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THE HONOURABLE DANIEL HAYS
SPEAKER

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THE SENATE

Wednesday, October 19, 2005

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

Prayers.

[*Translation*]

VISITORS IN GALLERY

The Hon. the Speaker: Honourable senators, before we begin, I want to draw to your attention the presence in the gallery of a group of business people and friends from Lac Saint-Jean. They are the guests of the Honourable Senator Gill.

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

Some Hon. Senators: Hear, hear!

SENATORS' STATEMENTS

SOCIAL CRISES IN ABORIGINAL COMMUNITIES

Hon. Aurélien Gill: Honourable senators, on October 11 and 12, Regional Chief Ghislain Picard and the chiefs of the First Nations of Quebec and Labrador held a special gathering on the issue of social crises within their communities. These leaders are striving to find ways to keep their communities alive and deal with the rise in destructive and suicidal behaviours, particularly among the young.

My sincere congratulations go to those who put together this important meeting, which I attended. Two of our colleagues, Senator Keon and Senator Pépin, were also in attendance. I thank them for spending these two days listening to what chiefs and community stakeholders had to say about the social emergency facing many of our Aboriginal reserves. I greatly appreciated their presence.

This is also a good time to point out the special attention that the Senate Standing Committee on Social Affairs, Science and Technology pays to suicide, drug abuse and mental health. Thank you very much, Senator Kirby!

Everyone knows that our communities are in crisis. They suffer from a suicide and suicidal behaviour rate three times higher than the national average. These same observations were made by the Royal Commission on Aboriginal Peoples in 1995.

In 2002, some 22 people, or 0.07 per cent of our population, committed suicide in our communities in Quebec. That is a lot for our communities where families are very close. This same population percentage would translate into 356 cases of suicide a year for Quebec City.

Suicide is a sign of despair. Cutting life short is the ultimate way to end the suffering an individual can no longer face and for which their community may not have an answer. Suicide and suicidal behaviour in our communities stem from social determinants that can cause deep unhappiness. In our communities, an increased use of drugs and alcohol as a cure for distress, loss of confidence, cultural upheaval and discrimination ties in with extreme poverty, unemployment and substandard housing and sanitary facilities. Individuals living under such conditions are more likely than others to feel a sense of helplessness and despair and commit the irreparable.

Many of our young people grow up under the same harsh conditions as their parents. They run into the same systemic obstacles and are more likely to turn to substance abuse or commit suicide than non-Aboriginals. It is true that, when a tree falls in a forest, it makes a lot of noise, but it is in silence that the forest grows. Many people in our communities suffer in silence. Just because we do not hear them does not mean they do not exist.

Our communities need support more than ever. I am not talking just about money, but attention. I am talking about support because Aboriginals have a true desire to take charge of their lives. Many culturally adapted and locally designed initiatives to address suicide were presented during this special gathering. We need to make the necessary efforts in the Senate, in the other place, and in the administrative machinery to support without prejudice this approach that will foster a real sense of inclusion in our country. Aboriginals still feel rejected and marginalized today.

Prejudice is not conducive to solidarity and healthy co-existence. We must make the effort to address the Aboriginal issue in another way.

[*English*]

C.D. HOWE INSTITUTE 2005 TAX COMPETITIVENESS REPORT

Hon. David Tkachuk: Honourable senators, on Tuesday of last week, on the very day the Prime Minister was announcing to an audience of senior public servants that his government had made our tax system more competitive, the C.D. Howe Institute released its 2005 tax competitiveness report.

The analysis clearly showed that, contrary to the Prime Minister's claims, ours is a remarkably highly taxed nation when it comes to investment. High taxes hurt growth and wages, pointing to the need for governments to respond to the growing competitive threat. Despite what appears on the surface to be competitive corporate tax rates, the effective tax rate on business capital investment in Canada is the second highest of 36 industrial and leading developing countries. Even after Parliament finally

passed into law the tax changes Paul Martin sacrificed last spring to appease the NDP, which are now in doubt, we will have the fifth highest rate, assuming everyone else stands still, which of course they will not.

