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**Tuesday, June 4, 2002**



THE HONOURABLE DAN HAYS  
SPEAKER

This issue contains the latest listing of Senators, Officers of the Senate, the Ministry, and Senators serving on Standing, Special and Joint Committees.

## CONTENTS

(Daily index of proceedings appears at back of this issue).

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## THE SENATE

Tuesday, June 4, 2002

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

Prayers.

### SENATORS' STATEMENTS

#### THE LATE ROBERT E. J. LAYTON

##### TRIBUTE

**Hon. John Lynch-Staunton (Leader of the Opposition):** Honourable senators, it is with great sadness that all those who knew Robert Layton learned of his death earlier this month. While best known by Canadians as a member of the first Mulroney government in 1984 and later as Chairman of the Progressive Conservative Caucus, Bob's great legacy is his many contributions to the Montreal community as a third generation Layton, a prominent and committed Montreal family.

Bob's grandfather, who was blind, trained as a organist and piano tuner in England, emigrated to Canada and established a successful piano business in Montreal. He was a founder of the Montreal Association for the Blind. Bob's father, Gilbert, was a member of the Quebec legislature and a main proponent of pensions for the blind, which turned out to be the first such federal program, known then as a social security program. He and his wife were also actively involved in the Montreal Association for the Blind, and Bob succeeded his father as its chairman. For many years, he involved himself actively in all aspects of its administration.

Whatever Bob was involved in was guaranteed an enthusiastic and determined supporter. As President of the Westmount Rotary Club, he spearheaded the construction of Manoir Westmount, a seniors' housing and nursing facility. He chaired the Alma Mater Fund of McGill University. He led in the expansion of various community facilities in Hudson, a suburb of Montreal, where he and his wife, Doris, lived for many years and raised their three children. During all of this, Bob and a partner established a most successful architecture and engineering design firm that at one time employed more than 100 professionals.

Bob entered politics on the eve of his retirement from his firm. He was elected in the Lachine riding in 1984 and re-elected in 1988. His chairmanship of the PC caucus benefited from the many personal skills and attributes that he had used so successfully in private life. Anyone attending the weekly meetings of the PC caucus at that time, which were not always serene, believe me, was repeatedly struck by how well he melded an engaging personality and patience with firmness and determination. He had the confidence of all and his discretion was legendary. Above all, he showed no favourites, always remaining neutral, whatever the issue, and he remained a firm proponent of loyalty to leader and party. Put simply, he had no axe to grind. According to him, his sole purpose in entering public life was to serve a community and a country that had been so good to him and his family for so

many years. In fact, his community and his country owe him a lasting debt of gratitude for his unlimited contributions — contributions that will be a lasting tribute to a very fine man.

### THE SENATE

#### EARLY EXPERIENCE ON BECOMING SENATOR

**Hon. Ronald J. Duhamel:** Honourable senators, when I was appointed to the Senate in September, I was overwhelmed — and that is not an exaggeration — by the kindness of all senators: their warmth, their knowledge of issues, and I could go on. Allow me to add one more point: how much work and the quality of work being done in the Senate is not always known or appreciated. I had some idea, but having been here for only a short time, I assure honourable senators that I can now speak about the Senate with even more passion than I did before.

The work that is done by senators, and a great amount of that has been done by certain individuals, has been quality work on important issues and questions. I thank honourable senators for that.

*[Translation]*

You have been warm and welcoming to me and I thank you all. I greatly appreciated your reception. The issues you deal with here are very important and I appreciate them more and more, every day, every week, every month. Many Canadians share my opinion.

When I arrived here, bursting with enthusiasm, I felt I was capable of getting right down to work. I hesitated, however, because of the medication I was having to take. I did, however, start preparing and identifying the projects I could pursue once my health allowed. That was my plan.

If I hesitated to respond to the kind offers to join a committee, it is because I was afraid I would have to withdraw.

*[English]*

I had hoped to become involved in Senate activities quickly because that is my nature, but I was afraid that the new medication I was about to take would prevent me from continuing the work I had started. I compromised and decided that I would wait to see what my health would permit. By the end of June, I will have done a modest amount of work, compared to many of my more active colleagues, on two important projects. One will be with Ms Maria Chaput, whom some honourable senators have met, on the issue of assimilation in Manitoba. I wanted to ensure that Ms Chaput was available in case I could not make the presentation.

*[Translation]*

Ms Chaput has 25 years of experience and can evoke a cultural space.

• (1410)

[English]

I have identified another four to six projects, at least.

**The Hon. the Speaker:** Honourable Senator Duhamel, I regret to advise you that your three-minute statement time has expired.

**Hon. Sharon Carstairs (Leader of the Government):** Honourable senators, may the senator have leave to continue his statement?

**Hon. Senators:** Agreed.

**The Hon. the Speaker:** Please continue, senator.

**Senator Duhamel:** I will not take more than 10 seconds, honourable senators.

I hope to be able to pursue these additional four to six projects in the fall.

I wish all honourable senators a great summer. I look forward to seeing you all in the fall.

## CHINA

### THIRTEENTH ANNIVERSARY OF TIANANMEN SQUARE MASSACRE

**Hon. Consiglio Di Nino:** Honourable senators, today people everywhere pause to mark once again the anniversary of the 1989 massacre in Beijing's Tiananmen Square. It was 13 years ago today that Chinese authorities used tanks and troops to suppress popular demonstrations that were taking place in favour of greater personal and political freedom in China. Against a massive show of armed force put on by their government, the courageous people of China who were gathered in Tiananmen Square that day had only banners and hope. Within the space of a few short hours, what to that point had been a peaceful and joyous expression of popular desire for change was crushed. In its place was a tangled carnage of bodies, blood and bent bicycles.

Honourable senators will remember how the Chinese government at first denied that anything untoward had taken place. When faced with massive, worldwide condemnation, they tried to take the high road by branding those in the square as traitors, terrorists and undesirable elements. Who can forget the picture of that one lone man, standing bravely before a line of tanks?

Honourable senators, the events of June 4, 1989, remind us of a fundamental reality. It is a reality that has not changed despite all of this government's talk about self-power and velvet diplomacy. China is a dictatorship. It is a nation governed by a small cadre that systematically denies its citizens fundamental civil, political and religious rights — rights that they are entitled to as members of a civilized world, and rights that most people in most countries

take for granted. Ultimately, however, I firmly believe that freedom will come to China and to its people. There will be political and economic reform. It is only a matter of time.

The Chinese government's policy of having many fingers in the dike cannot last forever. It takes more than tanks and bullets to destroy the human spirit's thirst for freedom, which the Chinese people have admirably demonstrated. The people in Tiananmen Square paid a heavy price for their beliefs. Many paid the ultimate price. It is to be hoped that what happened that day will not have been in vain. That is why we in this country, and people in every democracy throughout the world, owe it to those courageous Chinese to remember their sacrifice and, in their memory, to continue to push for freedom and democracy in China.

[Translation]

## FORTUNES OF LIBERAL PARTY

**Hon. Laurier L. LaPierre:** Honourable senators, like Sir Wilfrid Laurier, some of us here can say unequivocally:

I am a Liberal, and like them I feel that ... there are abuses to set right, new horizons to be explored, new strengths to be developed.

[English]

We've had a bad week!

However, it was a week that was far from being as bad or as shattering as those who do not share the depth of our fortitude, predicted for us. Over the weekend, the dollar was to collapse and the economy was to drop from the height to which this government has propelled it with the intelligence and the dogged determination of a remarkable and dedicated man, the Honourable Paul Martin, aided by cabinet colleagues who contributed their advice, concern and abilities, a strong caucus that articulated clearly its hopes and aspirations, and a Prime Minister who leads with extraordinary vigour, constantly opening up opportunities in order for others to seize the day. We seized the day, and none of what was predicted, and even hoped for, has occurred.

Over the weekend, and on this very day, journalists, pundits, business executives and experts of all kinds and sorts, attuned to their ignorance of Canadian political history, of constitutional practices and of the workings of parliamentary government — and with a repetition that dims the art of the rapper, and claiming to be inspired by the Holy Ghost — took out their crystal ball and, with an infallibility that would put the Pope to shame, announced, among other things, that the Prime Minister's African strategy was in shambles; that the cities would not have a hope in hell of getting well through an infusion of federal monies; and, above all, that the Prime Minister was toast — and that it was, and is, all the fault of the people of Quebec.

The essential reason for this massive outpouring of non-talent is not to weaken or defeat the Liberal Party; it is essentially to humiliate and, most deliberately, to bring the Prime Minister of Canada to his knees and force him to resign.

Honourable senators, we shall not allow that to happen, and we shall overcome. Vive le Canada!

## POLITICS OF LIBERAL PARTY

**Hon. Gerry St. Germain:** Honourable senators, once again, the country's interests have been relegated to second place by an arrogant government more concerned with political survival and partisan posturing than with anything else. The Prime Minister has had a showdown with one of his senior ministers, and Canadians were the losers. While the two tangled over who would be the leader of a tired, directionless, political party, Canada's economic stability and our international reputation were left to hang out to dry.

