policies are connected to our broader economic, political and security aims... To be sustainable at home, our trade strategy needs to be aligned with America's values and aspirations, as well as with our economic interests.

[*Translation*]

The United States does it; why not do the same? We sing the praises of our rich social, cultural and economic diversity in national and international arenas. Why not carry these values along with our trade policy? Who could blame us?

Was it not our countryman Galbraith who wrote that:

> ...economic ideas are always and intimately a product of the time and place in which they were conceived: they cannot be dissociated from the universe they reflect.

This universe is well described by most analyses of Canadian opinion. They also confirm that while Canadians favour the free circulation of persons, goods and services in North America, they are not prepared to sacrifice their social, cultural or political independence.

Although the hypothesis may not be politically correct, one might imagine that Canadian protestors against globalization would be pleased to see Canada making a significant effort to diversify part of its trade from the United States to Europe.

Moreover, I am thoroughly convinced that, in time, trade globalization will be seen to produce more disputes than the simple regionalization of trading blocs.

How, then, shall we promote Canada-Europe free trade, if the bureaucracy in Brussels continues to slow down discussions by engaging in traditional bilateral diplomacy with the national governments of each one of Europe's friends — and they are legion?

We must regain that ground and mobilize all our European friends to convince them of the appropriateness and reciprocal benefits of a Canada-Europe free trade project.

These friends are all over Europe, especially since we belong to NATO and the G8, and show leadership in the Francophonie. Cities such as Stockholm, London, The Hague, Copenhagen and Berlin would be more likely than the Eurocrats in Brussels to listen carefully to our ideas.

The effort is worth a try. I will repeat the words of Roy MacLaren:

[*English*]

> Without the major initiative of a free trade negotiation, our relations will continue to diminish as the inexorable forces of economics persist in promoting regional integration on both sides of the Atlantic and lessening transatlantic ties, a trend which Canada must counter if, in the end, for no other reason than the peculiar Canadian requirement to enhance our relations with our two founding European nations.

In my idealistic view, this major initiative should have as its goal the implementation of a North Atlantic free trade agreement, eventually including such countries as Russia and Poland. I have become convinced, in recent travels to these countries, that such a project might not be as distant as one would now believe.

[*Translation*]

I recognize and praise the initiatives of our government, particularly after the tabling of the report by the Standing Senate Committee on Foreign Affairs, to stimulate discussions on increased trade with Europe.

[*English*]

The Hon. the Speaker: Senator Setlakwe, I regret to advise that your time has expired.

Is leave granted to allow the honourable senator to continue?

Hon. Senators: Agreed.

[*Translation*]

Senator Setlakwe: Bilateral discussions must continue and intensify their focus on countries that are allies of Canada. Due to its attempts to delay free trade negotiations with Canada, Brussels is stimulating renewed interest in multilateralism. It is promising more open free trade with Canada, according to the findings of the Doha Round, which will end on January 1, 2005.

In the meantime, Canada must take pains to present the perfect case to the most important countries in Europe so they can promote a free trade agreement in Brussels, which would greatly benefit them, as it would us. But we must also create incentives to persuade the Canadian business community to join in this large-scale project.

The work of the Canada-Europe Roundtable on the Canada-European Union business relationship is the ultimate starting point. Business leaders must lead the way to overcoming obstacles for more intense, fruitful and, above all, beneficial trade relations with the old European continent, which is rapidly modernizing and expanding its borders.

It is not only in their financial interests but also in Canada's political interests, at a time when globalization must strike a balance between freer trade and the affirmation of a country's own character and national identity.

On motion of Senator Bolduc, debate adjourned.

The Senate adjourned until Wednesday, May 14, 2003, at 1:30 p.m.

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