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THE HONOURABLE DAN HAYS
SPEAKER

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THE SENATE

Wednesday, February 12, 2003

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

Prayers.

SENATORS' STATEMENTS

HERITAGE

STUDENT EXCHANGE PROGRAM

Hon. Laurier L. LaPierre: Honourable senators, about 2,000 kilometres north of this chamber is the seaside community of Kimmirut. It is one of the smallest, most remote communities in our vast country. It might very well be on the moon, for many Canadians. It certainly is as different a face of Canada as one can find.

While stone carving and ecotourism may be replacing hunting and fishing as a living for many residents, the 50 or so houses face the sea rather than the street. There is a year-round show of the northern lights rather than the traffic lights and billboards with which we are more familiar. It is a true northern experience.

This is exactly what a group of grade 9 and 10 exchange students from St. George's High School in Montreal got when they visited this small community. They took the three-hour flight to Iqaluit and then the 200-kilometre flight to Kimmirut, to reunite with 20 friends that they had made a few months before in Montreal.

The entire community of Kimmirut was eager to welcome the southerners — imagine calling Montrealers "southerners." The community was keen to share stories and traditional meals of caribou. The warmth and friendliness of the people stood in stark contrast to the cold harsh climate.

For too many locals, the rare exposure to southerners has been tainted by the unpleasant experience of being labelled an Eskimo or worse, but these young Montrealers were different. They were friends who had opened their homes to the young people of Kimmirut, city dwellers who had introduced the young Kimmirut to Laser Quest, botanical gardens, subways and the convenience of massive shopping malls. Together, the young friends visited Canada's capital and sat in both chambers of our Parliament.

Honourable senators, these exchanges are important to Canada. They give young Canadians the opportunity to experience Canada from a different perspective than their own. They inspire youth to appreciate, respect and embrace Canada's incredible diversity. Exchanges like these also reach beyond the participants. They touch the families who act as exchange hosts.

[Translation]

The students of St. George's High School had already been learning about the vast expanses of the Far North, its lack of roads and its ongoing social problems.

This exchange allowed them to learn far more. They discovered that Inuit youth were not unlike themselves in their concerns, their desire for independence, their search for identity, their worries about the future.

They were able to hear new ideas about sharing natural resources and the land.

[English]

Honourable senators, Exchanges Canada is bringing Canadians together, one from Kimmirut and one from Montreal at a time, 15,000 students each year. Exchanges Canada is strengthening our national fabric and building a Canada for one and for all. With the help and support of honourable senators, Exchanges Canada can do more to strengthen the most marvellous country on the planet. Vive le Canada!

NATIONAL DEFENCE

GRANT TO FEDERATION OF MILITARY AND UNITED SERVICES INSTITUTES OF CANADA

Hon. J. Michael Forrestall: Honourable senators, this year, for some reason, the Federation of Military and United Service Institutes of Canada, FMUSIC, has been singled out by the Department of National Defence and not given its annual grant of \$24,000. The Conference of Defence Associations received their \$75,000, and the Canadian Institute of International Affairs will receive \$40,000. Other Canadian associations representing Canada in international affairs areas will be given their grants.

The Leader of the Government in the Senate will know that this is not a large amount of money for the government, but she will appreciate that it is an extraordinarily large sum to the organization. The amount of \$24,000 represents the annual operating budget of FMUSIC.

I do not know why this has happened, but in drawing the matter to the attention of honourable senators, I wonder if the Leader of the Government might revisit it.

It was the government that instituted the program to begin with. FMUSIC was given entitlement to a draft and support in 1938, by Order in Council PC-19/1298. This was reaffirmed by Canadian Forces administration order CFAO-210-42.

• (1340)

Now, as I have said, for some inexplicable reason, the Treasury Board guidelines prevent DND from renewing the federation's annual grant of \$24,000, a grant that, I suggest, was authorized in and has continued since 1938.

FOREIGN AFFAIRS

UNITED STATES—
SUPPORT IN THE CAUSE OF FREEDOM

Hon. Gerry St. Germain: Honourable senators, more than 225 years ago, a small group of men and women ventured into uncharted waters in search of freedom. They landed on the shores of barren, untamed land with nothing more than their hopes, dreams, boundless courage and their unwavering faith in the goodness of ordinary men and women. The extent of their sacrifice was matched only by the depth of their commitment to freedom's purpose. They founded a new nation committed entirely to that purpose, a nation constituted with the self-evident truth that all men are created equal, that they are endowed by their creator with certain inalienable rights, that among these are life, liberty and the pursuit of happiness. That nation went on to become the land of the free and the home of the brave.

A beacon has shone from America's shores for centuries since, lighting the way for millions who followed in search of their own hopes and dreams. The brave and bold of that land have ventured back out into the world ever since. They have selflessly made safe mankind's passage from the darkness of oppression and tyranny into the sunlight of opportunity, respect and equality.

We Canadians are unique in our privilege of calling America our neighbour, our best friend and our largest trading partner. Too often, though, we have taken for granted that which we should truly cherish. We often fail to admit that the shape and substance of our free society were forged first in the land to our south, where liberty was born. We forget, too, that each time when our brave ventured forth to defend freedom's purpose around the world, beside us stood our American friends, ready to defend and protect us.

Americans have always stood vigilant, not only on their own shores but also in far away lands, as the protectors of freedom and human rights. Their call to arms has always been our first warning of a threat to those ideals we share in common.

Now, in the face of glaring threats, manifest in the form of terrorism's deadliest promise and tyranny's iron fist, America is sounding an alarm and issuing a call to action. While our friends and neighbours do not shy from acting alone in defence of mankind's liberty, they, today, extend a hand to their friends and traditional allies, people whose security has been guaranteed by America's pledge time and again. They have stood with us to defeat evil before. Without them, the cause of freedom would have been a hopeless struggle.

We Canadians must hear the call, heed the warning and rise to the challenge. Our American friends have called. It is time to honour their purpose with our willingness to defend freedom's cause.

DISTINGUISHED VISITOR IN THE GALLERY

The Hon. the Speaker: Honourable senators, before proceeding with Routine Proceedings, I should like to draw your attention to the presence, in our gallery, of our former colleague the Honourable Orville Phillips.

Welcome.

[Translation]

BUDGET SPEECH

ACCOMMODATION OF SENATORS
IN COMMONS GALLERY

The Hon. the Speaker: Honourable senators, I remind you that the budget speech will be delivered in the other place at 4 p.m. on Tuesday, February 18, 2003.

As has been the practice in the past, senators will be seated in the section of the gallery reserved for the Senate, in the House of Commons, on a first-come, first-served basis.

The space being limited, this is the only way to guarantee accommodation for those senators wishing to attend. Unfortunately, no guests of senators can be accommodated.

ROUTINE PROCEEDINGS

BUSINESS OF THE SENATE

NOTICE OF MOTION TO AUTHORIZE COMMITTEES TO
MEET DURING ADJOURNMENT OF SENATE

Hon. Fernand Robichaud (Deputy Leader of the Government): Honourable senators, with leave of the Senate, I give notice that, later this day, I will move, pursuant to rule 95(3):

That, during the period of February 14 to 24, 2003, the committees of the Senate be authorized to meet even though the Senate may then be adjourned for a period exceeding a week.

[English]

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

Senator Forrestall: No! Some notice must be given.

The Hon. the Speaker: That is correct. I was taking this as notice.

[Translation]

Senator Robichaud: Honourable senators, I hereby give notice that, tomorrow, I shall move the motion I have just read.

[English]

CANADA-EUROPE PARLIAMENTARY ASSOCIATION

VISIT TO EUROPEAN AND DANISH PARLIAMENTS,
NOVEMBER 25-29, 2002—REPORT TABLED

Hon. Consiglio Di Nino: Honourable senators, I have the honour to table, in both official languages, the report of the Canada-Europe Parliamentary Association, concerning a visit to the European Parliament and the Danish Parliament from November 25 to 29, 2002.

QUESTION PERIOD

INTERNAL ECONOMY, BUDGETS AND ADMINISTRATION

LETTER ON EXPENDITURE GUIDELINES TO COMMITTEE CHAIRS—EFFECT ON TRAVEL PLANS OF NATIONAL SECURITY AND DEFENCE COMMITTEE

Hon. J. Michael Forrestall: Honourable senators, my question is for the distinguished chair of the Standing Committee on Internal Economy, Budgets and Administration. I have recently seen the letter that the chair circulated on February 6 to committee chairs, which involves, in my judgment, the micromanagement of the work of committees, to the extent that they will soon become totally ineffective. In that regard, I have a couple of questions that I should like to put to her.

What committee chairs did she consult before preparing the guidelines and issuing the memo?

[Translation]

Hon. Lise Bacon: Honourable senators, I have met with the chairs of each committee concerning budgets for the period between now and April 1. Each of them indicated to us which areas held greater or lesser priority for them. Discussions were held and I presented my report to the Standing Committee on Internal Economy and, thereafter, to the Senate.

[English]

Senator Forrestall: Honourable senators, as a result of prorogation last year, Senate committees were pretty well inactive all fall. There should be a surplus of funds.

• (1350)

I note the chair is shaking her head in the negative. I thought those funds would not lapse until the end of the fiscal year. That is the period for which they were granted.

Assuming that is correct, and subject to further enlightenment to the contrary, why is Internal Economy hindering the work of the committees by restricting access to those funds? Why is that happening? Can she tell us what happened to those funds if they are not there?

[Translation]

Senator Bacon: Honourable senators, that is assuming there is a surplus of funds. The numbers change from day to day and, as far as I know, no committee was short of funds to carry out its work or to travel as planned.

For some committees, there will be a shortage of funds for travel or work, and some trips and work will be funded. Furthermore, a report will be tabled in the Senate tomorrow, which will then be tabled with the Standing Committee on Internal Economy, Budgets and Administration.

[English]

Senator Forrestall: I appreciate the response. However, I fail to understand why something that took place last year, within the

current fiscal year, fluctuates daily. The honourable senator has indicated that she will have figures tomorrow. I will wait until tomorrow, when we will all go home for a week or so, to find out the answer.