Regardless of the victor in this high drama shootout, Chrétien or Martin, Canadians will be left with a tired and out-of-touch dictator at the helm. The Prime Minister is a relic of the past era, plodding along without direction and without vision. The minister he fired, the would-be leader, is also a man from another era with ambitions that far exceed his abilities. Canadians will never forget that he is the minister who steered us to a 60-cent dollar and has allowed foreigners to expropriate our corporations at fire sale prices. New leadership is required in this country, and it cannot be found within the ranks of the arrogant Liberal Party, regardless of who wins this internal war.

## THE LATE OTTO LOWY

### TRIBUTE

**Hon. Francis William Mahovlich:** Honourable senators, last week Canada lost one of its greatest storytellers. Otto Lowy, host of CBC radio's musical series "The Transcontinental," passed away at the age of 81. For 22 years he took us on a weekly journey through Europe, on one of the CBC's most popular shows.

Mr. Lowy was born in Prague, Czechoslovakia, came to Canada in the early 1950s, and settled in Vancouver where he dedicated himself to the arts community. He was one of the first members of ACTRA and, at one time, served as national director.

This most remarkable individual received many awards throughout his lifetime. In 1994, he was awarded the Austrian Gold Cross of Merit for Science and the Arts and also received a Great Honour Medal for Services to the State of Lower Austria. He was inducted into the British Columbia Entertainment Hall of Fame in 1998, in recognition of his work in broadcasting over the last 50 years.

In 1999, the Czechoslovakian Association of Canada awarded him the Masaryk Award for his contributions in creating awareness, in Canada, of Czech music and history. He also received the Czech Republic's President's Award, personally brought to Canada by Czech President Vaclav Havel. A great Canadian broadcaster, actor, writer and director, Mr. Lowy will be fondly remembered by all his loyal listeners.

Last Sunday, my wife and I enjoyed the last program of "The Transcontinental." They played Bob Hope's theme song, "Thanks for the Memory," which was sung by Vera Lynn. I

hope, honourable senators, you will join with me in extending our deepest condolences to Mr. Lowy's family.

## VISITORS IN THE GALLERY

**The Hon. the Speaker:** Honourable senators, I should like to draw your attention to the presence in our gallery of Mr. Halldor Blondal, President of the Althingi, the Icelandic Parliament. He is accompanied by his wife, by one of his parliamentary colleagues, the chairman of their fisheries committee, and by Iceland's ambassador to Canada.

Welcome to the Senate of Canada.

Honourable senators, I should also like to draw your attention to the presence in our gallery of a former Senate colleague, the Honourable Richard Stanbury, accompanied by his wife.

Welcome back.

• (1420)

## ROUTINE PROCEEDINGS

### LEGISLATIVE INSTRUMENTS RE-ENACTMENT BILL

#### REPORT OF COMMITTEE

**Hon. Lorna Milne,** Chair of the Standing Senate Committee on Legal and Constitutional Affairs, presented the following report:

Tuesday, June 4, 2002

The Standing Senate Committee on Legal and Constitutional Affairs has the honour to present its

#### EIGHTEENTH REPORT

Your Committee, to which was referred Bill S-41, *An Act to re-enact legislative instruments enacted in only one official language*, has, in obedience to the Order of Reference of Wednesday, March 10, 2002, examined the said Bill and now reports the same with the following amendments:

1. *Page 1, clause 2:* Replace line 15 with the following:

"(a) an instrument enacted before the coming into force of section 7 of the *Official Languages Act* on September 15, 1988 by, or with the"

2. *Page 2, clause 4:*

(a) Replace lines 11 to 13 with the following:

"guage and, at the time of its enactment, was published in only one official language or was exempted by law from the requirement to be published in a government publication, the Governor in"

(b) Replace lines 29 to 37 with the following:

“subsection (1) unless the contravention occurred after the instrument was re-enacted and published in both official languages.”

3. *Page 3, clause 4:* Add, after line 10, the following:

“(7) Upon the expiration of six years after this Act comes into force, any legislative instrument described in subsection (1) that has not been re-enacted in both official languages is repealed.”

4. *Page 3, clause 6:* Replace lines 29 to 37 with the following:

“6. The English and French versions of an instrument re-enacted under section 3 or 4 are equally authoritative.”

5. *Page 3, new clauses:* Add after line 37 the following:

“7. An instrument that was repealed or that otherwise ceased to have effect on or before the day on which this Act comes into force is not by virtue of this Act or any regulation made under this Act revived in respect of any period subsequent to its repeal or ceasing to have effect.

8. (1) The *Statutory Instruments Act* does not apply to an instrument re-enacted under section 3 or to a regulation made under section 4.

(2) Instruments re-enacted under section 3 and regulations made under section 4 stand permanently referred to the Committee referred to in section 19 of the *Statutory Instruments Act* for review and scrutiny.

9. (1) Within five years after the day on which this Act comes into force, the Minister of Justice shall complete a review of the implementation and operation of section 4.

(2) Subject to subsection (3), within one year after the review is completed pursuant to subsection (1), or within such further time as may be authorized by both Houses of Parliament, the Minister of Justice shall submit a report on the review to each House of Parliament that includes:

(a) a description of the measures taken to identify legislative instruments referred to in subsection 4(1);

(b) a list of any legislative instruments that have been repealed and re-enacted under subsection 4(1); and

(c) a list of any legislative instruments referred to in that subsection that have been identified but that have not been repealed and re-enacted.

(3) The report referred to in subsection (2) shall, in respect of legislative instruments of a class referred to in subsection 15(3) of the *Statutory Instruments Regulations*, set out only the number of such instruments that are the types described in paragraphs (2)(a) and (b).”

Respectfully submitted,

LORNA MILNE  
Chair

**The Hon. the Speaker:** Honourable senators, when shall this report be taken into consideration?

On motion of Senator Milne, report placed on the Orders of the Day for consideration at the next sitting of the Senate.

[Translation]

## FISHERIES

### BUDGET AND REQUEST FOR AUTHORIZATION TO ENGAGE SERVICES AND TRAVEL—STUDY ON MATTERS RELATING TO OCEANS AND FISHERIES—REPORT OF COMMITTEE PRESENTED

**Hon. Gerald J. Comeau,** Chair of the Standing Senate Committee on Fisheries, presented the following report:

Tuesday, June 4, 2002

The Standing Senate Committee on Fisheries has the honour to present its

## SIXTH REPORT

Your Committee, which was authorized by the Senate on March 25, 2002, to examine and report upon the matters relating to oceans and fisheries, respectfully requests, that it be empowered, to engage the services of such counsel and technical, clerical and other personnel as may be necessary, and to adjourn from place to place within and outside Canada for the purpose of such study.

Pursuant to section 2:07 of the *Procedural Guidelines for the Financial Operation of Senate Committees*, the budget submitted to the Standing Committee on Internal Economy, Budgets and Administration and the report thereon of that Committee are appended to this report.

Respectfully submitted,

GERALD J. COMEAU  
Chair

(For text of report, see today's Journals of the Senate, p. 1662.)

**The Hon. the Speaker:** Honourable senators, when shall this report be taken into consideration?

On motion of Senator Comeau, report placed on the Orders of the Day for consideration at the next sitting of the Senate.

## CONSULTATION PROCESS OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT DEPARTMENT ON ABORIGINAL SELF-GOVERNMENT

### NOTICE OF INQUIRY

**Hon. Aurélien Gill:** Honourable senators, pursuant to rule 57(2), I give notice that on Thursday next, June 6, 2002:

I will call the attention of the Senate to the consultation process by the Department of Indian and Northern Affairs regarding self-government and governance.

[English]

## UNVEILING OF PORTRAITS OF SIR JOHN ABBOTT AND SIR MACKENZIE BOWELL AND RESULTING INSIGHTS ON CURRENT EVENTS

### NOTICE OF INQUIRY

**Hon. Lowell Murray:** Honourable senators, I give notice that on Thursday next:

I will draw the attention of the Senate to (a) the unveiling of the portraits of former Prime Ministers Senator Sir John Abbott and Senator Sir Mackenzie Bowell on Monday, June 3, and (b) insights to current events to be gleaned therefrom, including the challenge to Prime Minister Bowell by Sir George Foster, his finance minister.

## QUESTION PERIOD

### TREASURY BOARD

#### DISCLOSURE OF WRONGDOING IN THE WORK PLACE

**Hon. Noël A. Kinsella (Deputy Leader of the Opposition):** Honourable senators, last week, the Prime Minister issued his warning to his rebel ministers and his rebel MPs, and on Sunday last we saw the warning acted upon by the Prime Minister with the finance minister being replaced. The week before, the defence minister was fired. The ministers can look after themselves, and I am sure some of the MPs are able to gather together and look after themselves. I am more concerned with the warning the Prime Minister directed at public servants, when the Prime Minister stated:

Bureaucrats? Give me the names of the bureaucrats too who would do that.

Obviously, honourable senators, a question must be put to the Leader of the Government in the Senate and, thus, to the government. Is the policy of the Treasury Board the policy on internal disclosure of information concerning wrongdoing in the workplace? This is a policy which the President of the Treasury Board describes on her Web site as:

...when an employee has reasonable grounds to believe that another person has committed a wrongdoing in the workplace, he/she should be able to disclose this information through clearly defined processes with

confidence that he/she will be treated fairly and protected from reprisal.

**Hon. Sharon Carstairs (Leader of the Government):** Honourable senators, that is the policy of the Government of Canada. It is announced by the Treasury Board and is fully supported by the Prime Minister of this country.

