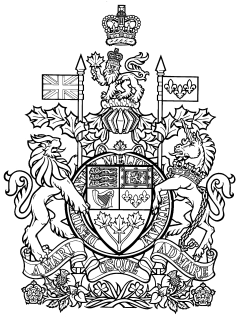

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OFFICIAL REPORT
(HANSARD)

Tuesday, May 11, 2004

THE HONOURABLE DAN HAYS
SPEAKER

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THE SENATE

Tuesday, May 11, 2004

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

Prayers.

SENATORS' STATEMENTS

VISIT OF DALAI LAMA

Hon. Consiglio Di Nino: Honourable senators, for 17 days this past month, Canada played host to a truly amazing man. Tenzin Gyatso, known to most as the Dalai Lama, came to Canada to spread his message of non-violence, compassion, moral responsibility and respect for the fundamental rights and freedoms of all the world's people. His message left those of us who heard him speak with much to reflect upon.

Tenzin Gyatso, a simple Buddhist monk, is a Nobel Prize winner, a spiritual giant and one of the world's truly remarkable envoys of peace, tolerance and understanding. Yet he is a refugee, forced to flee from his homeland that suffers beneath the weight of the Chinese government's brutal oppression and its policy of population transfer. Since the invasion of Tibet in 1950, the Tibetan people and their land have suffered unspeakable atrocities. Despite this, His Holiness harbours no hatred. He preaches understanding; he forgives and insists on non-violent resolutions to even the most horrific conflicts.

In describing the purpose of his visit to Canada, His Holiness expressed that his hope was to "contribute to the flowering of the seed of kindness that, though inherent in all human beings, needs nurturing" in order to "bring about positive change in the world, making it more caring, more compassionate, and, by extension, more just and equitable."

His Holiness the Dalai Lama carries on his shoulders the burden of finding the solution to the Tibet issue for his people and his homeland. He says:

> As a Buddhist I take refuge in Buddha; as a Tibetan I take refuge in international support.

During his visit, Prime Minister Martin showed leadership, parliamentarians on all political sides gave strong support, and Canadians showered him with praise and respect wherever he went.

Honourable senators, let us assure him of our friendship, our support and our best wishes, and commit to helping him keep the flame of hope burning.

To His Holiness, I say thank you for your visit and your inspiration.

Hon. Senators: Hear, hear!

CURLING

WORLD CHAMPIONSHIPS IN GAVLE, SWEDEN— CONGRATULATIONS TO WOMEN'S GOLD MEDAL AND MEN'S BRONZE MEDAL WINNERS

Hon. Wilfred P. Moore: Honourable senators, on April 1, I informed you of the national success achieved by three Nova Scotian curling teams and extended good wishes to two of them. Those two were the Colleen Jones rink and the Mark Dacey rink, both of the Mayflower Curling Club in Halifax, both of whom were representing Canada in the World Curling Championships at Gavle, Sweden.

I am delighted to report that the rink skipped by Colleen Jones won its second world women's title with an 8-4 victory over Norway on Saturday, April 24. We congratulate Colleen and her team of Kim Kelly, third; Mary Ann Arsenault, second; Nancy Delahunt, lead; Mary Sue Radford, spare; and Ken Bagnell, coach.

We also congratulate Mark and his team of Bruce Lohnes, third; Rob Harris, second; Andrew Gibson, lead; and Matthew Harris, spare. This talented rink won the men's bronze medal with a 9-3 victory over Norway on Sunday, April 25. It should be noted that the Dacey rink had a perfect 10-0 record in the round robin section of this championship.

We salute these two rinks for their accomplishments, and we thank them for the honours that they have brought to Canada.

CONTRIBUTION TO WORLD HEALTH ORGANIZATION HIV/AIDS INITIATIVE

Hon. Yves Morin: Honourable senators, I would like to recognize this afternoon the remarkable contribution of the Canadian government to the World Health Organization's AIDS initiative. In a speech yesterday in Montreal, the Prime Minister announced that Canada will contribute $100 million to the World Health Organization's 3 by 5 Initiative. This ambitious and urgently needed program aims to get three million people suffering from AIDS in developing countries into treatment by the end of 2005.

Canada's generous contribution comes at a very propitious time as the Senate is considering Bill C-9. Honourable senators will remember that this bill will render available to developing countries essential drugs at a fraction of the cost that we pay for them in Canada.

These two extraordinary initiatives really place Canada at the forefront of advanced, caring democracies. This morning, the World Health Organization officially extended its gratitude to the Canadian government.

[*Translation*]

As the Director General of the WHO, Dr. Lee Jong-wook, pointed out this morning: "Once again, Canada has shown very generous support for the WHO by taking a visionary approach in allowing anyone in need to have access to affordable drugs."

Finally, next year, Canada will once again play a leadership role in the fight against AIDS, as our country will assume the presidency of the Joint United Nations Programme on HIV/AIDS.

To conclude, honourable senators, we can be genuinely proud of our government for its contribution to the fight against the catastrophe AIDS represents in underdeveloped African countries.

[*English*]

PRINCE EDWARD ISLAND

CELEBRATION OF HIGHER EDUCATION

Hon. Catherine S. Callbeck: Honourable senators, this month and next, hundreds of thousands of young people will be graduating from universities and colleges across this country. They represent a new generation who are preparing themselves to become full and productive citizens of this country and to make their contribution to its future well-being.

Higher education is one of the best investments this country can make in the lives of its citizens.

• (1410)

Today, I want to recognize and pay tribute to the outstanding contributions that higher education is making to the province of Prince Edward Island. The year 2004 has been proclaimed as the Year of Learning and Innovation in Prince Edward Island. It commemorates 200 years of learning and innovation in the province, dating back to 1804 when Kent College, the first institution of higher education, was founded by the provincial government.

This year, as we celebrate 200 years of higher education in our province, we acknowledge the significant contribution that the University of Prince Edward Island is making as one of Canada's great small universities. Holland College, a college of applied arts and technology, has become a leader in the development of specialized training. The Atlantic Veterinary College has gained an international reputation in animal and health research.

Honourable senators, to mark 200 years of academic excellence in the province, I am proud to note that Canada Post has recognized the University of Prince Edward Island with the release of a commemorative stamp. This attractive stamp was unveiled last weekend, during the university's convocation ceremonies in Charlottetown, and is now on sale at post offices across the country.

I would like to commend Canada Post for recognizing UPEI in this way. I also want to recognize the past 200 years of higher education in Prince Edward Island and congratulate all those who have been part of its history and accomplishments.

[*Translation*]

ARRIVAL OF FRENCH COLONISTS IN NORTH AMERICA

FOUR HUNDREDTH ANNIVERSARY

Hon. Aurélien Gill: Honourable senators, as you know, this year we are celebrating the four hundredth anniversary of the French presence in America: 1604 to 2004.

As an aboriginal person, I rejoice and share in the celebrations.

This is the anniversary of Acadia, and Acadia was originally located in what today is Nova Scotia. It is the ancestral home of the Mi'kmaq—Megumaagee**.** Chief Membertou welcomed the French on their arrival, and the French settled at the place now called Annapolis Royal.

Chief Membertou taught the French about the country and about the Americas. He watched over the possessions and buildings of the first French settlers for several years, while they went back to France, until their return in 1608. He was the first Amerindian baptized as a Roman Catholic in the Americas. Until his death in 1611, he wanted his people to collaborate so that the lives of both groups would be improved.

The friendship of the Mi'kmaq and the French is a significant historical fact. This friendship and this alliance have not faltered for more than 150 years. When France gave up Acadia in 1713, under the Treaty of Utrecht, the Mi'kmaq remained faithful to their first European friends. Forty years later, the Mi'kmaq helped the French Acadians during the tragedy of the deportation and the conquest. They welcomed them, helped with their problems, and supported them in their new communities in New Brunswick. This history of cooperation is not well enough known today.

There have been many marriages, collaborations, exchanges and common memories. The history of French Acadia is also the history of the Mi'kmaq. We cannot insist too much on the cultural exchanges and the proximity of these two peoples. They have lived side by side, sharing daily life and activities, and also sharing a destiny — that of fighting for survival.

Memory is unreliable and it happens that all this was forgotten for a generation or two. Let us take advantage of this occasion to look at our past once again. Let us help the Acadians celebrate this collaboration between peoples. Let us learn a lesson from this friendship and draw inspiration for the future of Canada.

As an Aboriginal, and on behalf of everyone, I celebrate with the Acadians. I wanted to tell the Senate how proud we are, together with the Acadians, of this great anniversary. We have a common history and we know it. Could we not take the four hundredth anniversary of the French presence in North America as an opportunity to better understand the ties that unite us across Canada?

Our country is the result of our destinies. It will be the result of our cooperation. Membertou and his people showed us the path: exchange, share and learn from one another in order to create a better world. The Mi'kmaq did not want to become French and the Acadians did not want to become English; each group is proud of its identity. That is a fine example of healthy cultural diversity and the key to our future!

Let us celebrate with the Acadians and look at the positive side of things.

[*English*]

ROUTINE PROCEEDINGS

AGRICULTURE AND FORESTRY

COMMITTEE AUTHORIZED TO MEET DURING SITTING OF THE SENATE

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

> That the Standing Senate Committee on Agriculture and Forestry have the power to sit at 5:30 p.m. today, even though the Senate may then be sitting, and that rule 95(4) be suspended in relation thereto.

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

Hon. Senators: Agreed.

Motion agreed to.

[*Translation*]

IMPORTANCE OF PARLIAMENTARY AND INTER-PARLIAMENTARY ASSOCIATIONS

NOTICE OF INQUIRY

Hon. Marcel Prud'homme: Honourable senators, I give notice that on Thursday, May 13, 2004:

> I will call the attention of the Senate to the importance of Parliamentary and Inter-Parliamentary associations.

[*English*]

QUESTION PERIOD

NATIONAL DEFENCE

POSSIBLE TRANSFER OF HEADQUARTERS

Hon. J. Michael Forrestall: Honourable senators, I have some more real estate business to discuss with the Leader of the Government in the Senate. Perhaps he will learn something from his staff; it is worth a try.

Today, the *Ottawa Citizen* reported that a deal is near on the JDS Uniphase campus but that the company refused to disclose who is the buyer. I have been told by a reliable source that the head of social housing for the City of Ottawa visited National Defence headquarters to determine its suitability for social housing.

Will the Leader of the Government in the Senate confirm this fact, or will we have more stonewalling? I say that kindly.

Hon. Jack Austin (Leader of the Government): Honourable senators, I have no information to provide to the Honourable Senator Forrestall.

• (1420)

Senator Forrestall: Under whose instructions is the Leader of the Government in the Senate operating with respect to my next question?

Will the Leader of the Government in the Senate tell the chamber if the Minister of National Defence, who has allegedly recused himself from the JDS Uniphase matter, met with any city officials in his departmental office, either elected or otherwise? We know that they are not playing bridge or poker up there on the thirteenth floor.

Senator Austin: I can provide honourable senators with no information, as I have none. However, if the Minister of National Defence has said he has recused himself from this issue, then, in the absence of evidence or a charge otherwise, I think we should take him at his word.

Senator Forrestall: Will the Leader of the Government in the Senate admit the obvious, that the move — and it is not hypothetical at all — of National Defence Headquarters to the JDS Uniphase complex is nothing more than a shallow attempt to politicize the issue for the benefit of the present Minister of National Defence? I expect it is an attempt to bolster his somewhat sagging fortunes in the political field.

Will the Leader of the Government acknowledge to this chamber that an attempt to take away from Ed Broadbent, for example, the whole question of social housing and federal inputs and contributions may be behind the move? We have watched the Department of National Defence and the property in the east end of Ottawa. We now have this other movement, as I mentioned yesterday, of potentially some 8,000 or 10,000 people to the JDS campus. Moving those people from two other sections of Ottawa

all the way across the city will cause enormous problems. Superimpose on top of that figure the number of people who could then be housed in the present National Defence Headquarters and one comes to the conclusion that the City of Ottawa should be in on these decisions. Is there no inkling of that from Langevin Block?

Senator Austin: Honourable senators, I have received no inkling of a proposed move of National Defence Headquarters to any place.

Senator Forrestall seems to be concerned with some political advantage to the Minister of National Defence. I understand from a partisan point of view why Senator Forrestall might see that as of some concern.

Senator Forrestall: Heavens no!

Senator Austin: Oh, heavens yes!

The real issue is what is in the best interests of the efficient working of the Department of National Defence. If a move is to be made, I am confident it will be made on objective terms.

Senator Di Nino: When?

Senator Austin: I have no idea "when" because I have no idea "whether," as I continue to say.

I was quite interested in the comment of Senator Murray the other day as to whether Minister Pratt has gone too far by recusing himself and, therefore, has rendered it impossible to help his constituents, who may be very interested in a new facility in his riding. These are interesting thoughts. Obviously, Senator Forrestall is advocating a pure doctrine to be applied to ministers of whatever party, whenever such party should be in office.

I would add that recusal is a requirement of the Prime Minister's code of conduct, but Minister Pratt has gone beyond that requirement in stating that he will not participate in a departmental decision if it has any impact on establishing a headquarters in his riding.

Finally, covering the waterfront on this issue, if the JDS building is suitable and is available at a suitable price, and if the decision is made by the cabinet without the participation of the Minister of National Defence, I am sure the honourable senator will congratulate the government on the move.

Senator Forrestall: Honourable senators, Minister Pratt, long before he was a minister, was deeply involved in these discussions. I do not know what happens when one becomes a minister, but my understanding is not that one just fades out of sight altogether, which is what he seems to be doing.

I have nothing but the highest regard for the Leader of the Government in the Senate. However, as this is an important matter, would he care to tell me whether he said to his staff, "Do not tell me anything; I do not want to know"? Is that why he does not know anything, or is it that his beloved staff has not been able to get to the bottom of a very complex matter?

Senator Austin: I told my staff that I wish to be informed as soon as there is information so that I might inform Senator Forrestall.

Senator Forrestall: I thank the honourable leader for that.

CITIZENSHIP AND IMMIGRATION

MUNICIPAL PARTICIPATION IN IMMIGRATION PROCESS— PROFESSIONAL ACCREDITATION OF IMMIGRANTS

Hon. Consiglio Di Nino: Honourable senators, the Province of Ontario and the federal government have entered into negotiations to give the province and its cities a greater say in immigration issues. While other provinces have their own immigration agreements with the federal government, the Ontario agreement will be the first to formally allow municipalities to participate in these discussions, which I think is a good idea. Would the Leader of the Government in the Senate tell us if the federal government intends to enter into negotiations with other provinces to boost municipal participation in the immigration process?

Hon. Jack Austin (Leader of the Government): I thank the Honourable Senator for his question and for his commendation of the process.

There is recognition on the part of the government and many outside the government that immigration has a significant impact on municipalities and cities in this country.

The honourable senator's city, Toronto, and my city, Vancouver, are notable examples of a major ingress of immigrants and the demands they bring to municipalities for services and pressures on roads and additional facilities. When we say that, immigration also brings to cities benefits such as new revenue capacities and new economic growth.

It is the intention of the Government of Canada, through the provinces and with the provinces, to seek a dialogue with the cities.

Senator Di Nino: I would add Mississauga to the list of cities cited by the honourable senator. Her Worship Hazel McCallion has been vocal over the past 10 or 15 years about the need to consult Mississauga on the immigration issue. I am sure the mayor of that city will be pleased to know that I support her as well.

One of the benefits of immigration, honourable senators, is the arrival of skilled workers in our country. However, they often find it impossible to work in their chosen fields due to the obstacles they face in having their foreign credentials accredited or recognized. This problem occurs across the country. Governments must — and I believe they try to — work together to correct these obstacles.

