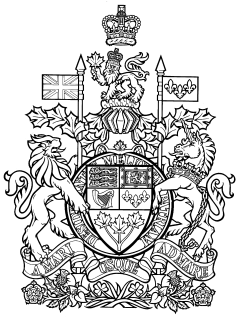

CANADA

# Debates of the Senate

2nd SESSION • 37th PARLIAMENT • VOLUME 140 • NUMBER 70

**OFFICIAL REPORT**
**(HANSARD)**

## Tuesday, June 17, 2003

**THE HONOURABLE DAN HAYS**
**SPEAKER**

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

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# THE SENATE

**Tuesday, June 17, 2003**

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

Prayers.

## SENATORS' STATEMENTS

### THE LATE ELAINE HARRISON

TRIBUTE

**Hon. Catherine S. Callbeck:** Honourable senators, yesterday, Prince Edward Island suffered a great loss with the passing of Elaine Harrison, a beloved Island teacher, artist and environmentalist. Originally born in Nova Scotia, Elaine moved to Prince Edward Island in 1933, where she spent many years teaching English and Latin. She was a remarkable individual who loved her students and had a tremendous impact on their lives. She was very unconventional and always taught students to think outside the box. As one former student said, "education to Elaine was not a means to an end; it was a way of being and relating to the world."

Elaine was also a painter, poet and very passionate person. She cared deeply about nature, the environment and animals. She was an active member of the P.E.I. Arts Society and the Great George Street Gallery. Elaine's passion for life will live on through her paintings. They show her powerful personality and speak to you through their vivid colours.

Elaine received many honours during her lifetime, including an honorary degree from the University of Prince Edward Island and a Council of the Arts award for distinguished contribution to the literary arts, as well as having a scholarship established in her name.

Elaine was once asked to provide some highlights of her life. Her response illuminated her personality and her gift for writing poetry. She said:

> A summary of my life? I dislike summaries, straight lines, neat designs, labels and systems. All is movement and change with sunlight and shadow. Like the coming and going of the seasons or the waves moving toward the shore. But there are the constant things like great music, poetry, art and the little acts of kindness and love to stay with us and steady us through life. Like small pebbles found embedded in Island cliffs and left there by glaciers and rivers long ago silent.

Honourable senators, I feel very honoured to have had the opportunity to know Elaine. I am sure that people who have had the pleasure of meeting her will always remember her. There is no question that she will be greatly missed.

### UNITED NATIONS

SECURITY COUNCIL RENEWAL OF RESOLUTION 1422

**Hon. A. Raynell Andreychuk:** Honourable senators, I would like to draw attention to and express regrets concerning the renewal of resolution 1422 of the United Nations Security Council.

Honourable senators will remember that the resolution, which was originally adopted last July, provides that the International Criminal Court should, for a 12-month period starting July 1, 2002, not commence or proceed with investigation or prosecution of any case involving current or former officials or personnel from a contributing state not a party to the Rome Statute over acts or omissions relating to a United Nations established or authorized operation unless the Security Council decides otherwise.

United Nations Secretary-General Kofi Annan also opposed the resolution and expressed his belief that the request was unnecessary. Unfortunately, it was renewed on June 12, 2003, by a vote of 12-0, with France, Germany and Syria abstaining.

I would like to express my regrets with the renewal of the resolution. As convenor of Parliamentarians for Global Action's International Law and Human Rights Program, I share the same concerns raised by the association in its press statement of June 11. I will be so bold as to state that these concerns are most likely shared by many of my colleagues in this chamber.

Parliamentarians for Global Action has stated that its members:

> ...have vowed to uphold the principle of equality of all before the law. The organization fears that a renewal of Resolution 1422 would not only put a certain class of persons above the law, but may also endorse the view that the Security Council can amend multilateral treaties by unlawfully acting under Chapter VII of the UN Charter in the absence of a threat to the peace. Additionally, unopposed rollovers of the resolution each year could eventually lead to the development of customary rules against the universality of international justice.

I would also like to laud the words of Canadian Ambassador Paul Heinbecker in supporting the court and opposing the resolution when he stated:

> The ICC's principal purpose is to try humanity's monsters, the perpetrators of heinous crimes....We believe that a system based on law — the fair, predictable, equal application of principles agreed to by all — is in everyone's interest. We believe we must defend these basic principles, even if it means we must sometimes respectfully disagree with friends.

