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Wednesday, November 7, 2001

**THE HONOURABLE DAN HAYS
SPEAKER**

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THE SENATE

Wednesday, November 7, 2001

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

Prayers.

VISITORS IN THE GALLERY

The Hon. the Speaker: Honourable senators, I draw your attention to the presence in the gallery of the Australian High Commissioner, His Excellency John Anthony Hely, and Mrs. Wendy Altea Jeffrey.

Good luck on your new posting to Canada.

Hon. Senators: Hear, hear!

The Hon. the Speaker: On behalf of all honourable senators, I bid you both welcome to the Senate of Canada.

SENATORS' STATEMENTS

HUMANITIES AND SOCIAL SCIENCES FEDERATION OF CANADA

Hon. Lois M. Wilson: Honourable senators, I rise to inform the Senate about the ongoing work of the Humanities and Social Sciences Federation of Canada and the thousands of researchers whose work it supports. Quite recently, senators as well as 301 members in the other place received a brochure from this body, and I wish to highlight its importance for all Canadians.

On November 5 at the National Gallery of Canada, the Natural Sciences and Engineering Research Council of Canada hosted its awards gala — awards of excellence, fellowship and prizes. Canada honoured ecologist David Schindler with the award of the Herzberg Medal, Canada's biggest scientific prize.

Equally important, although not as well known, is the work of the Humanities and Social Sciences Federation of Canada. I will provide two illustrations of the importance of its work.

Today, we all speak of the global village, a concept created and written about by Marshall McLuhan, who earned his MA at the University of Manitoba and later taught at St. Michael's College, University of Toronto, from 1946 to 1979.

When discussing the demographic shift and its profound societal effects, we commonly refer to the boom, bust or echo generations, concepts created and written about by David Foot, Professor of Economics at the University of Toronto.

• (1340)

The writings of these two notable Canadian researchers, as well as those of the more than 18,000 faculty in Canadian universities who work in the humanities and social sciences, are precious national treasures. Their research advances our understanding of the histories, the attitudes and the values shaping human behaviour. It allows individuals, communities, organizations and societies to better understand the major social and cultural transformations affecting us.

The tragic events recently in the United States illustrate the essential contribution humanities and social sciences research make in our everyday lives. We cannot go a day without seeing a media outlet quoting from an interview they conducted with researchers in the fields of either culture, religion, international relations or psychology, to name but a few.

Our political system also benefits from their research. The majority of academic experts we call upon to provide testimony at our parliamentary committees are researchers active in the humanities and social sciences. So we honour research excellence, particularly lifting up the important work done by the researchers who work in the humanities and social sciences in Canada on a consistent and a continuing basis.

THE HONOURABLE TOMMY BANKS

EXPRESSION OF GRATITUDE FOR CONDOLENCES

Hon. Tommy Banks: Honourable senators, I wish to thank honourable senators on all sides of this house and members in the other place and members of the parliamentary staff for the extreme kindness you have all shown to Ida and me during the past few difficult weeks. The clearly heartfelt nature of your messages of condolence to us have been very comforting. I want you to know how very grateful my family and I are for that. Thank you.

DR. DAVID SCHINDLER

CONGRATULATIONS ON RECEIVING THE GERHARD HERZBERG AWARD

Hon. Tommy Banks: On a much happier note, honourable senators, I wish to refer to a matter that Senator Wilson has already mentioned and to ask you to join me in congratulating a brilliant scientist, a quality teacher, an advocate for environmental integrity, a man who chose to make Canada and, I am proud to say, Edmonton his adopted home.

On Monday, David Schindler, as Senator Wilson said, added to his lengthy list of awards the prestigious Gerhard Herzberg Canada Gold Medal for Science and Engineering. That list of awards fills this page; I will not bother to read them to all.

The Gerhard Herzberg award is meant to celebrate Canada's most outstanding scientists and engineers and to raise public awareness about the major contributions that Canada's top researchers make to international science and technology and to bettering people's lives. The prize is \$1 million. It is typical of Mr. Schindler that, when he received that prize, he said, in effect, "Now I can really get down to work."

He is currently the Killam Memorial Professor of Ecology at the University of Alberta and a consultant on many environmental studies across Canada, during the course of which he has succeeded in making industry and all levels of government exceedingly angry at one point or another — so he must be doing something right.

Mr. Schindler is a native of the United States, but in 1992 he took out Canadian citizenship, expressing his love for our country and its environment, calling himself a kind of "ecological refugee." He continues to warn us:

...not to take for granted the relatively pristine lakes and streams, the wildlife in the forest, and the fresh air because they sure don't have any more of it where I come from.

Mr. Schindler is not one to back down from controversial matters. We hope he will continue to follow that pattern. Please join me in congratulating David Schindler, a brilliant and creative person who demonstrates that bright and innovative brains drain into this country.

[Translation]

CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION

DECISION REGARDING CABLE PUBLIC AFFAIRS CHANNEL

Hon. Jean Robert Gauthier: Honourable senators, the Canadian Radio-Television and Telecommunications Commission, CRTC, brought down its decision yesterday, November 6, 2001, concerning the rebroadcasting of the debates of the House of Commons by CPAC, the Cable Public Affairs Channel.

This extremely important decision will have an impact on the entire country, because it will make it possible for viewers to have access to the debates of the House of Commons and its committees, and in the official language of their choice.

The Council also announced its intention to amend the regulations so that class 1 and 2 licenced broadcasting retransmission undertakings using direct satellite distribution must retransmit the debates of the House of Commons and the various committees. It also required this to be part of its basic service and in both official languages. The modified regulations will take effect on September 1, 2002, or less than a year from now.

This decision by the CRTC is the result of an investigation by the Commissioner of Official Languages, a study by a parliamentary commission and a public notice by the CRTC, Public Notice 2001-115, in which everyone recognized from the outset the importance of all Canadians having access to the debates of the House of Commons and its committees.

In this decision, there was only one dark cloud, the absence of the Senate. Not a word was said of the Senate's broadcasting needs. We know that the agreement with CPAC expired last year. Negotiations are underway, and we have less than a year to make important decisions and to send the message to Canadians that Parliament has two chambers, the House of Commons and the Senate.

The Senate is also involved in the debates and must be a party to the decisions taken in this Parliament.

[English]

GOVERNOR GENERAL'S PERFORMING ARTS AWARDS

Hon. Laurier L. LaPierre: Honourable senators, on Sunday evening, November 3, an event took place at the National Arts Centre, an event of great national importance. I am speaking of the gala honouring the recipients of this year's Governor General's Performing Arts Awards, honouring Mario Bernardi, the founder and first conductor of the National Arts Centre Orchestra in 1969; "Old Rawhide" himself, incarnated this time as Max Ferguson; the exquisite Evelyn Hart of the Royal Winnipeg Ballet; Christopher Plummer, who illuminates the theatres of Canada; Anne Claire Poirier, a pioneer in film-making; Thea Borlase, who has taught us that volunteer time is more important than money; and Édouard Lock of La La La Human Steps.

I remind honourable senators of this event and of these Canadian artists to impress upon everyone the fact that, as Richard Monette, Artistic Director of the Stratford Festival, told his staff at the end of 2001 season: Art provides communion in the midst of confusion; it provides order and sanity when there is chaos; it brings beauty when there is ugliness; it is redemptive in the face of fear; and it heals through laughter and through tears.

DR. DAVID SCHINDLER

CONGRATULATIONS ON RECEIVING THE GERHARD HERZBERG AWARD

Hon. Mira Spivak: Honourable senators, I also wish to pay tribute, as Senator Banks has done, to David Schindler, Canada's most famous freshwater scientist. As Senator Banks mentioned, on Monday, Professor Schindler received the prestigious Gerhard Herzberg Medal. This was not the first of his honours. He is also the recipient of the \$150,000 Stockholm Water Prize, which is the equivalent of a Nobel Prize in that area; and also a Volvo Environment Prize, among many other honours.

It has often been attempted to muzzle the warnings of this scientist and ecologist regarding acid rain. No one has criticized his research on water pollution, but the government often did not want him to speak publicly about grave problems. For example, he spoke publicly on the issue of acid rain during the free trade negotiations, even though the government was worried that it would jeopardize the free trade deal.

His approach to persuade doubters was ingenious. He hung a plastic curtain down the middle of the lake to demonstrate the impact of phosphates on lakes. He used small lakes in Ontario to illustrate how acid rain kills lakes.

After leaving the public service, Professor Schindler went to the University of Alberta where his research continued in similar directions. He studied how DDT and other poisons evaporate from farm soils, drift to the Arctic and stay there because it is too cold for them to evaporate again, thus impacting northern people and wildlife disproportionately.