Could the Leader of the Government in the Senate tell us whether the negotiations on the Canada-Ontario immigration issue will also include speeding up the professional accreditation process for immigrants?

• (1430)

Senator Austin: Honourable senators, again, I thank the Honourable Senator Di Nino for this important question.

I cannot answer directly whether those talks include the talks between Canada and Ontario at the present moment or include specifically the item of credentials and the recognition of foreign credentials. However, I can say, as Senator Di Nino knows, that the government has a parliamentary secretary whose duties are specifically to deal with the question of credentials.

It is recognized, not only by the government but also widely, that there have been many artificial and unnecessary constraints to allowing people with educational achievement to enter the labour force with that background and training. Honourable senators, it is important to the development of Canada's economy that we fully use the trained capacities of people who come to Canada.

Senator Di Nino: Honourable senators, again I agree with my colleague, the Leader of the Government in the Senate. This is only the educational background. One of the great tragedies in my province, Ontario, is that we are having a difficult time getting skilled trades people — that is, people with training in skills in industry, construction, et cetera. It is in that area that the labour unions in particular have been asking for action for many years, including, as you undoubtedly know, specific programs to attract men and women with the skills required from specific countries.

Could the leader undertake, on our behalf, to speak to his counterpart, the Minister of Immigration, to ensure that this strategy is part of the dialogue? It is truly an important problem that needs to be addressed, not only for Ontario but also for Canada.

Senator Austin: Honourable senators, I certainly will do so.

[*Translation*]

PUBLIC WORKS AND GOVERNMENT SERVICES

SPONSORSHIP PROGRAM—MORATORIUM ON ADVERTISING—EFFECT ON SMALL FRANCOPHONE PUBLICATIONS OUTSIDE QUEBEC

Hon. Jean-Claude Rivest: Honourable senators, my question is for the Leader of the Government in the Senate. In the aftermath of the sponsorship scandal, the Minister of Public Works and Government Services has declared a moratorium on federal government advertising. It has been in effect since last fall and was, if I am not mistaken, to end on June 1. It appears there will then be an election campaign, and then a new government will be in place.

At yesterday's meeting of the Senate Official Languages Committee, we heard from spokespersons for small Francophone publications outside Quebec. A large part of their income came from Government of Canada advertising. Several of these important newspapers are in an extremely precarious position because of the moratorium on advertising. In some regions, people are starting to be laid off. The minister is aware of how important it is for minority groups outside Quebec to have access to publications in French.

Given the urgency of the situation, would the minister agree to contact the Minister of Canadian Heritage, or some other Cabinet colleague, with a view to organizing a meeting with the federal government, the people concerned, and the associations representing francophone publications outside Quebec so that a temporary solution can be found to allow them to survive? The minister needs to be made aware of just how urgent it is for these French-language publications to be rescued.

[*English*]

Hon. Jack Austin (Leader of the Government): The hearings by the Senate committee to which the Honourable Senator Rivest has alluded with respect to the community press, in both the English and French languages, illustrates one of the very important functions of the Senate: allowing these concerns to be expressed somewhere in the political system and a movement towards remediation of the problem. I very much appreciate this issue being raised.

As you say, Senator Rivest, the moratorium will be over on June 1. The issue now that was raised in the committee, and is raised by you here today, is to take the lead time that we have this month in order to position advertising, which is their economic support, so that it can be utilized as quickly as possible. I appreciate the concern you raise because, if the lead time is lost and we are into an election, where advertising is not possible, then it may be that the normal government programs might not be available till the fall. That would increase the economic pressure on these periodicals.

I will absolutely send the transcript to the Minister of Public Works as well as to the Minister of Canadian Heritage, with a strong recommendation that measures be taken at the earliest possible time. It must be borne in mind, of course, that if there were to be dissolution for an election, that process would stop at that moment.

FINANCE

DEFICIT REDUCTION—GAS TAX REVENUE

Hon. Donald H. Oliver: Honourable senators, Canadians were told, on page 59 of the February 1995 budget plan, that "to help meet deficit targets, this budget announces increases in taxes on business and an increase of 1.5 cents per litre on the excise tax on gasoline." Add on GST and you get 1.6 cents a litre. The deficit has been gone for some eight years now. Why are we still being hosed an extra 1.6 cents a litre at the pump in the name of deficit reduction?

Could the government leader confirm that each 1-cent increase in the price of gasoline translates into about $32 million in extra GST revenue for the government, and that a 10-cent hike translates into about an extra $320 million?

Hon. Jack Austin (Leader of the Government): Honourable senators, I will take the question as notice.

COMPETITION BUREAU

REVIEW OF GAS PRICE INCREASES

Hon. Donald H. Oliver: The Competition Bureau, as the minister knows, is reportedly looking into recent gasoline price hikes to see if there has been any collusion. Could the government leader advise the Senate as to when we can expect a report on this matter?

Hon. Jack Austin (Leader of the Government): I will ask the Competition Bureau.

Senator Oliver: Can I expect an answer on that subject later this week?

Senator Austin: Honourable senators, I have no idea when their process will produce a report, but I can make inquiries. That is the best I can do. Their evaluation will be done in the time it takes to do their evaluation.

THE ENVIRONMENT

GAS TAXES—COMMENT BY MINISTER

Hon. Donald H. Oliver: Honourable senators, last February, the Honourable David Anderson, Minister of the Environment, suggested in a media interview that gas taxes were not high enough. Can the government leader assure the Senate that the rest of the government does not share this view?

Hon. Jack Austin (Leader of the Government): Honourable senators, there will always be a debate among those in our economy who argue that the pricing mechanisms in the marketplace are the best mechanisms to promote conservation and wiser use of our natural resources. As Minister of the Environment, I believe this argument is one that Mr. Anderson is probably putting forth for the consideration of the Canadian public.

PRIVY COUNCIL OFFICE

DEMOCRATIC REFORM SECRETARIAT

Hon. Michael A. Meighen: Honourable senators, I am sure that you have all been intrigued by today's extraordinary announcement that the government has created a Democratic Reform Secretariat. It is a title worthy of a former East Bloc country: the Democratic Reform Secretariat.

I am not kidding. I am reading from the press release. It announces the secretariat but provides little information beyond giving a general description of its mandate, telling us that it has a Web site and that it is located — wait for it; you will never guess — in the Privy Council Office! It goes on to proclaim that this will allow the government to engage Canadians in a national dialogue on democratic renewal and support its efforts to consult Canadians. One wonders why the government needs a secretariat to do that. Why do they not just call an election?

Some Hon. Senators: Hear, hear!

• (1440)

Senator Meighen: Perhaps the Leader of the Government in the Senate will tell us who comes up with these ideas.

While he is at it, could he tell us how many persons will be working for the DRS, as it will soon be known? What is the size of the budget for the DRS? How much does the DRS expect to spend on communications activities between now and, let us say, the end of June 2004?

Hon. Jack Austin (Leader of the Government): Honourable senators, I am beginning to enjoy Senator Meighen's questions more and more. This is the second time he has advocated that the government call an election. His wish may quite possibly become a reality, only because he wished for it, of course.

Notwithstanding the jocular nature of the question, serious issues underlie the actions of the government. Those issues should be taken seriously by all Canadians. We are, or should be, well aware that questions of institutional authority have become more significant in dealing with governance, whether they be related to government, academic institutions, military institutions or churches. We have a new society with a broader base of information and learning, and a desire to participate more fully.

We see, for example, in Prince Edward Island, consideration of proportional election. Authorities there are studying whether a proportional election system should be used to select members of the provincial legislature. As well, in British Columbia there has been the appointment of a citizens' commission to consider that and other questions with respect to voting. Is the "first past the post" practice still relevant when some members of the public believe that smaller political parties or groups are not adequately accommodated within the current "first past the post" system?

We see measures by the federal government in Parliament to revalidate elected members of Parliament so that they have more authority when they meet their constituents, and so that they have the ability to participate more fully within the executive decision-making process by influencing the executive. I believe that all these reforms are part of an ongoing process that is worthy of a secretariat and worthy of a coordinating function in the Privy Council Office.

Senator Meighen: Honourable senators, I am not sure the leader answered the specific questions I asked. In fact, I know he did not. We could have a most interesting debate on the issues that the Leader of the Government raises. Where we differ is that I do not believe the place for the examination of these issues is in the Privy Council Office. I believe that the proper place for that debate is Parliament.

Senator Kinsella: Perhaps the Fathers of Confederation had it right.

Senator Meighen: Did they have a PCO? Surely the Leader of the Government would agree that actions speak louder than words. If we introduced and adopted more concrete steps towards reform, it might be unnecessary to set up an expensive secretariat. As the government leader knows full well, that secretariat will cost a great deal of money and be engaged in activities that are not strictly academic but, rather, partisan.

The press release, honourable senators, goes on to say that the secretariat will provide expertise in areas of parliamentary reform, youth participation, citizens' engagement, electoral law and public consultations. It makes no reference to the appointment of candidates, parachuting in candidates, or the subject of "first past the post."

We are told that the DRS will support the government's research and consultations on the renewal of Canadian democracy.

Finally, can the leader advise us whether this research and consultation work involves strategic polling? Will the Prime Minister's Office see the results of this polling, conducted at public expense, long before it is released to the public?

Senator Austin: Honourable senators, part of the structure of being in government includes the support of a non-partisan public service. The Privy Council Office is that: a non-partisan public service. It is the nerve centre and the strategic centre of a government's operations. It would be remarkable if the public service did not serve the government of the day in the most effective way possible. There is nothing in the elocution of Senator Meighen to suggest that the measures being taken are other than non-partisan and for the purpose of public governance.

PUBLIC WORKS AND GOVERNMENT SERVICES

SPONSORSHIP PROGRAM— FUTURE OF REVIEW BY HOUSE OF COMMONS PUBLIC ACCOUNTS COMMITTEE

Hon. Marjory LeBreton: Honourable senators, the Public Accounts Committee in the other place has yet to hear from some 90 witnesses in the adscam scandal. Could the Leader of the Government in the Senate advise the Senate if the government is moving to shut down the inquiry and, if so, why? What do those 90 other witnesses know that the government does not want to see placed on the public record?

Hon. Jack Austin (Leader of the Government): Honourable senators, I am not in a position to comment on the business of a committee in the other place, except to say that, if it is the wish and will of that committee to hear further witnesses, it has the prerogative to do so. Alternatively, if it wishes to conclude its work, it has the prerogative to do that.

Senator LeBreton: Honourable senators, the judicial inquiry into the adscam will not start until September. The special investigator charged with retrieving the money has not reported back with regard to how much will be repaid. There are now 36 active police investigations focussed on the Liberal government and its friends, including a lucky number 13 related to the sponsorship program. As I said in my question, 90 witnesses have yet to testify.

How can the government leader assure the Senate and Canadians that they will have the full story on this sordid mess before an election is called?

Senator Austin: Honourable senators, that has never been the commitment of the government, nor can it be, because there is a time finite for the calling of an election. There is no time finite for the processes of the commission, the RCMP investigation or the actions of a special counsel to return funds to the government.

The government's undertaking was to ensure that the public had an adequate understanding of the issues that were raised by the Auditor General's report. If it is the desire of the committee to end its hearings, so be it. The government will make a decision on the subject when it does.

[*Translation*]

SPONSORSHIP PROGRAM— POSSIBLE CONFLICT BETWEEN COMMISSION OF INQUIRY AND COURT CASES

Hon. Jean-Claude Rivest: Honourable senators, several Montreal legal experts have commented on the fact that the accused will be tried in September at the same time as a public judicial inquiry headed by a judge will be addressing the matter publicly. Does this not represent a danger that the conduct of the trial of these two accused persons may be seriously compromised by the existence of a public inquiry into the same matter and at the same time as the trial?

It would seem that the government's approach was not particularly well planned.

[*English*]

Hon. Jack Austin (Leader of the Government): Honourable senators, neither of those processes is under the control of the federal government. The charges against the two individuals referred to by Senator Rivest are charges brought by the Attorney General of Quebec. That process must ensure that the trials meet Canadian standards of justice. The inquiry commissioner, who will begin in September, will take the appropriate steps as an experienced judge, which will be considerable, beyond the questions of this charge against the two individuals, to ensure that there is no taint by the inquiry of a proper and fair proceeding.

• (1450)

DELAYED ANSWER TO ORAL QUESTION

Hon. Bill Rompkey (Deputy Leader of the Government): Honourable senators I have the honour of presenting a delayed answer to an oral question posed in the Senate by the Honourable Senator Stratton on April 27, 2004, regarding the use of contracting for professional and special services.

TREASURY BOARD

INCREASE IN CONTRACTING PROFESSIONAL AND SPECIAL SERVICES

(Response to question raised by Hon. Terry Stratton on April 27, 2004)

- The Honourable Senator has raised an interesting issue concerning the increase in government expenditures on Professional and Special Services. He has noted an increase of 10 per cent in the past year. Based on Public Account information the increase in the growth of Standard Object 4, nominally called Professional and Special Services was 7.5 per cent between 2001-2002 and 2002-2003.

- Having noted increases in Professional and Special Services expenditures over the past several years, early in 2004, the government decided to include this subject among its Expenditure Reviews. We are hoping that this review will examine patterns of the use and growth of professional and special services across the federal government, lead to a better understanding of contracting activities and identify savings and efficiencies.

- For the information of the Honourable Senator, Standard Object 4 comprises 13 classifications of services. Of the 13 categories of services reported in Public Accounts, six could be considered to be consulting services (accounting services, engineering and architectural services, informatics services, scientific services, other business services, other professional services).

- The increase in expenditures for consulting services was 0.3 per cent.

- The other seven services reported under Standing Object 4 include such services as health and welfare services, non-professional contract services, protection services, special fees and services (such as vehicle licensing fees) and training and educational services.

- The remainder of the 7.5 per cent increase, i.e., 7.2 per cent increase was in the other categories of services. For example, spending on health and welfare services increased by 15 per cent; protection services, 10.5 per cent. These services are important priorities for Canadians and areas where the government is committed to investing more.

- The 7.5 per cent increase is no doubt due to both price increases as well as increases demand including in important areas like protection services. We are hopeful that the Expenditure Review will shed some light on these issues.

- The Honourable Senator also enquired about the number of people the government has working on various consulting contracts. The government keeps track of the number of contracts, the value and the number of amendments either at the departmental level or centrally depending on the value of the contracts and reports the information tracked centrally. However, the government does not centrally track the number of individuals who are working on these contracts. Tracking this information would be complex, costly and difficult because many of these service contracts are with firms rather than individuals.

ORDERS OF THE DAY

CANADA ELECTIONS ACT INCOME TAX ACT

BILL TO AMEND—THIRD READING—DEBATE CONTINUED

On the Order:

Resuming debate on the motion of the Honourable Senator Mercer, seconded by the Honourable Senator Munson, for the third reading of Bill C-3, to amend the Canada Elections Act and the Income Tax Act.

Hon. Donald H. Oliver: Honourable senators, I do not have formal written notes of my address to the chamber today on this subject, about which I feel very strongly. I would ask the indulgence of honourable senators while I make a few remarks on this important piece of legislation.

By way of background, in the late 1960s, throughout the 1970s and during the first half of the 1980s, I was the Director of Legal Affairs for the Progressive Conservative Party, as it was then known. I was a member of an ad hoc committee that advised the then Chief Electoral Officer, Mr. Jean-Marc Hamel. Members of the other parliamentary parties also had representatives on that committee. Among other things, we negotiated, discussed, debated and worked on, at great length, issues of election expense legislation, which we did not have until the 1970s.