As the C.D. Howe Institute put it:

Despite the past and planned cuts in corporate rates, Canada will retain a burdensome tax climate for investment, undermining its prospects for robust economic growth — unless governments act.

Honourable senators, we may have what appears on the surface to be a competitive statutory rate, but that does not begin to compensate for uncompetitive rates for depreciation, inventories, capital taxes and the sales input on capital inputs. The end result is that only China has a higher effective tax rate, and at least the Chinese will offer a lower concessionary rate. In Ontario, our largest province, the combined federal and provincial taxes on business investments exceed those of China, a nominally communist nation.

The report also highlights serious problems with our personal tax system, with modest-income working families often taxed at 60 per cent or more of their earnings, the result of various benefit clawbacks that are added to income and employment taxes. For a low-income senior citizen, with investment income, the C.D. Howe Institute found that marginal tax rates can reach or exceed 80 per cent.

• (1340)

With that kind of tax hit, is it any wonder why income trusts have been so popular? Can we afford a tax system that discourages both work and investment?

Honourable senators, the C.D. Howe Institute outlined a number of recommendations for federal and provincial governments: reducing marginal income tax rates to correct the severe cases where they exceed 50 per cent; increasing incentives to accumulate retirement income; providing more general tax relief; removing the tax discrimination against corporate equity financing by reducing taxes on dividends; reducing corporate taxes to far more competitive levels; eliminating provincial capital taxes; and reducing tax barriers to outbound and inbound direct foreign investment.

SOCIAL AFFAIRS, SCIENCE AND TECHNOLOGY

UPDATE ON STUDY OF MENTAL HEALTH, MENTAL ILLNESS AND ADDICTION

Hon. Michael Kirby: Honourable senators, I rise today to update the chamber on the progress of the Standing Senate Committee on Social Affairs, Science and Technology on its work on mental health, mental illness and addiction.

As many of you will be aware, the committee spent much of the last parliamentary session holding hearings here in Ottawa and in every province and territory. Indeed, Senator Keon returned only

last night from a fact-finding mission to Nunavut. We have heard from more than 200 witnesses from all parts of the country and all parts of Canadian society.

The face of those who suffer from mental illness in Canada is no different from that of your own family members or circle of friends. No point illustrates this better than the fact that one in five Canadians will suffer from a serious episode of mental illness over the course of his or her lifetime.

The amount of public interest generated by our interim reports released last November has been tremendous. We have had nearly 3,000 requests for copies of each of the committee's first three reports; not bad when you consider that you only need to sell 2,000 copies of a book in Canada for it to be regarded as a bestseller.

This response illustrates that we must find a way to keep the issue of mental health on the public agenda, long after the committee's report is released. We must use the release of the committee's final report as a catalyst to launch a decade of reform, not only in services provided to Canadians living with mental illness, but also in the attitudes of Canadians toward the mentally ill. We must eliminate the stigma of mental illness in Canada.

In its final report, which the committee hopes to release, with the approval of this chamber, early in 2006, the committee will make a strong recommendation for the establishment of an ongoing mechanism to keep the issue of mental illness in the public spotlight and to assist the federal, provincial and territorial governments and non-governmental organizations in better dealing with this important health issue that has been ignored for so long.

The committee is optimistic that intergovernmental agreement to establish such a mechanism will be reached quickly. Indeed, the primary purpose of my statement today is to inform the chamber that Senator Keon and I have been given the unprecedented opportunity of making a presentation to the Federal-Provincial-Territorial Ministers of Health meeting on Sunday. Our presentation will deal with a specific proposal — which we have discussed over the summer with all provincial and territorial governments, and the federal government — for an ongoing mechanism that will ensure that the issue of mental health is not allowed to die following the release of the committee's report.

The proposal, which has been approved by the committee and appears thus far to have gained reasonable acceptance among the governments, has created among those of us on the committee a sense of optimism that not only this recommendation of the report but also others that will be contained in the committee's final report will ultimately be adopted by the governments of Canada.

Therefore, honourable senators, I would like to thank not only all the members of my committee for the work they have done but, indeed, all the members of this chamber, many of whom are not members of the committee but who have contributed extensively to our work.