Honourable senators, I ask this question because the Standing Senate Committee on National Security and Defence is about ready to go to the United States to meet with the appropriate government officials there to discuss matters on homeland security, among other matters. We have been holding meetings and attending briefings in preparation for this work, work that I think is relatively important.

As an aside, I have no way of knowing whether or not the United States will be at war as at the first of next week. If there is any credence to the requirement of parliamentary approval for Canadian involvement in that war, it will make matters somewhat more difficult if half of Parliament is not here.

As to the committee, we need to take staff. We need to take the full committee. The full committee participated in the briefings and the hearings leading up to this trip. Taking our professional staff would enable us to be prepared, on an hour-by-hour basis, to deal with the important people we wish to see.

If the chairman replies tomorrow that there is a surplus, would she give some reconsideration to allowing the committee to travel in full to the United States for this very important, at this time, committee meeting?

[Translation]

Senator Bacon: Honourable senators, as far as I know, all of the committees are being treated equally. We cannot make exceptions and favour one committee over another. Committee chairs often believe that their committee is the most important, but the fact of the matter is that all committees need funds.

An amount of money is available and, even though each committee chair may want to access all of that money, it will be distributed very carefully to allow each committee to do its work. We cannot allocate the entire budget to one specific committee.

[English]

Senator Forrestall: A final supplementary: My understanding is that the Internal Economy Committee has directed that these surplus funds be spent on typewriters, computers, and whatever else it is the staff feel that they need. I notice the government deputy house leader shaking his head in the negative.

I direct this final supplementary to the Leader of the Government in the Senate. If the money were available, would the leader use her good offices and ask the Chair of the Standing Committee on Internal Economy, Budgets and Administration to reconsider the very rigid position she has put in place?

Hon. Sharon Carstairs (Leader of the Government): Honourable senators, I wish to express my deepest confidence in the honourable senator who chairs the Standing Committee on Internal Economy, Budgets and Administration. I will not, in any way, interfere with the decisions of that committee because I know that the committee as a whole is doing their very best to manage the funds wisely and to share them equally among the committees, all of which have excellent work to do on behalf of this chamber.

JUSTICE

DIVORCE LEGISLATION—EXPENDITURES ON ADVERTISING AND TRAINING

Hon. Donald H. Oliver: Honourable senators, my question is for the Leader of the Government in the Senate. It deals with Bill C-22.

In that bill, the Government of Canada plans to amend the current family justice system to make it more user-friendly, and to ensure that the rights of children are placed at the forefront of family conflicts. While this is a commendable goal, the government still manages to find ways to waste money.

I refer specifically to the article in the *National Post* of December 12, 2002. The headline reads, “Lawyers cash in on changes to divorce law, critics say: More spent on ads, research, training than counselling.” The article states, in part:

The federal government is quietly spending almost twice as much money on advertising, research and training lawyers about the new divorce laws than it will put toward new funding for counselling and mediation for separating parents.

Could the honourable leader please explain to this chamber whether that is an accurate report and whether that is where the money is being spent?

Hon. Sharon Carstairs (Leader of the Government): Honourable senators, there is no question that money is being spent to train those who work within the legal system in order to ensure that the counselling and mediation take place in an appropriate fashion.

Senator Oliver: Honourable senators, as I understand it, \$48 million — not \$1 million — \$48 million is being spent under this proposal to educate lawyers about word changes in the act, such as “custody and access” and “parenting orders.” Is that a good use of \$48 million?

Senator Carstairs: Honourable senators, I cannot give the honourable senator the assurance that the figure is less than \$48 million or indeed more, since I do not know. I will try to obtain that for the honourable senator.

However, I do note that it is important that, as we move to a system that I hope will be much more child-focused and child-centred, and where parents will be expected to accept their responsibilities to those they bring into this world, if we can make that system work effectively, it will be worth the money.

[Translation]

NATIONAL DEFENCE

POSSIBLE WAR WITH IRAQ— COMMONS OPPOSITION MOTION TO SEND TROOPS

Hon. Pierre Claude Nolin: Honourable senators, my question is for the Leader of the Government in the Senate. Yesterday, a majority of members in the other place voted against a Bloc Québécois motion, which read as follows:

That this House consider the sending of troops to Iraq by the government only after the United Nations Security Council has passed a resolution explicitly authorizing a military intervention in Iraq.

• (1400)

My question is simple. Would the minister have supported this type of motion if she were in the other place, or if this motion were moved here in the Senate?

[English]

Hon. Sharon Carstairs (Leader of the Government): This is a highly hypothetical question since I am not in the other place and never intend to sit there.

[Translation]

Senator Nolin: I also asked you the following question: If this motion had been moved in this house, what would have been your answer?

[English]

Senator Carstairs: If the motion had been tabled in this house and on a day when another motion from the other opposition party, namely, the Alliance, had also been tabled, both of which were trying to hamstring and tie up the government prior to the report of Dr. Blix, I would have voted exactly as the vast majority of the Liberal members voted yesterday.

[Translation]

THE SENATE

DEBATE ON POSSIBLE WAR WITH IRAQ

Hon. Pierre Claude Nolin: Honourable senators, I understand that the answer of the Leader of the Government would have been no.

Since the deployment of Canadian Forces units in a possible conflict in Iraq could have serious consequences for the security of Canada, our soldiers and the population, can the Leader of the Government in the Senate commit to allowing both houses of Parliament to debate this important issue and vote on Canada's participation in this conflict, as we did in 1991, before Canada officially declares war on Iraq?

[English]

Hon. Sharon Carstairs (Leader of the Government): As the Prime Minister has indicated in the other place, and I can indicate in this place, we have no difficulty with any debate taking place with respect to sending troops. However, it would be after the fact because the actual decision is an executive decision.

FOREIGN AFFAIRS

POSSIBLE WAR WITH IRAQ—GOVERNMENT POSITION

Hon. Gerry St. Germain: Honourable senators, my question is on the same subject. Yesterday, I posed a question about the deployment of people or troops. The Leader of the Government said they were only 25 in number and that they were not troops. Apparently, Defence Minister John McCallum is quoted as saying that, although the Canadian operation has moved to Qatar, the function has not changed at all. It is a change of time zones, not a change in policy. He underlined that Canadians are there solely and uniquely for Operation Enduring Freedom, the war against terrorism in Afghanistan, which the honourable senator pointed out yesterday. There is absolutely no commitment to Iraq at this time.

Then the Prime Minister pointed out that the planning groups have been transferred closer to the action and to the soldiers who are there. He went on to say they felt it was important that we still be part of the planning there.

If we are putting personnel in harm's way to any degree, and if there is a threat of war, which I am sure no one will deny, why is the government waffling instead of making a commitment to the U.S. and to the other allies that have committed to going there? Why are we playing the game of making people believe we are not there, and yet we are there? Where are we?

Hon. Sharon Carstairs (Leader of the Government): Honourable senators, I would hope no game is being played by anyone at this time. The situation is far too serious to be any kind of a game.

The planning group of Operation Enduring Freedom was based in Tampa, Florida. It has now moved to Qatar. The Canadian government made the decision that they wished that group to be there if the war on terrorism took on a different aspect. It is important for them to be part of that planning. However, the position of the government remains absolutely the same, namely, to work with the United Nations, to follow the United Nations and to obey resolution 1441, which we supported.

Senator St. Germain: Honourable senators, the minister does not want to say that the group is comprised of troops. They are personnel that have been deployed to that region and placed in harm's way as part of the planning process. Whether or not they are there for Operation Enduring Freedom, they are in the danger zone. For the sake of the morale of the troops, so they know the government's position, is she saying that they will not go into action unless the UN sanctions action in spite of the fact that the United States and other allies see fit to go in? Which is it? Is it one or the other?

Senator Carstairs: Honourable senators, first, geographically, Qatar is not Kuwait and Kuwait is not Iraq. At this time, the American troops are primarily in Kuwait. The 25 planning group members are in Qatar. We are talking about geographically

different areas, although I will agree they are in the same general region. The Persian Gulf is also in the same general region, and we have had ships there for some time, as we have also had ships in the Arabian Sea as part of the operation that has been titled Enduring Freedom.

The position of the government is very clear. We are part of a multilateral process called the United Nations. We are proud to be part of that process and we will continue to be part of that process.

POSSIBLE WAR WITH IRAQ—EMBASSY REPORTS ON WEAPONS OF MASS DESTRUCTION

Hon. David Tkachuk: Honourable senators, we heard the Leader of the Government say a number of times on this very issue that the government is waiting for the report of the UN inspectors before making a decision on what our policy will be toward Iraq. What are the Canadian embassies in the Middle East reporting to cabinet as to weapons of mass destruction in Iraq?

Hon. Sharon Carstairs (Leader of the Government): As the honourable senator knows, if the embassies were reporting to cabinet, I would not be at liberty to tell him what they were reporting.

With respect to the question about United Nations inspectors, the entire Security Council of the United Nations, as well as the member states of the United Nations, are all waiting for the report of Dr. Blix on February 14. We are certainly not alone in that regard.

Senator Tkachuk: To put it in another way, honourable senators, if the Canadian embassies in the Middle East, particularly Israel, believe that there are weapons of mass destruction in Iraq, who will the government believe, Hans Blix or the embassies?

Senator Carstairs: Honourable senators, we are again talking about a hypothetical question, but I have confidence in Dr. Blix and his inspectors to report accurately. As they are on site in Iraq, I would respectfully submit that they have better first-hand knowledge of what is available in Iraq than anyone else.

POSSIBLE WAR WITH IRAQ— DIPLOMATIC EFFORTS OF HOLY SEE

Hon. Douglas Roche: Honourable senators, my question is to the minister on this same issue. Has the government noted the Holy See action of sending an envoy of the Pope to Iraq to get Iraq to comply with resolution 1441 in an effort to avoid a war on deep humanitarian grounds? Is the Canadian government seeking, in any way, to help this dialogue between the Holy See and Iraq?