### PUBLIC WORKS AND GOVERNMENT SERVICES

#### SPONSORSHIP PROGRAMS—CONTRACTS AWARDED TO GROUPLICATION MARKETING INC.

**Hon. W. David Angus:** Last Thursday, the Prime Minister defended the very flawed contracting process that led to the Groupaction scandal as being a necessary measure to help keep Canada unified. However, the Auditor General has told us that Groupaction was paid for work it did not, in fact, perform. Her report states:

Key elements of what was specified in the contracts were never delivered, and no one has been able to find either a draft or an earlier version for the report for the second contract, for which the government paid \$549,990.

Officials approved payments for work that varied considerably from what the contracts specified. In a few cases, payments were approved with the knowledge that the requirements of the contracts had not been fully met.

Honourable senators, most Canadians would not even write a \$50 cheque to an electrician who had fixed the lighting system in their house until they could flip a switch and see the lights come on, let alone issue a cheque for \$550,000.

My question to the Leader of the Government in the Senate is, if, as Mr. Chrétien pretends, the sponsorship program was so essential to holding our country together, why was no effort made to ensure that the work was actually carried out before a cheque was issued?

**Hon. Sharon Carstairs (Leader of the Government):** The purpose of the sponsorship program is to support festivals and artistic endeavours, as well as sports activities. The program has recently been halted because the government wanted to ensure that all the appropriate measures in accountability and transparency were being taken.

Let us be very clear here: It was the government that called in the Auditor General. It was the government that indicated that, if the RCMP needed to be called in, they would be. It is the government who has, upon reviewing the Auditor General's report, indicated that there needs to be a much broader examination of the sponsorship program, and that is being undertaken.

**Senator Angus:** Honourable senators, I appreciate that concession from the government leader. We understand the Prime Minister himself has conceded that almost none of the established rules for the contracting process were followed and that millions of dollars may have been stolen or lost as a consequence. Can the government leader please give us an idea of how much money has been stolen or lost as a result of this flawed process?



**Senator Carstairs:** What the Prime Minister said, and very clearly, was that monies “might have been,” or “perhaps were,” and that is exactly why the Auditor General has been called in. That is why she has been encouraged to broaden her investigation. The Prime Minister went on to say that if it were discovered that criminal activity did take place, the accused would be prosecuted to the full extent of the law.

• (1430)

#### SPONSORSHIP PROGRAMS—IDENTIFICATION OF SOURCES OF LEAKS TO MEDIA

**Hon. Gerry St. Germain:** Honourable senators, I point out to the Leader of the Government in the Senate that when reference is made to the fact that the government did this and that, they only did “this and that” after information had surfaced from whichever source. That is the only time that the government took action.

On Saturday, the *Winnipeg Sun* reported that the Government Leader in the Senate lashed out at bureaucrats and fellow Liberals, urging those who had leaked information about government corruption to be honest and step forward. If the information emerging is correct, why would we want these people to step forward and be recognized? If the information is correct about the Liberal Party and the goings-on within these ministries, why would we be concerned about where the information is coming from while seeking transparency and honesty?

**Hon. Sharon Carstairs (Leader of the Government):** Honourable senators, I will begin by encouraging Senator St. Germain to come to my office and listen to the actual tape of the interview that I had with the *Winnipeg Sun*. Not by the greatest stretch of imagination could the interpretation of that interview be that I lashed out at anyone. I have it on tape. The honourable senator is more than welcome to come and listen to it in my office.

I would point out to the honourable senator that the government began its investigation after the information surfaced. An audit was put into place within the Department of Public Works and Government Services in the year 2000, during which irregularities were discovered. The government then put into place rules and regulations aimed at correcting those mistakes and irregularities. Indeed, the government has been engaged in this file for some time.

#### NATIONAL DEFENCE

##### REPLACEMENT OF SEA KING HELICOPTERS— WITHDRAWAL OF NH INDUSTRIES FROM COMPETITION

**Hon. J. Michael Forrestall:** Honourable senators, my question is to the Leader of the Government in the Senate. I ask this question because sometimes I think that the minister believes that I have forgotten about helicopters.

I have been told that NH Industries is in the process of withdrawing from the Maritime Helicopter Project competition, if it has not already done so. Can the minister confirm that this is indeed the case, and that now only Sikorsky and EH Industries remain?

**Hon. Sharon Carstairs (Leader of the Government):** Honourable senators, I have not been informed that NH Industries has

withdrawn from the bidding process, but I will attempt to elicit that information and either confirm or deny what the honourable senator has put before the chamber this afternoon.

**Senator Forrestall:** Honourable senators, we will soon be adjourning with 60 or 70 questions on the Order Paper. We will not be out of here next week; just watch. Remember where you heard it first.

I have been told, honourable senators, that if only two companies are left in the competition to replace the Sea King, the government could very well bypass the pre-qualification phase and move immediately to a request for proposal. Could the minister ascertain if that is true and return to us with a reply on whether it is the government's intention to request proposals?

Could the minister also tell us if NH Industries has, at any time in the past, complained about the maritime helicopter competition? If so, what was the nature of that complaint? If the Honourable Leader of the Government in the Senate could ferret out that information, I would be grateful.

**Senator Carstairs:** There are a number of parts to the honourable senator's question. First, is there to be a change in the process? I would say that no determination has been made at this point that there will be any change in the process. The process will continue to be the one that has been clearly outlined on the Web site for some time.

In regard to the 60 or 70 questions that the honourable senator has put on the Order Paper, I think that it is more like 225 questions, all of which have been answered, perhaps not always to the honourable senator's satisfaction. However, they have been answered.

As to the honourable senator's final questions, I think it has been clear all along that all of the companies engaged in the process of bidding on these helicopters have raised objections. That has made it such an open and transparent process.

**Senator Forrestall:** The minister will be aware, of course, that there is a world of difference between raising valid objections to a part of a process and complaining about it. I wonder whether the minister would keep that in mind when she obtains information that she can bring back to us.

**Senator Carstairs:** Honourable senators, obviously, all of these busy companies would like the specifications to actually meet their specifications. They would be delighted, clearly, if the government would come forward with a proposal for a helicopter design that absolutely met every single thing that they could do. However, that is unlikely to be the case. Most of the concerns and complaints raised by the companies are published on the Web site.

[Translation]

#### FINANCE

##### TAX OVERPAYMENTS TO PROVINCES

**Hon. Roch Bolduc:** Honourable senators, my question is for the Leader of the Government in the Senate. We have learned from the media that the federal government apparently made overpayments to the provinces. Some of them were due to a fairly complicated equalization formula, which uses forty odd

criteria to distribute funds. There are also transfer payments other than equalization. The result is that every year, for equalization alone, one per cent of Canada's gross national product, the equivalent of \$10 billion or \$11 billion annually, plus the other transfer payments, goes back to the provinces.

For four or five years, there have apparently been mistakes in how the federal government worked out the formula. Public servants apparently miscalculated and made overpayments to the provinces.

Is Ottawa going to try to recover this money from the provinces? This will have a serious impact on the finances of certain provinces. Manitoba, the province our whip is from, has apparently received overpayments of \$450 million. In Ontario, the figure is \$2.8 billion. This is a lot of money.

Right now, we know that former Minister of Finance, Mr. Martin, would have agreed to let this go. This morning, we learned that Mr. Manley does not agree. He wants to recover the money. Could we know Mr. Chrétien's views on this?

[English]

**Hon. Sharon Carstairs (Leader of the Government):** Honourable senators, let me begin by saying that there has been absolutely no change in the fiscal policy of the government from one Minister of Finance to the other. The honourable senator has raised an issue this afternoon about overpayments. The one that clearly is of the greatest concern to me is the overpayment to the Province of Manitoba because, in proportion to its number of citizens, it is far larger than the overpayment to the Province of Ontario.

The Auditor General has just reported this week on what she believes are the most accurate statistics. There is more clarity, I must tell you, in the period between 1996 and 1999 than there is in the period between 1993 and 1996. However, the government has been discussing the entire issue with the provinces. At this point in time, no decision has been made.

[Translation]

**Senator Bolduc:** Am I to understand that you do not yet know whether you will be recovering this money or allowing the provinces to keep it? This is serious: we are talking about \$4 billion! It is almost 40 per cent of annual equalization payments.

[English]

**Senator Carstairs:** As the honourable senator may well know, the matter is even more complicated than that. In light of overpayments to my province, for example, the Province of Manitoba, it also means that they probably did not receive the amount of equalization payments to which they would have been entitled, had they not received this overpayment.

This is a very complicated file; thus negotiations are ongoing, and no decisions have been made.

• (1440)

**Hon. Terry Stratton:** Honourable senators, I would like to follow up on Senator Bolduc's question because, as the minister knows, we are concerned about the overpayment to Manitoba in the sum of \$608 million. I had asked a question on this matter

before, and the minister had assured me that it was being closely examined. However, it keeps persisting.

In the *Winnipeg Sun* of May 23, David Gamble told us that Paul Martin, then the finance minister, was ready to write off all or most of the \$608 million. However, Mr. Gamble goes on to say that two key Ontario ministers, Deputy Prime Minister John Manley and Transport Minister David Collenette, are leading the charge to have Ontario, Alberta, Manitoba, and B.C. cough up the money, as it were.