[Translation]

FRANCO-ONTARIAN FLAG

THIRTIETH ANNIVERSARY

Hon. Marie-P. Poulin: Honourable senators, it gives me great pleasure to inform this chamber that the Franco-Ontarian flag is celebrating its thirtieth anniversary. Yes, it has already been 30 years. This flag was first raised on September 25, 1975, at Laurentian University in Sudbury.

This flag is now the seventh official symbol of the Province of Ontario, along with the flag of Ontario, the white trillium, the eastern white pine, the amethyst, the common loon and the coat of arms.

All Ontarians can look at this flag with pride and dignity, knowing that there are over one million francophones in Ontario who enrich the French language and culture in Ontario.

[English]

PERSONS CASE

Hon. Elaine McCoy: Honourable senators, as was mentioned yesterday, October is Women's History Month, and so I rise today to pay tribute to one of the major milestones in our history.

Seventy-six years ago yesterday, women first became eligible to be summoned to the Senate. Remarkable though it may seem to you, me and everyone else in this chamber, in those days only "persons" were eligible to be summoned to the Senate; and at least in the eyes of the Supreme Court of Canada, women were not considered persons.

Nevertheless, five women from Alberta took it upon themselves to petition the Supreme Court of Canada to answer the question of whether women indeed could be considered persons for that purpose. The Supreme Court of Canada ruled against it, but in those days you could take the matter forward to London, England, for final judgment.

In asking that question of the Privy Council justices in London, England, Lord Justice John Sankey said: "Why ever not?" That was that, and from then on, women were eligible to be summoned to the Senate.

Of course, the landmark decision would not have been made possible without the efforts of five remarkable women, all from Alberta at the time, and they were: Emily Murphy, Irene Parlby, Louise McKinney, Henrietta Muir Edwards and Nellie McClung.

In paying tribute to those five women from Alberta, I also pay tribute to women from the rest of Canada. They came from Ontario. They came from Quebec. They came from London, England. They came from the farms. They came from the U.S. They had worked for many years in causes of civil justice and of gender equality. It is due to their persistence, strength and courage that I stand here today and take my place in this proud chamber.

As a former Alberta minister for women's issues, as a founding member of the Famous 5 Foundation, and now as a senator for Alberta, I pay tribute to these five courageous women and look

forward to the many years of association that I shall have with all of you in pursuing the causes of justice, social equity and making Canada a better place.

ROUTINE PROCEEDINGS

PRIVACY COMMISSIONER

2004-05 ANNUAL REPORT TABLED

The Hon. the Speaker: Honourable senators, I have the honour to table the report of the Privacy Commissioner of Canada for the fiscal year ended March 31, 2005, pursuant to the Privacy Act.

[Translation]

2004 REPORT ON PERSONAL INFORMATION PROTECTION AND ELECTRONIC DOCUMENTS ACT TABLED

The Hon. the Speaker: Honourable senators, I have the honour to table the report of the Privacy Commissioner of Canada on the application of the Personal Information and Electronic Documents Act for year 2004, pursuant to the Personal Information Protection and Electronic Documents Act, (S.C. 2000, c.5, sbs. 25(1)).

FOOD AND DRUGS ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-28, to amend the Food and Drugs Act.

Bill read first time.

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

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

• (1350)

[English]

STUDY ON STATE OF HEALTH CARE SYSTEM

NOTICE OF MOTION TO AUTHORIZE SOCIAL AFFAIRS, SCIENCE AND TECHNOLOGY COMMITTEE TO EXTEND DATE OF FINAL REPORT

Hon. Michael Kirby: Honourable senators, I give notice that at the next sitting of the Senate, I will move:

That notwithstanding the Order of the Senate adopted on Thursday, October 7, 2004, the Standing Senate Committee on Social Affairs, Science and Technology, which was authorized to examine and report on issues arising from and developments since the tabling of its final report on the state of the health care system in Canada in October 2002 (mental

health and mental illness issues), be empowered to present its final report no later than June 30, 2006 and that the Committee retain all powers necessary to publicize the findings of the committee contained in the final report until October 31, 2006; and

That the committee be permitted, notwithstanding usual practices, to deposit any report with the Clerk of the Senate, if the Senate is not then sitting; and that the report be deemed to have been tabled in the chamber.