We also looked at the issue of the number of candidates that it was necessary to field in order to be a recognized political party in Canada. In many debates, we considered the figure 50, whether it was too high, too low or adequate. The ad hoc committee had no difficulty in recommending that figure to the Chief Electoral Officer at the time. Of course, these discussions took place before the Charter of Rights and Freedoms and before the Constitution was repatriated.

It is with that background, honourable senators, that I wanted to say a few things about the 50-candidate threshold. Was the 50 threshold fair? Is the threshold of two fair? Is it democratic? Is it objective? Does it give individuals the right to meaningful participation? Does the 50-candidate threshold give individuals the right to meaningful participation in the political process in Canada?

Senators Mercer and Stratton have given eloquent and detailed expositions as to how this matter came before us, and I will not attempt to do what they have already done quite magnificently. However, to put my views in better context, I will say that this matter arose as a result of a three-level court case. At the first

level, Mr. Miguel Figueroa, on behalf of the Communist Party of Canada, commenced an action against the Attorney General, seeking a declaration that several provisions of the Canada Elections Act infringed on various provisions of the Canadian Charter of Rights and Freedoms and that they were, therefore, of no force or effect. Madam Justice Malloy, of the Ontario Court of Justice General Division, rendered the original decision on March 10, 1999. She held that the requirement of a party to nominate at least 50 candidates in order to be a registered political party in federal elections violated section 3 of the Canadian Charter of Rights and Freedoms and could not be saved by the general section 1. She ordered that the relevant provisions be amended by changing the word "fifty" to "two." She also struck down other provisions.

The Attorney General appealed this judgment and, in August of 2000, the Ontario Court of Appeal delivered its unanimous written decision of the court. Mr. Justice Doherty held that the purpose underlying the right to stand for election in section 3 of the Charter was effective representation. Political parties enhance effective representation by structuring voter choice, providing a vehicle for public participation in politics and giving the voter an opportunity to be involved in the process of choosing the government of the country. The judge noted that these roles required a significant level of involvement in the electoral process — more than one nominated candidate. Some meaningful level is therefore properly a prerequisite condition to eligibility for the benefits available to registered parties, and the number of candidates is a legitimate means of measuring that participation. Although reasonable people might differ on the specific measure or number, the courts found that the 50-candidate requirement was within the bounds of reasonableness. The first court said that 50 was too high, and the judge reduced it to two. The second court said that 50 was reasonable in all circumstances. This decision was later appealed to the Supreme Court of Canada.

In June of 2003, the Supreme Court ruled that the 50-candidate threshold was unconstitutional under section 3 of the Charter. Writing for the majority, Mr. Justice Iacobucci explained that the 50-candidate minimum diminished a citizen's right to play a meaningful role in the electoral process by denying political parties that run less than 50 candidates the right to issue tax receipts, the right to receive unspent election funds and the right to have party affiliation listed on the ballot. Some of those things, as I said at the beginning, did not exist when we first started meeting in the ad hoc committee in the late 1960s and early 1970s because we did not even have an election expenses act, and we did not have a Charter.

The court ruled that withholding the right to issue tax receipts and to retain unspent election funds from candidates of parties that had not met the 50-candidate threshold undermines the right of citizens to meaningful participation in the electoral process. The court reasoned that the candidate threshold infringes section 3 by decreasing the capacity of members and supporters of the disadvantaged parties to introduce ideas and opinions into open dialogue and debate, which the electoral process engenders.

Honourable senators, none of them ever gave a reason why the figure of two or three or four or five was enough. Canada has some 33 million people. If a political-party-to-be wants to run candidates, who says that it should be one, two, three, four or five? What could possibly be wrong with 50? The big difficulty is that choosing a number too low makes it easy to have fraud, manipulation and abuse of the system, which could do irreparable harm to the democratic system and to our current electoral system.

Mr. Justice LeBel, writing for the majority, agreed that the 50-candidate threshold violated an individual's right to meaningful participation. He also noted that competing in elections to gain positions in the legislature is one of the main functions of political parties. Although he did not offer a justification for maintaining a requirement to nominate a large number of candidates, he concluded that "a requirement of nominating at least one candidate and perhaps more in order to qualify for registration as a party would not raise any serious constitutional concerns."

What would be wrong with five or six or 10 or 15 or 20 candidates?

Justice LeBel continued:

> Nominating candidates and competing in the electoral process is fundamental to the nature of parties as opposed to other kinds of political associations such as interest groups.

If the requirement were only one, two or three people to qualify as an entire political party, would that truly be fair when the competition might be an institution such as the Liberal Party of Canada?

• (1500)

My suggestion, honourable senators, is that even though the majority party in both the House of Commons and the Senate today may have large numbers, this particular bill and the implications and ramifications of it may jump out of the box and come back and bite many people, to their chagrin and surprise.

During the debate on Bill C-51, as it was once known, the Honourable Don Boudria explained that the bill was meant to strike an appropriate balance between fairness to parties and the need to preserve the integrity of the electoral system. The registration requirements are meant to ensure that registered parties are genuine participants in the process. The main issue raised by the opposition parties in the other place was the failure of the government to act on the 50-candidate threshold until prompted by the Supreme Court decision and the effect of a candidate threshold on fringe parties.

Honourable senators, underlying this whole debate and the way that this matter has been handled is the doctrine of the supremacy of Parliament. How is it that we are only acting once a court makes a rule? Why is it that Parliament did not take the bull by the horns and deal with this matter properly? Why is it that an inquiry or an investigation was not done to determine what is a fair number for a political party to field in Canada today, given the Charter of Rights and Freedoms, the Election Expenses Act and the many changes that have been made in our electoral rules and laws?

Honourable senators, I have a grave fear that if this proposed legislation is left the way it is, it will do irreparable damage to the electoral system, starting with the next election, which the Leader of the Government in the Senate has hinted today may be imminent.

With those remarks, honourable senators, I feel that this bill should not be passed now but should be sent back to the committee to consider some of these grave concerns that I feel are before us.

Hon. John Lynch-Staunton (Leader of the Opposition): Would the honourable senator take a few questions?

Senator Oliver: Yes, I will.

Senator Lynch-Staunton: As I understand it, the court decided that there should be no threshold; is that correct?

Senator Oliver: That is correct.

Senator Lynch-Staunton: The court decided that 50 was too high and that there should be no threshold. Putting in one is fixing a threshold, is it not?

Senator Oliver: That is correct.

Senator Lynch-Staunton: Are we contradicting or not following the Supreme Court's decision?

As I recall from the testimony of some witnesses, some countries register political parties whether they have candidates or not, and they are recognized as such. Since one is so low, why have a threshold at all? I ask that as a lead-in to my second question.

Senator Oliver: I do not believe that there is a need to have a threshold provided that there is some control.

As honourable senators know, in this particular bill, some discretion was given to the Chief Electoral Officer. When he appeared before the committee in the House of Commons, he said that he did not like some of the powers that were given to him to deal with this threshold problem because he is supposed to be above politics — to use a bad word — and should not have to determine what it takes to really be a political party. When we call upon him to deal with this threshold question, it takes him out of his objective persona as the Chief Electoral Officer.

The Leader of the Opposition is correct. In some countries, there is no threshold, and that system is preferable to this one. This system, in my opinion, is wide open to gross abuse.

Senator Lynch-Staunton: What are the comments of the honourable senator on the claim of some witnesses that the arguments used against the threshold in the current Canada Elections Act can be used against the threshold in Bill C-24, which requires that to be eligible for reimbursement of election expenses, or so much per vote, a certain percentage of the total vote or the local vote must be reached? There is a threshold in Bill C-24 that must be met before being eligible for the financing under it. Can those arguments be used against Bill C-24? Will we have another challenge to our election legislation? Our election legislation has probably been challenged more than any other legislation in the past few years. There is something basically wrong here.

Senator Oliver: The second question is whether the election law in Canada has been the subject of a significant amount of litigation, and the answer is yes. Perhaps the area where there has been the most litigation is third party advertising. The rule in the Canada Elections Act is that if you are not a party, you cannot advertise and directly participate in the political process. A number of third parties, as initiated by the organization known as the National Citizens Coalition, have taken a series of actions in the courts in Alberta and elsewhere to raise questions about whether or not this offends the Charter.

The answer to the second question is yes, the Canada Elections Act is wide open to interpretation by the courts, which will continue if Bill C-3, to amend the Canada Elections Act and the Income Tax Act, is passed.

In the lower court in Ontario and in the second court where this appeared before, the judges wrestled and struggled with the concept of the tax implications of this bill. A political party has the right to give tax receipts and to receive a rebate after the election. That calls into question not only the Canada Elections Act but also the Income Tax Act. That is why both those acts are the subject of this bill.

Yes, I feel that, even with the passage of this bill, we will end up, once again, back before the courts interpreting whether the so-called threshold is fair and whether people are entitled to make application for their rebates.

Hon. Lowell Murray: Is it not true that the court imposed, for practical purposes, a deadline on us, at which point I presume the law that they found to be invalid would no longer exist? Therefore, the government, or we, are more or less obliged to bring in legislation.

As well, if we do have a dissolution of Parliament and a general election, are there any dangers in not passing this bill now? What is the practical implication to that for the laws governing the campaign?

Senator Oliver: The Supreme Court suspended the decision that they made for 12 months, until June 27, 2004. This is May 11. If one listens carefully to the words of the Leader of the Government in the Senate, something may happen on June 28, 2004. The Supreme Court suspended their decision for 12 months to allow Parliament the opportunity to amend its legislation. In effect, Bill C-3 is Parliament's response to the dictates of the Supreme Court of Canada.

Senator Murray: What would be the practical impact if we decided to follow the suggestion of the honourable senator and send this bill back to committee and it was still in committee, or not passed, at the dissolution of Parliament and the calling of an election for June 28? What would be the legal impact?

Senator Oliver: That would go to the question of whether or not Parliament is supreme. It would seem that we would be governed more by a rule of the Supreme Court of Canada and not by a piece of parliamentary legislation.

Hon. Noël A. Kinsella (Deputy Leader of the Opposition): The government could always ask for an extension of this date of June 28.

Senator Oliver: There has been an extension on more than one occasion. Parliament was prorogued and there was a dissolution, and the provisions of the act were declared invalid; however, the declaration was suspended for six months to allow Parliament a reasonable opportunity to amend the legislation. Given the dissolution of Parliament for the November 27, 2000, federal general election, Parliament did not sit very much during that six-month period. The declaration has been delayed before. The honourable senator is quite correct that it could be done again, if the Leader of the Government in the Senate were to seek that permission.

• (1510)

Senator Kinsella: My second question to Senator Oliver is this: Is it not true that the position of the Chief Electoral Officer on this matter is that he does not like this bill and, further, he is of the opinion that if an election were held in June, and, if at that time this bill were not passed, that would not upset his work in any significant way? Indeed, if you put those two points together, are we not being somewhat precipitous with this bill?

Senator Oliver: The answer is yes, Senator Kinsella. It is quite clear from carefully reading the evidence of the Chief Electoral Officer that he is personally very uncomfortable with some of the new burdens and obligations that are being imposed upon him by this legislation. His is supposed to be an appointment that is above and beyond politics.

Under Bill C-3, he can be called upon to make decisions and to act upon conclusions that call upon him to make quasi-political decisions about the nature of political parties. That is not a position he wishes to be in.

Hon. Jack Austin (Leader of the Government): Honourable senators, I believe Senator Oliver and members of the Senate will understand that an application to the Supreme Court for a stay or an extension does not necessarily have to be granted.

Senator Kinsella: What can they do about it?

Senator Austin: Then there is no electoral law that applies to the next election.

Some Hon. Senators: No, no.

Senator Lynch-Staunton: That is not true.

Senator Kinsella: That is not true.

Senator Austin: That is with respect to those provisions.

Senator Lynch-Staunton: There is a difference.

Senator Austin: As Senator Lynch-Staunton says, there is no threshold whatsoever.

Second, the government has made clear, as Senator Oliver will be aware, that this is a bill for two years. In the meantime, in the next session, Parliament will review all of the matters that are under consideration and take a decision on the authority of Parliament with respect to these provisions of the electoral law.

I would suggest to Senator Oliver that it is in the best interests of this Parliament that this bill be enacted, and that we come back and take a very thorough look at the provisions of the bill in the next Parliament.

Senator Oliver: I thank the honourable senator for his comments. I am aware of the two-year sunset clause.

Hon. Serge Joyal: Honourable senators, I would like to take part in the debate as such and not address a question to the honourable senator. Perhaps there are other senators who would like to address questions to the Honourable Senator Oliver? I saw that Senator Smith was on his feet before me. He may wish to join in the debate, but I am at the disposal of the house.

The Hon. the Speaker: Are there any more questions for Senator Oliver? If not, I will go to the next speaker, Senator Joyal.

Senator Joyal: Honourable senators, I have listened carefully to the comments of Senator Oliver regarding the *Figueroa* decision, and I am pleased to participate in the debate. I had the privilege of participating with my colleagues on the Standing Senate Committee on Legal and Constitutional Affairs during that very important decision.

I would first like to draw the attention of honourable senators to the meaning of the *Figueroa* decision. I believe it is the starting point of the "redefinition" of the electoral system of Canada in such a way that the options are clear. I was about to say that we have no choice, but I do not like to put it in such negative terms.

The Supreme Court of Canada based its decision on section 3 of the Charter of Rights, as the Honourable Senator Oliver mentioned. Section 3 is under the heading of "Democratic Rights." It is quite clear that we are talking about the democratic rights of the Charter. It states:

> Every citizen of Canada has the right to vote in an election of members of the House of Commons or of a legislative assembly and to be qualified for membership therein.

It is simple. The important thing is that section 3 is not subject to the notwithstanding clause of section 33. In other words, even though we may not like the decision in *Figueroa*, we have no choice but to apply it, according to section 3. We are bound by the court's decision. The drafter, as well as those who voted for the Charter, were of the opinion that we could not suspend democratic rights in a parliamentary democracy. It was a very simple argument put forward at the time. Senators Austin and Corbin were there at that time, and many other senators in this room discussed that aspect.

What does the *Figueroa* decision mean? It means that up until now, the political system of Canada was based on territorial elements. We have national parties. Confederation was founded by two national parties, namely, the Conservative Party, under the leadership of Sir John A. Macdonald, a great prime minister and a great thinker about our institution, and the Liberal Party of Canada. These were the two original parties at Confederation. They were territorial national parties. These parties brought together the whole of Canada through the diversity of the various regions. They were very important parties. It became clear to the founders of the federation that if the francophones and anglophones of the period could not live within one party, they would be bickering all the time. We had had that system under the government of union, as you know, since the Constitution of 1841 to 1867.

The national party was a very important element in national cohesion. We have lived with those national parties as governments, the essential element of democracy, for 136 years, up to the *Figueroa* decision.

The *Figueroa* decision added another dimension to the national democratic system of Canada, that of the multiplicity of opinion. The opinion of one person is enough to be part of the electoral system. In other words, if you have one candidate running in an election, that is enough to be considered a party. There is no longer a need to be a group of people.

Personally, I was raised in an education system which shaped my understanding that a party is a group of many. A party tries to convince many people to support them, to be elected and then to form the government. That is the traditional meaning of a party.

Figueroa is the name of the gentleman from the Communist Party who challenged the Canada Elections Act. Under the *Figueroa* case, the court came to the conclusion that the value of the opinion of one individual citizen is as important as the territorial base of parties represented by the numbers.

The *Figueroa* case is a very important one. As the honourable senator and the Honourable Leader of the Opposition have said, it leads us to challenge many aspects of our elections act. If we must now count that one individual who registers as a party and runs in one riding as a national party on the same footing as the Liberal, Conservative, NDP or any other party, you will realize that that has many consequences on how we organize the system of income tax receipts or how we establish the quarterly allowance to the registered party under Bill C-24 that we voted on less than a year ago.