Hon. Sharon Carstairs (Leader of the Government): Honourable senators, frankly, the Holy See has its own diplomatic channels and does not need any help from the Government of Canada to make those channels function. However, we welcome the representations of the Holy See. Anything that can help us avoid war is a welcome intervention. Canada has made itself quite clear on this matter. One can only assume that both the United States and those that are now considered to be the allies of the United States and, indeed, Iraq are equally aware of the position of the Canadian government.

POSSIBLE WAR WITH IRAQ—POSITION OF
ATTENDEES AT TOWN HALL MEETING
ON FOREIGN POLICY REVIEW

Hon. Douglas Roche: Honourable senators, last Friday I attended a town hall meeting in Winnipeg organized by the Minister of Foreign Affairs, Bill Graham. It was the opening of the foreign policy review, and the subject of Iraq loomed large, of course. Did the minister note that every speaker from the audience at that meeting spoke from a position opposing Canada's participation in a war in Iraq?

• (1410)

Hon. Sharon Carstairs (Leader of the Government): Honourable senator, that is your characterization. My understanding, from conversations with people who were there, is that the position was that they wanted Canada to be part of the UN process.

MIDDLE EAST—INTRODUCTION
OF WEAPONS OF MASS DESTRUCTION

Hon. Marcel Prud'homme: Honourable senators, Senator Tkachuk asked the leader a question about what is going on in Israel. I know he is very knowledgeable. He just visited there with a group of parliamentarians. However, I think he has been ill-informed about those who have arms of mass destruction. Is it not a fact that the first people who introduced arms of mass destruction in the Middle East were Israelis? Thanks to the French, thanks to Mr. Peres and thanks to a gift to Mr. Ben-Gurion in the old days, they first introduced arms of mass destruction that gave the taste of what was to come to all their neighbours.

To have a complete picture of the situation in the Middle East, it would be good to know who introduced arms of mass destruction and who still refuses to sign the non-proliferation treaty. The only country in the entire region that refuses to sign the non-proliferation treaty is the state of Israel. The honourable senator should know that, having just come back from there.

Every time I ask that question of the Canada-Israel Committee, they do not deny it; they just refuse to answer.

Perhaps with the honourable senator's knowledge, he could inform us and make us more brilliant by telling us who first introduced the arms of mass destruction that led to this arms race in the Middle East.

Hon. Sharon Carstairs (Leader of the Government): Honourable senators, I can tell the honourable senator that the position of the Canadian government has always been to be fully supportive of the non-proliferation treaty.

JUSTICE

MAINTENANCE OF ESTABLISHED
LINGUISTIC RIGHTS—CONFORMITY
WITH FEDERAL COURT DECISION

Hon. Jean-Robert Gauthier: Honourable senators, I have a question for the Leader of the Government in the Senate. It deals with the Contraventions Act. She will be aware of the subject.

[Translation]

Honourable senators, when the federal government reaches agreements with the provinces on the administration of justice on federal lands, the government is required, under the Official Languages Act, to notify the provinces or third parties that they must provide their services to the public in Canada's two official languages.

The minister will recall that, in a decision handed down on March 23, 2001, Mr. Justice Blais of the Federal Court had declared that the government had not complied with section 25 of the Official Languages Act and that, consequently, it had to renegotiate this agreement with the Province of Ontario. The federal government had one year, until March 23, 2002, to correct this agreement.

At the request of the Minister of Justice, Mr. Justice Blais had granted an additional year to allow the federal government to take language rights into account. The new deadline is March 23, 2003.

Can the minister check with the Department of Justice and tell us whether the federal government has reached an acceptable and legal agreement with Ontario on the matter of offences committed on federal lands, in order to comply with the Criminal Code and the Official Languages Act?

[English]

Hon. Sharon Carstairs (Leader of the Government): Honourable senators, I can only assume that they have not come to such an agreement since there has been no public information about such an agreement. Normally, that is the way in which the government would announce such an agreement. However, as the honourable senator has noted, they have until March 23, 2003. I am certainly hopeful that they will have reached that agreement by that date.

THE SENATE

POSSIBLE WAR WITH IRAQ—RECALL OF
SENATORS DURING ADJOURNMENT

Hon. Laurier L. LaPierre: Honourable senators, to the Leader of the Government, I am sorry that I did not send notice of this question, but I just thought of it several moments ago.

As I am an unlearned senator, maybe the Leader of the Government would be so kind as to teach me. If we do not sit next week, the week after, or the first two weeks of March, and should war be declared, will the Senate be recalled? I know it is an executive matter, but will the Senate be recalled?

Hon. Sharon Carstairs (Leader of the Government): Honourable senators, our intention is to not sit next week only, as we have very little government business at the present time before us. However, we will have government business the second week. It is our intention to sit at that time.

FOREIGN AFFAIRS

NORTHERN IRELAND—EFFORTS TO FACILITATE RETURN TO LOCAL GOVERNMENT

Hon. Noël A. Kinsella (Deputy Leader of the Opposition): Honourable senators, my question is for the Leader of the Government in the Senate. Turning to a different theatre of the world, namely Northern Ireland, could the minister share with the house what the Government of Canada is doing to facilitate the return of local government to Northern Ireland? In particular, might this be an ideal opportunity for the Government of Canada to take leadership on a very important international file by contacting, at least locally, the High Commissioner for the United Kingdom and the ambassador of Eire and finding out whether there are practical ways, when the focus of so many of the powers around the world is away from that theatre, in which Canada might be able to facilitate a breakthrough in the resolution of the problem there?

Hon. Sharon Carstairs (Leader of the Government): Honourable senators, I thank the Honourable Deputy Leader of the Opposition for that question. As I am sure he is well aware, the issue of Northern Ireland has not been lately as hot an issue as others have been, but I think he makes a very positive and interesting suggestion. I will certainly make sure that the Foreign Affairs Minister is aware that there is interest in trying to solve the problem, if we can help do so.

THE SENATE

ACTIVITY OF COMMITTEES DURING ADJOURNMENT

Hon. Pat Carney: Honourable senators, I want to ask my colleague the Leader of the Government in the Senate about the Senate not sitting next week. It is my understanding that several committees are meeting. For instance, the Foreign Affairs Committee is meeting in Vancouver, Calgary and Winnipeg next week. Would she like to clarify, for the record, exactly what the Senate is doing next week?

Hon. Sharon Carstairs (Leader of the Government): Honourable senators, we tried to pass a motion earlier to give committees permission to sit. We tried to do that without notice and we were denied that opportunity. That motion will come before the Senate tomorrow. However, it is my understanding that the Foreign Affairs Committee, because it is travelling on their special study, would like to sit next week. The Defence and Security Committee, the Rules and Procedures Committee, the Energy Committee and the Aboriginal Committee have all indicated that they would like to sit. There will be five committees sitting.

We will try to schedule the committees in order to facilitate senators who are attending more than one committee. Committees could sit one after another so that we can maximize the value of senators' time.

Hon. Terry Stratton: Honourable senators, I would like to point out to Senator Milne that I sit on Aboriginal and Rules. Perhaps we can space them.

CUSTOMS AND REVENUE AGENCY

NATIONAL CHILD TAX BENEFIT— CLAWBACKS TO RECIPIENTS

Hon. Terry Stratton: My question is for the Leader of the Government in the Senate. I know she may have come across this question before.

With the budget about to come down, there is speculation about the National Child Tax Benefit supplement. Perhaps the minister would take my questions as notice and take time to look at the inequities involved.

One of the problems with the current system of refundable tax credits is that the clawbacks that accompany them can lead to lower income Canadians having the highest tax rates in the country. As a Manitoba minister, the government leader is no doubt concerned about the level of taxes that Manitobans pay.

Could the government leader confirm that, under the system of child benefits as currently structured, a Manitoba family with three children and an income of \$29,000 would lose the following to taxes and clawbacks if the breadwinner tries to earn an extra \$1,000 working weekends or overtime? On that \$1,000, the federal taxes would be \$160; Manitoba tax on taxable income, \$109; clawback of the Manitoba family tax reduction, \$10; clawback of the GST credit, \$50; clawback of the National Child Benefit, \$321; CPP and EI net of tax credits, \$52. The total of the above is \$702, of which virtually all is federal tax and federal clawbacks.

• (1420)

Is it correct to say that a Manitoba family with three children and an income of \$29,000 faces an effective marginal tax rate of 70 per cent above that?

Hon. Sharon Carstairs (Leader of the Government): Honourable senators, that is an extraordinarily detailed question. I am sure the honourable senator knows I cannot answer it since I do not have the figures before me. However, it does seem like an extraordinary tax rate to me, given that it is greater than the maximum tax rate. I will certainly look into the matter.

I must say that my greater concern about the National Child Benefit is that welfare families, who are among the poorest in this nation, are having that National Child Tax Benefit literally clawed back by the provincial governments. In its last budget, the Manitoba government went some way towards eliminating the younger children from that clawback, and I understand that it hopes to go further this year. However, other provinces are clawing it all back. Since these are among the poorest of our poor in this nation, I think that is a great tragedy.

ORDERS OF THE DAY

NUCLEAR SAFETY AND CONTROL ACT

BILL TO AMEND—THIRD READING

On the Order:

Resuming debate on the motion of the Honourable Senator Morin, seconded by the Honourable Senator Gauthier, for the third reading of Bill C-4, to amend the Nuclear Safety and Control Act.

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, while I do not quarrel with the immediate intent of this bill, I am not concerned about it being interpreted at a later date in a manner different from that intent. I will give some background to this.

Briefly, a company by the name of Bruce Power has leased from an agency of the Ontario government, public-owned nuclear power plants located in the Bruce Peninsula. The Nuclear Safety and Control Act presently makes anyone with any interest of any sort in a nuclear facility liable for any contamination traced to that facility. Private lenders are naturally refusing to commit funds under such conditions, and the amendment before us removes from such liability anyone but an owner or a party having control or management of a nuclear facility.