Honourable senators, I urge the Canadian government to continue to press for full implementation of the Treaty of Rome that created the International Criminal Court. We must continue to pursue the protection of the integrity of the newly established court. In this way, we will have taken one bold step forward towards preventing mass atrocities, crimes against humanity and acts of impunity that offend the conscience of the international community.

I urge the Canadian government to continue to pursue its goal for the full establishment of the International Criminal Court.

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• (1410)

# ROUTINE PROCEEDINGS

## TRANSPORT AND COMMUNICATIONS

### NOTICE OF MOTION TO AUTHORIZE COMMITTEE TO MEET DURING ADJOURNMENT OF THE SENATE

**Hon. Joan Fraser:** Honourable senators, I give notice that at the next sitting of the Senate, I shall move:

> That the Standing Senate Committee on Transport and Communications be empowered, in accordance with rule 95(3)(a), to sit during the traditional summer adjournment of 2003, even though the Senate may be then adjourned for a period exceeding of one week, until such time as the Senate is ordered to return.

## RULES, PROCEDURES AND THE RIGHTS OF PARLIAMENT

### NOTICE OF MOTION TO AUTHORIZE COMMITTEE TO MEET DURING ADJOURNMENT OF THE SENATE

**Hon. Lorna Milne:** Honourable senators, I give notice that at the next sitting of the Senate, I shall move:

> That the Standing Committee on Rules, Procedures and the Rights of Parliament be empowered, in accordance with rule 95(3)(a), to sit during the summer adjournment of 2003, even though the Senate may be then adjourned for a period exceeding one week, until such time as the Senate is ordered to return, and that, notwithstanding the usual practices of the Senate, the Committee be empowered to conduct its meetings by teleconference.

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# QUESTION PERIOD

## NATIONAL DEFENCE

### CONGO—RULES OF ENGAGEMENT—PROVISION FOR TROOPS FACING CHILDREN IN ARMED CONFLICT

**Hon. A. Raynell Andreychuk:** Honourable senators, my question is for the Leader of the Government in the Senate. One problem endemic to armed conflict in Africa has been the use of child soldiers, most of whom are pressed into service. This is an abhorrent practice, and Canada has taken several initiatives to address the problem of child soldiers. Still, we are faced today with the very real fact that our peacekeepers, and those from other countries, will likely come face-to-face, in the war in the Congo, with child soldiers, some as young as seven years old.

My question is: The Leader of the Government in the Senate has told us that, for reasons of security, she cannot share the rules of engagement of the peacekeeping force in the Congo. While I can respect that, can she assure us that those rules of engagement have special provisions when it comes to facing young children in armed conflict?

**Hon. Sharon Carstairs (Leader of the Government):** Honourable senators, I do not know if there are special provisions in the rules of engagement, as the honourable senator indicated. For security reasons, I cannot present those to the chamber. However, what I can do, and what I would be very pleased to do, is to ensure that the Minister of Defence is well aware of the shared concern of the honourable senator and myself, that when one is dealing with children, obviously special precautions must be taken and needs met.

**Senator Andreychuk:** I know that the information coming out of the Congo is that an over subscription of children is being used; in other words, that the majority of confrontations will, no doubt, be with these young, aggressive children who have been brainwashed into that position.

Is there any special program that the United Nations will put into play in this regard? I speak from my understanding of what happened in Uganda. It is one thing to try to stop a conflict, but what do you do with these children who know only machine guns, power and force? If there is no backup program when you are trying to stop them from using guns, or even removing the guns, then some sort of backup program must be instituted. I have yet to hear either the United Nations, Canada or anyone else address the problem of what to do once the forces are there, and what to do with these children. These youngsters cannot be handled as normal soldiers.

**Senator Carstairs:** The honourable senator puts some interesting questions. She is quite right; they are children. Whether they are soldiers or not does not get around the fact that they are children. As honourable senators know, international treaties exist that spell out the age at which individuals can go into the forces, but such treaties do not apply to situations like the Congo.

I will indicate to the honourable senator that I will take up this matter with the Minister of National Defence and share our mutual concern, and also with the Minister of Foreign Affairs, to see if such programs have been contemplated, and if so, at what stage in their development they may be. At the moment, I must tell you that I know of no such programs.