Honourable senators will remember that I was of the opinion that Bill C-24 was unconstitutional on the basis of the threshold; that is, the two previous decisions: first, the decision of Justice Malloy from the Superior Court of Ontario alluded to by the honourable senator; and, second, the decision of the Court of Appeal of Ontario.

The issue of *Figueroa* is, essentially, an issue of minority rights. The electoral system of Canada was not established in the beginning as a place for minority opinion in the democratic public debate.

• (1520)

I wish to quote the starting point of the *Figueroa* decision of the Supreme Court of Canada, which is found in the 1998 case of *Reference re Secession of Quebec* and the words of Chief Justice Lamer when he discussed that the protection of minority rights is one of the underlying principles of our Constitution. At paragraph 81, Chief Justice Lamer stated the following:

> ...it should not be forgotten that the protection of minority rights had a long history before the enactment of the *Charter*. Indeed, the protection of minority rights was clearly an essential consideration in the design of our constitutional structure even at the time of Confederation...Although Canada's record of upholding the rights of minorities is not a spotless one, that goal is one towards which Canadians have been striving since Confederation, and the process has not been without successes. The principle of protecting minority rights continues to exercise influence in the operation and interpretation of our Constitution.

Apply the principle of the protection of minority rights to the electoral system and we have the decision in *Figueroa*. This is very important. The Honourable Leader of the Opposition is right that the *Figueroa* decision reserved the opinion of the court in relation to the benefits that are admissible to the registered party on the basis of threshold. We are aware of those benefits: access to broadcasting, access to income tax receipts and access or reimbursement of election expenses. There were three benefits at the time of the *Figueroa* decision.

There is a fourth benefit, which is the quarterly allowance on which we voted last year. However, there are thresholds. The threshold for the quarterly allowance is based on the number of votes in an election times $1.75 per vote. A threshold of at least 2 per cent of the votes cast must be reached to receive the quarterly allowance. On the basis of the principle in *Figueroa*, that aspect of Bill C-24 is under question. There is so much under question that Mr. Justice Iacobucci reserved his opinion on the issue. I shall read paragraph 91 of the *Figueroa* decision of last spring:

> ...I express no opinion as to the constitutionality of legislation that restricts access to those benefits.

He was referring to the benefits I outlined before.

> It is possible that it would be necessary to consider factors that have not been addressed in this appeal in order to determine the constitutionality of restricting access to those benefits.

What did the court say, in other words? Come forward with other factors and we will reconsider them. The witnesses we heard at the standing committee last week told us that the seven political parties under review have already tried to group together to challenge Bill C-24.

Honourable senators, we have two ways of seeing things. Either we dig our heels in the sand and try to block the system, or we look at the electoral system as a whole and ask, in accordance with section 3 of the Charter as it has been interpreted, how we can manage a system that is acceptable and reasonable in a democratic society, one meets the test of the Charter under section 1. That is where we must base our reflection.

If we say, honourable senators, "Let us try to find a way out of this," we will not get out of this. The system will not get out of this. We will be faced year after year with challenges in the courts, which I do not think is good for the electoral system in Canada. The principle must be well understood.

How does Bill C-3 square with the approach I just described? To me, Bill C-3 has many weaknesses. The Chief Electoral Officer has outlined them. Honourable Senator Andreychuk participated in that discussion with us. We both agreed that giving the Chief Electoral Officer the role and responsibility of reviewing potential political parties other than those running candidates opens a Pandora's box for an officer of Parliament who should be seen as remaining above the fray. This is one key aspect of the bill that needs to be given sober second thought, to quote Sir John A. Macdonald again.

The other aspect is that there is no process in the review of the registration of the parties on the basis of those other purposes. If there is no clear set of criteria, there must be a clear process so that the person who is adjudicating is not caught in a conflict.

The bill offers that kind of difficulty, but, as the Leader of the Government in the Senate has said, the best thing about the bill is that it has a life of two years. The minister responsible for the bill has told us that the other place has struck a committee to review the overall aspects of the electoral system.

Honourable senators, we should be part of the process. Otherwise, many aspects of the discussions will be seen differently in the other place than in this place. I say that humbly because we are not elected. Our prime interest is not to be elected. Of course, we are involved in parties. We support our candidates or we support minority views. There are independent senators in this chamber.

On the other hand, we are faced with a deadline, which is the deadline that the Honourable Senator Oliver mentioned earlier. We are faced with the comment of the Chief Electoral Officer who mentioned to us on page 2 of his brief that:

> The effect of not adopting the proposed legislation before June 27, 2004, is that should an election be held after that date, the party registration regime would effectively be frozen. In particular, the Chief Electoral Officer would not be able to register any party that had filed an application for registration ...Any party that is now registered, but did not field 50 candidates in a general election, would nevertheless retain its registered status because there would be no legally valid provisions for the registration.

The Chief Electoral Officer has clearly outlined the two negative consequences of not adopting this bill. However, as I said, this bill has a sunset clause. We all agree that there are weaknesses in the bill. I have expressed those weaknesses in committee time and again with the witnesses and our colleagues.

The committee had the benefit of good witnesses, full professors drawn from universities in Montreal, Toronto, Calgary and Saskatoon, and I invite my colleagues to read their testimony. They were very good. They were a starting point for our work and the reflection that needs to be done.

However, honourable senators, this bill is a temporary measure. We should adopt it and be very conscious that there is much more work to do to ensure that we meet the objectives of the Charter, which are not only to make sure that there is fair representation in the institution of Parliament but also to ensure that the minority views have an opportunity to be expressed in the democratic debate. It is only through the expression of minority views that there is real democracy in Canada.

On motion of Senator Lynch-Staunton, debate adjourned.

• (1530)

PARLIAMENT OF CANADA ACT

BILL TO AMEND—THIRD READING

On the Order:

> Resuming debate on the motion of the Honourable Senator Morin, seconded by the Honourable Senator Downe, for the third reading of Bill C-24, to amend the Parliament of Canada Act.

Hon. Marjory LeBreton: Honourable senators, I will not take up too much time today dealing with Bill C-24. Having sat on the committee and listened to the witnesses, most of whom were against Bill C-24, I believe that we owe it to Parliament and to the witnesses to not simply do what we are expected to do. The observations of the committee were the best effort we could make to show our frustration and our disdain for the process that was followed with regard to Bill C-24.

Honourable senators, I know other speakers have mentioned this, but it bears repeating: The supporters of Bill C-24 — and Minister Saada was the only witness before our committee who could be classified as a supporter — suggested that Bill C-24 fills the gap in coverage and brings retirement benefits for parliamentarians into line with those of public servants. Witnesses before our committee vehemently disagreed with that suggestion.

Individuals who have left the public service do not have the option of benefit plan coverage between the ages of 50 and 55 prior to receiving their pensions. With this bill, the government is legislating a double standard, one for former parliamentarians and one for retired public servants.

The committee was also informed that the vast majority of private plans require retirees to be in receipt of their pensions before any health or dental benefits become available. In most cases, indeed almost all, the pension benefits are much depleted. Public servants who opt for a pension before the age of 55 also receive a reduced amount.

The Public Service Alliance of Canada, representing 151,000 workers, appeared before us and, naturally, were not opposed to the principle of the bill. However, they made it clear that it provides special treatment for MPs. I am reading from the testimony of PSAC:

> What we cannot support is proposed legislation that addresses the issue for members of Parliament and leaves other federal workers vulnerable. We are particularly disturbed because while the current public service health care plan remains in effect until March 31, 2005, we have every reason to believe that the government is contemplating significant reductions to it, particularly in the area of post-retirement coverage. In closing, and in short, we believe the government is legislating a double standard that benefits members of Parliament to the exclusion of all other federal workers. As a result, we urge senators to take the action necessary to ensure that Bill C-24 provides the same coverage to all federal workers.

Obviously, that is their point of view. Why would you argue with them on that point?

Honourable senators, if we pass this bill, we will be, without a doubt, setting a precedent that will impact on future public service collective bargaining. The extension of these benefits to parliamentarians could result in nearly half a million federal employees requesting similar pre-pension health and dental benefits. As I said before, why would they not?

Honourable senators, Bill C-24 should have been debated openly and publicly. That most certainly did not happen. As Senator Lynch-Staunton said before the committee, "The public had no notice of this bill. This is what I deplore." He was absolutely right.

Senator Kirby, the chair of our committee and the senior director of a private company, told us that the private companies that provide extended health care and the private sector would never change an underlying policy or an entire plan to accommodate a single individual. They would find ways to resolve an individual case.

Indeed, the director of research for the Canadian Taxpayers Federation went further than the predictions of PSAC when he said that copycat plans could cost taxpayers millions of dollars if federal public service unions successfully obtain the provision for their members and it trickles down through agreements with the 3 million public servants in the country including federal, provincial and local government employees.

Honourable senators, I realize that this particular bill was based on an individual case. In committee, I asked our witnesses why an arrangement could not have been made for the member of Parliament in question, who was still a full-time member of Parliament, to access long-term disability. The witnesses said that I had a good point, that they agreed with it, but that they did not understand why that was not done.

Honourable senators, a few days ago in the media there was a report stating that members of Parliament — and there are some 30 to 40 who will not run again in the next election — who are under the age of 55 will get $70,000 severance pay along with the other benefits. In view of this, I believe some arrangement could have been made for this one particular member of Parliament, instead of opening this Pandora's box and potentially subjecting the treasury to enormous costs for years.

Personally, I and many of my colleagues on both sides of the chamber were troubled by this bill during our thorough airing of it in committee. I believe I am honestly reflecting the views of both sides of the chamber.

Honourable senators, as a matter of fact, I appeared on some open-line shows to talk about this bill. People are paying attention to this bill. It is a great credit to the Senate that this chamber threw some light on the proposed provisions contained in this bill. That will serve this institution well. I am sure that most Canadians are surprised by the fact that it was the Senate that decided that this was not the way to proceed.

I still do not understand why some accommodation could not have been made for one member of Parliament.

Honourable senators, an editorial in the Montreal *Gazette* on April 27 says it all. It starts off by stating how the members of Parliament rushed this bill through. The editorial states:

> And now, as quietly as possible, they have voted themselves a generous "bridge" so that they have full medical-insurance benefits even after they leave their jobs, until those fat pensions kick in at age 55.

> There was no debate on this bill in the House of Commons, no committee hearings, no public input. Nobody from any party raised a voice against it. This was straight grab-and-run. Senators, both Liberal and Conservative, have blown the whistle on this, but are powerless to stop it.
>
> By an amazing coincidence, as many as 40 MPs will not seek re-election in the vote expected this year. A good number of these are not yet 55. The logic, if that is the word, is transparent: "What the heck, the treasury is full of money and sitting right there. We work hard, we deserve it.
>
> Maybe they do deserve it. If so, they should have claimed it openly and proudly, not furtively. We're beginning to see why so many people want to be MPs.

That is the end of the editorial.

That was the situation we faced. Honourable senators, if this bill passes, the new Parliament should quickly take a new look at the whole Parliament of Canada Act, in particular, how it deals with pensions. Had that been done in the first place, this bill would not have been introduced at the last moment and rushed through the House of Commons. I think that discredits the House of Commons. I hope that members in the other place, when they hear from their constituents, will be thinking hard and fast about ever again rushing a bill through in less than an hour.

Honourable senators, may I again say how troubled I am by this. This chamber will probably have just a voice vote, but I will not support this bill. We owe it to the Canadian public to listen to them. When witnesses appear before us, they surely deserve to be heard. Their words should be acted upon and not simply used as a backdrop for what we are asked ultimately to do.

• (1540)

Hon. Noël A. Kinsella (Deputy Leader of the Opposition): Honourable senators, I have a question for the Honourable Senator LeBreton.

This item, Bill C-24, is the second item on the Orders of the Day under Government Business. If one were to look at page 3 of the Order Paper, one would see on page 3, under Orders of the Day, Government Business, that there are five items. During debate on what I took to be an important government initiative, 80 per cent of the Liberal senators were not in their place.

The honourable senator has made argumentation which, unfortunately, has fallen on the ears of only those who were present. I think that the honourable senator has made a compelling case. As well, some 25 per cent of opposition senators are here.

Hon. Jack Austin (Leader of the Government): Honourable senators, I wish to thank Senator LeBreton for her comments. There is much in what she says about the concerns of colleagues in this chamber regarding this bill. It makes us uncomfortable to deal with a bill that received no examination in the other place, and which is the result, in the other place, of the total concordance of its party leadership and of its caucuses. That alone is enough to raise questions in this chamber. I totally concur with the honourable senator in that regard.

I also thank Senator LeBreton for her conclusion with respect to this bill. As Senator Lynch-Staunton said in this debate, hard cases make bad laws.

At the same time, we have the following points to take into account: First, we should not be afraid of founding an argument by others with respect to entitlement that is based on an entitlement created here. The cases are highly distinguishable. As Senator LeBreton has said, it does create the debate and the pretext. It will take time and energy to deal with the distinctions.

Second, the other place is truly concerned with an issue of compassion, something which is always difficult to deal with. They are dealing here with a category in which, so far as we know, only one person can make a claim at this stage. It is highly unlikely, but not impossible, that in the future there will be one, two or three others. Thus, the cost to the treasury with respect to parliamentarians will not be large. I have already said that it does found an argument in other places that I believe is highly distinguishable from the current case.

Having said that, I accept the force and effect of Senator LeBreton's comments. Nonetheless, I urge honourable senators to recognize that by those comments, by the witnesses and by the examination held here in the Senate, we have served our purpose; that is, to inform Canadians with respect to this legislation. This is also a point that Senator LeBreton made: We have performed a function of value to the Canadian public. As the honourable senator said, it is an alert and a subject that Canadians can carry on in future debate and future concern.

Honourable senators, I propose that we pass the bill in spite of all the reservations that we have with respect to it. I appreciate your consideration of my proposal.

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, would the Leader of the Government allow more of a comment than a question, one with which I hope he will agree?

Senator Austin: Certainly.

Senator Lynch-Staunton: While one person is responsible for the introduction of this bill, it may apply to many people. For instance, presently in the House there are some 70 members between the ages of 50 and 55. Some have already announced that they will not be running again, and some may be defeated. They, too, will become eligible for the provisions of this bill. It is not just one case. Anyone between the ages of 50 and 55 who is no longer a member of Parliament becomes entitled to these benefits until his or her pension kicks in.

Second, I cannot believe that their Board of Internal Economy, which seems to have much authority, could not, with all-party consent, have come up with an internal formula to deal with this one particular case. Perhaps that was thought of. However, I have a feeling that there is a lot of imagination over there when it comes to the treatment of individuals, healthy and otherwise. I cannot believe that this was the only solution. It could have been done differently through their Board of Internal Economy.

I throw that out, honourable senators, and perhaps we can explore it another time. My main point is that it is not only the one person who is benefiting; it is the many who will become eligible in the years to come. In fact, in the years ahead there will be hundreds who will become eligible. As Senator Oliver suggested, the Public Service Alliance of Canada has been told that we are now being put at the same level as they are. Thus, they are saying that they want to be put on the same level as parliamentarians. If they win that case, we will be into the millions of dollars in terms of costs.

Senator Austin: Honourable senators, I wish to treat the comment of Senator Lynch-Staunton as a question for the purpose of making a comment.

Perhaps in considering the matter in the other place they felt that an internal ad hoc decision would be even more difficult to justify. They might have announced it after the event. However, in this particular case, having the approval of Parliament to the system is at least an open and transparent process.

Hon. Joan Fraser: Honourable senators, I have a question for Senator Austin. Like us all, I have been thinking about this matter and I can see all the flaws everyone else sees with the process. I certainly take Senator LeBreton's point about the need for this whole system to be better examined in the future.