SOCIAL AFFAIRS, SCIENCE AND TECHNOLOGY

NOTICE OF MOTION TO AUTHORIZE COMMITTEE TO STUDY STATE OF PREPAREDNESS FOR PANDEMICS

Hon. Terry Stratton (Deputy Leader of the Opposition): Honourable senators, I give notice that on Tuesday, October 25, 2005, I will move:

That the Standing Senate Committee on Social Affairs, Science and Technology be authorized to examine and report upon the state of preparedness for a pandemic on the part of the Canadian Government and in particular on measures that Canadians and Canadian businesses and organizations can take to prepare for a pandemic; and

That the committee submit its report no later than December 8, 2005.

QUESTION PERIOD

FINANCE

MORATORIUM ON CONVERSION OF PUBLIC CORPORATIONS TO INCOME TRUSTS— POSSIBILITY OF TAX REFORM

Hon. W. David Angus: Honourable senators, on September 28 and 29, the Standing Senate Committee on Banking, Trade and Commerce conducted special hearings on the currently high-profile issue of income trusts. These hearings were called on short notice in view of the evident instability created in financial markets by the sudden and extraordinary announcement by Finance Minister Ralph Goodale on September 19 to the effect that the government was placing a moratorium on advance taxation rulings for proposed conversions of public corporations to income trusts. In just two trading days, honourable senators, there was a melt-down of more than \$9 billion in the market cap of Canadian publicly listed income trusts, the vast majority of which were held in registered retirement savings plans and analogous vehicles.

Although we were unable to determine from government officials who came to the hearings the source of this sudden and destabilizing moratorium, we did learn from a variety of witnesses, including tax, legal and investment experts, about the nature of these trusts and about the rationale underlying the creation of this popular vehicle. One undisputed reason that was explained to the committee related to the apparent imbalance in our tax system and, in particular, the different tax treatment of dividends as opposed to interest income.

My question, which is particularly relevant given the statement by the Honourable Senator Tkachuk a few moments ago, is for the Leader of the Government in the Senate. Is the government considering tax reform? Can the Leader of the Government tell the house whether a study is being conducted on how to restore balance? We have not had a tax reform in this country since the Carter commission of the late 1960s and early 1970s, and it is badly needed now. Is tax reform on the agenda?

Hon. Jack Austin (Leader of the Government): Honourable senators, this government, like all governments, constantly carries out reviews of tax policy and practice, as the Honourable Senator Angus is aware. This process occurs in preparation for all annual budgets, which almost inevitably make tax changes of one kind or another. As honourable senators are fully aware, the process is one of consultation throughout the year, particularly in the six months prior to the delivery of a budget, with affected Canadians, the business community, business organizations, provincial governments, municipal governments, and others who wish to make representations with respect to the tax system.

Studies have been conducted with respect to corporate taxation in Canada and the implications for federal and provincial revenues based on both the current forms of corporate taxation, and the novel uses and development of the income trust system.

Senator Angus: Honourable senators, if I understand the leader's answer, it might be reasonable to infer from it that something happened between September 8 and 19 in respect of the budget. Members of the Standing Senate Committee on Banking, Trade and Commerce are interested to know what it was. Can the honourable leader tell the house what happened between September 8 and 19 that led to this sudden announcement?

At these meetings I asked Leonard Farber, Director General of Legislation in the Tax Policy Branch of the Department of Finance, what happened within the department between September 8 and 19. What specifically triggered this second announcement? When was the decision made and who was present from the department? Perhaps the leader could clarify what happened and what the government is thinking in respect of this issue.