## HEALTH

### SEVERE ACUTE RESPIRATORY SYNDROME—EMERGENCY PROVISIONS FOR POSSIBLE TRANSMISSION TO ABORIGINAL RESERVES

**Hon. Wilbert J. Keon:** Honourable senators, my question is for the Leader of the Government in the Senate. *The Globe and Mail* reported, today, that Health Canada has prepared emergency plans to prevent the SARS virus from spreading to Aboriginal reserves, due to fears that health conditions on reserves are ideal for the rapid transmission of such disease. Reserves have been told to identify buildings that could be used to isolate patients and have been given a list of medical supplies that they should ensure they have in adequate measure.

Could the Leader of the Government in the Senate tell us if the federal government will be increasing its contribution to the First Nations and Inuit Health Branch in order that reserves may meet the new requirements brought about by SARS?

**Hon. Sharon Carstairs (Leader of the Government):** Honourable senators, the hope is that we will not have to deal with SARS in Aboriginal communities. As the honourable senator knows, SARS has been well isolated in this country to date, but the Canadian government is very concerned because the housing conditions on reserves, as he has indicated, would make the spread of that disease very rapid, should it occur.

Clearly, any decisions made about funding for the First Nations and Inuit Health Branch would have to be made at the time of any such outbreak. That branch is now doing preliminary assessments and putting into place some protocols that, should SARS strike, it is hoped that they would then know immediately how to treat it.

### STRATEGY TO COMBAT TUBERCULOSIS ON ABORIGINAL RESERVES

**Hon. Wilbert J. Keon:** Honourable senators, in spite of the emphasis on Health Canada's new plans in regard to the SARS outbreak, too many Aboriginal reserves in this country have been struggling for a long time against one of the most deadly infectious diseases in the world: tuberculosis. Health Canada numbers show that the First Nations' TB rates are 20 to 30 times higher than that of the Canadian non-Aboriginal population. Yet, this disease seems to go unnoticed. In 1992, the elimination strategy aimed at eradicating TB from First Nations communities by the year 2010, but that strategy has not been updated since it was released.

Will Health Canada's emergency plans for SARS prevention on reserves mean that a renewed emphasis will be placed on infectious disease control on reserves, particularly in relation to TB?

**Hon. Sharon Carstairs (Leader of the Government):** The honourable senator has identified an ongoing problem within our Aboriginal reserve communities. That is why extra money was put into the budget this year for the Aboriginal health branch, in order to address some of those issues.

Clearly, the issue of tuberculosis is not one that will go away. TB is the result of a combination of things: not only the living and housing conditions but also, in many cases, the lack of adequate nursing personnel and physicians. Many of these communities do not see physicians from one week to the next.

I can assure the honourable senator that I will raise the issue of tuberculosis on Aboriginal reserves with both the Minister of Health and the First Nations and Inuit Health Branch, and indicate that the guidelines that are being developed for health care workers and for the First Nations people should not only look at the issue of SARS, but also at the active tuberculosis rates.

• (1420)

### BOVINE SPONGIFORM ENCEPHALOPATHY—LIFTING OF QUARANTINES

**Hon. Leonard J. Gustafson:** Honourable senators, hopefully, this will be the last question I ask about mad cow disease. Am I correct in believing that all quarantines have been lifted in regard to mad cow disease?

**Hon. Sharon Carstairs (Leader of the Government):** Honourable senators, the information I have is that there has been a lifting of all the quarantines on all of the farms, but we are still awaiting some test results. The position is still the same; that is, only one cow has been diagnosed with BSE.

**Senator Gustafson:** Honourable senators, that is good news.

## INTERNATIONAL TRADE

### BOVINE SPONGIFORM ENCEPHALOPATHY—UNITED STATES TRADE RESTRICTIONS

**Hon. Leonard J. Gustafson:** Honourable senators, has the government had any direction as to when the Americans may lift the border ban on beef going into the U.S.?

**Hon. Sharon Carstairs (Leader of the Government):** Honourable senators, as the honourable senator probably knows, the word seems to be quite positive from the United States. However, there now seems to be some concern about the Japanese, who have indicated that they will not accept American beef if the Americans have access to Canadian beef. The matter seems quite complex at this point.

All I can tell the honourable senator is that negotiations are ongoing with the Japanese government to see if we can allay its fears in the way we seem to be making significant progress in allaying the fears of the United States.

## JUSTICE

### SAME-SEX MARRIAGE

**Hon. Gerry St. Germain:** Honourable senators, my question is for the Leader of the Government in the Senate and pertains to an issue that has been before the courts and is now before cabinet. It is viewed by many, including some of the leading clergy in the land, that there is a basic erosion of the supremacy of Parliament by virtue of the fact that the courts appear to be making decisions by establishing the law rather than by interpreting it. Is the government prepared to seek the counsel of Parliament on the issue of gay marriages?