While no witness could explain why an arm's-length-lender liability was written into the act in 1997, I can only assume that since, at the time, all existing nuclear power generating plants were owned directly or indirectly by governments and financed with public funds, it was only normal that the owner and the backer be liable as they were, in reality, one and the same.

Now, as Ontario or, to be more precise, Ontario Power Generation, remains owner of the Bruce facilities, its liability is not affected by the amendment. Had OPG sold rather than leased its facilities, it is not clear to me and to others if the amendment would have removed its present liability. The question is more than an academic one, as the original majority shareholder of Bruce Power, British Energy, is in serious financial difficulties, and Bruce Power's lease and licensee commitments are being honoured largely because of guarantees to British Energy from the British government, which we were told run out at the end of this week.

British Energy is selling its share in Bruce Power mainly to TransCanada PipeLines and Cameco, which are anxious to have Parliament confirm the amendment to allow Bruce Power to engage in major private financing without which they will naturally reconsider their commitment to Bruce Power.

While I am sympathetic to the original intent of the amendment, I regret that no clear answer was given to a fundamental question: Does the sale of a nuclear facility exempt the seller from any continuing liability in case of contamination? This is an area that I hope can be examined thoroughly. Too often, in the case of catastrophes traced to human error, the

financial responsibility for those errors is shirked by clever legal manoeuvres that can last for years, while innocent victims are left alone to suffer the dreadful consequences.

The present article we are asked to amend could not be clearer, and it is important that no interpretation be given to the amendment other than the one that brought it before Parliament.

I want to end by putting on the record the overly aggressive, to put it politely, pressure put on a number of us to have this bill passed, preferably without hearings, and, even better, blindly, in one day. Persons claiming to represent the party most interested in passage of the amendment did not hesitate to malign members of the opposition leadership by more than suggesting that it was deliberately obstructing approval of the amendment. If anything, these people made nuisances of themselves to the extent that, had it not been for putting responsibility ahead of personal feelings, some of us would have seriously considered indefinitely delaying the debate on this bill.

The amendment was first before the House of Commons in May of last year. Following prorogation, it was reintroduced as Bill C-4 in early October and finally given third reading over there on December 10, the same day that the Senate gave it first reading. Although it took the other place some seven months to pass the amendment, the Senate was expected to give it automatic approval only a few hours after it was received here.

I will spare colleagues what was said and done by those promoting indecent passage except to say that it showed a gross disdain for the Senate as an essential and valuable contributor to the parliamentary process. This was not the first time that the Senate was expected to be nothing but a rubber stamp, and refusing to do so resulted in bad-mouthing misinterpretations and, in this last case, even outright falsehoods.

No government bill is unimportant and undeserving of careful study, whether it contains only a few words or goes on for hundreds of pages. Let those who feel otherwise know that the Senate of Canada is the last place they are welcome to promote such narrow and self-serving views.

The Hon. the Speaker: Is the house ready for the question?

Some Hon. Senators: Question!

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

Motion agreed to and bill read third time and passed.

VISITORS IN THE GALLERY

The Hon. the Speaker: Honourable senators, while on my feet, I should like to draw your attention to the presence in our gallery of the Deputy Speaker of the lower house of the Parliament of Bermuda.

Welcome to the Senate.

Hon. Senators: Hear, hear!

LOUIS RIEL BILL

SECOND READING—DEBATE CONTINUED

On the Order:

Resuming debate on the motion of the Honourable Senator Chalifoux, seconded by the Honourable Senator Taylor, for the second reading of Bill S-9, to honour Louis Riel and the Metis People.—(*Honourable Senator St. Germain, P.C.*).

Hon. Gerry St. Germain: Honourable senators, I am pleased to have the opportunity to, once again, rise and speak on Bill S-9, a bill that would provide statutory recognition to an important body of people who, frankly, paved the way to achieving the Canada we know today. Those people are the Metis people, and Louis Riel brought about their contributions to our nation-building accomplishments.

Bill S-9 is different from its predecessor Bill S-35. There is no longer a call to vacate the sentence of Louis Riel. I believe that this is a cogent change in that, as I said when I previously spoke on the bill, I do not believe that Riel's fate should be diminished. Riel was and remains a hero to Metis Canadians, perhaps a martyr of sorts, and this status should not be altered.

Bill S-9 is not the first attempt to fully honour the Metis and Louis Riel. As stated, we had Bill S-35 in last session of Parliament, and there have been private members' bills and motions tabled in the other place. I do not mean to diminish the importance of these resolutions and motions, but unfortunately these devices can lose their momentum over time. I believe Bill S-9 attempts, without constraining the hands of the government and its country, to create a force of conviction that has a more-lasting momentum — the kind of momentum that leads to action in resolving issues of land rights, culture, and status or place in Canada's nation-building fabric.

• (1430)

Throughout the years, several questions have been put in the media and in this place about Riel and the Metis. To deal with these questions and resolve them in the interests of all Canadians, it is important to review what we know of the past and put it in today's reality.

C. Stuart's 1820s-era *The Emigrant's Guide to Upper Canada* may have left an impression on Sir John A. Macdonald when he arrived in the New World. It certainly reflected the sentiments and the thoughts held towards the Aboriginals by educated settlers, perhaps out of fear, but certainly out of ignorance. On Aboriginal peoples, the author said:

Here I proceed to complete the sketch of this interesting and unhappy people... They are orderly and somewhat industrious; blessings which they owe, under providence, to the zeal of the Roman Catholic Church, the general character of which I deplore...

They depart imperfectly from their native habits. Their total number is small. With some exceptions, they derive but little

benefit from the liberal reserves of the best lands, which the parental wisdom of the government has secured for them...

In their natural state, the most ferocious cruelty is equally congenial to them with the most attentive kindness.

Nor are their manners, notwithstanding this melancholy sketch of them, devoid of interesting particulars. They are still hardy...towards each other, they display the most spontaneous and kindly spirit of equity. When they receive a bit of bread or meat, or a little flour or milk, et cetera, it is carefully and attentively divided into proportionate shares before it is attempted to be used...

But still they are a degraded race, and seem rapidly sinking to extinction. In the course of another half century, no genuine trace of them will remain in our borders.

From the beginning, there was discussion about settling the West, for Americans were saying to the natives, "If you do not go there, we will squat you out."

The first Canadian parliamentary Throne Speech, written by Sir John A. Macdonald, promised uniform laws, an intercolonial railway and western territorial expansion. The government was to be a trustee for the public. The Throne Speech set out various measures for the amendment and assimilation of the laws then existing in the provinces, including "for the proper administration of Indian affairs."

After Confederation, we know that the new Dominion government was negotiating the purchase of Rupert's Land from the Hudson's Bay Company so that this land could be annexed.

The inhabitants of the large Red River Settlement area, the Indian and the Metis, were not opposed to joining Canada, but they wanted to do so on their own terms, maintaining their traditional way of life. Therefore, they formed a national council to protect their interests.

Honourable senators, we are all well aware of the ensuing history — where the Canadian Party attempted to seize power from the council; Riel's provisional government; Thomas Scott; the negotiations with Ottawa concerning the peaceful annexation of the Red River colony; the Manitoba Act; and the warrant to arrest Riel. What many did not know is that, by 1885, the Metis truly feared that the Canadian government was threatening their way of life. As a Metis, I still fear them and, most likely, for good reason.

This should come as no surprise given Sir John A. Macdonald's long-held views of Indians and the Metis people, for in 1869, he said:

The French half-breeds at Red River are pertinaciously resolved to keep the North West a buffalo reserve forever.

Sir John A. was in no rush to deal with Indian affairs either. When he was controller of the Northwest Mounted Police, he kept postponing with men who wished to discuss police affairs

and the half-breed rebellion by saying "Come back tomorrow." This inspired Chief Crowfoot and Chief Poundmaker to give Sir John A. the nickname "Ap-e-naq-wis," meaning "old tomorrow."

Old Tomorrow waited too long to investigate the grievances of the Metis and the Indians in the Northwest Territories, so Riel came back from exile to lead them in rebellion. This rebellion hastened the construction of the CPR. The government certainly found the money to complete the railway and rushed troops to Manitoba to put down Riel's rebellion.

Captured and put on trial, the *Toronto News* said:

Strangle Riel with the French flag! That is the only use that that rag can have in this country.

After Riel's hanging, Sir Wilfrid Laurier wrote:

It cannot be said that Riel was hanged on account of his opinions. It is equally true that he was not executed for anything connected with the late rebellion. He was hanged for Scott's murder: that is the simple truth of it.

Undoubtedly, Professor George F.W. Stanley wrote the best summation of this period of Canada's history when he said:

Few characters in Canadian history have aroused such depth and bitterness of feeling as that of the Métis chieftain Louis "David" Riel. The mere mention of his name bares those latent religious and racial animosities, which seem to lie so close to the surface of Canadian politics.

Despite the fact that he identified himself, not with the French Canadians of Quebec, but with the mixed blood population of the Western Plains, Louis Riel became, for a few years, the symbol of the national aspirations of French Canada and the storm centre of political Orangeism.

French-speaking Canadians elevated him to the pedestal of martyrdom; English-speaking Canadians damned him as a rebel... Sir John A. found himself between the upper and nether millstone of racial and religious conflict.

For promising an amnesty he was denounced in Ontario; for neglecting to proclaim it he was denounced in Quebec... There may have been excuses for Sir John A. in 1869; there could be none in 1885.

For the problem, which faced the Prime Minister, was the same one which had faced him earlier; the problem of conflicting cultures, of reconciling a small primitive population with a new complex civilization.

But Sir John A. had other things on his mind — he was building the Canadian Pacific Railway — and the Ministry of the Interior, Sir John's own ministry, starved the Indian services and failed to allay the fears and suspicions of the Métis, that they would lose their rights as original holders of the soil.

Many have said that the Macdonald administration made a tragic blunder in its handling of Louis Riel. Truly, it is doubtful whether Canada's Parliament and its Prime Minister ever really understood Riel or the nature of his grievances.