Honourable senators, nowhere was there mention of the Prime Minister or his office in Mr. Farber's lengthy answer. I repeated my question: What happened between September 8 and September 19 to trigger the moratorium? Again, there was no mention of the Prime Minister in Mr. Farber's reply. My next question was: Did this idea occur to departmental officials or did it come down directly from Minister Goodale? For a third time, there was no mention of the Prime Minister in the reply of Mr. Farber, who said that Mr. Goodale would have to speak for himself. Did someone in the PMO mislead *The Globe and Mail* in its recent article that talked about the Right Honourable Prime Minister having read something about Gordon Nixon of the Royal Bank of Canada and this was the straw that broke the camel's back?

Either a senior official of the Department of Finance gave us an incomplete answer or there is another answer. Which is it, Mr. Minister?

Senator Austin: Honourable senators, the correct answer is that the Minister of Finance speaks for the Government of Canada on these matters.

Senator Angus: Honourable senators, on October 11, an article in *The Globe and Mail* stated:

The Prime Minister's Office had begun to exert influence over the income trust file months earlier. Mr. Nixon's public comments — sprayed across the business section of the country's newspapers — may have been the final straw. Sources say Mr. Martin was jolted by the headlines.

• (1400)

The newspaper then went on to quote a source close to the Prime Minister as saying, "I think it was a wake-up call. This thing is out of control."

Could the leader confirm to us that the decision to end advance tax rulings was a decision made by the Prime Minister himself, or that it was the result of very heavy pressure from the Prime Minister, as he was not satisfied that the Finance Minister had gone far enough by issuing his discussion paper on September 8?

Senator Austin: Honourable senators, my response is that political voyeurism is probably the most entertaining form.

In the practice of government, on financial matters the Minister of Finance speaks for the Government of Canada. The way in which cabinet or government decisions are made is always entirely confidential to the government.

Senator Angus: Honourable senators, having been a distinguished member of the Finance Committee when its mandate was to monitor and, hopefully, ensure the continuing stability of our very sensitive financial markets, the honourable leader understands well that a sudden announcement of such a moratorium would destabilize the markets in the way that they did. I say that in light of the fact that only two weeks earlier the policy had been spelled out clearly by the appropriate ministry. These are sensitive matters. It is obvious that something special happened. That is what we would like to know.

Senator Austin: Honourable senators, from time to time policy changes have to be announced and do impact on various parts of our community. The difficulties occasioned by some are always as a result of the development of public policy which is in the interests of the community as a whole.

I would also say to Senator Angus that I am absolutely delighted that the announcement made by the Minister of Finance came from the Minister of Finance without leakage prior to the event.

HEALTH

POSSIBLE AVIAN FLU PANDEMIC— REQUEST FOR UPDATE

Hon. J. Michael Forrestall: Honourable senators, what avian flu cannot do, taxes will do.

My question is for the Leader of the Government in the Senate. As he knows, the World Health Organization has warned that avian flu could cause a pandemic in such proportions that it could kill many. Britain is estimating that 50,000 could die. In the United States, some 2 million lives could be lost.

We learn of new outbreaks of the deadly H5N1 virus in China. Outbreaks are now being reported in Greece and the Danube delta. WHO has warned that each state should appoint one minister to deal with the crisis. States have been urged to stock two types of antibiotics.

Scientists now say that they feel the disease is being carried by migrating birds, but they cannot identify which species is carrying this disease.

Can the Leader of the Government in the Senate bring us up to date on precisely what is happening in this respect? There is no question about the growing level of fear of this curse.

Hon. Jack Austin (Leader of the Government): Honourable senators, I thank the Honourable Senator Forrestall for his question on this very important topic.

First, some months ago, Canada designated the Minister of Health, the Honourable Ujjal Dosanjh, and the Minister of State for Public Health, Dr. Carolyn Bennett, to be the ministers within the cabinet process who would act on and report with respect to this possible pandemic.

A great deal has been done by Canada. I can say without challenge that Canada is the leader in responding to the apprehension of a pandemic with respect to influenza.

One piece of information is that Canada took the initiative with the World Health Organization to call a meeting of ministers of health internationally. That meeting will be held here in Ottawa to discuss a coordinated global response to the current concerns with respect to a pandemic.

In addition, the same two ministers have organized a meeting with Canadian business leaders to discuss the theoretical and possible impact of a pandemic on the Canadian economy. As a result, we will be as well informed as possible as to the kinds of reactions that will take place within the business community and the market economy that we have.