David Schindler has appeared often on Parliament Hill, before committees and in fora, and his testimony has been invaluable. His research on the lakes and boreal forest of Canada show how the combined assault of overcutting in watersheds and the climate change impacts of mining and oil and gas wells allow UV rays to damage lakes. It was most important in the forestry subcommittee study of the boreal forest at risk, which Senator Taylor chaired.

• (1350)

David Schindler is a national treasure. I know that all honourable senators, as Senator Banks has said, will join in offering him congratulations on a well-deserved reward.

QUESTION PERIOD

FINANCE

COMMENTS BY MINISTER

Hon. David Tkachuk: Honourable senators, there is a long-standing practice that the Minister of Finance does not interfere in the conduct of monetary policy in Canada. However, in 1993, the Liberal Party said that it would, then changed its mind after 1993 and said that monetary policy is the exclusive purview of the Governor of the Bank of Canada.

Yesterday, in response to a reporter's question about the half point cut in the U.S. federal reserve rate, the Minister of Finance said:

...that's obviously going to have an effect on our economy. Obviously, there are measures that we have to take here — the Bank of Canada and the federal government.

The key words are "have to take." Is the Minister of Finance telling the Bank of Canada that it must take further monetary action?

Hon. Sharon Carstairs (Leader of the Government): The answer to that question is very simple. It is contained in the same article in *The Globe and Mail*, from which I assume the honourable senator is quoting, in which a spokesman for Mr. Martin said last night that the minister's comments should not be interpreted as interference: "The bank makes its own independent judgments."

Senator Tkachuk: If the Minister of Finance has to date ruled out any stimulus package, as he has called it — indeed, it may have been in the same article in *The Globe and Mail* in which the Minister of Finance was reported as still rejecting any kind of stimulus package — what did the Minister of Finance mean when he said that the federal government must take or will take measures that "we have to take"?

Senator Carstairs: The Minister of Finance has clearly indicated that he will bring down his budget early in December of this year. That will set forth the government's policy both as to its spending and its programs for the future. That will be the clearest indication to Canadians of what the Minister of Finance has in mind.

INTERNATIONAL TRADE

UNITED STATES—RENEWAL OF SOFTWOOD LUMBER AGREEMENT

Hon. Donald H. Oliver: Honourable senators, my question is to the Leader of the Government in the Senate. It relates to the softwood lumber problem.

In today's *Globe and Mail*, there is an excellent article by Donald Mazankowsky and Clayton Yuetter, who had represented both countries in the past in trade disputes. They came up with a proposed solution about which I should like to ask the minister.

They said in their article that some U.S. lumber producers believe that Canadian softwood lumber is subsidized, therefore giving an unfair advantage to the U.S. market. The specific argument is that Canadian governments have inordinately low stumpage fees for the logging of public lands.

They came up with a solution and wrote:

What we need is for both governments to focus on a creative, flexible, long-term mechanism for resolving these issues in a North American context. We need a market-oriented agreement that fosters competitive pricing throughout the lumber cycle, while also properly protecting forest ecosystems.

What specific steps is the Government of Canada now taking to produce a market-oriented agreement that fosters competitive pricing throughout the lumber cycle?

Hon. Sharon Carstairs (Leader of the Government): The honourable senator has asked an important question about an important industry. That is why it is number one on the agenda of the Honourable Minister Pettigrew, but also very high on the agenda of the Prime Minister, who, just this morning, spoke with the President of the United States about how to resolve this very important conflict between our two nations.

Clearly, it will take working together by each government to ensure that we have an agreement that benefits both nations.

Senator Oliver: What new ideas did the two leaders come up with that the Leader of the Government can relate to the Senate at this time?

Further, I should like to know whether, in these negotiations, the Canadian government is making clear the difference between Crown-owned lands across Canada and privately held lands, which would not have inordinately low stumpage fees.

Senator Carstairs: Honourable senators, I am sure the honourable senator knows I would not be privy to a conversation between the Prime Minister of Canada and the President of the United States. I do not have a direct line to either office, and certainly not one that I can connect to a three-way circuit.

In terms of the honourable senator's question, which was very specific about Crown-owned lands vis-à-vis privately owned lands, that is certainly a dispute among Canadians. Operators within Crown-owned lands would say that they are paying fair stumpage fees. That issue has been under dispute before and has been ruled upon in our favour. We were charging fair stumpage fees, obviously.

One of the reasons Atlantic Canada was excluded from some of the previous arrangements was because the lands are privately owned, and the American government did not see the same problem.

FINANCE

DEVALUATION OF DOLLAR—EFFECT ON ECONOMY

Hon. Leonard J. Gustafson: Honourable senators, my question to the Leader of the Government in the Senate is with regard to the low Canadian dollar.

The Minister of Finance continues to tell us that the fundamentals are right. Is it the opinion of the Leader of the Government in the Senate that the fundamentals are right even when so many things seem to be collapsing around us?

Hon. Sharon Carstairs (Leader of the Government): Honourable senators, I am surprised at the doom-and-gloom forecast coming from the honourable senator. I think the fundamentals are correct. I think Canada is doing very well at holding its own, particularly in relation to those with whom we engage in great trade. I suspect Senator Gustafson is referring

specifically to the agriculture sector. I think he would join with me in hoping that the WTO round beginning later this week in Qatar will be positive in the matter of unfair subsidies.

Senator Gustafson: Honourable senators, for once, I am not referring directly to agriculture. I am referring to Merrill Lynch, one of the world's largest operators in the financial area. The company is talking about selling its 1,000-person network of Canadian brokers. We read again today that we are losing the baseball team out of Montreal, the Expos, because the owners cannot afford to finance them. This is not a question about agriculture, but I will get to it shortly. We also lost our NBA basketball team out of Vancouver, the Grizzlies, because the team was unable to compete financially due to the strong American dollar.

• (1400)

Many commercial enterprises tell us that they are worth much less today — up to 40 per cent of what they were a few years ago. Farmland, according to two farmers I spoke to in Ontario, is also worth about 40 per cent less than it was five years ago. This figure varies. In Saskatchewan, it might well be 50 per cent.

Honourable senators, without a doubt, we have lost a great deal of value and we have lost more equity than what we have gained due to the low Canadian dollar. Does the minister still believe that the fundamentals are right, given the situation that we are facing? Canadians are losing out in this case.

Senator Carstairs: Honourable senators, I wish to thank the Honourable Senator Gustafson for his question. I will no longer think that he is just a one-issue senator. Obviously, the honourable senator has a broader perspective than agriculture.

To answer some of his specific questions, if we lose the baseball team in Montreal — and I think most of us would hope that we would not — we will lose it probably because last year the Expos had their lowest attendance in 25 years. The reality is that if Canadians are not interested in going to baseball games, it is extremely difficult to keep a viable and expensive team going. Honourable senators may not like that information, but that is the truth of it. Professional sports teams require a great deal of public support — not just financial backing — in the form of ticket sales when fans go in and out of arenas and stadiums. If the public is not prepared to participate in great numbers — and, frankly, that also has a lot to do with whether a team is winning or losing — it is hard for those involved in the ownership of these teams to continue to keep them running at a deficit. We have a situation in which Canadians have chosen not to support a team.

Senator Lynch-Staunton: Tell us about the Winnipeg hockey team. Why did you not support it?

Senator Carstairs: You were the one who got into sports teams, senator. You will now have to bear with me for a moment while I address the question.

The reality is that for the first time in many years we will once again have the Rough Riders — perhaps by a different name — in the city of Ottawa.

Some Hon. Senators: Hear, hear!

Senator Carstairs: Clearly, there is an interest in some professional sports.

As to the honourable senator's comments about Merrill Lynch, the company indicated today that it wished to sell its brokerage house in Canada. It is my hope that it will be picked up by a Canadian company that wishes to continue to serve Canadian customers like me.

Senator Gustafson: Honourable senators, I feel that we are at a point where we must face reality. I have two grandsons who never missed a basketball game in Vancouver, and they tell me that the seats were full to the rafters.

Senator Kinsella: It was the same in Winnipeg.

Senator Gustafson: Yes, that is true, but I did not go back that far. We are paying a huge price in the fundamentals of what we, as Canadians, own and what our assets are worth today.

I will give honourable senators an example in the area of agriculture. My neighbour sold his farm on the U.S. border for \$55,000 a quarter section. He had five quarter sections. Across the line in Ambrose, North Dakota, that land is selling for U.S. \$100,000. That means that he got approximately U.S. \$32,000 for a quarter section of comparable, if not better, land. That is right on the 49th parallel. When that happens, something is seriously wrong. I am told that the same thing is happening in commercial enterprises and commercial real estate — probably not to the high percentage that it is happening in agriculture, but it will have an impact. If the only way to remedy the problem is to return to the days of a 17 per cent interest rate, then we are in big trouble.