I know the minister is involved with this matter at the cabinet level. Certainly she can take the rumour mills out of the newspapers by saying unequivocally that that is not true. Is it true that these ministers are pushing for this reimbursement?

**Senator Carstairs:** Honourable senators, let me begin by saying that I share the honourable senator's concern, particularly with respect to our province, but also for the other provinces that have been affected.

Members of the government, including the former excellent finance minister, have maintained all along that the issue could not be determined until we had a correct evaluation and a clear set of numbers. Honourable senators, that clear set of numbers was provided to the government only this week. Unlike what the newspapers might have to say, no discussions have taken place at this point in time.

## POLITICS OF LIBERAL PARTY

### COMMENTS BY NEWLY ELECTED MEMBER OF PARLIAMENT FOR BONAVIDA-TRINITY-CONCEPTION

**Hon. C. William Doody:** Honourable senators, my question is for the Leader of the Government in the Senate. It is prompted by a concern for the obviously distraught condition exhibited by my friend, the recently elected member for Bonavista-Trinity-Conception, Newfoundland. He is quoted in the *St. John's Telegram* as having said:

My god, is there anywhere I can go in the political world that I can get some peace and quietness? I have only been here two weeks and look at the mess that happened: two ministers fired and one minister transferred from his post to a position of house leader.

Is there any comfort or solace that the Leader of the Government can offer? He is obviously quite concerned.

**Hon. Sharon Carstairs (Leader of the Government):** Honourable senators, I am very sorry that he is so concerned. I must say that I think it is incredibly naive for someone to enter political life and think that he or she will have peace and quiet.

**Senator Doody:** Honourable senators, I do not know if Mr. Efford will take comfort from that answer. He goes on to say:

I don't know that the Prime Minister has the ability — Can he bring the party, the caucus, back together? It is not going to be an easy task.

Obviously, Mr. Efford wants this to be a public hearing, and perhaps the Leader of the Government could offer him some advice.

[ Senator Bolduc ]

**Senator Carstairs:** Honourable senators, my advice is that he should put his confidence and faith in the Prime Minister, who has been an active member of the political process for 39 years. He has proven himself over and over to be quite capable of smoothing and soothing the waters when it is necessary to do so.

**Senator Stratton:** You have to be kidding!

**Senator Doody:** Honourable senators, as for Mr. Efford putting the question directly to the Prime Minister, I suspect the Prime Minister will hear about it anyway.

Honourable senators, to finish this for now, Mr. Efford goes on to say:

And they're going to drive a wedge in. And now when you lose a finance minister with Paul Martin's calibre, the opposition, oh, my God, will drive that wedge further. Where does it stop?

Can the minister give us any indication as to when it will stop?

**Senator Carstairs:** Honourable senators, there is no question that the last two weeks have been difficult. However, I have some assurance that it is the intention of the Prime Minister to play golf this Sunday. We can assume, therefore, that the so-called haemorrhaging, if you will, has stopped, that the government is in the Prime Minister's control and that the Prime Minister has the confidence of not only his colleagues in this chamber but in the other chamber as well.

#### REPLACEMENT OF SEA KING HELICOPTERS— POSSIBLE SUPPORT FOR PROGRAM

**Hon. J. Michael Forrestall:** Honourable senators, I, too, have to make up my mind about confidence in the leadership of the other party in Canada. Could the minister tell me whether I have a better chance backing Paul Martin or Prime Minister Chrétien to get helicopters for the Canadian Navy?

**Hon. Sharon Carstairs (Leader of the Government):** Honourable senators, I think we have the suggestion that the honourable senator on the other side might like to drop his present political affiliations and come across the floor. If that is the suggestion he is making, I have to give it some thought. He and I go back a long way and have had many political battles. I was a little younger than he was when he began his political career in Nova Scotia, but I have followed that career throughout his political time in office. If he wishes to come and join us, I would certainly give it every consideration.

## ORDERS OF THE DAY

### ROYAL ASSENT BILL

#### MESSAGE FROM COMMONS

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons returning Bill S-34, respecting royal assent to bills passed by the Houses of

Parliament, and acquainting the Senate that they have passed this bill without amendment.

[Translation]

### COMPETITION ACT COMPETITION TRIBUNAL ACT

#### BILL TO AMEND—MESSAGE FROM COMMONS

**The Hon. the Speaker** informed the Senate that a message had been received from the Commons returning Bill C-23, to amend the Competition Act and the Competition Tribunal Act, and acquainting the Senate that they have agreed to the amendment made by the Senate to this bill without further amendment.

### ROYAL ASSENT

#### NOTICE

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

#### RIDEAU HALL

June 4, 2002

Mr. Speaker,

I have the honour to inform you that the Honourable John Major, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 4th day of June, 2002, at 4:15 p.m., for the purpose of giving Royal Assent to certain bills.

Yours sincerely,

Barbara Uteck  
*Secretary to the Governor General*

The Honourable  
The Speaker of the Senate  
Ottawa

[English]

### FOOD AND DRUGS ACT

#### BILL TO AMEND—THIRD READING— DEBATE CONTINUED

On the Order:

Resuming debate on the motion of the Honourable Senator Grafstein, seconded by the Honourable Senator Cook, for the third reading of Bill S-18, to amend the Food and Drugs Act (clean drinking water).—(*Honourable Senator Cordy*).

**Hon. Jane Cordy:** Honourable senators, we have before us Bill S-18, a bill that seeks to improve the lives of Canadians. For this reason, I would like to thank the author of this bill, Senator Grafstein, for his genuine concern and for raising the level of debate on this subject. When we ignore subjects, we allow them to develop into problems or, in this case, tragedies such as those that occurred in Walkerton, Ontario, and North Battleford, Saskatchewan.

I would like to acknowledge the work of Senator Grafstein on this bill. The Senate and the people of Canada are fortunate to have him addressing such an important issue and raising it to a level of national debate. As parliamentarians and lawmakers, we all take that long hard look in the mirror when tragic events take place, especially those that could have been avoided. We all have asked, "What could I have done to have stopped this from happening or what can I do to keep this from ever happening again?"

• (1450)

Senator Grafstein has certainly responded by drafting Bill S-18. The provinces have done the same thing, be it the Clean Water Watch in Nova Scotia; Ontario's new Drinking Water Protection Regulations; the Long-Term Safe Drinking Water Strategy in Saskatchewan; Water For Life: Alberta's Strategy for Sustainability; the Drinking Water Protection Act, passed April 11, 2001, in British Columbia; or the "Clear from Ground to the Glass" program in Prince Edward Island, just to name a few. Our provincial partners are adjusting their priorities on this very important subject.

The solution to what I believe all senators would agree is an issue of national concern lies not in the unilateral management and regulation of drinking water by the federal government but in greater cooperation among the federal, provincial and municipal governments in Canada.

The Government of Canada must be able to depend on the provinces to deliver on their responsibilities to Canadians. If the Canadian government feels it has to step in and assume responsibility for a provincial jurisdiction simply because it does not feel the provinces are doing a good enough job, we will create an environment of distrust for any future cooperation between the levels of government.

Honourable senators, I believe that we must allow the provinces to do their job and deliver safe, clean drinking water to Canadians from coast to coast, in cooperation with their federal and municipal counterparts. Let us build upon the teamwork that the federal government currently enjoys with the provinces.

I know that Bill S-18 was conceived out of the best intentions for Canadians. I want to thank Senator Grafstein for bringing this most important issue for all Canadians to the floor of the Senate for debate. It is thanks to the work of people like him that solutions will be found.

In his remarks on Bill S-18, Senator St. Germain stated that as a general rule, he would prefer using ordinary common sense rather than unnecessary legislation, but in this situation he would

vote for the legislation. In this case, it is my feeling that the legislation is not necessary, and I would prefer to use what he refers to as "ordinary common sense."

Perhaps the impetus to facilitate an agreement between the various levels of government should come from the federal government. We all want safe, clean drinking water. I do not, however, believe that the solution is to give the responsibility solely to the federal government.

On motion of Senator Beaudoin, debate adjourned.

## FOREIGN AFFAIRS

### BUDGET—STUDY ON EMERGING DEVELOPMENTS IN RUSSIA AND UKRAINE—REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the thirteenth report of the Standing Senate Committee on Foreign Affairs (budget—study on Russia and Ukraine), presented in the Senate on May 30, 2002.—(*Honourable Senator Stollery*).

**Hon. Peter A. Stollery** moved the adoption of the report.

Motion agreed to and report adopted.

### BUDGET—STUDY ON ISSUES RELATED TO FOREIGN RELATIONS—REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the fourteenth report of the Standing Senate Committee on Foreign Affairs (budget—study on Foreign relations), presented in the Senate on May 30, 2002.—(*Honourable Senator Stollery*).

**Hon. Peter A. Stollery** moved the adoption of the report.

Motion agreed to and report adopted.

## STUDY ON MATTERS RELATING TO FISHING INDUSTRY

### REPORT OF FISHERIES COMMITTEE— DEBATE CONTINUED

On the Order:

Resuming debate on the motion of the Honourable Senator Comeau, seconded by the Honourable Senator Johnson, for the adoption of the fifth report of the Standing Senate Committee on Fisheries entitled: *Selected Themes on Canada's Freshwater and Northern Fisheries*, tabled in the Senate on February 19, 2002.—(*Honourable Senator Robertson*).