As the question has made indirect reference to it, it is important to note that birds fly. Countries cannot act alone. Canada has no intention of saying, "We will protect our population. We will do it all by ourselves. We do not have to work or cooperate with any other country." This is now recognized as a global issue.

Birds know nothing about national boundaries. Therefore, the international community understands and, under the aegis of the World Health Organization, is tracking the events in the countries mentioned by Senator Forrestall. In fact, there is an international alert across the entire world community.

Laboratories such as our Level 4 lab in Winnipeg, which is Canada's top lab, are all set to make tests, and are making tests. International materials are sent here, to the United States, to

Great Britain and to other parts of the world. The tests are run and the comparisons are made by these high quality labs. Thus, for the first time, the world community is on top of the potential for a pandemic.

Honourable senators, I know my answer is going on somewhat long, and perhaps I should wait for a supplementary. However, in the meantime I wish to say that Canada has ordered and has stored 16 million doses, I believe it is, of one of the antiviral drugs and has an order, on a priority basis, to produce additional drugs. This one is called Tamiflu. With respect to the nature of the risk, we have designated as a priority those Canadians who may be susceptible to this particular pandemic.

A great deal is known about the virus, something which has not been the case in the past. The pharmaceutical world is being kept on top of the evolving information that research is producing and trying to respond as best they can to preparing antiviral materials that respond to the exact situation that is developing.

Senator Forrestall: I think all Canadians will welcome the response of the Leader of the Government.

As the leader did not touch on this, what preparations is the government considering with respect to persons flying into Canada from other countries? The United States, for example, is setting up systems at their airports to monitor, check for and indeed handle, where identified, early cases of the two principal types of this flu. Are we doing anything in this regard? Are we gearing up to respond to international pleas for assistance?

• (1410)

We have been blessed with the foresight to stockpile, as a result of experience. Can we come to the aid of other countries, the International Red Cross, the Canadian Red Cross and other agencies in response to requirements?

There is a suggestion that, while many countries have taken due note of the potential hazard of these two types of flus, little has been done to put in place in advance the resources to handle such a pandemic, should it occur. Are we doing anything in a physical sense?

Equally important, what process is the government considering to keep Canadians properly advised? I like to ask who is driving the bus and who knows what is going on. Do we have to rely forever on the Canadian Broadcasting Corporation to tell people in this country what is going on?

Senator Austin: I heard three questions raised by Senator Forrestall, and I will try to answer them succinctly. As he indicated, the greatest concern of everyone who is responsible for any part of public policy is the reaction of fear, or an irrational worst-case fear, that is developed due to lack of accurate information. Thus, it is the top priority for the Government of Canada and for us all to ensure that Canadians are perfectly informed with respect to the facts as we know them.

The government has, through the coordination of the two ministers and their scientific advisers, the capacity to make this information known as soon as they believe there is a material development that needs to be communicated.

With respect to the question about airports, I am glad that Senator Forrestall pointed out that, in addition to birds flying, people fly. The same systems that were set up to detect people infected with Severe Acute Respiratory Syndrome, SARS, are in place now, and airport staff will be briefed when we know what they are to look for. The problem with trying to screen entrants to Canada from international destinations is well recognized as a result of the SARS experience, and is part of the emergency preparedness that is underway.

Finally, on the question of helping others, Canada has called the international health ministers together not only to share the problem but to develop lines for dealing with the solution. I am sure that the best way to apprehend and reduce the risk, should it emerge, is to catch it where it begins and try to deal with it there.

Finally, my understanding is that there is not yet evidence that the H5N1 virus, which is the one of most concern, is transmitted from person to person. Transmission seems to be from avian exposure to person, but not yet from person to person. The concern is to recognize immediately, should it occur, the mutated virus developing the capacity to transfer from person to person. The whole scientific community engaged in this issue is watching every piece of evidence in the hope that the virus never does develop that mutation.

I am sure that honourable senators are aware from the media that research is even being done into the so-called Spanish Flu that occurred from 1918 to 1920, which is said to have killed as many as 50 million people over two years, most of them in their 20s and 30s.