Senator Carstairs: Honourable senators, with the greatest respect, that is exactly why the government will not do what the honourable senator seemed to be urging in one of his questions, namely, prop up the Canadian dollar. Such action would lead to higher interest rates. That is not the way to go.

If the honourable senator is talking about the value of property vis-à-vis the United States and Canada, there have always been differentials. One of the major factors in that differential right now, as the honourable senator well knows, is the subsidies that are paid to agriculture south of the border that are not paid to agriculture north of the border. That is one of the reasons we hope the WTO discussions this week go well with respect to reducing some of those subsidies.

The bottom line is that Canadians, according to the Gallup Poll, support this government to the tune of 62 per cent. While the honourable senator may not think the fundamentals are right

and may not think the government is getting it right, the Canadian people seem to think that it is.

Senator Gustafson: Honourable senators, I was just handed a news release by our leader stating that the chairman of the U.S. Senate Committee on Agriculture today introduced a new farm bill that retains most of the current subsidy system and offers new conservation programs for farmers.

Honourable senators, we have been losing that battle for a long time. For 20 years, I have been hearing that all would be fine if we could just get the Americans and the Europeans off of their subsidies. Does the Leader of the Government in the Senate believe that will happen?

Senator Kinsella: That is the question!

Senator Carstairs: That, indeed, is a question, honourable senators. We can engage in certain international vehicles in an attempt to level the playing field not only between Canada and the United States, but between Canada and Europe and, in the broader perspective, between Canada and the world.

We are a small country in comparison to the country south of the border. I think that the opposition will recognize that we will never be able to pay the kind of subsidies that the Americans pay. Therefore, we must do our best to work a deal that will impact in a favourable way upon Canadian farmers.

Hon. Noël A. Kinsella (Deputy Leader of the Opposition): Honourable senators, I always find interesting the lessons of economics that flow from this discussion. It seems to me that what the Leader of the Government is arguing is that when I go to buy my citrus fruit in the grocery store this winter, yes, I will be paying more, but that is okay because the lower Canadian dollar means that we will have greater exports. If that is the principle under which the government is operating, why not lower the dollar to zero? Just think of the increase in exports we could then have. Is this the government's policy?

Senator Carstairs: Honourable senators, I have been careful to say that there is a balance. When our exports are trading easily and quickly because of their price, there is a negative impact on our imports. I have never denied that. There is a negative impact on our imports. The point is that Canada is primarily an exporting country. Therefore, it is to our advantage to be this way. Is it all right? Clearly, the Minister of Finance has indicated that he wishes to see the dollar at a better value. However, that is not his determination to make alone. It is a determination based on the floating market and international markets.

INFLUENCE OF CURRENCY IN NORTH AMERICAN FREE TRADE AREA

Hon. Noël A. Kinsella (Deputy Leader of the Opposition): Honourable senators, I was convinced by the honourable minister's colleague, the chairman of our Rules Committee, who argued that we should support the free trade agreement with Costa Rica. That change of heart warmed my heart.

• (1410)

However, my question to the Leader of the Government in the Senate is simply this: Now that the Liberal government greatly embraces free trade and has great affection for free trade, and given the tremendous success of the North American Free Trade Agreement with the United States and Mexico and that our exports are way up, has the government analyzed the situation vis-à-vis Canada and the effect of its currency in this free trade marketplace, which is not the currency of the marketplace? Has the government analyzed the relationship between this free market area and our different fiscal policy?

Hon. Sharon Carstairs (Leader of the Government): Let me begin by saying that I do not think that the Liberals were ever opposed to free trade. Were Liberals opposed to certain agreements? Yes. I was a provincial politician at the time. I remember giving speeches in the Province of Manitoba, and I focused my speeches on the dispute settlement mechanism. I talked about it over and over again, saying that the dispute settlement mechanism would not work. Well, hallelujah! Unfortunately, I was right. I do not like being right about some things, but I was right about that one. The dispute settlement mechanism is just not working, and that is unfortunate.

As to the honourable senator's question about whether we need to have shared fiscal policies and shared currencies, I certainly hope not. As far as I am concerned, Canada is a sovereign country, and we make laws in Canada on fiscal policy for Canadians.

NATIONAL DEFENCE

REPLACEMENT OF SEA KING HELICOPTERS— IN-SERVICE SUPPORT COSTS OF NEW AIRCRAFT

Hon. J. Michael Forrestall: Does the leader think she could summon up one quarter of that enthusiasm for one more helicopter question?

Hon. Sharon Carstairs (Leader of the Government): Absolutely!

Senator Forrestall: Honourable senators, I indicated yesterday that I have in my possession documents that clearly demonstrate that the government split the in-service support costs out of the current helicopter project because it would present a communications challenge to comparisons between the new ship-borne aircraft and the current Liberal government's Maritime Helicopter Project. Why was the government so concerned about the in-service support costs for the 28 maritime helicopters? Why this sudden concern?

Senator Carstairs: Honourable senators, part of that concern is that of all the aircraft we have, the ones that are most expensive and take the greatest number of man-hours are the helicopters, and not just the Sea Kings. Helicopters as a form of

flying vehicle require a great deal of maintenance, so in-service support costs are clearly of a great deal of importance.

Honourable senators, the honourable senator asked me for some enthusiasm, so let me give you some enthusiasm on this issue. I have been waiting to share this information with Senator Forrestall and other members of this chamber for some time. I often watch the Commander in Chief of the United States, the President, on television. He often comes from Camp David and lands on the White House lawn in a helicopter. Can you tell me the name of the helicopter, honourable senators? A Sea King! I would suggest, honourable senators, that Sea Kings are still viable and functioning well in both Canada and the United States.

Senator Forrestall: Honourable senators, I must ask: How old was that Sea King? How old would they permit it to get, and how many cycles are on it? Then I would like answers to the same questions about our Sea Kings. Once all the information is compared, I am sure the leader would not take such great delight and glee at the expense of the men and women who have to fly the Sea King. The comparison is odious. It is offensive to the members of the Canadian Armed Forces who fly Sea King helicopters. It is offensive. If she does not think so, I suggest she ask some of them.

Clearly the Liberal project will not be cheaper. We know that. We have been told that. The in-service support for the new maritime helicopter is estimated at \$75 million to \$125 million a year. The life of the program is 20 to 25 years. That is a reasonable lifetime for this type of equipment. What does that cost? What does that add up to? It is somewhere around \$1.7 or \$1.8 billion. Why is this figure not included in the cost estimates for the program?

Senator Carstairs: Honourable senators, the figures you have been given are the figures that the government will stand by, that is, the savings will be between \$1 and \$1.5 billion on this project.

In order to keep honourable senators informed, there is great defence of the Sea Kings by family members, although we have constantly heard the opposite in this chamber. I suggest that the honourable senator take a look at the *Times Colonist* of November 4, 2001, in which the headline is "Families Come to Defence of Controversial Helicopter." They go on to say how safe they believe this plane is and that they have no fears whatsoever about their families flying in this vehicle.

Senator Forrestall: If you believe that, you believe in the tooth fairy.

Senator Bryden: You will just have to fearmonger a little more.

Senator Forrestall: I keep being told, senator, that the savings to the Canadian public will be somewhere in the \$1.5 billion range.

Senator Bryden: Keep telling them they are unsafe and they will start to believe you.

Senator Forrestall: Add in the in-service costs, and it could go as high as \$3.1 billion. It certainly would exceed \$1.8 billion. Where does the government get this \$1.5 billion in savings? Where does that money come from? Use a calculator. The numbers simply do not add up.

Senator Carstairs: Honourable senators, the numbers do add up. They were presented to our committee. The final figure was \$1.37 billion, and that is why I said between \$1 and \$1.5 billion. Clearly, the honourable senator does not agree with those figures. Quite frankly, those are the figures that have been presented to us. They have been tallied and calculated. A calculator has been used to add them all up. I see no reason for disputing those figures in any way.

PRIME MINISTER'S OFFICE

PROCLAMATION OF WAR ON TERRORISM

Hon. J. Michael Forrestall: Honourable senators, let me ask one final question on this area. I had asked some time ago whether or not Canada had proclaimed itself to be at war with any other nation. We talk about a war on pollution, a war on poverty, a war on many things, and now we have a war on terrorism. How do you declare war on terrorism? Accepting that as a difficult bridge to cross, but recognizing that Canadian forces personnel are now in what could only be described as a war zone, and I do mean a war zone, why have we not authorized or brought forward the required Order in Council that would give to the Canadian Forces personnel involved those extended benefits that add a little bit of protection and describe to them and to their families a degree of faith and appreciation because of the added danger that we have placed them in?

• (1420)

Why have we not done that? Why are we denying these people that added comfort?