Today, there is a renewed resurgence in redefining who or what is Metis: their history, culture and homelands. The Metis people also want to celebrate their heroes and the virtues that allow them to persevere.

Liz Warwick, a young lady who works for the *Montreal Gazette*, wrote:

Heroes can teach us many things. Heroes inspire us. They show us how to hold on to our dreams. They show us how to use our talents to make the world a better place.

That was on November 25, 2002.

As Concordia University professor Graeme Decarie said:

We have an ideal to reach. There is a future and we can make it. That is why heroes are important.

• (1440)

Canadians do not always agree on who is a hero and who is not. The Orangemen called Louis Riel a traitor. We thought him a Father of Confederation. He established the Province of Manitoba and sought language rights guarantees for its peoples. He was hanged for insisting that government honour the commitments made to his people. The government no longer hangs the Metis and they are still not honouring the agreements, in many cases, with our native peoples.

Louis Riel inspired all Metis descendents to face adversity, live courageously and stay true. I agree with many others who have said that history should not be rewritten, and it should not be changed by legislation, but it should be remembered. We must have legislation to address the plight of our Aboriginals and correct the inequities of the treatment of the past. We must place them all on an equal footing with other Canadians.

As a B.C. university student said in a recent knowledge survey of Aboriginal history, culture and perspectives:

They gave us rich history, a diverse nation and a reminder of the mistakes that our government made at times and the devastating effects of that.

Honourable senators, Senator Chalifoux, other senators and I support Bill S-9. We are not trying to legislate wrongs back into rights. We are trying to inspire our people. We are not blaming any of you here. The Liberal governments and the Conservative governments know what they did right and they know what they did wrong.

If we are to solve the challenges that we have with our young Aboriginals and with our young Metis people, we need heroes. We need inspiration. We need ways to make decent people understand that they have to stay in school, that they have to be educated and that they have to become mobile.

Honourable senators, I plead with you to understand those of us who have lived with discrimination. We are not looking for fault but we are looking for solutions that will build a real, strong, compassionate, understanding and caring Canada.

If no other honourable senators wish to speak to Bill S-9 at this time, I would be pleased to move that this bill be referred to committee for further study so that we might have further serious discussion on this issue in committee and to hear the viewpoints of Metis and others.

The Hon. the Speaker: When debate has concluded, Senator St. Germain, the house will consider how it will deal with the bill after second reading. Would the honourable senator take a question?

Senator St. Germain: I certainly would.

The Hon. the Speaker: Senator St. Germain, I regret to inform you that your time has expired. Does the honourable senator request leave to continue?

Senator St. Germain: I would ask for leave that the question be placed.

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

Hon. Senators: Agreed.

Hon. Terry Stratton: Honourable senators, I have listened to two senators speak to this bill, and I appreciate what Senator St. Germain has just said; however, neither speaker has explained the bill to the house. At second reading, it is appropriate that someone who supports the passage of a bill should explain the bill.

Senator Prud'homme: Senator Chalifoux did.

Senator Stratton: Senator Chalifoux read her speech.

Senator Chalifoux: I said that I would be happy to explain it.

Senator Stratton: However, no one has explained Bill S-9 in this chamber. The emotional background has been spoken to, but no one has explained the bill.

I have one or two questions for Senator St. Germain. There are more people involved in this tragedy than Louis Riel. Two people that the honourable senator referred to were Crowfoot and Poundmaker — chiefs who were sent to Stoney Mountain Penitentiary, north of Winnipeg, as a result of certain events. Should there not be recognition of those individuals as well? They were critical in this entire scenario and yet they are forgotten people.

Senator St. Germain: Honourable senators, I do not think anyone is trying to minimize the roles of our Aboriginals, Chief Crowfoot and Chief Poundmaker.

Bill S-9 was directed at achieving recognition of Louis Riel. We all have our own opinions on how these people should be recognized. No one that I have spoken to is trying to take anything away from Chief Crowfoot or from Chief Poundmaker.

The bill is only two pages; it is not complex and seeks recognition for someone who is construed in the Metis communities as a leader — a hero who is viewed by many as a Father of Confederation and definitely as a father of the establishment of the Province of Manitoba.

Honourable senators, I am concerned that we may have a confrontational debate on this subject, which is not necessary. That is why I would prefer that the bill be referred to committee, rather than be dragged through a confrontational debate that would be adjourned. After being carried through for 15 days, it would simply die on the Order Paper.

At this time in history, as Senator Stratton knows, because he is from Winnipeg, the plight of native peoples is serious. Let us talk about the city of Winnipeg and the problems there with young Aboriginals and young Metis. I can assure honourable senators that governments, whether Conservative, Liberal or NDP, in Manitoba have done nothing to right the situation.

I am not blaming Senator Stratton or any individual, but we must do something positive. It could be through such an inspirational process that we may convince these young people that they must get an education. Terry Fox was one of the greatest heroes this country has ever known. We are seeking such heroic status for Louis Riel. If that is wrong, I will stand here until hell freezes over. It was Sir John A. Macdonald who said, "He shall hang, even though all dogs in Quebec bark in his favour."

Honourable senators, until we have resolved the problem with our young Metis and Aboriginal peoples in the provinces of Manitoba, Saskatchewan, Alberta, British Columbia, Ontario and further east, I will not sit down. I believe that this is necessary. Those honourable senators who were in committee the other morning heard John Kim Bell speak to the challenges of high school dropouts and school dropouts in general. I am attempting to find a way to reach those youth.

• (1450)

I am respectful of the position of the Honourable Senator Stratton as well but, unless we do something different, there will be no change.

Senator Stratton: Honourable senators, I would direct the senator's attention to the fact that there is a very interesting study taking place right now in the Standing Senate Committee on Aboriginal Peoples. It is a study on Aboriginal youth. I thought that the honourable senator was a member of that committee.

Senator St. Germain: I am not a member of the committee, although I do go to committee meetings. I go as a result of a request that I made to Senator Rompkey. I thank you, Senator Rompkey, for delivering on that request. I will attend that committee at every opportunity that I have.

I can assure honourable senators that I was in committee the other morning with Senator Tkachuk from this side. I can assure the Honourable Senator Stratton that he missed an excellent presentation. He should have been there to listen to John Kim Bell.

Senator Stratton: Honourable senators, I will not continue the personal remarks. As whip, I am stretched thin, to say the least.

I did speak to Senator Tkachuk. It is exactly what that witness should say. That is what needed to be said. I support it completely.

I would ask a second question, if I may: For the edification of this chamber, what is the definition of a Metis? I have heard there are strict limitations as to the definition of "Metis" depending on where you live.

Senator St. Germain: Honourable senators, there are certainly various views. Some say that "Metis" refers to a combination of non-Aboriginals and Aboriginals in Western Canada. It started at various levels. I will not get into a debate of who or what is a Metis.

A Metis is of mixed blood, European and native, in most cases. There is a huge debate on this because there are those who claim that the Metis started at a certain point.

As Senator Prud'homme asked, "What is an Orangeman?" It is a nebulous part of the argument. I believe that the honourable senator knows what a Metis is. He has lived in Manitoba all his life.

However, I am concerned about that which the honourable senator said. It is great to study these things but let us start doing something. We have studied this thing to death. We have had Royal Commissions coming out of the windows of this place on Aboriginals, whether Metis or Aboriginal peoples.

What resolve have we? Where are we? We are no further ahead. We have one of the worst problems in education. I believe that 80 per cent of the Prince Albert penitentiary population is Aboriginal. There are huge problems in a litany of areas whether they be education, health or what have you.

We can study the issue to death. We can listen to everyone in the world. If we do not do something positive, we will continue to get what we have always had.

Senator Stratton: Honourable senators, I have one last question, and I promise not to give a speech.

I reinforce that which was said by Honourable Senator St. Germain. The Standing Senate Committee on Aboriginal Peoples is doing remarkable work currently in their study on urban Aboriginal youth. We should be pushing the examples of the positives related in its meetings of what is happening in the Aboriginal and Metis communities. It is wonderful to hear the positive stories. That is what we need to get out. That is the issue to our Aboriginal youth today. They need modern-day heroes, for example, peers who have succeeded in education and in the entrepreneurial world. Would the honourable senator not agree?

Senator St. Germain: Honourable senators, I definitely agree. Modern-day heroes would be a great asset without question. There are many out there.

However, let us not forget about yesterday's heroes either. Louis Riel is one of the greatest, most definitive heroes of yesterday for the Metis people.

Hon. Thelma J. Chalifoux: Would the Honourable Senator St. Germain agree with me that when they talk about Metis, there is a separate nation of Western Canadian Aboriginal people? The definition has been determined by the Metis National Council and by the elders of the Metis nation in Alberta.

Also, I would ask if the honourable senator has read about the issue of definition of Metis. Anyone can call themselves a Metis, but the issue is who can claim the rights.

The Metis of Western Canada do have a treaty with this government. It is under the Manitoba Act. That was determined on March 2, 1991.

The definition of Metis is very important. Anyone can call themselves a Metis. However, those who qualify for the treaty are the Western Canada Metis. Would the honourable senator agree with me?

Senator St. Germain: Honourable senators, I would certainly defer to the Honourable Senator Chalifoux. She is one of the most knowledgeable people on Metis issues, and she has done an excellent job for Metis and Aboriginal peoples across this country. I am proud to be working with her in the committee.

The Hon. the Speaker: It is moved by Senator LeBreton, seconded by Senator Rossiter, that debate be adjourned to the next sitting of the Senate.

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

Some Hon. Senators: No.

On motion of Senator LeBreton, debate adjourned, on division.

NATIONAL ANTHEM ACT

BILL TO AMEND—SECOND READING— DEBATE CONTINUED

On the Order:

Resuming debate on the motion of the Honourable Senator Poy, seconded by the Honourable Senator Banks, for the second reading of Bill S-3, to amend the National Anthem Act to include all Canadians.—(*Honourable Senator Stratton*).