I would say to the Honourable Senator Austin, is it not at least possible that what has actually happened here is that one individual case has brought Parliament's attention to what parliamentarians would legitimately consider to be a flaw in the existing system? That is to say, we are not trying to convey a special, unintended benefit; it is that we missed something in our earlier addresses to this problem and there has not been time to do the kind of thorough systemic re-evaluation that Senator LeBreton is talking about. Thus, what we are now doing is the best we can in the time that is likely to be available to us to address a clear flaw. In so doing, even if there are processes that are imperfect, it is still a better solution than not addressing the flaw. Does the honourable senator agree?

Senator Austin: Honourable senators, I might, indeed, agree with Senator Fraser that there may be a systemic problem here. However, the urgency appears to be a single case and not a generic kind of issue with which we should deal. I have no doubt that this issue will be revisited in the two, three or four years to come, as this issue is raised in other places.

Some Hon. Senators: Question!

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

Hon. Senators: Question!

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

Some Hon. Senators: Agreed.

Senator LeBreton: On division.

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

• (1550)

BILL TO CHANGE NAMES OF CERTAIN ELECTORAL DISTRICTS

THIRD READING—DEBATE ADJOURNED

Hon. David P. Smith moved third reading of Bill C-20, to change the names of certain electoral districts.

He said: Honourable senators, I will not give you my second reading speech. It was longer, and I think you are all ready for a précis.

Honourable senators are aware that this bill changes the names of 38 electoral districts that are contained in the 2003 representation order.

Bill C-20 is the revival of Bill C-53. I like that word, "revival." Sometimes when I have looked around this room I have thought of several of my colleagues who could use that word. As to whether I mean that in a spiritual or physical sense, I will let you all figure that out for yourselves. In any event, it revives Bill C-53 from the previous parliamentary session.

Bill C-53 came into being when a number of MPs from four of the then-five parties — they have been reduced by one party since then — expressed dissatisfaction with the proposed new name changes for their ridings. They got the fifth party, which was the NDP, to agree with them on a formula whereby the House leaders of all five parties would have to unanimously agree before they could be added to the list. That bill, I would remind honourable senators — and it is worth remembering — received unanimous support for all remaining stages the following day. That does not happen too often. When it does happen, it would be short-sighted to ignore it.

Bill C-20 is identical to Bill C-53, with the exception of the coming into force clause, which will now be September 1, 2004. I would like to repeat that last sentence lest anyone miss it: It will now be September 1, 2004.

This new date, as Minister Saada explained when he appeared before the Standing Senate Committee on Legal and Constitutional Affairs on March 31, was put in place to accommodate concerns expressed by Elections Canada about its

ability to implement the new changes at this time. With the extra time, Elections Canada is satisfied it will be able to deal with this as well as the various other pressures it faces, most of which relate to the reporting requirements with regard to funding.

Honourable senators, I would like to re-emphasize what I said in my second reading speech, namely, that this bill received unanimous consent from the other place, not once but twice, because when it was revived, the same thing happened and it again received unanimous consent and passed through all stages on the same day.

Senator Forrestall: So did my lighthouse bill.

Senator Smith: It must have been a worthy bill for that to have happened.

Senator Forrestall: It still is.

Senator Smith: This bill assures concerned members and Canadians that the names of their ridings will reflect key factors such as their geography, history and other key features of their electoral districts. At the committee stage, some colleagues raised the question of whether or not there was some politicization of the name process in a general sense, but I think that that is rarely the case. I would not want to say that it has never happened, but I think it is rarely the case because of the format that is agreed upon. Changes do not make the list unless the House leaders of all five parties — now four — in the other place have agreed to it. As the minister explained, it is really the outcome of a democratic reform.

To illustrate this, the minister drew on his own experience when he appeared before the committee. He said that he was not satisfied with the original recommendation with regard to his riding, so he made a presentation to them that was backed by the four city councils involved. It involved 38 different community organizations that had all signed on to this proposal put to them, and all mayors since 1970 of the largest city in his riding, as well as the Bloc and Conservative parties. What happened was that the commission accepted it.

However, this does not always happen. I could go through the split as to the breakdown of the various parties, but of the four parties, other than the NDP, the highest percentage-wise was actually the Conservative Party and the lowest percentage-wise was the Liberal Party, but all four had situations where all the other House leaders agreed.

This did not happen in each and every instance. I know of several Toronto ridings where there were proposals put forward that the NDP vetoed, even though they themselves did not have any changes. It is not that they were not watching the process quite closely.

There have also been questions as to whether this type of bill is the best use of Parliament's time. This is not the first bill of this nature. There have been 57 riding name changes by four separate acts that have occurred since the 1996 representation order was proclaimed. That is the one that was based on the 1991 decennial census. The House of Commons Procedure and House Affairs Committee, in its recent report, looked into the issue of riding names. In their report, which I am now quoting, they said:

> It seems pointless to us for House business to be needlessly taken up with name changes from the commissions.

It recommended that:

> When the responsible parliamentary committee unanimously supports an objection on a name change, the recommendation of that committee should be binding on the commissioners.

That is where their heads are. That, of course, has not yet happened, but our Standing Senate Committee on Legal and Constitutional Affairs also agreed with that recommendation when it reported back on Bill C-20.

Minister Saada stated that the Electoral Boundaries Act will be studied in the future. This and other issues pertaining to the act will be addressed. I might point out — and I know Senator Joyal has followed this matter quite closely — that senators can look at the observations of the committee in its report. It is in last Thursday's Hansard at page 1054. Rather than read it all to you, those who have an interest can look it up, and the wording speaks for itself.

There had also been concerns expressed by honourable senators concerning the issue of a Royal Recommendation requirement for a bill that has financial implications. Again, I believe these concerns were quelled by the opinion of Mark Audcent, the Law Clerk and Parliamentary Counsel. He said:

> Bill C-20 is not unique. Rather, it is the last in a long series of bills to change the names of electoral districts. Since February 27, 1996 when the second session of the 35th Parliament commenced, there have been 15 bills to change the names of electoral districts, six of which have become law. None of the 15 had a Royal Recommendation. Parliamentary practice thus clearly establishes that both Houses treat these bills as coming under existing statutory authority to spend, and not as new and distinct charges.

I am comfortable with that assessment.

Honourable senators, the degree of consensus around these proposals in the other place speaks volumes about what I would suggest is a non-partisan approach, when the House leaders of all five parties agree on the list that is before us in this bill. I am comfortable with this bill and encourage colleagues to pass it quickly. It will come into effect on September 1 of this year.

Hon. Noël A. Kinsella (Deputy Leader of the Opposition): Honourable senators, I have a question of Senator Smith. Is he advising us that this bill will not affect the impending federal election?

• (1600)

Senator Smith: If the election were to occur before September 1, in the year of our Lord 2004, it would not.

On motion of Senator Kinsella, debate adjourned.

PATENT ACT
FOOD AND DRUGS ACT

BILL TO AMEND—SECOND READING

On the Order:

> Resuming debate on the motion of the Honourable Senator Corbin, seconded by the Honourable Senator LaPierre, for the second reading of Bill C-9, to amend the Patent Act and the Food and Drugs Act (The Jean Chrétien Pledge to Africa).

Hon. Consiglio Di Nino: Honourable senators, I will not be overly long. I wish to thank you for the opportunity to rise to speak to this most important legislation, Bill C-9, to amend the Patent Act and the Food and Drugs Act.

Honourable senators, we on this side recognize and support the purpose of this bill, which is to facilitate access to low-cost patented drugs to help those in developing countries deal with the scourge of AIDS, malaria and tuberculosis.

As has been stated, in August 2003, the World Trade Organization recognized the crisis situation affecting many developing countries and agreed to implement a decision to waive obligations in the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights, or TRIPS. This waiver allows countries to produce generic copies of patented medicines for export to developing and least developed countries that do not have the capacity to manufacture these drugs domestically.

Bill C-9 makes Canada the first country to implement the WTO agreement to get much needed medication to Third World countries. The Conservative Party supports this proposed legislation and Canada's efforts to help developing countries deal with public health emergencies such as AIDS.

Honourable senators, our party was prepared to pass this legislation in the other place in one day last November, when the bill was called Bill C-56. I was proud of our colleague, Senator Lynch-Staunton, and his offer to pass this bill in one day as well in the Senate if amended to correct the exclusion of the Senate from participation in this bill. Our leader offered what I thought was a reasonable solution —

Senator Oliver: Magnanimous!

Senator Di Nino: — to a problem that, once again, affects our status in Parliament.

Senator Keon has discussed the chilling statistics of the growing epidemic of AIDS. There are 36 million Africans living with AIDS in South Africa alone, an infection rate of one in five. In the Ivory Coast, a teacher dies of AIDS every day. These statistics are staggering, but the magnitude of human suffering is truly monumental.

We support this bill, but, before it passes, a few points should be put on the record or re-emphasized.

First, honourable senators, we recall that both Senator Keon and Senator Morin raised the question of diversion the other night, and it is a serious one. We must ensure that drugs manufactured under licence for a developing country with serious health problems will not be diverted to another country and sold on the black market. I re-emphasize the importance of this point.

Under the proposed legislation, the genetic drug must be distinguishable from domestic brands and products through labelling, marking the pills, embossing or other appropriate means. This will go some way toward discouraging diversion or re-importation. I do not believe that it will, on its own, solve the problem. We must remain vigilant and look for ways to ensure that this program is not abused.

Second, part of this bill amends the Food and Drugs Act to ensure that pharmaceuticals manufactured for export to developing countries meet the same standards as those drugs made for consumption by Canadians. Clause 2 of the bill alters the existing export regime so that Health Canada can assess the safety, efficacy and quality of the medicines being exported under a compulsory licence. Normally, the importing country would do the assessment, but it is recognized that many countries that will receive these drugs simply do not have the capability to make the assessments. It will be important that Health Canada is properly resourced to undertake these important assessments.

Third, many Canadians have raised the issue of the capability of developing countries to administer these drugs. Once again, Senator Keon, in one of the best speeches I have heard and read in the Senate in a long time, stated last night that there are many logistical barriers to overcome for these drugs to reach those in need. We know that there may not be a distribution network in place or sufficient medical personnel to supervise the administration of drugs. Things that we take for granted here in Canada, such as refrigeration and potable water may not exist in areas where the drugs are most needed.

Honourable senators, the Prime Minister's announcement yesterday that Canada would contribute $100 million to the World Health Organization to help people in developing countries combat AIDS is an important announcement and one that I applaud. This contribution, about one third of the total needed for the program, will help to train doctors, nurses and other community health personnel in countries that have been devastated by AIDS. This program is being called the 3 by 5 Initiative because of the goal to get 3 million people in 50 developing countries, especially in Africa, into treatment by 2005.

In terms of capacity building, I would hope that we would hear from the Canadian International Development Agency in terms of how they would plan to complement the objectives of Bill C-9. Will Canada be focusing development dollars to help countries that are most in need develop the infrastructure to deliver these drugs? How are our efforts complementing the efforts of other countries?

Honourable senators, the goals of this bill are important. I am pleased that there will be a review two years after the amendments to the Patent Act come into effect to determine how successful we have been in getting drugs to those needy countries to deal with AIDS, malaria and tuberculosis.

Finally, honourable senators, in the long term we must continue to research and to develop vaccines and new and more effective drugs to treat these diseases, particularly AIDS. Senator Keon stated that this disease has the potential, within three or four years, of killing the corresponding population of Canada in a single year. Canada must continue its effort to help countries develop the medical and educational programs that are needed, as much as the medicines this bill will deliver.

Thus, I end on a cautionary note. Patent protection is a key part of ensuring that these and other new medicines are developed. The patent exceptions outlined in this bill are crucially important to this program, but we must ensure that this does not represent the beginning of other exceptions to the Patent Act that could lead to a reduction in R&D funds required to develop new medicines.

That being said, I am pleased to support this bill.

The Hon. the Speaker: I caution honourable senators that if the Honourable Senator Corbin speaks now, his speech will have the effect of closing the debate.

Hon. Eymard G. Corbin: Honourable senators, I wish simply to thank all participants in this debate for their valuable contribution. We highly respect the views expressed by Senators Keon, Morin, Maheu and Di Nino. Legitimate concerns have been expressed. I am sure that, once this bill receives detailed study in committee, many of their concerns will be alleviated. However, this bill does not propose to deal with everything under the sun in terms of the needs of developing countries. That should be obvious to everybody. By this bill, we are not suggesting that we have found a miracle solution, but Canada, and Canada only, has taken the first step towards addressing this very pressing question. We should all be proud of that. We should also strive to do even more in the future.

• (1610)

At the committee, officials will be present to answer any and all questions that honourable senators wish to put at that stage. I can assure everyone of that on behalf of the government, since I am the sponsor of the bill. We will do everything possible to try to satisfy your legitimate concerns. It is been a good debate so far. Again, I thank honourable senators for their contributions.

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, Senator Corbin mentioned that the bill will be referred to committee. To which committee was he proposing to send this bill?

Senator Corbin: It is my understanding that this bill will be referred to the Standing Senate Committee on Foreign Affairs. Perhaps the honourable senator would like an explanation.

Senator Lynch-Staunton: I surely would.

Senator Corbin: I personally do not make this determination. The thrust of the bill is humanitarian in nature. It addresses matters external to Canada. The Minister of Foreign Affairs will be the minister appearing before the committee on behalf of the government to defend the bill.

Senator Lynch-Staunton: The last time we dealt with the Patent Act, Minister Tobin was Minister of Industry. I cannot recall to which committee the matter was referred, but it went to the appropriate committee and certainly not to the Foreign Affairs Committee.

Senator Corbin: That was industry.

Senator LeBreton: That was social affairs.

Senator Lynch-Staunton: I hope that, when the motion is made, an explanation will be given as to why it is being referred to the Foreign Affairs Committee. I think that is the wrong committee to deal with this matter and that the bill should go to the committee that already has expertise on the Patent Act.

Senator Corbin: I respectfully suggest that each House determines, on its own merits, which committee is best suited to deal with the topic at hand. As I just finished saying, this is a matter of international aid. What better committee than the Foreign Affairs Committee to deal with it?

The sponsor of the bill in the House was the Minister of Industry. It was decided that the Industry Committee of the House of Commons should deal with it under that umbrella. I must admit that they have done a terrific job of reviewing and amending the bill. That job is now done. Their work is before us. I think the Senate should now more appropriately address the overall area and field of humanitarian aid and what this bill does in that respect. I cannot say more than that.

Senator Lynch-Staunton: I will not prolong this. It is well and good that the bill provides for foreign aid and humanitarian help and all of that, but the bill itself is a major deviation from the purpose of the Patent Act as sanctioned by the WTO. It is an extraordinary development, and it is welcomed. However, what we must find out — and I do not think Foreign Affairs will look at this — is whether the deviation is limited to the purpose of the bill itself or whether it will continue in our Patent Act and be applied to other situations that have not yet occurred to us. That is what I want to determine.

No one is faulting the purpose of this bill. It should have been in place a long time ago. I am delighted it will finally get to where it is supposed to be. I and others, including the generic and pharmaceutical drug companies, would like to know whether the deviation being used here will apply only to the particular case that is the subject matter of the bill.

Hon. Jack Austin (Leader of the Government): If I may be allowed to respond to Senator Lynch-Staunton, what he says is correct. This is a cross-cutting piece of legislation. It was seen in the other place as a bill that primarily dealt with amendments to the Patent Act in order to make the domestic policy changes. Those arguments have been fully extended in the other place.