Senator Carstairs: Honourable senators, with the greatest respect — and it is a most serious question and one that we must deal with in the appropriate way — this is a very different war from any that Canada has ever participated in before. It is not the traditional form of war for which we have exercised certain extension of benefits in the past. I will certainly seek further information, but I do not believe that Canadians are at risk at present, although they are certainly in an area that in broad terms could be described as a war zone. However, they are primarily supporting the ships of the United States that are, in fact, actively engaged in the war against the terrorists.

[Translation]

DELAYED ANSWER TO AN ORAL QUESTION

The Hon. Fernand Robichaud (Deputy Leader of the Government): Honourable senators, I have a response to a question raised by Senator Kinsella on October 31, 2001, regarding security and intelligence.

SECURITY AND INTELLIGENCE

LIST OF TERRORISTS AND TERRORIST GROUPS

(Response to question raised by Hon. Noël A. Kinsella on October 31, 2001)

According to public statements made by the Director of CSIS, the Service's Counter-Terrorism Branch is investigating over 50 organizations in Canada, encompassing over 350 individuals, with links to terrorist activity.

In this regard, the CSIS web site lists the Provisional Irish Republican Army (PIRA) as an example of a terrorist organization that is active in Canada.

That being said, it is important to highlight the difference between individuals or groups under investigation by CSIS or the RCMP, and a proposed "List of Terrorists", as per Bill C-36.

Under Bill C-36, the Government is contemplating the establishment of a "List of Terrorists".

However, until the Bill becomes law and the list is established, I will not speculate on which entities may be included on such a list.

[English]

PAGES EXCHANGE PROGRAM WITH HOUSE OF COMMONS

The Hon. the Speaker: Honourable senators, I should like to introduce some visiting pages to members of the Senate. We have, from the House of Commons, Jennifer Blood of Victoria, British Columbia. She is enrolled in the Faculty of Administration at Carleton University. She is majoring in International Business.

Welcome, Jennifer.

[Translation]

Suzie Léveillé is studying communications at the Faculty of Arts at the University of Ottawa. She comes from Haileybury, in Ontario.

Welcome, Suzie.

[English]

The Hon. the Speaker: Finally, we have Nichola Payne of London, Ontario, who is enrolled in the University of Ottawa's Faculty of Social Sciences. She is majoring in Political Science.

Welcome to you all.

Hon. Senators: Hear, hear!

JUSTICE

CHARTER OF RIGHTS AND FREEDOMS FOR
CHILDREN—WITHDRAWAL OF OFFENDING LANGUAGE

The Hon. the Speaker: Honourable senators, Senator LaPierre has a point of order.

Hon. Laurier L. LaPierre: Honourable senators, I wish to speak in regard to my statement yesterday on the crime of Ms Vandensen of Stratford, Ontario, for which she was acquitted. It has been pointed out to me, and your body language at the time certainly demonstrated it, that I may have placed justice in disrepute and that I may have caused some harm to the reputation of this honourable house. I did not want to do that, and I thought I had made that quite clear. However, I see now that referring to Ms Vandensen as a criminal two times, and adding that she ought to be in jail, may have served my sense of hyperbole but may have caused something other than I wished. Consequently, I should like to apologize to honourable senators and, if possible, I would ask that the offending words be removed.

What I wanted to achieve, however, I do not apologize for. I wanted to make myself the spokesman of the plight, the pain and the fear of these children involved — a pain, a fear and a plight that will be with them for a long time to come, especially when they realize that it has been caused by their mother. Furthermore, I want to affirm to myself, perhaps more than to anyone else, that in the defence of children enormous risks must be taken and I certainly intend to continue to do so.

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, I wish to know if His Honour is recognizing that statement as a point of order, and if so, what is the point of order?

The Hon. the Speaker: Honourable senators, Senator LaPierre has sought an opportunity to rise in this chamber and request leave to strike words from a statement that he made yesterday under Senators' Statements. I was rising at this time to ask whether or not leave would be granted for him to do that.

Hon. Noël A. Kinsella (Deputy Leader of the Opposition): Honourable senators, a point of order was raised.

Senator LaPierre: I do not wish to cause any trouble.

Senator Lynch-Staunton: You are.

Senator Kinsella: In my opinion, no prima facie case has been made that this is a point of order. Therefore, I think the Chair should find there is no point of order. If the honourable senator wishes to make a statement or a declaration, or has something to correct or to withdraw, that is another matter. However, we must protect the integrity of the process of raising points of order. As well, the rules are clear on the role of the

Speaker. The first step must be the determination by the Speaker of a prima facie case. There is none.

Hon. Anne C. Cools: Honourable senators, as I understood it, Senator LaPierre was asking to withdraw his offending or distressing language, which is quite a different matter from deleting or striking words from the record. It seems to me that if Senator LaPierre expresses an apology and regret about using some tough and harsh language, the chamber should accept that with grace and magnanimity. However, it is a withdrawal, rather than a deletion or a purging of the record. I do not think purging of the record is a desirable characteristic for this Parliament or any other Parliament. I will be quite happy to agree to what Senator LaPierre asked for, which was for withdrawal, but the record will stay intact.

Senator LaPierre: Honourable senators, I am sorry to cause so much trouble two days in a row. I am trying to do the best that I can. I have this tendency that when I do something that seems to be wrong, I apologize. Therefore, I did apologize. If it is acceptable, that is sufficient for me. As for the rest of it, you can do whatever you like.

Senator Lynch-Staunton: That may be a very clever remark, but we are not in a television studio here, we are in the Parliament of Canada. Some very offensive remarks were made yesterday against the judicial system of this country. We let it go then because we hoped that the next day would bring some reflection and a complete withdrawal of those remarks.

Senator Taylor: What do you expect him to do, pound his head on the floor?

The Hon. the Speaker: Honourable senators, I want one senator standing at a time. Senator Lynch-Staunton has the floor.

Senator Lynch-Staunton: All we got was a point of order. I am asking what is the point of order?

Senator Cools: Honourable senators, I suggest that the matter go no farther than it has. The fact of the matter is that Senator LaPierre rose and expressed regret at the particular words that were used. I am of the opinion that the chamber is quite prepared to accept that, which was the intention of Senator LaPierre. With that, I think we should just let the matter drop.

Hon. Sharon Carstairs (Leader of the Government): Honourable senators, clearly, as a relatively new senator, Senator LaPierre is not familiar with all of our rules. It seems to me that the appropriate time for him to have made his statement this afternoon would have been during Senators' Statements. It was a statement that he was making. Perhaps what we could do, if honourable senators are agreeable, is to allow the statement that he made today to appear in Senators' Statements. It is certainly not a point of order.

The Hon. the Speaker: Do any other senators wish to comment on this matter?

Honourable senators, there is some anxiety as to my even listening to comments on this matter. The rules provide that the Speaker shall decide whether or not a point of order has been raised. It is entirely within the Speaker's discretion to hear comment that a point of order has not been raised or that a point of order has been raised and, having heard everyone, to make a decision. That is the process we will go through now for those of you who may be wondering why I am listening when there is at least some opinion that there is no point of order. I will hear senators until I have heard enough to make a decision and then I will give my decision to the best of my ability.

• (1430)

Hon. Marcel Prud'homme: Your Honour, you are a wise speaker. I was about to suggest what you have just said. Please rule and we will be more than happy to abide by that ruling. What was said yesterday was said; what is said today is said. It is on record. Let it stand, and I do not see why we should prolong this discussion.

Senator Cools: I have already said that Senator LaPierre has been magnanimous and generous. His language was overzealous and particularly strong, but this is not a point of order and should not be dealt with as such. The fact is that the honourable senator has already apologized. In the interests of fairness and justice, we should let the matter rest.

Hon. Jim Tunney: Honourable senators, I was here yesterday and I heard this relatively new senator's statement. I would not have made it. I was somewhat uncomfortable hearing it. However, in another life I can remember when the honourable senator made other statements in an equally public forum that I did not always agree with, either. I heard the honourable senator's intervention today.

I hope we have more serious business to deal with in this chamber. I would like us to accept the senator's explanation or expression of regret for what he means it to be and to proceed with our business.

The Hon. the Speaker: Honourable senators, I have heard the comments and I shall proceed to deal with this matter.

The issue raised by Senator LaPierre, which he is raising at the appropriate time, has been questioned as to whether it is a valid point of order. If I heard correctly, Senate LaPierre is now claiming that it is not a point of order. Accordingly, I will agree with those who say that this is not a point of order.

Senator LaPierre has asked for leave to withdraw certain remarks that he made under Senators' Statements yesterday. That cannot be done, Senator LaPierre, without unanimous leave of this place. Your comments, rightly or wrongly as a point of order, have been made and are a matter of record. Withdrawing them will require the unanimous consent of this house.

Honourable senators, is unanimous consent granted?

Hon. Senators: Agreed.