**Hon. Francis William Mahovlich:** Honourable senators, I wish to make a few comments on the freshwater and northern fisheries report of the Standing Senate Committee on Fisheries.

Let me begin by saying that the Fisheries Committee needs to travel to where the fish are and where the fishing is actually taking place. To fulfil its mandate, it needs adequate resources.

The fisheries are important to Canadians in all regions of the country. In 2000, the commercial harvest before processing was worth a record \$2.7 billion. On the East Coast, there are over 42,000 commercial fishers; on the West Coast, there are some 8,000 fishing licences. The aquaculture sector is expanding. The value of the farmed fish and shellfish in 2000 was \$611 million. Canada is the world's sixth largest exporter of seafood products.

There are well over 4.2 million adult recreational anglers in Canada. The inland or freshwater fisheries stretch from coast to coast to coast. Fish have particular significance for Aboriginal people. In Canada's North, where most fishers are Aboriginal, fishing is not only a traditional way of sustenance; it also generates economic activity where there are few other opportunities.

Many Canadians would be surprised to learn that the people of Nunavut are very much a maritime people, dependent on the sea and its resources. Twenty-five of Nunavut's 26 communities are coastal communities. The same can be said about Nunavik, in Northern Quebec. There, the Inuit reside in 15 communities, all along the coast of Hudson's Bay, Ungava Bay and the Quebec-Labrador coast.

In June of last year, a small group of committee members travelled to Nunavik, where we visited a fish hatchery and the first fishway in the Arctic. The fishway was built to enable Arctic char to swim upriver and spawn in previously unattainable rivers. Arctic char is a major food source for Aboriginal people. Scientific studies in the region show this species to be a safe food source, unlike lake trout in the region that are high in mercury. Once subsistence needs are met, it is hoped that a commercial or sport fishery will eventually develop.

• (1500)

The project is relatively inexpensive and very much a success story, so much so that other communities in Nunavik have expressed an interest in undertaking similar enhancement activities. While producing more fish through enhancement is not a panacea for all the problems or challenges facing the North, it is a good start. In its report, the committee recommended that governments encourage and help fund local river improvement projects such as the one we visited in Nunavik. These smaller scale projects are the ones that have the most positive impacts on communities.

Another matter of concern is the future of Aboriginal youth in the Arctic. Senators Comeau, Watt and Adams have already pointed out that the Inuit population is very young when compared with the rest of the country. The unemployment rate is also very high. This deplorable fact creates serious social problems, including substance abuse and high rates of youth suicide.

The committee noted that lack of capital was a recurring theme in the North, generally. There were concerns about the high costs of entry into the fishery, making it difficult for young people to enter the industry. We were told that financial support and specific policy initiatives were needed to stimulate economic development, and that infrastructure needs to be improved, such as roads, airports and port facilities. In Nunavut, where there is only one commercial fish processing plant, there are no deep-water harbours.

On infrastructure and port facilities, the media recently reported that an Inuit-owned consortium of businesses had filed an application to build a deep-water port in Nunavut, at Bathurst Inlet, as well as 295 kilometres of road. According to a federal document that recommended funding a feasibility study, and I quote from *The Edmonton Journal*:

An Arctic coast road and port system servicing the mining industry from the North would be the single most important economic stimulus that would change the entire cost structure and viability of almost every known marketable mineral resource in the area.

The port would decrease the freight cost of general goods and create up to 1,400 direct and indirect jobs a year for 20 years.

Honourable senators, developing infrastructure in the North makes good economic and social sense in the long term. Infrastructure is critical in helping to build a brighter future for our young northern Canadians.

In closing, I wish to stress once again the importance of travel, meeting people in the regions and discovering first-hand the challenges they face. This is especially so for a committee that is mandated to look at Canada's fisheries.

I should also like to commend the chair of the committee, Senator Comeau, and the deputy chair, Senator Cook, for their dedication and guidance in the conduct of our northern and freshwater study.

On motion of Senator Robertson, debate adjourned.

## STUDY ON STATE OF HEALTH CARE SYSTEM

### INTERIM REPORT OF SOCIAL AFFAIRS, SCIENCE AND TECHNOLOGY COMMITTEE—DEBATE CONTINUED

On the Order:

Resuming debate on the motion of the Honourable Senator Kirby, seconded by the Honourable Senator Poulin, for the adoption of the seventeenth report of the Standing Senate Committee on Social Affairs, Science and Technology entitled: *Volume Five: Principles and Recommendations for Reform — Part 1*, tabled in the Senate on April 18, 2002.—(Honourable Senator LeBreton).

**Hon. Brenda M. Robertson:** Honourable senators, the Standing Senate Committee on Social Affairs, Science and Technology has reached a critical point in its study of the state of our health care system. We have embarked upon a quest for answers to two fundamental questions: First, how much will it cost to sustain Canada's publicly funded health care insurance system; and, second, what are the available options for raising the money?

With over two years of detailed work, the committee has laid the foundation for two major tasks. First, to develop recommendations on financing and restructuring health care; and, second, to address the equality and fairness of programs and services across the country, especially the coverage for prescription drugs and home care services.

The committee expects to present clear answers and choices on these issues in the eighteenth report of the Standing Senate Committee on Social Affairs, Science and Technology, which will be debated in the fall.

As a former provincial health minister and as one who has sat on the other side of the table in negotiations over the delivery of health care in Canada, I wish to say a few words about the federal government's role in our publicly funded health care system. As the report states:

Although the delivery of health care in Canada is primarily a provincial and territorial responsibility, the Committee believes that the federal government has a critical role to play in facilitating, encouraging and accommodating the provinces and territories in their efforts to restructure and reconfigure their health care systems. The Committee is convinced that the vast majority of Canadians are looking to the federal government for collaborative support and partnership in effecting the needed changes in the health care system.

Perhaps the federal government's most important role, certainly from the perspective of provinces with smaller economies, such as my province of New Brunswick, is that only the federal government is in a position to ensure that all provinces, regardless of the size of their economies, have at their disposal the financial resources to meet the health care needs of their residents. As well, the committee believes that the federal government has an important role in creating harmonization.

In the report, we argue that if fundamental changes are to be made to the health care system, they should not be made in only one or two provinces. For example, the report is not only about Ontario and Alberta, two provinces about which we hear so much. It is also about New Brunswick, Quebec and other provinces in Canada.

Interprovincial harmonization, with respect to which services are insured, is an important element of a truly national system. There is an important federal role in encouraging such a harmonization — for example, by using financial incentives or penalties to persuade provincial and territorial governments to accept national standards. I will have more to say about the federal government's role in the system when I discuss the third principle.

Honourable senators, the committee believes that it is also time to turn down the volume on federal-provincial rhetoric. Canadians want Ottawa to work with the provinces and territories in a spirit of collaboration and partnership to address health care renewal. Our citizens are fed up with laying blame and are more interested in positive results and intergovernmental cooperation.

As Senator Kirby said in his remarks in launching this debate, the committee also believes that the time for debating health care reforms in this country is rapidly drawing to a close. It is those two ideas — that the time for talking about health care reform is closing and that the time for collaborative action and change has arrived — that drive our committee in its resolve to make an immediate impact in plotting a course for health care reform in the country.

Honourable senators, the subject of the seventeenth report of the committee is the state of the health care system in Canada. The report contains seven chapters and highlights 20 fundamental principles for reforming the health care system to ensure its long-term viability.

The committee has worked hard to develop a set of principles that are pragmatic, middle of the road in ideological terms, workable and will lead to substantial improvements in the hospital and doctor sectors of the health care system, in particular.

This afternoon I wish to speak briefly about principles 2, 3, 7 and 17. I will conclude my remarks with a comment on chapter 7, which deals with the population health strategy.

Principle 2 relates to the predictability and stability of government funding for public health care insurance. The committee heard repeatedly that there is a major lack of stability and predictability in the policies and financing of the Canadian health care system. Some witnesses testified that the daily realities of elected politics and the high turnover of ministers of health and their deputies has created an atmosphere of unpredictability in federal-provincial and territorial relationships and in health care policies, particularly with regard to those policies that are related to financing.

• (1510)

Similarly, the committee was told that health care funding is heavily dependent on annual revenues to the government and can fluctuate significantly with changes in the economy, while other witnesses identified as troublesome the lack of strategic and long-term planning to deal with the anticipated and growing health care cost pressures resulting from an aging population, rising expectations and costly technology and drugs.

The committee heard that stability and predictability in health care funding, for example in the form of multi-year funding arrangements, is a prerequisite to undertaking any systemic reform and sustaining public confidence.

The committee agrees with the witnesses that there should be stability of, and predictability in, government funding. This is based on the notion that no industry can be expected to effectively operate if, from year to year, its revenue is subject to significant fluctuations over which there is no control. Multi-year funding is essential to running the publicly funded health care system efficiently. This principle must be qualified to ensure that spending in health care does not crowd out other forms of important public spending, nor does it prescribe what sources of revenue are to be used by government in order to guarantee stability and predictability.

The committee is seeking views on two questions arising out of the stability-predictability issue. First, should earmarked taxes or health care insurance premiums be used to pay for health care in order to help ensure the predictability and the stability of funding? Second, should some form of arm's length agency be given the responsibility for managing the health care system in order to shelter the system from the daily rigours of elected politics? Our next report will provide answers to these questions.