However, the purpose of the bill is, as Senator Corbin has said, to extend Canada's foreign aid program in a way that may indeed be novel, but it is based on a foundation created by the World Health Organization. It is certainly my view that the foreign policy implications of this bill are germane to the Senate. Comments in committee should be sought with respect to the impact of this bill on Canadian foreign policy and aid policy and on Canada's standing in the world.

The Minister of Foreign Affairs, the Honourable Bill Graham, is available as a witness to extend debate. Of course, the committee is possessed of its own responsibilities with respect to any other area of the bill into which it wishes to inquire.

Hon. Noël A. Kinsella (Deputy Leader of the Opposition): I wish to ask the Leader of the Government in the Senate whether his colleague the Minister of Industry will also be made available to whatever committee is seized of the bill. There is another element to this bill in addition to that which will be dealt with by his colleague the Minister of Foreign Affairs.

Senator Austin: Either the Minister of Industry or the appropriate officials from the department will certainly be available.

Senator Kinsella: We are saying that we are cognizant of the issues, and we want to fully canvass the patent dimensions, as well as the international humanitarian contribution of Canada. I take it we have the assurance that whichever committee is chosen will be given the time to hear witnesses who can testify about the impact on patents, and on drug patents in particular. I take it there will be witnesses from both sides of the industry, from the generic side and from the drug-development companies that do the research and make the investments.

We have a lot of corporate knowledge in this chamber on that issue, as we thoroughly examined it only a few years ago.

Senator Austin: In response to Senator Kinsella, I can only speak on behalf of the government and say that officials from the Department of Industry and/or the minister will be made available. I cannot tell him what witnesses the committee will select, other than those government witnesses.

An Honourable Senator: Question!

The Hon. the Speaker: Honourable senators, Senator Corbin's speech has had the effect of closing the debate. I am now obliged to put the question.

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

Hon. Senators: Agreed.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

The Hon. the Speaker: When shall this bill be read the third time?

On motion of Senator Corbin, bill referred to the Standing Senate Committee on Foreign Affairs.

• (1620)

BUDGET IMPLEMENTATION BILL, 2004

SECOND READING

On the Order:

> Resuming debate on the motion of the Honourable Senator Ringuette, seconded by the Honourable Senator Chaput, for the second reading of Bill C-30, to implement certain provisions of the budget tabled in Parliament on March 23, 2004.

Hon. Donald H. Oliver: Honourable senators, this rather lengthy bill aims to make law of several of the measures from the most recent budget. Our colleague from the government side already set out last night its content in great detail. I will limit my remarks to a few of those measures, and I will not repeat the various issues raised last night.

The first 10 pages of the bill deal with the concept of equalization. Honourable senators, I cannot stress enough the importance of equalization programming in provinces such as the Province of Nova Scotia. Without it, either we would face unconscionable levels of taxes or the services that our government provides would fall far below those of more affluent parts of our country. Equalization helps to level the playing field, allowing provinces to offer comparable levels of service at comparable levels of taxation. It is, as some have called it, the glue that binds the nation together.

Payments are required under the Constitution and, in renewing the program, the government is indeed meeting that legal obligation. However, I cannot stress enough that the program is not working as well as it could. The budget announced some tinkering with some of the tax bases used in the entitlement formula and announced that, in order to make entitlements more predicable, payments would be based on a three-year moving average. Those changes are part of this bill. However, nothing is being done to address outstanding issues concerning the treatment of resource revenue, and the government ignored all calls to return to what is known as the 10-province base for calculating payments.

Over the past few weeks, as I said last night, the Standing Senate Committee on National Finance has held hearings into the equalization program. While that study is far from complete, the advice and testimony that we have received to date help to put the changes in Bill C-30 into context. We have already been made well aware of the shortcomings of Bill C-30. The changes before us were announced unilaterally without the support and advice of the provinces. They completely ignored the concerns of the receiving provinces that there be an adequate funding formula.

Mr. Terry Paddon, Deputy Minister of Finance, Newfoundland and Labrador, said in his presentation to the Senate Finance Committee on April 20:

> The 2004 equalization renewal is a missed opportunity to deal in a meaningful way with the concerns expressed by provinces, finance ministers and premiers since 1998. Furthermore, there is no indication that the federal government has any intention of addressing these concerns in the next renewal schedule for 2009, or at any other time in the foreseeable future.

The budget does not even begin to put back into the equalization programming the payments that have been lost as a result of new population figures and the downturn in the Ontario economy. The "have-not" provinces are in the uncomfortable position of having to repay equalization monies that the federal government now says they should not have received, but which they have now spent.

Mr. Paddon also said:

> When the federal government says that the 2004 renewal package will increase entitlements to provinces by $1.5 billion in total over a five-year period, this in reality simply reduces the amount of money provinces have to find elsewhere to make loan repayments from $5 billion down to $3.5 billion. Having to make these repayments also severely reduces the net amount of new funding provinces will actually realize from any increase in the Canada Health Transfer for health care.

Honourable senators, coming from a have-not province, I have much empathy with these views expressed by Mr. Paddon from Newfoundland and Labrador.

Bill C-30 proposes a one-time payment of $200 million to Saskatchewan as compensation for the way in which the calculation of Crown leases has triggered equalization clawbacks of up to 200 per cent. Bill C-30 does not, however, fix the flaws in the equalization formula that created those excessive clawbacks in the first place. A couple of weeks ago, the Premier of Saskatchewan met with the Prime Minister. I quote the premier's comments to reporters in the *Saskatoon Star Phoenix* on April 19, after the meeting. He said:

> I am pleased to report that the prime minister will be speaking to Ralph Goodale, the Minister of Finance, and asking him to sit down with our officials and Harry Van Mulligen to look again at these two questions.

If the federal government is sincere, then this is a positive development, given that the budget made it clear that the government did not intend to reopen the equalization resources issue until 2009. Let us hope, honourable senators, that the government is willing to do more than just talk about it. I would remind the government that other provinces, Newfoundland and Nova Scotia in particular, would like to see the resources issue revisited sooner rather than later.

I will now turn to the subject of employment insurance. Honourable senators, for years this government has milked the employment insurance program as a cash cow, a fact that year after year has drawn the ire of the Auditor General. I have repeatedly asked questions of the Leader of the Government in the Senate to reinforce my concerns about this issue. The existing law says that the program is only supposed to accumulate sufficient funds to cover a downturn in the economy. Yet, year after year, the government has overcharged Canadians to the point where the program's actuary says that the program will have a $47 billion accounting surplus by this December.

Normally, the Employment Insurance Act assigns the independent Employment Insurance Commission the responsibility to set rates. If the EI Commission were to follow the law, it would cut premiums dramatically. A few years ago, there was a real danger that it would do just that. The government's response was to strip the EI Commission of the power to set rates beginning in 2002, on the pretext that the government wanted to consult on the way in which premiums are set. The government says that it will finally announce the results of those consultations later this year and will then bring in new rules for setting premiums.

In the meantime, the government has another practical problem. The override of the existing premium-setting rules expires in 2004, which means that the EI Commission could be back in the business of setting rates and, based on the current law, it could find itself obliged to chop the rates. In the event that the government does not get its legislation to create a new set of rules for setting rates by the end of this year, Bill C-30 gives the cabinet the authority to set EI premiums for 2005.

Honourable senators, guess what this means, once again. The budget assumes a $1.98 premium for next year, which the government says will cover the program costs. However, this ignores interest on the existing EI surplus, and so this rate will increase that surplus.

Is there $47 billion sitting in a pot somewhere to pay for benefits? That question was often asked and answered by other senators in this place. The answer is no, it has all gone to the Consolidated Revenue Fund to help pay for adscam, for the secret National Unity Reserve, for the cost of cancelling the helicopter contract, for fine dining, for the HRDC scandal and for the gun registry. The likely end result is that the new rules for setting premiums will ignore that $47 billion.

The government is now talking about setting premiums, looking forward with a view to covering program costs based on the expected jobless rate. Honourable senators, we will need to watch this situation with caution because this will require assumptions about the future expenses of the program. If the government were overly prudent in its assumption of the future jobless rate, then the EI program would continue to run up huge annual surpluses.

What about the municipal rebate? Honourable senators, Bill C-30 would make law the full municipal rebate for GST, a measure that is welcome. However, Bill C-30 will not allow the government to provide municipalities with a share of the gas tax revenues as Prime Minister Paul Martin has promised on so many occasions. Why is it that something that seems so simple to deliver from the backbenches is proving so difficult to deliver when in government? Nor, as was promised by Prime Minister Martin more than a decade ago, does Bill C-30 abolish the GST.

• (1630)

With regard to pre-booking of expenses, honourable senators, the budget announced that the government's remaining shares in Petro-Canada will be sold. Honourable senators will recall that, last evening, after Senator Ringuette spoke, Honourable Senator Lynch-Staunton asked a number of questions about how certain things are booked. The Trudeau government created this Crown corporation and gave Western Canada the confiscatory National Energy Program. The Progressive Conservative government shut down the NEP and started the long process of getting Ottawa out of the business of running gas stations. The budget announced that $1 billion of the money it received from the sale of Petro-Canada will be directed to environmental technologies. In this regard, Bill C-30 authorizes an initial payment of $200 million from this to the existing Canada Foundation for Sustainable Development Technology. In a welcome change from the government's past practices, this will actually be booked to the fiscal year which started on April 1.

However, the government is far from consistent in its accounting practices and how it books accounts. Bill C-30 allows for $100 million to be paid to Canada Health Infoway Inc., an expenditure the government plans to book into the fiscal year ended on March 31. Further, while the budget says that this payment was to help the provinces invest in hardware and software for public health surveillance, Bill C-30 gives no direction as to its use. Bill C-30 brings the total funds advanced to this foundation to $1.2 billion, including its initial endowment of $500 million announced in September 2000 and $600 million announced in the 2003 budget.

In her April 2002 report entitled "Placing the Public's Money Beyond Parliament's Reach," the Auditor General raised concerns about Canada Health Infoway's accountability structure. Perhaps during our study of this bill in committee we can call her back and ask if the concerns that she raised previously have now been fully addressed.

[Senator Oliver]

Honourable senators, the budget also announced a payment to the provinces of $300 million to support a national immunization strategy and $100 million to help improve their public health facility. The budget stated that this would be booked to fiscal 2003-04, but the payments would be made over three years — so booked in one year and paid out over three other years. Why not book the expenditures in the year that they are made? That sounds like better bookkeeping practices to me. If a private sector CEO applied the same accounting practices as the Martin government, the board of directors would have his or her head on a platter, just like the former head of Nortel, Mr. Dunn. Bill C-30 authorizes payments totalling $400 million to a trust for those purposes but does not specify when those payments are to go into trust or when they are to go out of it, nor does it specify the amounts to be paid to individual provinces.

Honourable senators, this bill only contains a few of the measures announced in the budget. We still need legislation to permit new education grants and the reduction of the air security charge. There is not much on the Order Paper, as Senator Kinsella said today, and yet we are still waiting for income tax legislation arising from the 2003 budget for technical income tax changes announced back in 2002 and for legislation dealing with technical GST measures that have been announced over the past few years. Some of these outstanding measures, honourable senators, will eventually be passed retroactively to the 1990s.

The government is not collecting taxes on the strength of laws passed by Parliament but on the basis of unpassed ways and means motions that simply signal an intent to eventually bring in legislation retroactively two, three, four or more years.

Did someone mention the democratic deficit? Well, Senator Meighen did today, but Hugh Windsor reminded us yesterday that that high-blown principle has given way to the crass reality of politics. I look forward to our committee's study of this bill. Thank you.

Hon. Pierrette Ringuette: May I ask a question?

Hon. Lowell Murray: Honourable senators, Senator Ringuette is the sponsor of the bill.

The Hon. the Speaker: She could ask a question without speaking. Did you wish to speak or ask a question?

Senator Ringuette: I have a question.

The Hon. the Speaker: Will you act accept a question, Senator Oliver?

Senator Oliver: Senator Murray will be speaking to the bill.

The Hon. the Speaker: Because I saw them in the order in which I have mentioned, namely, Senator Ringuette first and Senator Murray second, I will see Senator Ringuette, but it is up to you if you will accept a question, Senator Oliver.

Senator Oliver: Yes.

Senator Ringuette: Honourable senators, I listened to the honourable senator's speech. He referred for a while, a long while, to the EI surplus of $47 billion. He circled around the issue, and circled and circled again, but I have not been able to identify his position on the issue. Could the honourable senator please specify his position on that issue?

Senator Oliver: The National Finance Committee dealt with this issue two years ago in a very detailed and major report. As the honourable senator knows, the rate should be fixed in a way that is based upon the jobless rate, and at present it is not. There is no need to run surpluses. That position is pretty clear.

Senator Ringuette: Would the honourable senator indicate to me if he believes that the EI premium rates should be lowered?

Senator Oliver: Yes, they should.

Senator Murray: Honourable senators, I have quite a lot to say about this bill, but it can wait until third reading, if we get that far.

On the question of EI, of course the premiums ought to be lowered. If the government were following the law instead of finding ways to get around it, they would be lower. The chief actuary of the fund has pointed out that a cushion, at the outer limit, of $12 billion to $15 billion would be sufficient to guard against or take care of any downturn in the economy. The surplus in the EI fund now is reaching for $47 billion. That is truly unjustifiable. The only way the government can get around it is to do what it is proposing to do with this bill, and did previously, which is to take the rate-setting responsibility away from the commission and away from the actuary and give it back to cabinet. We can canvass this at committee. If there is time, I will say a word or two about it if we get to third reading.

I thought it was rather cruel and thoughtless of Senator Oliver to mention PetroCan. He is probably too young to remember it, but the creation of PetroCan as a Crown corporation was very much Senator Austin's baby. It must be heart-rending for him to be a member of a government that is party to its dismemberment and privatization now. I would have hoped that, out of humane compassion and consideration, Senator Oliver would not have mentioned that.

The real purpose of my rising is to say that, if this bill gets second reading and if it is referred to the Standing Senate Committee on National Finance, I intend to convene the committee for 6:15 tomorrow evening in Room 256S in the Centre Block for the members of the committee and other specially invited guests. There will be a supper at about five o'clock in Room 172E.

• (1640)

Hon. Jack Austin (Leader of the Government): Honourable senators, I have a question for Senator Oliver regarding Petro-Canada. I wonder if he is aware that, in the decision to create Petro-Canada, there were two principal, ongoing policies. One was that Petro-Canada would only acquire assets through commercial transactions, and the second was that, once Petro-Canada was founded as an effective and viable corporation, its shares would be made available to the Canadian public. I am delighted that the Mulroney government followed the Trudeau government's policy, and I was happy to see the Chrétien government following that policy and now the Martin government following that policy.

The Hon. the Speaker: I hear senators asking for the question. Are you ready for the question?

Some Hon. Senators: Question!

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

Hon. Senators: Agreed.

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 Day, bill referred to the Standing Senate Committee on National Finance.

STUDY ON CANADA-UNITED STATES AND CANADA-MEXICO TRADE RELATIONSHIP

INTERIM REPORT OF FOREIGN AFFAIRS COMMITTEE—DEBATE ADJOURNED

The Senate proceeded to consideration of the third report (interim) of the Standing Senate Committee on Foreign Affairs entitled: Mexico: Canada's Other NAFTA Partner (Volume 3) tabled in the Senate on March 29, 2004.—(*Honourable Senator Stollery*).

Hon Peter A. Stollery: Honourable senators, I was just following the Order Paper and I missed my place.

I would like to say a word or two about our review of the NAFTA agreement, and I will be very brief. I want to emphasize to my colleagues the importance of our NAFTA report. We all know that the free trade agreement with the United States, which the Standing Senate Committee on Foreign Affairs has spent quite a bit of time reviewing, is the major part of our review of the free trade agreements with the U.S. and Mexico. However, in March the committee undertook to cover the NAFTA part of the free trade agreement between the United States, Canada and Mexico.