ORDERS OF THE DAY

CANADA-COSTA RICA FREE TRADE AGREEMENT IMPLEMENTATION BILL

SECOND READING

On the Order:

Resuming debate on the motion of the Honourable Senator Austin, P.C., seconded by the Honourable Senator Ferretti Barth, for the second reading of Bill C-32, to implement the Free Trade Agreement between the Government of Canada and the Government of the Republic of Costa Rica.

Hon. James F. Kelleher: Honourable senators, it is with great pleasure that I rise today to speak to the second reading of Bill C-32, to implement the Free Trade Agreement between the Government of Canada and the Government of the Republic of Costa Rica.

As the former Minister for International Trade at the time Canada was negotiating its first trade agreement with the United States, I am delighted to see that the bold vision so courageously adopted by the Progressive Conservative government under the Right Honourable Brian Mulroney continues to be pursued by this Liberal government.

Some Hon. Senators: Hear, hear!

Senator Kelleher: That has not always been the case. Prime Minister Chrétien told us in 1988 that the Free Trade Agreement was not good for Canada and that we paid too much for too little. Even the current finance minister was opposed to the FTA. We were told that the FTA was a total win for the Americans and a total loss for Canada and that they took us to the cleaners. According to Chrétien, Martin and their colleagues, the sky was to fall under the FTA and its successor agreement, the North American Free Trade Agreement, or NAFTA. We all know that this did not happen.

What has happened is that our exports to the United States have tripled since we signed the original agreement. In 1988, the value of Canadian exports to the U.S. was approximately \$100 billion annually. Today we export over \$300 billion in goods and services to the United States each year.

The value of our annual exports to Costa Rica is only \$86 million at present, a relatively small amount. That figure will be much more attractive if we triple it in 10 years, as we did with the United States. Imagine the possibilities if we enter into a Free Trade Agreement with all 34 countries of the Americas.

Free trade is not just good for us. As Senator Austin so eloquently stated yesterday, free trade can be one of the important tools used by developing countries to rise out of their economic depths and take their rightful place in world markets.

In his speech yesterday, Senator Austin reviewed in some detail the different aspects of this bill. I do not intend to repeat those today. I understand that there is some concern by Canada's sugar industry about this agreement. We will want to hear from that sector when this bill is referred to committee. We will also want to know which industries are included or excluded, and why, and we will want to learn about the pace of tariff reductions to ensure that it is fair for Canadian industries. Finally, we will wish to ensure that there is an adequate dispute resolution system in place.

Honourable senators, the Progressive Conservative Party supports the principle of this bill. We should commend the Liberals for adopting now what they so wholeheartedly rejected a few years ago. They have seen the error of their ways and the wisdom of ours. We know that it is difficult to admit that you were wrong and apologize for it. Imagine how painful it must have been for poor Brian Tobin to grovel at the feet of former Prime Minister Mulroney earlier this year in Europe, seeking Mr. Mulroney's forgiveness and admitting that the vehement Liberal opposition to free trade had in the end been nothing more than hot air. Honourable senators, we look forward to seeing this bill in committee.

The Hon. the Speaker: Honourable senators, if Senator Austin speaks now, his speech will close the debate on the motion for second reading of this bill.

Hon. Jack Austin: Honourable senators, I thank Senator Kelleher for his contribution today to the analysis and judgment of the merits of this particular legislation.

I was the sponsor of the North American Free Trade Agreement in this chamber when Mr. Chrétien's government adopted the agreement in its final form. My party has always been the party of free trade.

Some Hon. Senators: Oh, oh!

Senator Austin: I wish to remind Senator Kelleher, that former Prime Minister Mulroney, when he announced his objectives for his free trade negotiation, in 1985, said that it would remove the United States' use of duty and countervail, something that did not happen. He said that the agreement would remove the procurement priorities and preferences of the United States, something that did not happen.

There were valid reasons to be concerned about the NAFTA agreement. The Chrétien government was deprived, when it came into office, of the opportunity and flexibility to make changes.

Once the Mulroney government had agreed with the United States on certain questions and had provided negotiating

opportunities on other questions, we were stuck. We have to live with the bargain.

• (1440)

Honourable senators, I did not introduce yesterday any questions of politics in Bill C-32. I feel that I am provoked by my friend Senator Kelleher to put the record straight this afternoon.

Having said that, I look forward to a careful examination of Bill C-32.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE.

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

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

CONSTITUTION AMENDMENT, 2001, NEWFOUNDLAND AND LABRADOR

MOTION—DEBATE CONTINUED

On the Order:

Resuming debate on the motion of the Honourable Senator Carstairs, P.C., seconded by the Honourable Senator Milne:

WHEREAS section 43 of the *Constitution Act, 1982* provides that an amendment to the Constitution of Canada may be made by proclamation issued by the Governor General under the Great Seal of Canada where so authorized by resolutions of the Senate and House of Commons and of the legislative assembly of each province to which the amendment applies;

NOW THEREFORE the Senate resolves that an amendment to the Constitution of Canada be authorized to be made by proclamation issued by Her Excellency the Governor General under the Great Seal of Canada in accordance with the schedule hereto.

SCHEDULE AMENDMENT TO THE CONSTITUTION OF CANADA

1. The Terms of Union of Newfoundland with Canada set out in the Schedule to the *Newfoundland Act* are amended by striking out the words "Province of Newfoundland" wherever they occur and substituting the words "Province of Newfoundland and Labrador".

2. Paragraph (g) of Term 33 of the Schedule to the Act is amended by striking out the word "Newfoundland" and substituting the words "the Province of Newfoundland and Labrador".

3. Term 38 of the Schedule to the Act is amended by striking out the words "Newfoundland veterans" wherever they occur and substituting the words "Newfoundland and Labrador veterans".

4. Term 42 of the Schedule to the Act is amended by striking out the words "Newfoundland merchant seamen" and "Newfoundland merchant seaman" wherever they occur and substituting the words "Newfoundland and Labrador merchant seamen" and "Newfoundland and Labrador merchant seaman", respectively.

5. Subsection (2) of Term 46 of the Schedule to the Act is amended by adding immediately after the word "Newfoundland" where it first occurs the words "and Labrador".

Citation 6. This Amendment may be cited as the *Constitution Amendment, [year of proclamation] (Newfoundland and Labrador)*.

Hon. Ethel Cochrane: Honourable senators, when the House of Commons approved the constitutional amendment to change the name of Newfoundland to Newfoundland and Labrador, it was simply recognizing the name the people of the province had been using for many decades. In the minds of the province's citizens, Premier Roger Grimes among them, the change is simply entrenching within the Constitution, the name Newfoundlanders and Labradoreans have been using in the province for the past 40 years.

In April 1999, the province's House of Assembly approved and unanimously adopted the resolution to officially change the name to the Province of Newfoundland and Labrador. Then, as now, changing the name was considered an important acknowledgement of Labrador's contribution to the larger province. It is recognition of her distinct history, her geography, her culture and her people. According to Provincial Opposition Leader Danny Williams, the name change recognizes that the province is two large land masses, connected in a historic partnership. He said, "The affirmation of Labrador in the province's name is symbolic of our affirmation of Labrador as an integral part of our province."

The name change was designed to include and officially recognize Labrador as an equal partner. Quite simply, it has been an issue of respect. It is about respecting the role of Labrador and her people to our province. It is highlighting her contributions through such resources as the north and south coast fisheries, vast mineral extracts, the world renowned Churchill Falls Hydroelectric Plant and most recently, but just as important, the Voisey's Bay nickel deposits.

Honourable senators, the new name also helps to raise Labrador's profile outside the province. In fact, we have already witnessed evidence of this, at least on some level. Last week, for example, we read headlines in newspapers across the country that heralded the new name. There were headlines such as "Labrador Earns Some Recognition"; "Labrador Gets Equal Billing"; "Name Change Reflects Importance of Labrador"; and "Labrador

Recognized as Equal Partner." The name change and the media coverage it has received also go a long way to help teach Canadians about the province and, more specifically, about Labrador.

We are not a small province. Our land covers over 405,000 square kilometres. That is more than three times the total area of Nova Scotia, New Brunswick and P.E.I. Our offshore area extends more than 1,825,000 square kilometres. Our resident population is currently listed at almost 600,000.

Despite the progress signalled by the name change, that alone will not cancel out the history of the inequity Labrador and Labradoreans have suffered by all levels of government. Randy Collins, the member of the House of Assembly for Labrador West, said, "It is only when the services and opportunities Labradoreans have are brought to a level comparable to other regions, that this part of the province will be able to connect with the rest of the country and triumph over alienation."

The name is a positive step but one that must be more than just symbolic. While the name reinforces in people's minds that there are two distinct parts to the province, the fact remains that the region needs a stronger commitment from government. It needs a commitment to improve transportation, by establishing a highway system on a par with other Canadian communities; a commitment to education, by improving its ability to attract and retain teachers to local communities; and a commitment to health care, by investing in the region's medical service.