Senator Forrestall: Now you are pushing your luck.

Senator Austin: Efforts are being made, including by Canadian researchers, to recover that flu in order to trace it. Researchers have indicated that the Spanish Flu virus has an unhappy similarity to the H5N1 virus. The alerts are out.

INDUSTRY

MR. DAVID DINGWALL—REGISTRATION AS
LOBBYIST FOR BIONICHE LIFE SCIENCES INC.

Hon. David Tkachuk: I will move from the pandemic virus to the corruption pandemic, honourable senators. My question is about Mr. Dingwall's lobbying activities. As honourable senators will recall, as a result of a contract signed in 2000, Bioniche Life Sciences paid David Dingwall a \$464,000 success fee to get money from the government. Mr. Dingwall neglected to register as a lobbyist for Bioniche until three years after the fact.

Given that Mr. Dingwall finally registered as a contingency-fee-basis lobbyist for Bioniche in 2003, could the Leader of the Government in the Senate advise the Senate why this was not caught by the Government of Canada until an audit during the summer of 2005?

Hon. Jack Austin (Leader of the Government): Honourable senators, the minister responsible for the Lobbyists Registration Act is the Honourable David Emerson. He has made it clear in the other place that the recovery of the payment made by the corporation to Mr. Dingwall is a matter between them. It is not a matter affecting the Government of Canada because the Government of Canada did not lose any funds as a result.

With respect to the question of registration, I can only say that Mr. Dingwall is appearing before a committee in the other place this afternoon, and the best evidence of his behaviour will be given by him. I am sure these questions will be asked there.

Senator Tkachuk: I understand the position, but if Mr. Dingwall has \$464,000 in his pocket and Bioniche repaid the government, or the Technology Partnerships Canada, \$464,000, why did the government accept the money from Bioniche?

Senator Austin: As it happens, that company was in derogation of its undertakings. It received funds without meeting the criteria for the transfer of those funds under the Technology Partnerships Canada program. The company, therefore, had an obligation to return those funds.

Senator Tkachuk: Bioniche President Graeme McRae was quoted by *The Globe and Mail* on October 1 as saying:

Those TPC loans are very complex documents, they're very complex loans. And it is sort of standard procedure to use a lobbyist.

If a business is not capable of understanding a loan application, how does it qualify for a loan?

Senator Austin: Eventually this applicant did not receive the loan.

Senator Tkachuk: It did not receive a loan? Of course it did. It got some \$400,000. Bioniche got over \$4 million.

Senator Austin: How much?

Senator Tkachuk: It got \$ 3 million or \$4 million.

Senator Austin: Would you repeat the amount?

Senator Stratton: It was \$3 million to \$4 million.

HEALTH

POSSIBLE AVIAN FLU PANDEMIC— REQUEST FOR UPDATE

Hon. Madeleine Plamondon: Honourable senators, I would like to return to the matter of the threatening bird flu pandemic. The Senate is studying demographics, and finds that people over 65 will be a large part of our population and will be a burden on

the health system. We are studying productivity and we find that we have to be more productive. If there is a pandemic and if the bird flu vaccine is limited, is there not a temptation to solve the problem by selecting those who will get the vaccine? Has this been discussed?

• (1420)

Hon. Jack Austin (Leader of the Government): Honourable senators, of course there is discussion underway as to the priorities with respect to the use of the vaccine should a pandemic occur. My understanding is that it is based on individuals at risk, not on impact with respect to the economy.

THE SENATE

INTRODUCTION OF PAGES

The Hon. the Speaker: Honourable senators, before moving on to Orders of the Day, I would like to introduce some more Pages, starting with Amy Robichaud.

Amy Marlene Robichaud was born and raised in Calgary, Alberta. She is taking a degree in international studies and modern languages, with a minor in public policy, at the University of Ottawa.

[Translation]

Éric Carpentier comes from the magnificent Outaouais region in Quebec and is beginning his third year in biopharmaceutical sciences at the University of Ottawa.