I want to briefly tell honourable senators that we found some really astounding facts. To me, the most amazing thing, which I tried to describe in the foreword to the report that, as the chairman, I get to write — and my colleagues on the committee, I am sure, would agree with me — is regarding the agricultural part of the NAFTA agreement with Mexico. It is something that you never hear discussed because we always talk about manufacturing jobs going to Mexico — the Maquiladora system in Mexico which

we have been hearing about for years, and all that sort of thing. When I was in Mexico City with my colleagues, we certainly took note of the enormous amounts of peddlers in Mexico City.

I have been to Mexico City over the years and, as some of my colleagues know, I speak Spanish, but I had not been there for a few years. I was really astounded at the increase in the numbers of peddlers in Mexico City; there were, it seemed, thousands of people.

Very well, I hear you say; that is great, but what has that to do with NAFTA? Well, it has everything to do with NAFTA, because when we met with the Mexican chamber of deputies — the Foreign Affairs Committee and also the Senate committee of the chamber of deputies — we were told that, because of the agricultural agreements that Mexico made with the United States and Canada — and much of this is with the United States; some of it affects Canada because we export a lot of beans to Mexico, apparently — what happened with the agriculture agreements was that, in Mexico, an estimated 4 per cent of their agriculture is what we call commercial farming, as we know it in Canada. In Canada, 2 per cent of our population are involved in commercial farming; in Mexico, it is a relatively small part of their agricultural production — 2, 3 or 4 per cent. I say 4 per cent, but it will not be much different.

However, about 30 per cent of Mexicans are involved in subsistence farming. They are subsistence farmers; they grow maize and beans and things like that for their own consumption and to sell in the local markets. They have done that since time immemorial, I suppose. What has happened is that, because the commercial Mexican farmers made a free trade agreement with the United States and Canada in order to export their commercially grown fruits and vegetables and things of that nature, the Americans gained access to the markets for maize and beans and things like that, which are traditionally grown by subsistence farmers, and have wiped out the subsistence farmers. In other words, probably about 30 per cent of the employment of the Mexican work force has simply been wiped out.

Senator Mahovlich will remember that when I spoke to the deputies and the senators, I was astounded. I really was amazed — and I have spent 40 or more years in the Spanish-speaking countries — to learn that, in Mexico, much of the land has been abandoned. There are simply whole villages with no men left in them. We discovered that, rather than fewer immigrants attempting to illegally cross into the United States, which was one of the arguments in favour of NAFTA, in fact there has been a huge increase to the point where an estimated 500,000 people a year illegally cross the border. In some cases, they lose their lives. It is a very dangerous proposition. There are approximately 500,000 people a year from these abandoned, subsistence farms, going to the United States. Probably — again it is pretty hard to get the figures — many of them go to the great cities of Mexico, such as Mexico City, Guadalajara and other places as well, and the countryside has effectively been abandoned.

• (1650)

I need not describe to honourable senators the implications of 500,000 illegal immigrants, undocumented and travelling around the United States, with that number increasing every year by 500,000. We were told that there are probably 10 million Mexicans in the United States without papers, without rights, and they are not just heading to California and New Mexico, the traditional areas; they are going to locations all over the country in search of employment.

This was a focused way of understanding the importance of the agricultural talks going on at the WTO. Canadians are generally against U.S. agricultural subsidies. Incidentally, much of the maize that is exported to Mexico is subsidized by the U.S. taxpayer. Canadians know that both the EU and the U.S. subsidize their agriculture so that the WTO negotiations, which are so onerous that I have heard it said that they will take 10 years to complete, are about subsidies.

However, they are not only about subsidies. They are also about the protection of subsistence farmers are in many countries. I know how important subsistence farmers are because I travel to Colombia, Peru, Ecuador and other countries quite regularly. If the WTO resolution does not take account of the needs of subsistence farmers, insecurity will follow. If the 500,000 Mexicans who cross the border illegally every year did not have the United States to absorb this workforce, can you imagine the pressures that would build up in Mexico? When I visited Mexico City, I was amazed to see the explosion in the number of peddlers, many of whom had left their land because they could not make a living.

Honourable senators, I do not want to hold you up this afternoon. I recommend these observations to you. They are in our report, and I believe they have a profound importance to the world. Here we are talking about spending billions of dollars on security, yet, through our trade policies, we are contributing to our own insecurity. I do not think that is a smart thing to do.

Honourable senators, we live in an industrialized country with only 2 per cent of our population in agriculture. We should spend a lot more time understanding that the basis of a majority of societies in the world today, in 2004, is agriculture. Much of it is subsistence agriculture. If we are unable to make that work, we will bring insecurity to ourselves.

Hon. Joan Fraser: Honourable senators, I should like to use this occasion to report something to the Senate that is not directly concerned with the report that Senator Stollery has been discussing, but something that fits into that general framework.

I would like to congratulate Senator Stollery and his committee for tackling this important topic. Mexico is a country of huge complexity and with problems that we cannot even imagine. It was important for us to do this work.

About two or three weeks ago, I was in Mexico with a delegation attending the Inter-Parliamentary Union meeting. As we all know, normally when senatorial delegations attend these meetings, we are asked to visit Canadian efforts of one sort or another in the country in question. I visited a clinic that serves the peddlers Senator Stollery mentioned. There are staggering

numbers of them on the streets. In some ways, the clinic has a lively environment, in spite of the fact that it cares for the poorest of the poor. This little clinic, which is attached to the Church of Santo Domingo, gives these people medical care, including taking blood tests and giving other care. Medical care is provided for 20 or 25 pesos, which is approximately $3, of which the clinic keeps 5 pesos. That contributed almost nothing to its operating budget, but it manages. It has a roster of doctors who come in and serve thousands of these poor people every month.

Canada, through something called the Canada Fund, has contributed a small amount of money, less than $13,000, to this clinic. That money has made a significant difference. We contributed two or three examining tables and a couple of IV stands. The clinic has so few funds that it could not afford to buy IV stands. We also contributed a modest sterilizer, which is about twice the size of a microwave oven. That has transformed their lives. Their faces light up when they show you their sterilizer from Canada. By donating that sterilizer, we are contributing to the health of those peddlers.

By making enquiries of those people who work in the clinic, a Canadian diplomat was able to find out where a small amount of money, properly applied, could make a real difference. The clinic is asking Canada to assist them in setting up a dental clinic. That also can be done with a donation of a very small amount of money. It would be a wonderful thing for us to do.

It seems appropriate that, when one of our partners in NAFTA is trying to come to grips with so many problems — everything from trying to build a genuine democracy to coping with millions of desperately poor people — we should pay close attention to what our representatives in Mexico are trying to do on the ground to help.

My remarks are not directly related the report Senator Stollery was addressing, but I could not restrain myself when he mentioned the poverty in Mexico.

Hon. Consiglio Di Nino: Honourable senators, before adjourning the debate, I will add a couple of comments on the report and the experience that we had when we travelled to Mexico City. It was a rather quick visit that allowed us little time for any activities other than travelling to the airport, to the hotel, and attending meetings.

I was struck by the sincerity of the interest expressed by both the Mexican parliamentarians and the business people that we met. I was also struck by the frustration they expressed at any attempt they made to increase the bilateral relationship between our two countries. We often talk about the trilateral relationship of NAFTA. I am sure that Senator Stollery would agree with me, and with all the other members who were there, that we should undertake to expand our bilateral relationship with Mexico. We talked about creating a parliamentary association, not a friendship group but a fully funded association that could probably help develop three major areas. We already have an association between Canada and the U.S., Canada and Japan, Canada and France, and Canada and China, and there may be others.

• (1700)

There are others, obviously, but I can think of three off the top of my head. Certainly, the flow of tourists would probably move more in that direction than toward us, but a great deal of interest was shown in Canada because of the unique opportunities we offer to the world in the area of tourism. That is probably more of a benefit to the Mexicans.

The other area on which we did spend some time, although not enough, was immigration. The world needs immigration. Notwithstanding the problems that the U.S. has with illegal entrants, the Americans have discovered that most Mexican immigrants are wonderful, hard-working folks, men and women who come and put their shoulders to the wheel and make major contributions to the economy of the United States.

The other issue is trade. We do much more trade with Mexico than we do with some of the other countries with which we have parliamentary associations. It was very apparent to me, and I hope that my colleagues agree, that we should explore the possibility of a proper parliamentary association with a mandate to develop a closer relationship with that country in those and other areas.

The committee chairman may recall that we did mention that we would pursue a parliamentary association, and I wish to put that on the record. Hopefully, in the not-too-distant future, he and I can contact colleagues on the other side and put something in place.

On motion of Senator Di Nino, debate adjourned.

PROTECTION OF NAHANNI WATERSHED

MOTION URGING GOVERNMENT TO TAKE ACTION—MOTION IN AMENDMENT—DEBATE CONTINUED

On the Order:

> Resuming debate on the motion of the Honourable Senator Di Nino, seconded by the Honourable Senator Oliver:
>
> That the Senate call upon the Government of Canada:
>
> (*a*) to expand the Nahanni National Park Reserve to include the entire South Nahanni Watershed including the Nahanni karstlands;
>
> (*b*) to stop all industrial activity within the watershed, including:
>
> (i) stopping the proposed Prairie Creek Mine and rehabilitating the mine site,
>
> (ii) ensuring complete restoration of the Cantung mine site,
>
> (iii) immediately instituting an interim land withdrawal of the entire South Nahanni Watershed to prevent new industrial development within the watershed; and

(*c*) to work with First Nations in the Deh Cho and Sahtu regions of the Northwest Territories to achieve these goals,

And on the motion in amendment of the Honourable Senator Sibbeston, seconded by the Honourable Senator Christensen, that the motion be amended as follows:

(*a*) in paragraph (*a*),

(i) by adding the word "possibly" after the word "Reserve", and

(ii) by adding after the word "karstlands" the following:

"at an appropriate time and consistent with the cultural, social and economic interests of the people of the region, the Northwest Territories and Canada";

(*b*) in paragraph (*b*), by replacing the words "to stop" with the following,

"to protect the environmental integrity of the South Nahanni watershed by reviewing";

(*c*) in subparagraph (*b*)(i), by deleting the word "stopping" and the words "and rehabilitating the mine site";

(*d*) in subparagraph (*b*)(ii), by deleting the words "ensuring complete restoration of";

(*e*) in subparagraph (*b*)(iii),

(i) by deleting the words "immediately instituting an interim land withdrawal of the entire South Nahanni Watershed to prevent",

(ii) by deleting the word "and" at the end; and

(*f*) by adding, after paragraph (*b*),

(i) a new paragraph (*c*) to read as follows:

"(*c*) to include as part of the review:

(i) a response to the Senate report, *Northern Parks — A New Way* that indicates the government's policy to ensure employment and economic benefits from the creation of northern parks will flow to local aboriginal people, and

(ii) a complete assessment of mineral and energy resources in the area", and

(ii) by re-lettering the current paragraph (*c*) as (*d*). —(*Honourable Senator Di Nino*).

Hon. Mira Spivak: Honourable senators, Senator Di Nino has kindly allowed me to speak before he does. I have a brief comment on the motion.

When the Subcommittee on the Boreal Forest travelled to parts of the karstlands region several years ago, we did not visit the Nahanni National Park Reserve at its northwestern tip, although after hearing Senator Di Nino describe its magnificent landscape with such passion, I am very sorry that we did not.

In reflecting on his motion, I was also struck by how many arguments in favour of expanding the park reserve and stopping industrial activity go to the heart of the boreal forest subcommittee findings. Those findings are making their way into more places than we could possibly imagine, including the provincial departments and the new coalition of environmentalists and forestry companies who have recently put forward a proposal based on some of the subcommittee's findings.

Many of the arguments also go to what our Standing Senate Committee on Energy, the Environment and Natural Resources hears time and time again in its studies of parks bills, or the Species at Risk Act or environmental legislation.

First, it is becoming evident that size matters. We cannot protect wildlife wilderness values and water quality of any region, anywhere, by carving out small areas for protection and hoping for the best. There is a famous scientist by the name of Lovejoy who has carefully studied the fall-down factor. He is one of the world's experts on the argument that small areas cannot contain biodiversity.

Nor can we protect wildlife by creating large protected areas and then exclude portions of them for mining or logging or other forms of industrial development. It simply does not work. The reason it does not work is that nature does not recognize our invisible manmade boundaries. Protecting far-ranging species such as caribou and grizzly bears, in particular, means protecting large continuous portions of their habitat, not a few hectares here and there.

Second, integrity matters. As much as piecemeal parks do not work, neither do parks neatly carved around industrial development. The boreal forest subcommittee saw clear evidence that once roads are carved into wilderness, people will find ways to use them, even after they are closed when logging has ended.

Senator Di Nino spoke clearly of the recent downstream effects of mining near the Nahanni Park Reserve. As much as some might wish otherwise, clear choices must be made between wilderness protection and industrial development. Nature is not inclined to compromise.

Third, the rights and wishes of Aboriginal communities must be respected by government and industries, whether they are planning a park or an industrial project.

With those three principles in mind, I fully support the motion to expand the Nahanni National Park Reserve to include the important 15 per cent of the watershed that is now unprotected and to stop all industrial activity within the watershed. The importance of the forest watershed issue is not truly recognized at the moment.

With those principles in mind, however, I have difficulty supporting the amendments to the motion. While I respect the opinions of our northern senators who advance them, to my mind they weaken the message the Senate should be sending. They invite delays pending, among other things, a complete assessment of mineral and energy resources in the area.

I certainly appreciate the concerns of honourable senators about employment and economic development. However, we need to get a heads-up before industrial development means that we cannot preserve the park.

On the issue of employment and economic development, the First Nations are leading the way toward park expansion. That is something I would like to see us endorse.

I congratulate Senator Di Nino for bringing this subject to our attention and I strongly support the original motion. I hope that in the future, when a Senate committee revisits the state of the boreal forest from northwest to southeast, he will be part of the study group and bring to it his obvious passion for wilderness protection.

Hon. Consiglio Di Nino: Honourable senators, I wish to add a few words in reply to the proposed amendment to my motion with respect to the Nahanni watershed. I am pleased, though not surprised, to hear that Senators Sibbeston and Christensen support the principle of park expansion. Indeed, I agree with them that a balance needs to be achieved between development and wilderness preservation. However, I cannot support all of Senator Sibbeston's amendments. In truth, his amendments leave in place the status quo.

Senators Sibbeston and Christensen state that industry is important to the people of the surrounding communities. I fully agree. It is important to tap the resources in the North and to create opportunities for the communities in these areas.

In Senator Christensen's remarks, she stated that the local communities and the local government need to decide this issue. I want to be very clear again that I agree: This is an issue for the local people to decide.