Hon. Bill Rompkey: Honourable senators, names are important. They describe us and define us both for ourselves and for others. So it is with persons; so it is with countries; and so it is with provinces. Names signify identity and a name is a symbol of who and what we are.

That is why this change in the name of our province is important. For the province, as Senator Cochrane has rightly said, consists of not just two land masses, but of two separate identities. The Island of Newfoundland, after the arrival of the Europeans, was described as a great ship moored in the middle of the Atlantic to be used for British fishing interests.

On the other hand, while there was some fishing latterly on the Labrador Coast, the interior was really part of the Hudson's Bay fur trading empire. In the early years after the arrival of the Europeans then, it is fair to say that, while Newfoundland was for fishing, Labrador was for furring. Labrador is really subarctic — part of the near North.

The origin of the Aborigines in the region, as well as those of European descent, is different. The most southerly Inuit in Canada live in Labrador. The origin of the Innu is not the same as that of the Beothuks or Mi'kmaq. The European settlers who first came to Labrador with the fur traders came primarily from Scotland and the Orkney Islands, not from the West Country of Britain or Ireland; and not from Poole, Devon or Waterford. While latterly many from the Island of Newfoundland moved to Labrador, so too did people from Quebec, from other parts of Canada and from other parts of the world.

Once natural resources were discovered in Labrador in the late 19th century, both Quebec and Labrador claimed patrimony. After a timber licence sent the matter of jurisdiction to the Privy Council of Great Britain, that body ruled in favour of Newfoundland, and the boundary between Labrador and Quebec was established as the height of land. That boundary remained intact when the province joined Canada with Labrador as part of its territory.

• (1450)

I remind honourable senators that we were not part of Canada before 1949. We had a convention to decide what we would do, and we very magnanimously decided to join Canada. Canada has been all the richer for that, as Senator Finnerty knows well.

That national convention and provincial election in 1949 was the first time that Labradoreans voted. The Island of Newfoundland had had the vote for almost 100 years. Labradoreans were voting for the first time. Although people's names were on the voter's list, the name of the territory where they lived, and had been living for some time, was not reflected in the name of the province.

As they saw it, they were an afterthought because the name of the island and the name of the province were one and the same. Therein, honourable senators, lay the primary cause of what Labradoreans saw as the rejection of their identity. The island was Newfoundland. The name of the province, as recorded in the Terms of Union, was Newfoundland.

The island and the province were one and the same. There was no room in the province's name, as Senator Cochrane has adequately described, to reflect the largest landmass not only in our province, but also in Eastern Canada.

Folksy references to "the Rock" only helped to reinforce the feelings of Labradoreans that they were not really part of the province. After all, they did not live on the Rock; they lived on the Ungava Peninsula.

This feeling persisted. I remember going to a convention of the Liberal Party where the president got up and, without malice but thoughtlessly, welcomed people from all across the island. We had to shout that we were from Labrador, too.

The situation was not helped by the fact that an island struggling to survive, and with its own very strong identity, too often saw Labrador as the great storehouse of natural resources to be exploited. Newfoundland had needs; but Labradoreans had needs, too, and rights. Just as in the 19th century they had seen fish caught off their shores slip back to the island, Labradoreans saw their iron ore and waterpower extracted and sold for the benefit of someone else. A political gap widened that was greater than the geographic one that existed at the Strait of Belle Isle.

Honourable senators, changes came in the latter part of the 20th century, as Senator Cochrane has again adequately documented. The government at that time made changes to the name of the government. In 1969, Premier Smallwood changed the name of the government to that of Newfoundland and Labrador. That name appeared on letterheads and licence plates. The island began more and more to acknowledge Labrador, to recognize it was an integral part of the province and to respond to its needs. Indeed, during recent years, all across the country, more and more, people have come to refer to us as Newfoundland and Labrador.

Premier Brian Tobin took the final step of recognizing that if there were not two nations warring in the bosom of a single state, at least there were two strong identities destined to survive. He ensured that they would survive, side by side, by initiating the measure that we have before us today. We have before us the change in the name of the province in the Constitution of Canada to Newfoundland and Labrador.

It is fitting that Brian Tobin take some credit for this for he was the first premier who had grown up in Labrador. Born on the island, he was a high school student in Goose Bay when I was superintendent of education. He understood the question of identity. He knew the facts of history. He realized the place of Labrador in the province, and he did something about it. He is to be congratulated, as is Roger Grimes for following through on this measure and Danny Williams, the Leader of the Opposition, for supporting it.

Honourable senators, before us today is simply, as Senator Cochrane has said, the recognition of a reality. There are two parts to the province. They are separated geographically with different historical developments, needs and possibilities. They are both parts of one province, and we are recognizing that reality in the name. It is an honour for me to support this measure with great enthusiasm, and I urge all senators to do the same.

Hon. Leonard J. Gustafson: Honourable senators, I should like to ask a question of the Honourable Senator Rompkey.

The Hon. the Speaker: Will the Honourable Senator Rompkey accept a question?

Senator Rompkey: I shall, honourable senators.

Senator Gustafson: Honourable senators, the fair province of Senator Rompkey's home is the recipient of the Hibernia oil development. In the honourable senator's opinion, what impact will that development have? How will it relate to current equalization payments? What is the future of that situation?

Senator Rompkey: Honourable senators, I see Senator Doody chuckling. I am sure that he can answer the question as well as I can. Perhaps the answer will be the same.

There will be oil revenues, but they will not come yet. The royalties will not begin to flow for another three or four years. Even when they do, we will not see the benefit of them as Alberta has, for example. The territory that Senator Cochrane described in her speech was disputed and it was eventually decided that it would be controlled by both the federal and the provincial governments. The major part of the government revenues from the oil will flow to the federal government, and a minor share of the government revenues from oil will flow to our province. That is a fact of history and the politics that we find ourselves in at the moment.

I might say that the same thing will be true, unfortunately, when we build, hopefully, a nickel mine in Labrador. Again, most of the government revenues from that mine will flow to the Government of Canada and not to the Government of Newfoundland.

Not only do we need to revisit the whole question of equalization, we also need to revisit the whole question of how resource revenues are shared. I am glad that the Standing Senate Committee on National Finance is presently examining the whole question of equalization.

We need to examine other policies as well. We need to revisit the offshore revenue accords of both Nova Scotia and Newfoundland to ensure that the policies that were enunciated at the time that they were signed are being observed. At the time of the signing of the accords, the policy enunciated was that most of the revenues would flow to the provinces, but that is not the way it is working at the moment. We need to revisit both equalization and the offshore accords to ensure that the provinces in Atlantic Canada are getting maximum benefit.

Senator Gustafson: The royalties are one part of the scenario. How do the oil companies fit into the picture? There are about 600,000 people in the province? How do the oil companies recover their investment? It is on a percentage basis, is it not?

Senator Rompkey: Honourable senators, there are two accords, one with Nova Scotia and another with Newfoundland. Senator Doody was Minister of Finance for Newfoundland at the time, and he could probably answer that question better than I can.

The oil companies get their revenue in the same way as any other private sector company. That is the general answer to the question. However, they had to do it within the accord. There is an accord with Newfoundland, and one with Nova Scotia. They recoup their money in the same way as all other companies do except that they have to operate within the limitations of the accord.

I should also say that without the help and support of the Government of Canada at that time, we would not have the oil developments. The late John Crosbie, who was in cabinet at the time, played a major role in securing our offshore accord.

Senator Gustafson: The spinoff benefit in terms of jobs and so forth must be quite significant. Is that fair to say?

• (1500)

Senator Rompkey: It is. We have been able to develop companies and people who have skills in the offshore. That has happened from the time of the Ocean Ranger. Most of the people who sank in that disaster back in the 1980s — I believe it was in 1983 — were from our province. It was a terrible tragedy for us at that time.

I think it is fair to say that from the 1980s onward, we have produced people who work on those rigs and on shore as well. We have developed companies that support both the onshore construction and the offshore effort and the aircraft —

The Hon. the Speaker: I am sorry to interrupt, but the 15-minute time period has expired. Is the honourable senator requesting leave for additional time?

It would be for Senator Rompkey to request leave or not.

Senator Rompkey: Yes.

When I first rose, they would not let me speak, and now they do not want me to sit down. I wish they would make up their minds.

The Hon. the Speaker: Senator Rompkey has requested leave to extend his time. Is leave granted, honourable senators?

Hon. Senators: Agreed.

Hon. Gérald-A. Beaudoin: When we use the word “Labrador,” was the whole of Labrador included in the decision of the Judicial Committee of the Privy Council in 1927? In other words, if it is the whole territory that was referred to in the decision of the Judicial Committee of the Privy Council, this is a question of boundary.