Honourable senators, I want to speak briefly to principle three, that the federal government should play a major role in sustaining a national health care insurance system. Although I have already touched on the reasons why it is important that a major federal role be continued, particularly for those provinces with smaller economies, such as my province, two other issues arise: First, should we diversify the revenue sources used to support health care and, second, should provinces and territories have to account for their use of new or additional federal funds?

In terms of revenue sources, the committee heard that if we continue to depend essentially on the general tax base of provincial and federal governments to support health care, we may end up having to increase the rationing of publicly funded health care services. That is why the committee heard testimony which suggested broadening the revenue sources to fund our health care. This could result in improving access and/or increasing the number of publicly insured services. A national health care insurance premium would be an example of an earmarked revenue source that could be used to support health care.

The second issue of provincial-territorial accountability for their use of new or additional federal funding challenges the notion of block funding. Although block funding provides a province with flexibility to move funds around, the evidence provided to the committee showed that block transfers inhibit government accountability.

For this reason, some witnesses suggested that it would be essential to establish a way that would allow federal funding to be targeted to specific purposes. This would allow both a way to measure results and to hold those who spend the funds accountable. The committee is hearing additional testimony on these issues and will have more to say in their next report.

Turning to principle seven, respecting the consequences of changes in the level of government funding, the committee believes that the consequences arising from changes to government funding for hospital and medical care should be clearly understood by government and explained to the public in as much detail as possible at the time such changes are made and announced. This is extremely important and would apply both to increases and to decreases in government funding. In the 1990s, cuts in government funding translated into rationing of the supply of hospital and doctor services. It was not well explained or understood and, quite frankly, became a huge political football that was totally unnecessary.

In the future, for example, if, at the conclusion of a multi-year funding agreement, cuts are required, government must explain what services will be rationed. Similarly, if increases in health care spending are necessary, again government must clearly indicate how such increases will be funded and what impact these increases will have on the supply of health care services.

As the report states, only then will Canadians be able to translate statements about health care funding into what really matters most to them: What is the impact of various levels of funding of the health services that the public receives, the quality of those services and the amount of time that they have to wait to receive them?

Principle 17 refers to a patient-oriented health care system. Currently, in Canada the health care system is organized around buildings, bricks and mortar, and providers; not around individual Canadians. People are expected to fit into the system and get service when and where the system can provide it. Changes must be made to put more focus on patients. Among other things, that means developing a system in which funding follows the patient; not one where dollars flow to where the buildings are.

It is the view of the committee that patients must, at all times, be at the centre of the health care system. Services should be coordinated around their needs for safe, timely and effective care. Ideally, the goal should be an integrated, cost-effective system, characterized by closer working relationships between hospitals, long-term care facilities, primary care, home care and public health.

In practical terms, this does not mean that patients should be entitled to everything the patient wants. The qualification is that services are safe, effective, necessary and affordable. Therefore, the committee believes in the principle that Canadians are entitled to health care that is safe, efficient, patient-oriented, timely, efficient, equitable and affordable.

I want to conclude with a comment on chapter 7, Towards a Population Health Strategy. The report states that population health strategies encompass a broad range of activities ranging from health and wellness promotion to illness and injury prevention through broader policies and programs that influence income distribution, access to education, housing, water quality, workplace safety, and so on. The committee believes that because of their importance, serious consideration should be given by the federal government to devoting more attention, effort and resources to the development and the implementation of population health strategies.

The federal government, which has been recognized as a leader in developing the concept of population health, should show leadership in implementing the population health strategy for all Canadians. To do this, the federal government must begin by breaking down its own ministerial silos that compartmentalize responsibility for health and by coordinating the activities of the different departments whose policies and programs impact on health, starting with the Department of Health and the Department of Finance.

The committee believes that there are enormous benefits to be derived from population health in terms of improving health outcomes for Canadians, but also in terms of the financial impact on the publicly funded health care system.

Before closing my remarks, I should like to recognize Senator Kirby's huge contribution to the overall progress achieved by the committee. Our mandate is a big one. We are where we are because of the leadership of Senator Kirby and Senator LeBreton, and because of the dedication of other regular members of the committee.

Changes must be made, honourable senators, to put more focus on the patients. I do not think we can emphasize that sufficiently. It should be up front. Patients across the country complain and worry about the lack of access to the system. That must change.

Perhaps the real, unsung heroes of our committee, the individuals who have brought us to this point because of their talent, and what must be the unbelievable hours they have put in, are our researchers, Odette Madore, Howard Chodos, and our clerk Cathy Piccinin.

Honourable senators, you could characterize our report as a work in progress. It is driven by the urgent need to move beyond protecting the status quo and preserving the system that was put in place some 50 years ago.

• (1520)

The committee believes that a steady pace of reform is the way to make the restructuring and the renewal of Canada's health care system possible.

I am looking forward to debating the next phase of our report when it is tabled in this chamber in the fall.

On motion of Senator Roche, debate adjourned.

[Translation]

### CRIMINAL CODE FIREARMS ACT

#### BILL TO AMEND—FIRST READING

**The Hon. the Speaker** *pro tempore* informed the Senate that a message had been received from the House of Commons, with Bill C-15B, to amend the Criminal Code (cruelty to animals and firearms) and the Firearms Act.

Bill read first time.

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

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

[English]

### RULES, PROCEDURES AND THE RIGHTS OF PARLIAMENT

#### THIRTEENTH REPORT OF COMMITTEE— DEBATE ADJOURNED

The Senate proceeded to consideration of the thirteenth report of the Standing Committee on Rules, Procedures and the Rights of Parliament (time allotted to tributes in the Senate), presented in the Senate on May 2, 2002.—(*Honourable Senator Austin, P.C.*).

**Hon. Jack Austin** moved the adoption of the report.

He said: Honourable senators, for more than two decades I have witnessed the making of tributes to senators on their retirement, when they have deceased and when they have received other honours. Over that period of time, the practice has varied dramatically from an attempt to have very few but eloquent tributes to the practice of having very long but eloquent tributes.

Recently, senators have been concerned not with honouring their colleagues, which they wish to do, but with the amount of

time that tributes have taken up in the order of precedence prior to that of government business. It has been our principle that government business should be given a high priority in the attention of this chamber. However, unlimited tributes that can be given by 10, 12 or 14 senators mean that not only is all of the government's business not done but also that all of the business following government business, including motions and inquiries, may be lost for that particular day.

The Standing Senate Committee on Rules, Procedures and the Rights of Parliament was pleased to receive an Order of Reference dated December 4, 2001, which was initiated by Senator Lapointe, to call attention to this issue of tributes. The committee had a discussion on this subject and the thirteenth report, which is before you now, honourable senators, is our recommendation.

We have concluded, and recommend to the house, that the period for tributes at the beginning of the business of the chamber be limited strictly to 15 minutes; and that the leadership on each side decide on the allocation of that 15 minutes. This would provide the most formal part of our agenda in dealing with tributes to former colleagues.

I want to make it clear that this period does not prevent the Senate from continuing in another part of its agenda with tributes. For example, we saw Senator Atkins introduce an inquiry in order to provide a tribute to a particular person. Senators' Statements, Motions, Notices of Inquiries and other avenues are available to honourable senators in their order, and following government business, to continue the question of tributes. Of course, the three-minute limitation which is proposed would not apply to that portion of the tribute agenda.

Our recommendation to honourable senators is that we adopt this procedure, recommended by the Standing Senate Committee on Rules, Procedures and the Rights of Parliament; that we adopt a rule that provides that there be a special category called "Senators' Tributes"; that it be limited to 15 minutes, any one contribution being limited to three minutes; that the order of speaking be established by the leadership; that there be only one such tribute on any day but that any senator is free to move an inquiry, a motion or another proceeding that allows that further tributes be continued near the end of the Order Paper.

Honourable senators, I recommend this report. I thank Senator Lapointe for bringing this matter to the attention of the committee.

On motion of Senator Stratton, debate adjourned.

### OFFICIAL LANGUAGES

#### TENTH REPORT OF JOINT COMMITTEE— DEBATE ADJOURNED

The Senate proceeded to consideration of the tenth report of the Standing Joint Committee on Official Languages (funding for the Office of the Commissioner of Official Languages), tabled in the Senate on April 25, 2002.—(*Honourable Senator Maheu*).

**Hon. Shirley Maheu** moved the adoption of the report.

On motion of Senator Comeau, debate adjourned.

[ Senator Robertson ]



ELEVENTH REPORT OF JOINT COMMITTEE—  
DEBATE ADJOURNED

The Senate proceeded to consideration of the eleventh report of the Standing Joint Committee on Official Languages (awareness campaign concerning the Official Languages Act), tabled in the Senate on April 25, 2002.—(*Honourable Senator Maheu*).

**Hon. Shirley Maheu** moved the adoption of the report.

She said: Honourable senators, the eleventh report of the joint committee simply covers the fact that the committee wants the Commissioner of Official Languages to make the Official Languages Act more readily available to the public.

On motion of Senator Comeau, debate adjourned.