• (1710)

However, honourable senators should be aware that I did not wake up one morning and arbitrarily decide to become involved. Certainly, introducing this motion was my idea, but I have been petitioned to help, as have many others in this chamber. The initiative comes from the surrounding communities. My motion is strongly supported by the local First Nations people. I wish to put on the record a letter I received from Chief Peter Marcellais of the Nahanni Butte Dene Band, the First Nations community directly affected by this issue. The letter is addressed to me and dated March 23, 2004, re: the expansion of the Nahanni National Park Reserve:

> I have been given to understand by the Grand Chief of the Deh Cho First Nation, Mr. Herb Norwegian, that you have given notice of motion to the Senate to support the expansion of the Nahanni National Park Reserve to include the entire South Nahanni Watershed; to stop industrial activity within the watershed, and to rehabilitate the Prairie Creek Mine and the Cantung mine sites. This brief letter is to congratulate you on your vision in this matter and to thank you for any action in the above regard which will protect our traditional lands and waterways in the South Nahanni from the dangers of industrial interventions.
>
> The community of Nahanni Butte is located at the mouth of the South Nahanni River where it spills into the Liard River. We, as have our ancestors, have always inhabited this area and used the South Nahanni watershed to make our living. Our culture and heritage are intimately connected to the lands and waterways throughout the entire area. Our traditional knowledge, learned through many generations of survival experiences in this territory, provides sound basis for the need to maintain the area in a pristine state to ensure the continued survival of our culture.
>
> Our Grand Chief has written to the Right Honourable Paul Martin to seek his support to waive any further MERA studies of the area and support an immediate expansion of the reserve to include the entire watershed. Many of our elders have always known the whereabouts of mineral resources in the watershed. We have kept it quiet to protect the land and waterways because we believe a pristine land is more valuable than brief wealth in our generation. We see your notice of motion in this light and value it highly. We trust that the entire Senate has the wisdom to do likewise.
>
> Respectfully,
>
> Chief Peter Marcellais.

In addition, let me quote from the letter by Grand Chief Herb Norwegian that was sent to the Prime Minister:

> We do not need another study. We already know that there are mineral resources in the South Nahanni watershed. We know that we do not want them exploited. We are the local and traditional people of the area. We have considered the potential for economic activity from developing mineral resources in the area on the one hand and the value to our way of life, our culture, water quality and the ecosystem on the other. We have concluded that we want the entire watershed protected and no mines or other development in it. An expanded national park is the best use of the area.

Honourable senators, since introducing this motion I have been inundated with letters from across Canada and, indeed, the world in support of preserving Canada's first world heritage site. I believe we owe it to the local communities to listen to them and to help them preserve their lands.

Honourable senators, none of us disagree in principle on the need for development and the need for preservation. This is simply a question of where to draw the line. The affected First Nations communities ask that the line be drawn on the watershed and karstlands. It is not an unreasonable position and I hope that honourable senators will agree.

I am still consulting and will continue to do so. I will have further comments on this issue at a later date. Unless another senator wishes to speak, I move the adjournment of the debate.

On motion of Senator Di Nino, debate adjourned.

FOREIGN AFFAIRS

COMMITTEE AUTHORIZED TO MEET DURING SITTING OF THE SENATE

Leave having been given to revert to Notices of Motions:

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

> That the Standing Senate Committee on Foreign Affairs have power to sit at 3:00 p.m. tomorrow, Wednesday, May 12, 2004, even though the Senate may then be sitting, and that rule 95(4) be suspended in relation thereto.

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

Hon. Senators: Agreed.

Motion agreed to.

CHILD-DIRECTED ADVERTISING

INQUIRY

Hon. Mira Spivak rose pursuant to notice of April 28, 2004:

> That she will call the attention of the Senate to the need for government intervention to curb child-directed advertising that encourages poor nutrition and physical inactivity.

She said: Honourable senators, I rise to draw your attention to the issue of child-directed advertising — an issue that stirred considerable debate in the 1980s and is now rearing its head again.

As long ago as 1874, parliaments have been concerned about protecting young children from commercial exploitation. In that year, the British Parliament passed the Infant's Relief Act, to protect them from their own lack of experience and from the wiles of tradesmen. In December 1878, Quebec passed its Consumer Protection Act, banning commercial advertising directed at children under 13 years of age. Four years before that, the CRTC required the CBC's French and English television networks to eliminate advertising from its children's programs as a condition of licence renewal.

Now the question is: to ban or not to ban other ads and promotions specifically aimed at kids? While we may think that we dealt with the issue decades ago, there are compelling reasons to revisit it. A February report from the American Psychological Association's Task Force on Advertising and Children points out that, for many years, young children were generally considered off limits to advertisers. Their parents were the intended audience. I quote from the report: "More recently, however, children — sometimes very young children — are the audience directly targeted by advertisers." Psychologists are serving as consultants to those advertisers.

According to the task force, the dramatic increase in advertising directly intended for the eyes and ears of children is the result of two trends. The first is the appearance on cable television of entire channels of child-oriented programming and advertising and, more recently, there is the explosive development on the Internet of child-oriented Web sites with advertising. A Google search for "kids" on the computer will net you 71 million possible choices, or "hits," with sites that contain child-directed advertising included in the first 10 responses. A Google search for "Nemo," the popular Disney fish character, returns two and a half million responses.

• (1720)

The second trend is what psychologists are calling "the privatization of children's media use" — that is, children viewing, without parental monitoring, TV sets in their bedrooms or on the family computer. As a result, North American advertisers are spending more than $14 billion a year to reach children directly, and North American children are watching more than 40,000 commercials. The purchasing power of teenagers and children is unbelievable.

Psychologists are very concerned about these developments, for good reason. As the task force explained, children lack the cognitive development to process ads as adults do. Until they are four or five years old, they cannot distinguish between commercials and the children's programs designed for them. Until they are seven or eight, and perhaps older, they do not recognize the persuasive intent of advertising. The task force admits it does not know the upper age limit of children's unique vulnerability to advertising. It may be several years higher. For now, however, it recommends that advertising targeting children under the age of eight be restricted.

In essence, this very recent report echoes a Supreme Court of Canada decision in 1989 that found that:

> ...advertising directed at young children is *per se* manipulative. Such advertising aims to promote products by convincing those who will always believe.

The negative impacts of child-directed ads are also becoming apparent. Several studies, for example, find that parent-child conflicts commonly occur when parents deny their children the products the ads promote. Others have documented the high percentage of ads that feature candy, fast foods and snack food. Several have found strong associations between increases in advertising for non-nutritious foods and rates of childhood obesity.

The California psychologist whose controversial letter caused the task force to be formed went further, suggesting that child-directed advertising is not only creating an epidemic of materialistic values among children but also what he calls "narcissistic wounding." As a result of advertising, children have become convinced, and probably adults as well, that they are inferior if they do not have an endless supply of new products.

Others are calling for restrictions on child-redirected advertising, motivated by the growing epidemic of overweight children.

The American Public Health Association last year urged legislation to eliminate food advertising on children's television, citing the epidemic and the possible role that food and beverage ads may play in eating habits. The United Kingdom Food Standards Agency has reviewed conflicting studies and found "sufficient evidence to indicate a causal link between promotional activity and children's food knowledge, preferences and behaviours." The World Health Organization has also concluded that the evidence linking food ads and childhood obesity is not unequivocal, but there is sufficient indirect evidence to call it probable. Nearly a dozen EU countries already restrict advertising directed at children.

Here in Canada, 24 organizations, including the Canadian Teachers' Federation, the Centre for Science in the Public Interest and the Canadian Women's Health Network, are now calling for legislation to prohibit commercial advertising and promotion directed at children under the age of 13. They point out that most children's advertising champions nutrient-poor foods and such products as video games, movies and television programs, all sedentary forms of play.

The statistics they cite are stunning. Since 1981, the percentage of overweight Canadian children aged 7 to 13 has more than doubled and obesity has more than tripled. These overweight children are more likely to become overweight adults, with all of the associated health problems. The cost to the Canadian economy as a whole of preventable diet and inactivity-related disease is estimated at between $6.3 billion and $10.9 billion a year. The human cost, in addition to disability and suffering, is a staggering 20,000 to 47,000 premature deaths annually.

These groups want an amendment to the Competition Act to make commercial advertising and promotion directed at children under the age of 13 a reviewable conduct. Of course, that would still leave ample room for non-commercial promotion — by Health Canada, for example — of the benefits of nutritious eating and physical activity.

Some, no doubt, will question whether we need it, given the Broadcast Code for Advertising to children that the CRTC asks broadcasters to honour and the Code of Ethics and Standards of Practice that relate to on-line marketing to children. Since 1990, Canadian companies that market and advertise to children have come together to preserve the status quo. On the heels of the Supreme Court decision that affirmed Quebec's right to ban child-directed advertising, they did not want to see other jurisdictions adopt the model.

A federal-provincial committee in 1985 did look at the impact of the Quebec legislation. It found both a revenue loss for the advertising industry and a drop in the production and broadcasting of children's programming in the province. Nevertheless, it recommended that both the governments of Quebec and Canada declare themselves in favour of maintaining the act. That was in 1985. It is difficult to say what it is now.

Some may speculate whether there is a better tool — more stringent controls in the Broadcasting Act or the Food and Drugs Act, for example. I am persuaded that the Competition Act approach that these groups advocate has multiple advantages, not the least of which is that it follows Quebec's court-tested example. In addition, no other instrument seems likely to deal with the many ways in which children are now targeted in the traditional media, on the Internet and even at children's festivals.

Therefore, I plan to introduce a Senate public bill to advance this measure and I welcome the thoughts that senators and others have on it.

In conclusion, I should like to quote one of Canada's best-loved children's entertainers, Raffi, who very courageously withdrew from the Vancouver International Children's Festival in 2000 to protest its overt commercialization. In *The Globe and Mail* that summer, he wrote:

> ...every day, with the help of psychologists, big businesses wage media campaigns that target children from birth as consumers. We need to understand that this serves no one. It is wrong, and it must stop.
>
> Who will look after the children? Is it really so difficult for economists and legislators to envision a business ethic that favours the many? Do we lack the imagination to conceive of a society that respects its young, one that would therefore embrace an honourable protocol for commerce?

Honourable senators, it is an important challenge and one that I am certain, with the proper effort, we can meet.

Hon. Tommy Banks: Honourable senators, my avid attention was drawn as soon as the honourable senator said "obesity," because I have a certain interest that made me pay attention.

I was involved peripherally in the advertising business, and I hope that when the senator devises her bill, she will be able to take into account the means by which one would be able to determine the difference between a commercial for a video game aimed at a 15 year old as opposed to one aimed at a 14 year old. I think the objects of such a bill are admirable, but we must exclude those commercials that are judged by someone to advocate or promote physical activity among young people or those products that might be highly valuable and educational but commercial nonetheless. The broad stroke should not catch everything.

Senator Spivak: Quebec has had a long experience with this subject. I am sure they intend to study it carefully, and I am sure many of the bugs have been worked out.

Commercial advertising directed at children is intrinsically wrong. Commercial advertising should not be directed at children under the age of 8 or children under the age of 13. It should be directed at their parents or at the people who are really doing the buying and making the judgments. Why would we expect children under a certain age — I do not know whether it is 8 or 13 — to have the judgment to determine what is good or bad for them? We do not, as a society, expect that.

• (1730)

The other thing I would like to say, when we talk about videos, sure, videos are a great thing. The hand-to-eye coordination or the games that they offer kids are fabulous. However, I think we are taking too timid an approach to the kinds of videos that are really brutal and brutalizing. Just recently, there was an example of one in which there was a different classification made, and as far as I am concerned it should have been banned. It was really a piece of awful brutality and pornography, where convicts were walking around in this video attacking people with axes and God knows what.

I think common sense is what is required here.

Hon. Joan Fraser: Honourable senators, I will disguise my comment as a question in response to Senator Banks' question to Senator Spivak.

Can you confirm my impression, and, if not, can you do some research to tell me whether I am right? As a parent in Quebec, I was always very pleased that my children were, at least to some extent, protected from the kind of advertising that you are talking about. There is obviously overflow across the border, but at least there was some safe zone. It is my impression that that law in Quebec has become almost sacred. It is so popular and so accepted that no one contests it. Goodness knows, there are lots of vigorous people in Quebec who will contest almost anything you can think of. It is a very argumentative society when it feels that its interests are at stake. However, it is my impression that, in the generation or so since that law was adopted, it has won massive public support, so that even the industry does not go there any more.

Senator Spivak: I think you are right, and this idea did not come to me out of the blue. I was approached by a number of groups to bring this matter before the Senate, as is the usual case — groups which have been working on it, and that is what they told me.

Whether or not we believe in experimentation by the provinces, in health care or whatever, it seems to me that we should learn from any good measure that one province has initiated and try to make it a national thing. Is that not what medicare is all about — or was about with Tommy Douglas? It seems to me, in reply to your question, yes, it is almost a sacred thing in Quebec. Why would we not learn from something that is really established in Quebec, and is a good thing — this is the argument I was given by the groups that came to me — and attempt to make it a federal matter?

The Hon. the Speaker: If no other senator wishes to speak, this inquiry will be considered debated.

NATIONAL SECURITY AND DEFENCE

COMMITTEE AUTHORIZED TO MEET DURING SITTING OF THE SENATE

Hon. Jane Cordy, pursuant to notice of May 10, 2004, moved:

> That the Standing Senate Committee on National Security and Defence have power to sit at 5:00 p.m. on Monday, May 17, 2004, even though the Senate may then be sitting, and that rule 95(4) be suspended in relation thereto.

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

Some Hon. Senators: Agreed.

The Hon. the Speaker: I am sorry; I moved too quickly. Do you wish to speak, Senator Kinsella?

Hon. Noël A. Kinsella (Deputy Leader of the Opposition): Honourable senators, I wish to have an explanation. Could the mover explain the reason for this motion?

Senator Cordy: As you know, honourable senators, the Standing Senate Committee on National Security and Defence has had as their meeting time Monday evening or Monday afternoon because they were a new committee. As Senator Lynch-Staunton stated yesterday, the past few months have certainly been a bit unpredictable and our committee has often been unable to meet, or has had to get special permission to meet on Mondays because the Senate has been meeting on Mondays.

Senator Kinsella: Honourable senators, if the Senate rises on Friday, we will hear a date as to when we are to return. If that date is in two or three weeks' time, we will not have senators here next week.

Senator Banks: Do you know something?

Senator Kinsella: If there were no suggestion of an election, next week is normally a week off for the House of Commons for Victoria Day and also for the Senate. If you check the calendars of the past, next week is a planned week off. The Deputy Leader of the Government would be giving notice in the adjournment motion, and I would assume it would fall in the week after the Victoria Day week.

Has this been canvassed in your committee? Are all the members of your committee — I am particularly interested in the members who are from the opposition — in agreement? They will have to come back if your committee sits, even though the Senate might not be sitting next week, and typically would not be sitting next week, because it would be a break week.

Senator Cordy: Honourable senators, I am not making the assumption that we will not be sitting next week. If business is not finished, then we may indeed be sitting, and I guess that is something that we will find out on Friday of this week.

I actually was not at the meeting of the Standing Senate Committee on National Security and Defence, but my colleague on the other side, Senator Forrestall, who is the deputy chair, is nodding his head that, yes indeed, the members of the committee have agreed to come back on Monday.

Hon. J. Michael Forrestall: I think what we have agreed to do is meet at our regular time for purposes of completing our work, rather than to have it lapse. All of that, of course, assumes that we will be here Monday. If we are not here on Monday, there is nothing that we can do about that. On the other hand, if we do not take this step today, we will not be in a position to work Monday. It is that minor anomaly that prompts the senator to rise and seek permission to sit at our normal time, although the Senate may be sitting.

As a rule, the Senate does not sit while our committee does. We work five or six days a week under Senator Kenny. That is a normal week. It was simply to make sure that we had the authority on the off-chance that the Senate might be sitting.

Senator Cordy: Indeed, what the motion reads is that we have the power to sit. Again, we are not quite sure whether we will be here next week; if we are here, then we have the power. We hope we will have the motion approved by the honourable senators. If we are not to be here, then I guess as members of the committee we would have to discuss amongst ourselves whether we want to meet next week. As it stands, we could indeed be sitting next week.

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

Some Hon. Senators: Question!

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

Hon. Senators: Agreed.

Motion agreed to.

The Senate adjourned until Wednesday, May 12, 2004 at 1:30 p.m.

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