Hon. Pat Carney: Honourable senators, I am proud to support Bill S-3, the Honourable Senator Poy's bill to amend the National Anthem Act to include all Canadians. I congratulate her for bringing this bill forward at this time.

Senator Poy, in her excellent speech to this chamber, has clarified what she proposes to do in the bill, which is simply to change two words in the National Anthem Act in order to include the majority of Canadians, who are women.

The present wording excludes women by referring to the words “thy sons” only. Senator Poy’s bill would change the phrase “thy sons” to “of us.” The rules prevent me from singing this variation in the Senate. Perhaps we could have a choir here to hear how much better her version would be? The final words of the national anthem would say “as true patriot love in all of us command,” rather than “true patriot love in all thy sons command.” This bill would not change the French version.

Senator Poy gave an excellent background on this amendment and how the national anthem came into being and how it would be amended. It was interesting that some of the other speakers dismissed Senator Poy’s efforts as being politically correct or a trivial issue. This denigrates the importance of this proposed change. A national anthem is one of the most powerful instruments of a country’s national identity.

I was recently in an aquafit pool in an American city. There were 50 Americans singing “America the Beautiful” in the aquafit pool. I wondered how it would look in Canada if we, in my aquafit class, were singing “O Canada.” It shows you something of the national commitment in these national anthems.

Second, author Michael Ignatieff has written, “Rights are not just the instruments of the law. They are expressions of our own moral identity as a people.” This is true for many of us. It certainly reflects my long-held values and beliefs.

• (1500)

If my own colleagues could give me the floor, I would appreciate it. There is a lobby and a reading room provided for chatter.

As I was saying, as MP I was among the army of women who mobilized to ensure that equality of women was included in the Charter of Rights and Freedoms and our Canadian Constitution in section 28. It is a flawed right because it has been interpreted to exclude Aboriginal women, who are the most-discriminated-against group in Canada.

As President of the Treasury Board, I initiated the Task Force on Barriers to Advancement of Women in the Public Service, which became a model for other countries and helped to expand the career opportunities for women in the public service. As an MP, I was in the House of Commons when the National Anthem Act was proclaimed on July 1, 1980. It was always understood that it would be open to change and review as the country emerged under the constitutional freedoms that it was gaining in the early 1980s.

The question is really “why now?”, and I would argue several points. One is that it is time. Women are the majority of the population in Canada and they serve in all sectors of society. The majority of medical students, lawyers and other professionals are now women. They are entering non-traditional fields in science and technical fields at an historic rate and in increasing numbers. In fact, *Globe and Mail* columnist Roy MacGregor wrote this week that these are nerve-racking times to be a Canadian male. He pointed out that all the sports channels and front pages were reporting the fact that Melanie Turgeon took the women’s downhill ski race in St. Moritz, Switzerland, and in speed skating,

that Clara Hughes had won the 5,000-meter event and Cindy Klassen had been crowned the world’s all-around champion.

All Winnipeegers, says Senator Stratton. Is that correct?

Senator Stratton: The two skaters were.

Senator Carney: That speaks more to the geography than to the support for this bill. I am assuming that the honourable senator will then support this bill. Senator Stratton says that he would support Senator Kinsella’s bill, which is an entirely different issue. I call upon him to defend his Winnipeegers.

Roy MacGregor goes on to say that Canadian women rule and have for some time in popular music. He quotes Shania Twain, Avril Lavigne, Celine Dion, Diana Krall, Sarah McLachlan, Nelly Furtado, Alanis Morissette and Kathleen Edwards. He goes on to point out that among the top filmmakers in Canada is Nia Vardalos, who got her expected Oscar nomination for *My Big Fat Greek Wedding* for best original screenplay.

Senator Stratton: A woman out of Winnipeg.

Senator Carney: Then we can certainly ensure the honourable senator’s support for this bill.

Mr. MacGregor pointed out that the top-selling non-fiction book is *Paris 1919* by Margaret McMillan. The fastest-rising book of fiction is *The Romantic* by Canada’s Barbara Gowdy. The best biographies in the country are written by Charlotte Gray — I concur on that — and the new book for spring is Margaret Atwood’s *Oryx and Crake*.

The most powerful women in Canadian politics are Auditor General Sheila Fraser and Supreme Court Chief Justice Beverley McLachlin, who is from British Columbia.

Senator Lynch-Staunton: No, she was born in Alberta.

Senator Carney: Well, then the West will have to combine to show that between British Columbia, Manitoba and Alberta, our women rule the country, if not the world. Will we agree on that?

We also, of course, have Governor General Adrienne Clarkson.

Honourable senators, that is a pretty compelling argument to suggest that now is the time to proceed with this change to bring our national anthem in line with our Canadian reality.

Second, I would argue that it is historically correct to change the words. As Senator Poy pointed out, in 1908 Sir Robert Stanley Weir, in his original version, wrote the words “true patriot love thou dost in us command.” So much for the people who argue this bill is revisionist. We are simply proposing that we go back to the original intent of the bill.

It has been argued that the reason for changing it to “thy sons command” reflects the patriotic fervour of the pre-World War I period, although there is very limited evidence for that. That makes it even more important to change the wording at this time when women are serving in such a fine fashion in the Canadian military.

A third reason to support the bill is, it does not even set a precedent. The anthem has been amended several times, both by Sir Robert Weir himself and as recently as 1968. Of course, it was adopted as the national anthem in 1980. It is not under any copyright; it is in the public domain. Senator Poy says the anthem belongs to the people of Canada and should reflect Canadian society.

Fourth, changing the wording of our national anthem to reflect Canadian society is consistent with the history of this place. The Famous Five in the Persons Case fought for the right to sit in the Senate of Canada. We have, among our distinguished members, Senator Joyce Fairbairn, who was the first Canadian woman Leader of the Government in this chamber, and I am glad she is here today. We also have Senator Brenda Robertson, who was the first woman elected to the legislature of New Brunswick, and I had the distinction of being the first Conservative woman senator from British Columbia.

Senator Prud'homme: There was also Senator Callbeck, the first woman premier of Prince Edward Island.

Senator Carney: Senator Prud'homme is right; she was the first woman elected there. You see, there is much support in this chamber for women. There is much history in this chamber in support of women and I expect that support to be in place for Senator Poy's amendment.

Fifth, the change pays tribute to the millions of women who have helped build our nation. Just to give you a reminder of some of them, there was Elsie Gregory MacGill who was the first woman to receive an aeronautical engineering degree in Canada and the first woman aircraft designer in the world. There was Carrie Matilda Derick, the first female university professor in Canada. There was Maude Abbot, who was a physician and an international authority on heart disease. Roberta Bondar, of course, is best known as Canada's first woman in space; her colleague Julie Payette is an electrical and computer engineer and pilot who is the first Canadian of either gender to work on board the international space station. There was Jean Cuthand Goodwill, who was a champion of public health services for Aboriginal people and founding member of the Aboriginal Nurses Association of Canada.

Then, of course, there have been the women in politics, which include Her Excellency the Right Honourable Jeanne Sauvé, who was the first woman Governor General, the first woman Speaker in the House of Commons and the first woman member of Parliament from Quebec to become a cabinet minister. There was the Right Honourable Kim Campbell, the first woman Prime Minister, who held a number of posts including first woman elected leader of the Progressive Conservative Party. There was our former colleague the Honourable Muriel McQueen Fergusson, the first woman Speaker of the Senate; the Honourable Marie Casgrain, the first woman head of a political party in Quebec; the Right Honourable Ellen Fairclough, the first woman cabinet minister in Canada; Cairine Reay Mackay Wilson, the first woman senator and the first woman to be appointed chair of a Senate standing committee. The list goes on and on, including, of course, the Honourable Audrey McLaughlin, from the Yukon, the first woman to serve as the head of a federal political party in Canada and the North.

• (1510)

I think those changes are reflected in our own chamber. When I first came here, there were only a handful of women in the Senate. Now there are 34. Nearly one-third of our colleagues are women. When I was first elected to the House of Commons in 1980, there were only 16 women, and the total is now 51. While these numbers are not high enough, they show that the role of women in politics supports the idea that we should be acknowledged in our national anthem.

In British Columbia, of course, women have always played a predominant role. That has been reflected in a wonderful series of articles written by Stephen Hume of the *Vancouver Sun*. The articles are dedicated to the contribution of women in the Canadian fabric and are entitled "Frontier Women in B.C." He points out, among the many stories he tells, how Lady Amelia Douglas, the Cree daughter of a Hudson's Bay Company official, changed the course of history with her courage and wisdom when she saved her hotheaded husband, James Douglas, from near death when he offended Carrier Chief Kwah. The chief was threatening to kill Douglas with a knife, and she diverted him by throwing bundles of trade goods at his feet, a diversion which allowed her husband to live. James Douglas went on to found Fort Victoria. He was Governor of British Columbia and led British Columbia into democratic responsible government. I must admit he cried the day that the colony of British Columbia joined the colony of Vancouver Island. He thought it was not a useful step.

Those of you in this chamber who do not feel you can support this amendment to change the words "all thy sons command" to "all of us command" might consider an alternative. If this notion is defeated, I am seriously thinking of bringing in another amendment to change "all thy sons" to "all thy daughters," and that would reflect Canadian reality even more since women are the majority of the population. Possibly senators in this room would like to know how we feel when we are excluded from our national anthem.

I think Senator Tommy Banks would do a wonderful job of presenting that amendment to our national anthem. He is one of Canada's outstanding musicians. We might even have a senatorial choir try it out. However, I would seriously suggest to the men in this chamber that if you do not like changing the national anthem to support all Canadians by supporting the changing of the wording to "all of us," then you might reflect on how you would feel about supporting an amendment to change it to "all our daughters."

If senators do not support the amendment, then the record of the Senate would be unique in that colleagues will have voted down any change to the national anthem, and by doing so they will have demonstrated that they do want to enshrine the chauvinist attitude of keeping the wording of the national anthem which reflects only the male members of the population.

Some Hon. Senators: Shame!

Senator Carney: I take this as an endorsement of Senator Poy's amendment to change and that you will be able to support this bill.