[*Translation*]

NATIONAL CAPITAL COMMISSION

PROPOSAL TO SELL MOFFATT FARM—  
INQUIRY—DEBATE CONTINUED

On the Order:

Resuming debate on the notice of Honourable Senator Cools, calling the attention of the Senate:

- (a) to the public's need for the Senate and the Parliament of Canada to take into their cognizance the current conflict between Ottawa residents with their Ottawa City Council and the National Capital Commission regarding the National Capital Commission's proposal to re-zone a riverfront parkland to build a 244 dwelling housing development on that riverfront parkland, a matter well reported in the media;
- (b) to the national capital parkland known as the Moffatt Farm, a riverfront parkland on the heritage waterway, the Rideau River, at Mooney's Bay, near the entrance to the Hog's Back Locks, all of which form a part of the ancient and historic Rideau Canal and the Rideau Canal Waterway System, a parkland which for decades has been held by the National Capital Commission as a commissioned public trust for its protection for the public good and for the public use;
- (c) to the meaning in law of a commission, being that a commission is a public body with a public purpose, authorized by letters patent, an act of parliament, or other lawful warrant to execute and perform a public office, and further, that the National Capital Commission is no ordinary entity, or no simple arms length crown corporation but is a commission a peculiar constitutional entity, intended to perform a public duty;
- (d) to the current land use designation zoning of Moffatt Farm which is zoned as parkland, as are other Ottawa national capital parks such as Vincent Massey Park and Hog's Back Park, parklands whose maintenance and sustenance are of great importance and concern to Ottawans;
- (e) to the National Capital Commission contracted agreements with private developers, including that one with DCR Phoenix, regarding the sale for development of the parkland, Moffatt Farm, to the same DCR Phoenix, a private developer currently acting as the National Capital Commission agent before Ottawa City Council and the Ontario Municipal Board in proceedings about the National Capital Commission proposed re-zoning of Moffatt Farm from parkland zoning to residential zoning so as to permit the National Capital Commission's sale of this parkland to private developers;
- (f) to Ottawa City Council's unanimous decision on March 27, 2002 rejecting and soundly defeating the National Capital Commission/DCR Phoenix's proposal for re-zoning and development of the Moffatt Farm parkland, to the city government's strong objection to the proposed development, being the building of 244 expensive, luxurious high end houses on the Moffatt Farm parkland, a parkland also known for its environmentally sensitive lands;
- (g) to the responsible ministry's and the National Capital Commission's own protocol that holds that the National Capital Commission should defer to municipal government on planning issues and land use;
- (h) to another motion overwhelmingly adopted by Ottawa City Council on April 10, 2002 expressing the City's wish to purchase the Moffatt Farm parkland, also asking the National Capital Commission to honour City Council's decision and also to withdraw its own appeal to the Ontario Municipal Board asking the Ontario Municipal Board to overturn City Council and force the re-zoning of Moffatt Farm from parkland zoning to residential zoning;
- (i) to that same City Council motion of April 10, 2002, which said:
 

“WHEREAS the Moffatt Farm has been in public ownership for the past 50 years, since its expropriation, and has since 1999, been designated a Capital Park by the National Capital Commission;

AND WHEREAS the NCC has determined that this property is surplus to national needs and intends to sell it;

AND WHEREAS the Moffatt Farm is outside the General Urban Area, and designated as Waterfront Open Space in the Regional Official Plan, which is land in, or intended to be in, public ownership and intended for public recreation and environmental conservation uses;

AND WHEREAS the Moffatt Farm has no “right of development” at this time, being designated Major Open Space, Waterway Corridor and Environmentally Sensitive Area, zoning that offers the highest possible protection;

AND WHEREAS, in the Ottawa Official Plan, the Moffatt Farm is designated as a District/Community Park, a use identified in the 1973 Carleton Heights Secondary Plan as a means to address inadequate parkland for this area of the City;

AND WHEREAS, since 1973, the population of this community has doubled and available parkland has already decreased;

AND WHEREAS the City of Ottawa has a policy to acquire, where possible, waterfront properties that form the Greenway System and preserve these lands for public open space use;

THEREFORE BE IT RESOLVED that the City of Ottawa offer to purchase the entire Moffatt Farm property from the NCC, at a price which will be based on its current and future use as a District Park; and

BE IT FURTHER RESOLVED that the City request the local Members of Parliament (National Capital Caucus) to urge the NCC to respect Council's unanimous decision and withdraw its appeal to the OMB."

- (j) to the growing public disenchantment and disappointment of Ottawans who perceive the National Capital Commission's corporate culture as running roughshod over Ottawans with wanton disregard for local communities of which the Moffatt Farm community is only one of several which include Lac Leamy, Sparks Street redevelopment and others, all of which have resulted in diminishing public respect for the National Capital Commission and its land use proposals in the national capital area;
- (k) to the burgeoning public unease about the destiny of Ottawa's precious public lands as many Ottawans are anxious that the National Capital Commission is conducting its affairs in land use matters, more as a private development company and less as a public commission entrusted with Her Majesty's and the public's interest in the proper land use of unique, historical, heritage parklands and properties; and
- (l) to the public need for Parliament's study and review of the National Capital Commission in its entirety, including its role, structure, organization, operations, authorizing statute, its parliamentary appropriations, finances, and its relations with Canadian citizens, especially Canadian citizens living in the Ottawa area, its land dealings, its land developments, and its agreements with private developers selected by the National Capital Commission as recipients, buyers, of treasured historic lands.—(*Honourable Senator Kinsella*).

**Hon. Laurier L. LaPierre:** Honourable senators, I thank Senator Kinsella for allowing me to speak to this inquiry. It is with pleasure that I take part in the debate introduced by Senator Cools on April 18, 2002, concerning the sale of a portion of the Moffatt Farm to DCR Phoenix for development purposes, a decision which has received wide coverage in the media.

I must admit that I hold the National Capital Commission in high esteem. In 1899, Sir Wilfrid Laurier, the Prime Minister of Canada, created the Ottawa Improvement Commission but refused to take part of Ontario and part of Quebec to establish a distinct territory for the national capital, like the one in Washington.

I sat on one of the commission's standing committees and I admired how it undertook its work with a sense of national perspective. As a resident of this marvellous capital and National Capital Region, I experience every day the results of the commission's work to beautify the city. Without the commission, we would still be living in the time of Bytown, the small village chosen by Queen Victoria as the capital in late December of 1857.

A look at the history of this capital shows that there is no doubt that if the elected municipal officials had been responsible for building this capital, which is envied by many around the world, we would not have been served as well as we have. The philosophy of elected municipal officials has always been that "Ottawa is a city like any other." However, Ottawa is not like other cities. Ottawa is a municipality in Ontario, but it is first and foremost the Capital of Canada. Because of this, it belongs to all Canadians.

[*English*]

The National Capital Commission is the agent of the Canadian people for the guardianship of their lands in the National Capital Region. There is no way around that. One of the prices the Canadian people have to pay for the NCC to be the guardian of the lands of the people in this region is to put up with the criticism and recrimination of municipal politicians and other concerned parties, who often are not particularly interested in having to share power with the people of Canada.

The municipal politicians have opposed a considerable number of projects inspired by the NCC at Canadians' expense, projects that have delivered clear benefits, not only to all Canadians but also to residents of the city, such as the spectacular natural areas — Gatineau and Mer Bleu, to name but two — that lie just a few minutes from Parliament Hill. More than 170 kilometres of recreational parkways crisscross the capital. There is a greenbelt. In winter, thousands of residents and visitors skate on the world's longest rink: 7.8 kilometres of the Rideau Canal. The NCC maintains more than 300 hectares of urban parks, including Hog's Back Falls, located a few hundred metres from Moffatt Farm. All of these areas, paid for by the Canadian people and administered by the National Capital Commission of our country, are of terrific benefit to the Canadian people and to us.

Let us turn our attention to the Moffatt Farm. I visited that site the other day, and I know a little about how it looks. Moffatt Farm is a site of some 34.8 hectares. It was farmed until the 1940s when the Veterans' Land Administration purchased it to house veterans of the Second World War. In 1960, the site was declared surplus by the Veterans' Land Administration and was sold to the NCC as a site for possible future government offices or national needs.

In 1999, as a result of public consultations that took place for the plan for Canada's capital, Moffatt Farm was declared surplus to the NCC's needs because it does not play a capital role. An agreement for the exchange of lands between the NCC and DCR Phoenix Holdings Inc. was signed on October 17, 2000.

Consequently, honourable senators, Moffatt Farm does not carry and has never carried a municipal zoning that precludes development. Furthermore, there is no evidence that municipal zoning has ever forbidden development on that site.

Honourable senators, I took a leisurely walking tour of the property. It is a parcel of land on the Rideau River a few kilometres south of downtown. It is relatively flat for much of its 35 hectares, with steep slopes down to the water. The western edge of the land abuts Prince of Wales Drive, a major arterial road that was once the principal link to Highway 16. Low-density development borders the site on three sides. A few hundred metres away, there is a sizable shopping centre, high-rise apartment buildings, and Hog's Back Falls, a large park owned and maintained by the NCC.

Essentially, Moffatt Farm serves as a dog run. It is massively fouled by dog feces, as residents of the area use it as a "dépotoire pour les chiens."