The decision is accepted by the experts. There is no doubt in my mind about that. A book has been written on this matter and the question, legally speaking, is settled.

When the word “Labrador” is referred to, does the word refer to the boundary declared in 1927?

Senator Rompkey: The simple answer is yes. It is the territory that was established in 1927. Labrador was really not defined before 1927. It was a name on a map, but no one actually defined what that area included. It was only defined in the decision of the Privy Council in 1927. The boundary established at that time was at the height of land; in other words, where the rivers began to flow to the Atlantic Ocean. That is what the Privy Council accepted as a definition of “the coast.” The coast was the area from the height of land where the rivers began to flow, to the Atlantic Ocean. That was accepted by the Privy Council and established in 1927. When we joined Canada in 1949, that was the boundary with which we came to Canada.

Senator Beaudoin: If that is the case, I should like to move that the debate be adjourned in my name because I wish to make a speech on this topic.

Hon. Roch Bolduc: I have a question for the honourable senator. I wonder whether we are expecting another motion like this for Nova Scotia and Cape Breton?

The Hon. the Speaker: The Honourable Senator Rompkey does not wish to answer.

On motion of Senator Beaudoin, debate adjourned.

ANTI-TERRORISM BILL

REPORT OF SPECIAL COMMITTEE ON SUBJECT MATTER OF
BILL C-36—DEBATE ADJOURNED

The Senate proceeded to consideration of the first report of the Special Committee of the Senate on the Subject-Matter of Bill C-36, to amend the Criminal Code, the Official Secrets Act, the Canada Evidence Act, the Proceeds of Crime (Money Laundering) Act and other Acts, and to enact measures respecting the registration of charities in order to combat terrorism, tabled in the Senate on November 1, 2001.

Hon. Joyce Fairbairn: Honourable senators, I rise today to begin debate on the first report of the Special Senate Committee on the Subject-Matter of Bill C-36, the anti-terrorism bill, which I tabled in the chamber last Thursday.

This report is the result of a pre-study of the bill. The Senate was requested to undertake this study by the government. We were asked to offer our comments and our recommendations on an important piece of legislation that was prepared in the aftermath of the horrific events of last September 11, when thousands of innocent people were murdered as terrorists forced commercial air flights to crash into the World Trade Center in New York, at the Pentagon in Washington, D.C., and in a field in Pennsylvania.

There were no survivors among the passengers, and an estimated 5,000 or more people died on the ground. So violent was the impact that few remains were recovered, and even though brave rescue teams continue to search and families retain a faint hope that something to remember will still be found, the fear and the sadness is there.

Terrorism is certainly not a new phenomenon in our world. It is as old as history itself. Nor is it new to Canadians. We will never forget the 1985 bombing of the Air India flight 182 and the death of its 329 passengers.

We remember the FLQ crisis of 1970 when British diplomat James Cross was held hostage in Montreal, and Quebec Labour Minister Pierre Laporte was kidnapped and brutally murdered right here in Canada.

However, what was new to us eight short weeks ago was that international terrorism was targeted directly at the soil and symbols of North America. We were stunned to see before our

eyes not just Americans but Canadians and citizens from some 80 lands simply disappear without a chance, without a hope. In those moments we were helpless in the grip of an enemy we could neither see nor comprehend, with a battlefield that had no boundaries in a world of high technology.

September 11, 2001, has indeed changed our lives. It was not just an attack on our neighbour; it was an attack on us and free people in democracies everywhere. Terrorists exploited vulnerabilities that exist because of the freedoms that define us as citizens and that we tend to take for granted.

We have maintained a level of security felt to be sufficient within our own nation in peacetime, but with the reduction of the tensions of the Cold War, we have not felt an urgent need to buttress ourselves against the unexpected strikes from hidden sources whose strength is hatred and a fanaticism that ultimately nullifies their own passion for survival.

Well, honourable senators, that time has come. There is urgency to respond. The government has proposed Bill C-36 with the elements of that response.

As Minister of Justice Anne McLellan said when she last appeared before our committee:

This bill is about what we need to do to protect our most basic human right — the right to live our lives in peace and security. If we do not protect this right, then the rights to freedom of expression, association and all the other rights guaranteed by the Charter are at risk.

This is not a question of “either-or.” It is a question of finding the right balance. The government has worked hard on this bill. Care has been taken to provide safeguards for Canadians. The government wants to get it right and has asked for our views. Our report has been sent to the House of Commons and its Committee on Justice and Human Rights, which is now studying this bill. The bill will come back to us for study, debate and clause-by-clause consideration.

• (1510)

I will not stand here today and pretend that our proposed changes are the only ones, or the best, or the magic wand to produce the right balance. During an intense schedule of hearings, we listened carefully to a wide range of excellent and expert witnesses. We discussed and argued about the very serious issues before us. Together, we tried to come up with what we think are workable improvements to the bill. One thing was clear: We understand the need for new powers and procedures and we support the principles of Bill C-36. We do not recommend eliminating any provisions of the bill.

Our recommendations focus on two issues: First, ensuring there are adequate and appropriate safeguards throughout the bill, especially to ensure that innocent people are not wrongfully caught in the net of terrorism and their reputations damaged forever; and, second, ensuring there is accountability to Parliament and therefore to Canadians for actions taken under this bill.

The bill contains a number of unusual powers that, if not unprecedented in Canadian law, certainly have never been part of our usual criminal justice process. At every stage, we wanted to ensure avenues for review of the exercise of these powers by an independent body. In some cases, it was possible and appropriate to recommend judicial review. For example, we suggest providing for an automatic and rapid referral to a higher court when a person is committed to prison for failure to enter into the requested recognizance under the preventive arrest provisions.

We were concerned about the proposed new certificates that the Attorney General could issue, barring disclosure of information under several Canadian statutes, including the Privacy Act and the Access to Information Act. We understand that there may be times when national security requires that information not be disclosed. However, these acts represent important Canadian values. In the end, we recommended that any such certificate should be reviewable by the Federal Court, which would be directed to balance the competing interests of disclosure on the one hand and international relations, national defence and national security on the other.

As drafted, these certificates, once issued, would be valid in perpetuity. The need to keep information secret can change with time and circumstances. We propose making the certificates last for a five-year period, with renewal subject to review by the Federal Court.

This bill for the first time legislates a mandate for the Communications Security Establishment, enabling it, among other things, to intercept certain communications involving Canadians in situations where the target of the interception is not in Canada. Ministerial authorization under defined conditions is required, but the committee added a recommendation that judicial authorization should be obtained wherever appropriate and feasible.

In some cases, judicial review was not feasible. In order to ensure independent review, we propose the appointment of a new officer of Parliament to monitor, as appropriate, the exercise of powers provided in the bill. For example, we were concerned about the bill's proposed "List of Terrorists." We recognize the need for this list, particularly for the purpose of freezing assets. However, history has taught us to approach such lists with great care. Mistakes can be made. The consequences for the individual wrongly identified as a terrorist can be life shattering. Indeed, we would prefer a different title and suggest a look at those in other countries such as Britain, where they refer to it as a prescribed list.

As drafted, the list would be established by cabinet on the recommendation of the Solicitor General. There is provision for appeal to a judge by someone who considers their name was wrongfully included, but that only takes place after the list has been published. To protect innocent reputations, then, we propose having the new officer of Parliament review the list before it is made public. We understand there may be times when this will not be possible. However, we limited those exceptions to cases of demonstrable urgency. We also recommended that no

one be placed on the list unless they knowingly facilitated a terrorist activity, and that is not in the bill.

Other recommendations need attention, honourable senators. We want to add a non-discrimination clause to the bill to address the deep concerns of various ethnic and cultural communities that they will be targeted. We suggest a change in wording, which would make a clear distinction between activities that may be illegal, for example, under labour legislation, and those that would be considered as terrorist activities. We want to be sure that due process is afforded to organizations denied charitable status on the basis of information that they are making resources available to terrorist entities. We recommend a right of appeal of a judicial decision that a certificate is reasonable.

Under the new Security of Information Act, which replaces the Official Secrets Act, we suggest the proposed designation of "persons permanently bound by secrecy" be subject to appeal or review as well as reconsideration after a certain passage of time or change of circumstances. The term "security" is used a number of times throughout the bill. For clarity, we recommend this be changed to "national security" and that that term be defined.

We also suggested that the words "terrorist activity" rather than "terrorism" be used consistently throughout the bill and that the new offence of mischief relating to religious property be changed to add the word "sex" to the list of motivating factors which now includes religion, race, colour, nationality or ethnic origin.

I have left to the end the issues that received the most public attention and, indeed, debate among committee members. What kind of review should Parliament have that would most effectively reflect the public interest? How can we best ensure that the Canadian public is able to see clearly how the powers under Bill C-36 are being exercised and whether in fact they are the right tools to help prevent terrorist activities?