The Hon. the Speaker: Senator Carney, I am sorry to advise but your time has expired.

Senator Carney: Any questions?

Senator Stratton: I do not think Senator Carney understands where I am coming from. However, I would move the adjournment of the debate.

On motion of Senator Stratton, debate adjourned.

RULES, PROCEDURES AND THE RIGHTS OF PARLIAMENT

SEVENTH REPORT OF COMMITTEE— MOTION IN AMENDMENT—DEBATE CONTINUED

On the Order:

Resuming the debate on the motion of the Honourable Senator Milne, seconded by the Honourable Senator Chalifoux, for the adoption of the Seventh Report of the Standing Committee on Rules, Procedures and the Rights of Parliament (*amendment to Rule 131 — request for Government response*) presented in the Senate on February 4, 2003.—(*Honourable Senator Stratton*).

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, the seventh report from the Rules Committee suggests an amendment to rule 131 which would, upon a motion of the Senate, allow forwarding a request to the appropriate minister to reply or comment on a Senate committee report.

When this matter was first discussed, it was suggested that the request be forwarded directly to the minister or ministers involved, and I gather from the discussion that the chair of the committee, Senator Milne, was in favour of such a proposition. Accordingly, an amendment has been prepared which I would like to have circulated as I read it. It is quite simple.

MOTION IN AMENDMENT

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, I move, seconded by the Honourable Senator Milne:

That subsection (3) of the Committee's recommendation to amend Rule 131 of the *Rules of the Senate* be amended by replacing the words "communicate the request to the Government Leader who" with the following:

"immediately communicate the request, and send a copy of the report, to the Government Leader and to each Minister of the Crown expressly identified in the report or in the motion as a Minister responsible for responding to the report, and the Government Leader".

It may sound like a technical amendment, but it will ensure that the ministers of those departments that are the subject matter of

any report are communicated with directly so that they may have an opportunity to respond within 150 days.

Hon. Anne C. Cools: Honourable senators, I just walked in the chamber, and I am most interested in the phenomenon of amending a report of a Senate committee by a motion of the chamber because my understanding of the proper way to proceed is that an amendment to a report should properly be done by the committee that originated the report.

• (1520)

The whole question interests me substantially, so with the agreement of honourable senators, I should like to move the adjournment of the debate and speak to it later this week.

Senator Lynch-Staunton: May I point out to Senator Cools that I did not read the introductory text as the one distributed. I did say that it was an amendment to the motion, not an amendment to the report. There is an error in the written text. I did not have time to have it retyped. The amendment is the same, but when honourable senators read Hansard tomorrow, they will see that the amendment is made to the motion and not to the report.

Senator Cools: That makes the matter clearer and more easily dealt with. A copy of the motion was just placed in my hands, and I had been working at a disadvantage because I did not have a copy of it before me. As I understand it, Senator Lynch-Staunton is not amending the committee report itself, but his motion to amend is on the motion in the first place. That is much more sufficient. In that case, I would like to take the adjournment on that.

On motion of Senator Cools, debate adjourned.

STUDY ON NEED FOR NATIONAL SECURITY POLICY

INTERIM REPORT OF NATIONAL SECURITY AND DEFENCE COMMITTEE—DEBATE CONTINUED

On the Order:

Resuming debate on the motion of the Honourable Senator Kenny, seconded by the Honourable Senator Losier-Cool, for the adoption of the second report (Interim) of the Standing Senate Committee on National Security and Defence, entitled: *For an Extra 130 Bucks... Update on Canada's Military Financial Crisis, A View from the Bottom Up*, deposited with the Clerk of the Senate on November 12, 2002.—(*Honourable Senator Robichaud, P.C.*).

Hon. Norman K. Atkins: Honourable senators, I want to thank Senator Robichaud for adjourning the debate and allowing me to speak.

Honourable senators, I rise today to join in the debate on the report by the Standing Senate Committee on National Security and Defence entitled "For an Extra 130 Bucks," or, in more senatorial language, "Update on Canada's Military Financial Crisis, A View from the Bottom Up."

This was the third major report of this committee tabled in the Senate in the space of little more than a year, an ambitious program for any group but certainly for a small group of senators studying something as complex as the present state of Canada's military and, in conjunction with that, the future of Canada's military.

Before I proceed, I want to commend my colleagues on the committee for their dedication and hard work. We agonized at great length over the major thrust of our report and how to use that thrust most effectively to get the attention of the government. Our committee is not alone in suggesting our military needs more resources. Both Colin Powell and Paul Cellucci, the U.S. Ambassador to Canada, have encouraged Canada to bolster its military. At a recent NATO meeting, Canada was urged by both Britain and the United States to begin to address its military deficiencies in a realistic and serious way — to address those needs in a fashion that Canada has historically been capable of.

Also, the former Minister of Defence, the Honourable Art Eggleton, has broken his silence and come to the defence of the military, requesting at least \$1 billion more in funding on an annual basis. He has also endorsed this committee's recommendation, in its report entitled "Canadian Security and Military Preparedness," that our military strength be increased immediately to 75,000 women and men from where it is now, hovering around 50,000 to 60,000. Of course, Paul Martin, former Minister of Finance, has recently added his support for more military funding.

However, those of us who have been involved in government realize there are many pressures on government to increase spending. Money has been set aside and given to the provinces for health care in response to the Romanow report. The last Speech from the Throne stressed an Aboriginal agenda. It is the hope of our committee that the government is not persuaded once again to neglect the military. Next week's budget will show how persuasive we all have been.

I recognized, as much as anyone, the need for governments during the early and mid-1990s to eliminate deficits, balance budgets and develop realistic plans to pay off debt. Fortunately, at the federal level, the tools or levers that were needed to make this happen were in place, for example, the GST and free trade. However, we have moved beyond this period and, for the next few minutes, I want to make the case on behalf of the committee that it is now time for the government to devote its financial flexibility to addressing the needs of our military.

In a prior report entitled "Canadian Security and Military Preparedness," we made three major recommendations: First, the Canadian Forces need at least 75,000 trained, effective personnel; second, an immediate flow of \$4 billion into the budget of DND is needed; and, third, future annual budget increases should be granted by the government that are realistic, purpose-driven and adjusted for inflation.

I said in my speech during the debate on this report that time had caught up with the neglect of our military. The changing nature of our world and the reality we now face in North America have overtaken our ability to adequately contribute to our own defence. I suggested at that time that the debate over the future of

our military should be taken to the people of Canada. I believed we needed a wider dialogue. I now think that those Canadians who understand this issue have spoken loudly in this regard over the last few months, spoken loudly in support of our military, loudly in support of increased recruitment and increased spending.

Your committee, of which I am proud to be a member, has travelled extensively throughout Canada. We have heard of both the needs of our military and the support and respect it has in the eyes of Canadians. This is a military that Canadians know well from its actions during the Winnipeg and Saguenay floods, as well as its lifesaving work in the ice storm. It has come through for us time and again when disaster has struck.

Canadians, by and large, are a thoughtful group of people, but in our thoughtfulness has come a recognition, I believe, that if Canada does not do something about its military, then the United States will move unilaterally to defend its security perimeter, which is North America, without either our help or consent. We will risk losing credibility and respect. We should not become the handmaiden of American foreign and defence policy.

This was one of the major issues that faced the committee as it grappled in its second report with Canada-U.S. relations. The reality we expressed in that report is that our economies are intertwined. We are each other's largest trading partners. However, this mutually beneficial trading relationship is heavily dependent on the ease of movement of goods across our borders. We stated:

It is essential that two countries that are so economically compatible also be militarily compatible, in the defence of two societies dependent on what has, for the most part, become one functioning economy.

Military compatibility to defend ourselves and be helpful to our closest allies requires the commitment of resources. As we said in that report, "Canada must become more committed to the defence of North America." In simple, practical terms, if we do not signal our willingness to defend the continent, its defence will be taken out of our hands. I see nothing wrong with strong relations with the United States and I believe our sovereignty can be protected in such a relationship.

• (1530)

It is also true that Canada, as a country competing as a trading nation in the global economy, requires a seat at many trade negotiating tables around the world. Our credibility and our respectability as a country depend to a large extent on our ability to exercise and defend our sovereignty. This helps to give us a seat at the table.

We as a people are respected when we travel, and we travel freely throughout most parts of our world. We need to protect and enhance this image. It was, therefore, to ensure that this image of Canada would remain and that we would be able to continue to take our place at the table with other developed countries of the world that we made the recommendations we did in our recent report.

There is no point, in our minds, of having a poorly equipped military constantly being placed in harm's way. We might as well shut the whole thing down for a couple of years — reorganize, regroup, re-arm, recruit and, with new, fresh and well-equipped troops, re-enter the world stage. We believe it is better to do this than to continue down the path we are on. We cannot have our equipment compared to an Antiques Road Show. We must deal with fundamental issues. Money must be committed to purchasing equipment, but the right equipment must be found. I am sure in most instances it could be even bought off the shelf.

Some have said if you gave the military \$4 billion, it would be difficult to decide what to spend it on. Our committee does not believe this to be a problem. A massive recruitment drive could begin. Capital acquisitions could take place. The waiting period for equipment needed for training would end. We must acquire modern equipment and in sufficient quantities to train our forces and our reserves.

Our travels to both the East and West Coasts indicate that our troops desperately need new helicopters. A replacement for the Sea Kings must be found. This message has to get through to the government in a forceful way. There must be a budget commitment.

We need to end the years of neglect and turn the page to a new era where our military is resourced to the point where it can perform its role on the world stage, at a level consistent with our allies. We must have the right equipment so we can train with our allies, not embarrass them.

Through all of this period, the women and men who make up our military have performed brilliantly, with immense dedication. However, they need rest, and a proper rotation must be implemented. They need our support now, and we may even be too late, as we are contemplating war with Iraq. We may join the United States or we may participate through the United Nations. However, I imagine that we will participate. How are we to do this? Where is our lift capacity? Where are the helicopters that make our frigates useful in a theatre of war?