The history of this area is rich. The longest continuous stretch of the Rideau Canal begins at Hog's Back Falls. The area was first used by Aboriginals, then by workers who dug the canal and built the locks, and then by farmers. Today, thousands of families call the area home. The surrounding neighbourhood is known as Carleton Heights. All around it, the city of Ottawa has grown substantially. Once in the south end of a small city, Carleton Heights is now centrally located in Canada's fourth largest urban area.

Honourable senators, let us look at the consultation process and the terms of development. The portion of the land not identified as environmentally sensitive under the City of Ottawa's Natural Open Space Study shall be developed in two parts. Part one is approximately 7.3 hectares, or 18 acres, and this has been sold to DCR Phoenix. The other part, which is approximately 12.95 hectares, or 32 acres, will remain with the NCC until a developer is selected.

The proposed limits of that development preserves 14.5 hectares, or 36 acres, of the site's total 34.8 hectares, or 86 acres. This land will remain in public ownership. This means that over 40 per cent of the Prince of Wales site will remain open space and will be accessible to residents of the proposed development, as well as to residents beyond the proposed development limits and all the citizens of Canada.

All of the above, honourable senators, means that 40 per cent of the area will become a natural place where people and visitors can go, in the beauty of a parkland, without having to wander through dog feces. They will have easy access to the river, as well they should, since they own it. There will be shoreline protection. This is most important.

Honourable senators, there is more to spark your imagination. By selling the developmental part of Moffatt Farm, besides contributing much needed new life to an aging community, the NCC will have the money to purchase the Montfort Woods, which are of national interest because of their proximity to the Aviation Parkway. The mature maple forest should always be preserved as a natural area for the benefit and enjoyment of future generations. With the money generated by this sale, the NCC, which does not own the woodlands, can purchase the woodlands so that they will not be sold for development. Therefore, we gain yet once again.

• (1540)

In conclusion, the public need not fear that the Experimental Farm and the Arboretum will be sold by the National Capital Commission. They will not be sold by the NCC because they do not belong to the NCC. They belong, essentially, to Agriculture Canada.

The NCC pursues its mandate with an eye on the bottom line, assiduously striving to wrest maximum value for its resources. The NCC obeys the Treasury Board's Real Asset Management Funding Strategy, put in place in 1991, which dictates to the NCC the policy of using their revenues from surplus land sales to cover the NCC's capital funding needs in order to reduce support from Canada's taxpayers — a most sensible, conservative, Liberal policy. It is the responsibility of the Government of Canada to change this directive if it so desires. In the meantime, it is the responsibility and the duty of the NCC to abide by that directive. It would be ridiculous to suggest that the NCC not do so.

Consequently, honourable senators, it is imperative for us to realize that the NCC is of benefit to us and to Canada, and that without it the well-being of our region, of our capital city and of the Canadian people would be seriously endangered.

Honourable senators, long live the National Capital Commission.

**Hon. Anne C. Cools:** Would the honourable senator take a question?

**Senator LaPierre:** The answer is no.

On motion of Senator Kinsella, debate adjourned.

The Senate adjourned during pleasure.

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• (1620)

[*Translation*]

### ROYAL ASSENT

The Honourable John C. Major, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned, and being come with their Acting Speaker, the Honourable the Deputy Governor General was pleased to give the Royal Assent to the following bills:

An Act to amend the criminal Code and to amend other Acts (*Bill C-15A, Chapter 13, 2002*)

An Act to amend the Payment Clearing and Settlement Act (*Bill S-40, Chapter 14, 2002*)

An Act respecting royal assent to bills passed by the Houses of Parliament (*Bill S-34, Chapter 15, 2002*)

An Act to amend the Competition Act and the Competition Tribunal Act (*Bill C-23, Chapter 16, 2002*)

The House of Commons withdrew.

The Honourable the Deputy Governor General was pleased to retire.

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The sitting of the Senate was resumed.

The Senate adjourned until Wednesday, June 5, 2002, at 1:30 p.m.

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## CONTENTS

Tuesday, June 4, 2002

	PAGE		PAGE
<b>SENATORS' STATEMENTS</b>		<b>Sponsorship Programs—Identification of Sources of Leaks to Media.</b>	
<b>The Late Robert E. J. Layton</b>		Hon. Gerry St. Germain . . . . .	2911
Tribute.		Hon. Sharon Carstairs . . . . .	2911
Hon. John Lynch-Staunton . . . . .	2906	<b>National Defence</b>	
<b>The Senate</b>		Replacement of Sea King Helicopters—Withdrawal of NH Industries from Competition.	
Early Experience on Becoming Senator.		Hon. J. Michael Forrestall . . . . .	2911
Hon. Ronald J. Duhamel . . . . .	2906	Hon. Sharon Carstairs . . . . .	2911
Hon. Sharon Carstairs . . . . .	2907	<b>Finance</b>	
<b>China</b>		Tax Overpayments to Provinces.	
Thirteenth Anniversary of Tiananmen Square Massacre.		Hon. Roch Bolduc . . . . .	2911
Hon. Consiglio Di Nino . . . . .	2907	Hon. Sharon Carstairs . . . . .	2912
<b>Fortunes of Liberal Party</b>		Hon. Terry Stratton . . . . .	2912
Hon. Laurier L. LaPierre . . . . .	2907	<b>Politics of Liberal Party</b>	
<b>Politics of Liberal Party</b>		Comments by Newly Elected Member of Parliament for Bonavista-Trinity-Conception.	
Hon. Gerry St. Germain . . . . .	2908	Hon. C. William Doody . . . . .	2912
<b>The Late Otto Lowy</b>		Hon. Sharon Carstairs . . . . .	2912
Tribute.		Replacement of Sea King Helicopters—Possible Support for Program.	
Hon. Francis William Mahovlich . . . . .	2908	Hon. J. Michael Forrestall . . . . .	2913
<b>Visitors in the Gallery</b>		Hon. Sharon Carstairs . . . . .	2913
The Hon. the Speaker . . . . .	2908	<hr/>	
<b>ROUTINE PROCEEDINGS</b>		<b>ORDERS OF THE DAY</b>	
<b>Legislative Instruments Re-enactment Bill (Bill S-41)</b>		<b>Royal Assent Bill (Bill S-34)</b>	
Report of Committee.		Message from Commons . . . . .	2913
Hon. Lorna Milne . . . . .	2908	<b>Competition Act</b>	
<b>Fisheries</b>		<b>Competition Tribunal Act (Bill C-23)</b>	
Budget and Request for Authorization to Engage Services and Travel—Study on Matters Relating to Oceans and Fisheries—Report of Committee Presented.		Bill to Amend—Message from Commons . . . . .	2913
Hon. Gerald J. Comeau . . . . .	2909	<b>Royal Assent</b>	
<b>Consultation Process of Indian Affairs and Northern Development Department on Aboriginal Self-Government</b>		Notice . . . . .	2913
Notice of Inquiry.		<b>Food and Drugs Act (Bill S-18)</b>	
Hon. Aurélien Gill . . . . .	2910	Bill to Amend—Third Reading—Debate Continued.	
<b>Unveiling of Portraits of Sir John Abbott and Sir Mackenzie Bowell and Resulting Insights on Current Events</b>		Hon. Jane Cordy . . . . .	2914
Notice of Inquiry.		<b>Foreign Affairs</b>	
Hon. Lowell Murray . . . . .	2910	Budget—Study on Emerging Developments in Russia and Ukraine—Report of Committee Adopted.	
<hr/>		Hon. Peter A. Stollery . . . . .	2914
<b>QUESTION PERIOD</b>		Budget—Study on Issues Related to Foreign Relations—Report of Committee Adopted.	
<b>Treasury Board</b>		Hon. Peter A. Stollery . . . . .	2914
Disclosure of Wrongdoing in the Work Place.		<b>Study on Matters Relating to Fishing Industry</b>	
Hon. Noël A. Kinsella . . . . .	2910	Report of Fisheries Committee—Debate Continued.	
Hon. Sharon Carstairs . . . . .	2910	Hon. Francis William Mahovlich . . . . .	2914
<b>Public Works and Government Services</b>		<b>Study on State of Health Care System</b>	
Sponsorship Programs—Contracts Awarded to Groupaction Marketing Inc.		Interim Report of Social Affairs, Science and Technology Committee—Debate Continued.	
Hon. W. David Angus . . . . .	2910	Hon. Brenda M. Robertson . . . . .	2915
Hon. Sharon Carstairs . . . . .	2910	<b>Criminal Code</b>	
		<b>Firearms Act (Bill C-15B)</b>	
		Bill to Amend—First Reading . . . . .	2918
		<b>Rules, Procedures and the Rights of Parliament</b>	
		Thirteenth Report of Committee—Debate Adjourned.	
		Hon. Jack Austin . . . . .	2918

	PAGE		PAGE
<b>Official Languages</b>		<b>Business of the Senate</b> . . . . .	2921
Tenth Report of Joint Committee—Debate Adjourned.		<b>Royal Assent</b> . . . . .	2922
Hon. Shirley Maheu . . . . .	2918	<b>Appendix</b> . . . . .	i
Eleventh Report of Joint Committee—Debate Adjourned.			
Hon. Shirley Maheu . . . . .	2918		
<b>National Capital Commission</b>			
Proposal to Sell Moffatt Farm—Inquiry—Debate Continued.			
Hon. Laurier L. LaPierre . . . . .	2920		
Hon. Anne C. Cools. . . . .	2921		





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