Joannie Jacob was born in Amos, Quebec, but has lived in the small town of Maniwaki since the age of six. She is in her second year of international studies and modern languages at the University of Ottawa. Welcome, all of you.

[English]

ORDERS OF THE DAY

HAZARDOUS MATERIALS INFORMATION REVIEW ACT

BILL TO AMEND—THIRD READING— DEBATE ADJOURNED

Hon. James S. Cowan moved third reading of Bill S-40, to amend the Hazardous Materials Information Review Act.

The Hon. the Speaker: Does the Honourable Senator Cowan wish to speak?

Senator Cowan: No, I have said all I wished to say at second reading.

On motion of Senator Stratton, for Senator Cochrane, debate adjourned.

SPAM CONTROL BILL

SECOND READING—DEBATE CONTINUED

On the Order:

Resuming debate on the motion of the Honourable Senator Oliver, seconded by the Honourable Senator Cochrane, for the second reading of Bill S-15, An Act to prevent unsolicited messages on the Internet.—(*Subject-matter referred to the Standing Senate Committee on Transport and Communications on February 10, 2005*)

Hon. Bill Rompkey (Deputy Leader of the Government): Honourable senators, this item stands at day 15 now but I ask that it remain on the Order Paper, and perhaps we could roll it over. The subject matter is under discussion before the Transport Committee at the moment, and we need to retain the item on the Order Paper for discussion once the committee concludes its consultations.

The Hon. the Speaker: Is it agreed, honourable senators?

Hon. Senators: Agreed.

On motion of Senator Rompkey, debate adjourned.

BANKRUPTCY AND INSOLVENCY ACTBILL TO AMEND—SECOND READING—
DEBATE CONTINUED

On the Order:

Resuming debate on the motion of the Honourable Senator Biron, seconded by the Honourable Senator Robichaud, P.C., for the second reading of Bill S-30, An Act to amend the Bankruptcy and Insolvency Act (RRSP and RESP).—(*Honourable Senator Rompkey, P.C.*)

Hon. Madeleine Plamondon: I would like to speak on this matter eventually because I have something to say. I would, therefore, ask that it be kept on the Order Paper.

On motion of Senator Plamondon, debate adjourned.

BANKING, TRADE AND COMMERCEMOTION TO AUTHORIZE COMMITTEE TO MEET
DURING SITTING OF THE SENATE WITHDRAWN

On the Order:

Resuming debate on the motion of the Honourable Senator Grafstein, seconded by the Honourable Senator Banks:

That the Standing Senate Committee on Banking, Trade and Commerce be authorized to sit at 3 p.m., on Wednesday, October 19, 2005, even though the Senate may then be sitting, and that rule 95(4) be suspended in relation thereto.—(*Honourable Senator Rompkey, P.C.*)

Hon. Bill Rompkey (Deputy Leader of the Government): Honourable senators, this motion has outlived its usefulness. It has been overtaken by events and I ask that it be removed from the Order Paper.

The Hon. the Speaker: Is it agreed, honourable senators?

Hon. Senators: Agreed.

Order withdrawn.

• (1430)

[*Translation*]

LEGAL AND CONSTITUTIONAL AFFAIRSCOMMITTEE AUTHORIZED TO STUDY 2004-05 ANNUAL
REPORT OF CHIEF ELECTORAL OFFICER

Hon. Lise Bacon, pursuant to motion of September 29, moved:

That the document entitled *Annual Report of the Chief Electoral Officer of Canada 2004-2005*, tabled in the Senate on September 28, 2005, be referred to the Standing Senate Committee on Legal and Constitutional Affairs pursuant to section 75(1) of the Privacy Act.

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

[*English*]

Hon. Lowell Murray: I ask the chair of the committee what her intentions or the intentions of the committee are with regard to this report. Is it her intention to call witnesses, beginning with the Chief Electoral Officer himself, and including representatives of the government and others who may be interested in the issues that are raised in that report?

Senator Bacon: Honourable senators, if this is sent to the committee, the committee will decide what to do.

Motion agreed to.

The Senate adjourned until Thursday, October 20, 2005, at 1:30 p.m.

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