We recommend that the proposed officer of Parliament table a report in Parliament at least once a year, or as he or she sees fit. If there are abuses of the powers provided, then that person can let us know at once. We ask that the Minister of Justice table an annual report in Parliament setting out the actions that have been taken that year under Bill C-36.

We are not seeking information that may compromise national security. Rather we are looking for facts, such as the number of times particular powers have been exercised, how many preventive arrests were made and with what results so Canadians can see how this is working.

The bill contains a major provision for a comprehensive parliamentary review of the operation of the act within three years after it comes into force. The Senate will be keen to participate and we recommend changing the language of the bill to clarify that both Houses of Parliament conduct separate reviews.

Reviews, honourable senators, can advise, but they cannot instruct or order or compel. The committee concluded that the legislation should include a broad sunset clause. We propose that within five years the government must return to Parliament to justify to Canadians why it believes that the powers granted under the bill should be continued. Clearly, it has the capacity to legislate changes to the new law at any time. This provision would set down a marker to assure Canadians that these powers, if continued, are sufficient without being exorbitant and that they continue to be justifiable and necessary in the battle against terrorism.

We also recognized that the ratification of international conventions on financing terrorism and terrorist bombings contained in the bill must not be subject to the forced expiration of a sunset clause.

• (1520)

Honourable senators, none of us on the committee expect that the war on terrorism will be won in three years or five years or into the horizon. We are, indeed, in uncharted territory here.

In summary, the government believes that the powers granted under this bill are the right ones for a tough job and that they can be exercised with standards of fairness and justice which Canadians expect. We share this goal but wish to revisit the matter after sufficient time has passed for us to have experience with the operation and implementation of these critical measures.

Honourable senators, this has been a challenging exercise because of the tremendous importance of what is at stake for all of us who are truly concerned with the freedom and protection of this country and all its citizens. I thank each of my colleagues on the committee and all those who joined in when they had the time. It was a great team. The only major concern occurred at the end of our process when, to the regret of many members, parts of the report were leaked to the media before the final version had been approved and tabled in this chamber.

Hon. Senators: Shame!

Senator Fairbairn: Throughout all these discussions, honourable senators, I have been grateful for the wisdom and the good nature of the deputy chairman of the committee, Senator Kelleher. All of us have benefited enormously from the experience and the patience of our clerk, Heather Lank, and the researchers from the Parliamentary Library, Ben Dolin and John Wright, all of whom will be with us the second time around.

We believe that we have offered reasonable ideas for changes to Bill C-36 which will help assure all Canadians that the government is well positioned to protect us from terrorist activities and will continue to exercise its powers and its authority in ways consistent with the values and the principles that all of us cherish in a country we love.

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

[Translation]

ASIAN HERITAGE

MOTION TO DECLARE MAY AS MONTH OF
RECOGNITION—DEBATE CONTINUED

On the Order:

Resuming debate on the motion of the Honourable Senator Poy, seconded by the Honourable Senator Carney, P.C.:

That May be recognized as Asian Heritage Month, given the important contributions of Asian Canadians to the settlement, growth and development of Canada, the diversity of the Asian community, and its present significance to this country.

Hon. Laurier L. LaPierre: Honourable senators, it is with great pleasure that I support the motion of the Honourable Senator Poy, seconded by the Honourable Senator Carney, that May be recognized as Asian Heritage Month.

[English]

I do so not only because I lived for 15 years in this present incarnation in the marvellous province of British Columbia, which I continue to call my home, but because I am convinced that the acceptance of this motion will go a long way toward repairing the ravages of history too often perpetrated against the Asian population of our country.

Like all the millions of people from all the lands of the planet, speaking over 150 languages and worshipping the gods of their ancestors, those of Asian origin came here to our beloved country to seek a better life, a home to be safe in, a chance to earn a living, to be reunited with their loved ones, to escape famine and torture and war and genocide. They came to find love, understanding and respect, room in which to grow, and a good place in which to bring up children in liberty and freedom.

Unfortunately, we did not treat these newcomers kindly, especially when they were not white. We did not like the Chinese very much. For example, in September 1907 there was a vicious attack on the Chinese in Vancouver. It was organized, if the word can be used, by the Asiatic Exclusion League made up of young white professionals, Christian churchgoers, freedom-loving workers and their unions, devoted matrons and what was called then the filthy rich. The day was well advertised by the media of the time, and it began with speeches and more speeches. Then the words turned into violence. The mob descended on Chinatown, breaking and smashing everything it could on the way. Most of the Chinese barricaded themselves in their houses, but those who did not were severely beaten.

Not satisfied with the destruction of Chinatown, the white people proceeded to the Japanese neighbourhoods, enriched that year with the addition of 8,000 new immigrants. The Japanese, armed with makeshift weapons, met their white assailants and routed them.

We did not like the Japanese, either. They have been here since 1877. We deemed them, along with the Chinese and other Asians, to be, and I quote, "unfit for full citizenship, obnoxious as they are to a free community and dangerous to the state." In 1907, we asked the Japanese government to limit the immigration of their people to 400 a year, a quota that 21 years later was reduced to 150. The white supremacists of British Columbia had their day.

They also had their day during the Second World War when, in an orgy of racism, we incarcerated 20,000 Japanese, breaking up their families and more or less confiscating their property. The rest of Canada, white Canada, applauded and lauded those who had perpetrated this ignominy in our name.

I will tell honourable senators that there were some bright rays in the total darkness of intolerance of those days. Here are two such rays.

In the old mining town of Britannia Beach, along the most beautiful sound in the world, a sound where I lived for 10 years, on the day the RCMP arrived to transport the Japanese workers and their families to the bullpens of the Pacific National Exposition, some white children hid their little Japanese friends in basements, abandoned warehouses, behind trees, and in secret places only children know about. Eventually, of course, they were found, and the friends had to be separated, but not without tears and much anger.

The second ray of hope came from the Japanese individual I interviewed in a series of programs which I did in Vancouver with the descendants of those incarcerated. That individual, about to be incarcerated, sold his house for \$1 to his neighbour who was a Sikh, asking the neighbour to look after it and to sell it back to him after the war for the true value it would have reached by then. When the Japanese came back, the Sikh handed over the property for \$1, the same amount he had paid for it.

When peace returned in 1945, we gave the Japanese a choice: either get out of Canada and return to Japan or move east to the Prairie provinces, Ontario and Quebec. Again families were split. Some of us protested, but not loudly enough. Only in 1948 did we stop this brutal persecution and give the Japanese the right to vote.

We did not like the Sikhs, either. The first Sikh arrived from the Punjab in 1904, and the immigration continued on unabated thereafter. Then the persecution began, a persecution led by the Mayor of Vancouver and ably assisted by the Trades and Labour Council of British Columbia. To exclude the Sikhs from Canada and to pacify the bigots of the West Coast, the Canadian government, with a remarkable ingenuity, passed an Order in

Council that prohibited the immigration of any Asian who did not get here by a continuous passage. We then ordered the steamship companies in India not to sell through-tickets to Canada. What lengths we shall go through.

Indian immigration stopped after that until Saturday, May 23, 1914, when a chartered ship, the *Komagata Maru*, with about 400 Indians on board, all British subjects, anchored in front of Vancouver Harbour. The would-be immigrants stayed there two months without food and water or medical attention, victims of the most brutal bureaucratic harassment imaginable, subjected to military force and police brutality, and intimidated by the local population, who made a circus of them.

• (1530)

Finally, unable to sustain the siege any longer, the *Komagata Maru* left for Calcutta with its human cargo. There the British troops and Indian police opened fire on the passengers. Several were killed and others were arrested and detained. The white man responsible for this atrocity was killed by a Sikh on October 21, 1914, and in honour of him, he was given a civic funeral. As for the passengers, Nehru, the Prime Minister of India, unveiled a monument to them at the beginning of 1952.

Here we are today, honourable senators, a time marked with anxiety and fear, which is turned too often against those who would come to us to seek a better life, to build a safe home, to have a chance to earn a living, to be reunited with their loved ones, to escape famine, torture, war and genocide, to find love, understanding and respect, to have a room in which to grow, a good place in which to bring up their children and, above all, to have liberty and freedom. Consequently, let us endorse this motion unanimously and with great enthusiasm. We owe it to ourselves. Long live Canada!

On motion of Senator Cools, debate adjourned.

[Translation]

BUSINESS OF THE SENATE

Hon. Fernand Robichaud (Deputy Leader of the Government): Honourable senators, on Wednesdays we try to conclude the business of the Senate as close to 3:30 p.m. as possible, to allow committees to sit. I would ask that all items on the Orders of the Day and on the Order Paper remain where they stand.

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

Hon. Senators: Agreed.

Motion agreed to.

The Senate adjourned until Thursday, November 8, 2001, at 1:30 p.m.

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