The years of neglect have caught up with the government. We had to pull out of Afghanistan early because we did not have sufficient troops to rotate in and out of the theatre. We joined late because of our lift problem. We have top-notch troops, but the equipment they have at their disposal is embarrassing to them and to all Canadians.

In my opinion, we should start to re-equip immediately by buying "off the shelf." We must start our recruitment program. Most of all, there must be a commitment of resources in next week's budget, and dollars must be committed immediately.

I hope other honourable senators will join in this debate, if it is not too late, so that a strong signal will be sent to this government that the neglect must come to an end. We must make an unequivocal commitment of support for our military and act on it. They deserve no less.

On motion of Senator Robichaud, for Senator Bacon, debate adjourned.

[Translation]

BUSINESS OF THE SENATE

COMMITTEES AUTHORIZED TO MEET DURING SITTING OF THE SENATE

Hon. Fernand Robichaud (Deputy Leader of the Government): Honourable senators, normally on Wednesdays, the Senate tries to complete its work by 3:30 p.m. so that committees may sit. Some committees had already decided to sit at 3:30 p.m.

With leave of the Senate and notwithstanding rule 58(1)(a), I move:

That all committees have power to sit while the Senate is sitting today, and that rule 95(4) be suspended in relation thereto.

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

Hon. Senators: Agreed.

Motion agreed to.

[English]

LEGACY OF WASTE DURING CHRÉTIEN-MARTIN YEARS

INQUIRY—DEBATE CONTINUED

On the Order:

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

Hon. Terry Stratton: Honourable senators, one of my favourite topics is the surplus in the Employment Insurance fund. I have spoken again and again about this over the last five years in Question Period without achieving any really positive answers.

I wish to speak about the \$45 billion surplus that will be in the EI account by the end of this year.

Senator Robichaud: The sum of \$45 billion rings another bell in my mind.

Senator Graham: Is that the deficit you are talking about?

Senator Stratton: That is 60 per cent of the retirement of the debt. Jean Chrétien and Paul Martin owe most of their fiscal success to a massive fraud performed on Canadian workers and those who employ them: a \$45-billion raid on the Employment Insurance account.

By almost anyone's definition, "fraud" means taking something by duplicity, deception or false representation.

EI premiums paid to the federal government are supposed to fund the EI program. They were never intended to become just another tax. Until recently, the law required that the premiums be set only with a view to keeping the EI account in balance.

Using the pretext of building up a rainy-day fund in the EI account, Paul Martin relied, year after year, on artificially inflated EI premiums generating far more revenue than was going back to workers in benefits and training. The result is that this December the government will have collected \$45 billion more from the program than it will have spent on it.

Technically, this money sits in what is known as the Employment Insurance account and is lent at a low interest rate to the government. In reality, it is highly unlikely that any of it will ever go to pay for the program. Indeed, the government appears to want to get out of even crediting interest to the account. This \$45-billion surplus is three times the annual spending of the program. It far exceeds the \$10-billion to \$15-billion surplus that the program's actuary says would see the program through a recession.

• (1540)

The Auditor General has looked at the amount of money in the EI account and said that she could not conclude that the government has followed the intent of the EI act.

The government could have chopped the employment premium rate to \$1.75 per \$100 of insurable earnings this year and still run the program to operate in the black but instead set the premium at \$2.10. This has been a recurring story as premiums have come down at a much slower rate than is justified by the account.

The reference here is to the employee premium rate. The employers contribute 1.4 times that.

The Employment Insurance Program, formerly known as the Unemployment Insurance Program, was created in 1940. Its original purpose was to provide temporary assistance to unemployed workers. From the beginning, it was planned that the program operate as an insurance program with revenues covering expenditures. This is acknowledged by Human Resources Development Canada on its Web site in a document called "The History of Unemployment Insurance."

The 1940 UI Act envisaged a relatively straightforward role for the new program. Although it was to be a social insurance program, it was to be run as strictly as possible in accord with the principles that govern life, fire, theft and other forms of private insurance.

The role of the UI program would be to ensure specific groups of workers against temporary income-loss arising from unemployment. It was expected to be an actuarially sound program in which coverage, risks, premiums and benefits were carefully calculated and balanced.

Over the years, the scope of the program expanded. Coverage was extended to workers who were not eligible under the 1940 program and benefits were provided for other purposes such as maternity and parental leave. In recent years, the program has also been used to fund labour market measures such as training.

However, until Paul Martin became Minister of Finance, there was never any intent or attempt to turn premiums into a general tax used to pay for other programs. Even after the former government addressed a concern of the Auditor General in 1986

by integrating the accounts of the program with those of the government, no attempt was made to turn the program into a cash cow to be milked by the Finance Minister of the day. As required by law, the PC government continued to operate the plan on actuarial principles, with premiums set to balance the account.

The global recession of the early 1990s strained the UI account, significantly pushing up the level needed to operate the plan on an actuarially sound basis.

The PC government, in November 1991, made a decision that premiums would not be allowed to rise above \$3 per \$100 of earnings, even though the condition of the fund in November 1991 suggested that premiums of \$3.20 were needed in 1992 to balance the account. This premium remained in effect for 1993, again lower than what the fund's conditions would suggest.

One of the new Liberal government's first announcements in the fall of 1993 was that premiums would rise to \$3.07 in 1994.

With premium rates remaining high, the balance in the EI account improved, given falling unemployment and significant cuts to regional benefits. The plan was in the black on an annual basis by 1994, and the cumulative deficit in the plan was gone by 1995. The next year, with premiums remaining higher than necessary to fund the program, the account began to run considerable annual surpluses.

Under the law as it stood when Paul Martin became finance minister, EI premiums would have plummeted in 1996. The government changed the law to stop that from happening.

While premiums have come down to \$2.10 this year, this must be weighed against two other factors. First, given the money already in the account, this far exceeds the rate needed to ensure stable premium rates over a business cycle. The premium could have fallen to that level years ago. Second, EI premiums cannot be seen in isolation, as Canadian workers and their employers also pay into the Canada and Quebec pension plans. CPP and QPP premiums have almost doubled over the past decade, from \$2.50 per \$100 of earnings in 1993 to \$4.95 this year. The result is that, since 1993, the average worker has seen his or her combined EI and CPP/QPP contributions rise by more than \$700 a year. Those who employ them have seen their contributions rise by almost \$600 a year.

Another way to look at this is to express the EI surplus in terms of the wages that have been confiscated from Canadian workers. Each 10 cents of premium translates into \$900 million of revenue. The extra \$45 billion collected in the name of Employment Insurance equals what could be collected if the government slapped on a surcharge of \$5 per \$100 of earnings for a year.

This means that Paul Martin's inflated EI premiums have cost someone earning an average wage a cumulative total effect of just under \$2,000. It is the equivalent of handing over to Ottawa more than two and a half weeks of pay per year. The employer's cumulative share of the EI surplus equals the cost of meeting the entire payroll for three and a half weeks of all of the contributing

companies in Canada. Employers must pay this tax regardless of whether they are earning a profit, and they are understandably upset.

The *Hamilton Spectator* of November 29, 2002 carried this reaction to the Liberal government's decision to only lower EI premiums by 10 cents this year:

Not good enough, says the Canadian Federation of Independent Business.

The federal government collects billions more in EI premiums than it needs to operate the program, said André Piché, director of national affairs for the group.

"This is a very big issue for business," he said. "Premiums are being siphoned off for other government uses." The EI surplus is expected to reach almost \$43 billion this year and rise to \$45 billion in 2003, said Piché.

Honourable senators, the EI surplus makes Paul Martin's fiscal record look a lot better than it would if he had respected the spirit of the law.

As of March 2002, the EI account had run up a surplus of some \$40 billion, accounting for virtually all of the drop in the net debt since 1996. So much for the wizardry of Paul Martin. Indeed, the two most important reasons for the government's fiscal success have been Paul Martin's decision to keep the EI premiums artificially high and his decision in his first mandate to chop billions from the federal contributions to health care.

The Employment Insurance actuary has suggested that a cushion of \$10 billion to \$15 billion would be more than enough to meet any economic downturn. Even if you accept \$15 billion, the high end of this range, as a reasonable ceiling, the government to date has fraudulently taken \$25 billion more from Canadians than can be justified.

According to *The Globe and Mail* of November 14, 2002:

More than 60 per cent of the debt paid down by the federal government over the past four years has come from "excessive" Employment Insurance payments, a report says. The report, to be released today, found that

Canadian employers and employees have paid \$25.7 billion over the past four fiscal years beyond the \$15-billion cushion that actuaries believe the EI fund needs should the Canadian economy take an unexpected downturn.

To continue with the article:

According to the report, produced by the Canadian arm of economic forecaster Global Insight Inc., that surplus money accounts for 60.05 per cent of the \$42.8 billion in debt that the federal government has retired during that stretch.

"Huge surpluses have built up over the last four years," said Dale Orr, managing director of Global Insight...

Later in this article we are told:

Mr. Orr said that if the employee rate had been drastically cut to \$1.70 in 1998, the EI fund would have maintained a surplus of about \$15 billion. Instead, it was lowered to just \$2.70 for that year and has since been cut to \$2.55 for 1999, \$2.40 for 2000 and \$2.25 for 2001.

While in theory that \$45 billion is available to prevent premium hikes in a downturn, the reality is that this money is part of the overall accounts of the Government of Canada. Very simply, premiums are paid into the Consolidated Revenue Fund and benefit cheques are written against the fund.

The tragedy for those who have been forced to pay excessive premiums is that the EI account is an accounting fiction. It is not there; the money is not there. There is no pot of gold to set aside to meet the cost of a recession for the unemployed. The Liberals have simply taken the \$45 billion and used it as a flag to say, "What good managers we are. Look at us. The debt has gone down." It is a falsehood. The EI surplus has paid down 60 per cent of the debt.

Senator Lynch-Staunton: More, more!

On motion of Senator Robichaud, debate adjourned.

The Senate adjourned until Thursday, February 13, 2003, at 1:30 p.m.

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