**Hon. Sharon Carstairs (Leader of the Government):** Honourable senators, I think the honourable senator is well aware that there is an all-day meeting of cabinet taking place. I was there this morning. I had to leave in order to be here this afternoon, which is my preferred option. I always prefer to be here in the chamber.

The honourable senator will not have to wait too long before he hears exactly what the government will do with respect to same-sex marriages.

**Senator St. Germain:** Honourable senators, some of the leading clergy are saying that Parliament and not the courts should decide what is and is not marriage and that, for the government to be consistent with its arguments before the court, it should request an appeal to the Supreme Court. My question relates to what is being done today. Will the minister provide the government's definition of marriage? Will we have to wait until after the cabinet meeting to find out what the definition is or whether the government will appeal?

**Senator Carstairs:** Honourable senators will have to wait to hear if the government will appeal. Senators will then have to wait to see what kind of government legislation may or may not be introduced.

The bottom line is that if the Supreme Court were to uphold the decision from Ontario, the government would have to write legislation. There would be no option in that case, if the Supreme Court ruled in exactly the same way as the Ontario Court of Appeal.

**Senator St. Germain:** Honourable senators, is the minister saying to this place that Parliament does not reign supreme in this country, that, in spite of what the courts dictate, the government does not have the right to interpret legislation concerning this particular segment of our society in the way that it sees fit, as far as Parliament is concerned?

**Senator Carstairs:** Honourable senators, I do not think the honourable senator understands the Constitution or the Charter of this country. What the courts of this nation are doing is interpreting the Charter. For me, it is the supreme law of the land, as it is for Senator Beaudoin. There is no question about that, as far as I am concerned. All the courts do is interpret. Any legislation that follows will have to flow from the Parliament of Canada. In that way, in making legislation, the Parliament of Canada is supreme. In interpreting legislation, I suggest that we have to turn to the courts.

## NATIONAL DEFENCE

### REPLACEMENT OF SEA KING HELICOPTERS— OPERATIONAL REQUIREMENTS

**Hon. J. Michael Forrestall:** Honourable senators, my question is for the Leader of the Government in the Senate. As the minister will recall, in the Maritime Helicopter Project slide-show presentation to 12 Wing on July 31, 2001, it was stated that:

> ...endurance requirements have proven to be too stringent for the market place. Only one competitor is compliant....

The document goes on to state that the:

> ...goal is to rationalize specification to the operational requirement, thereby opening MHP to greater competition.

Knowing, in July 2001, that Team Cormorant was the only technically compliant bid and that Treasury Board guidelines say that, in a lowest priced competition, only technically compliant bids are acceptable, why did the government go out of its way to change the rules? Cormorant, by the Department of National Defence's own admission, won this competition two years ago. In the meantime, we still fly less-than-adequate aircraft off our vessels.

**Hon. Sharon Carstairs (Leader of the Government):** Honourable senators, let me begin by saying that we do not fly unsafe aircraft. No member of the Canadian military is ever asked to go up in unsafe equipment. The Canadian people should understand that.

In terms of the honourable senator's question with respect to technical specifications, they have remained consistent with the statement of operational requirements. There was massive consultation with industry. Some changes were made to the technical specifications, but changes were only made where they maintained the integrity and the intent of the statement of operational requirements.

**Senator Forrestall:** As long as a bird can fly, I suppose it is still a bird, is it not?

### EFFECT OF BUDGET SHORTFALL

**Hon. J. Michael Forrestall:** Honourable senators, I have just pointed out a major problem of this government, one it has failed to admit and to correct. This little fact makes an absolute mockery of the damage-control process conference held at the Department of National Defence on June 5 of this year. Everyone involved should take a second or two for other thoughts.

We now find out that the Minister of National Defence asserted that $800 million, in the last budget, was enough to make ends meet at what I call "Fort Discourage on the Rideau." That was false and the money fell some $200 million short, a fact I brought to this government's attention several months ago.

Will the minister confirm that the Minister of National Defence has plans now to eliminate C-130E long-range search and rescue aircraft and the Leopard 1 main battle tanks, and to scrap the 280 Class destroyers as part of his reallocation strategy?

**Hon. Sharon Carstairs (Leader of the Government):** Honourable senators, I will begin with the honourable senator's introduction to his question, in which he insists that a press conference held for the information of the media was a damage-control press conference. It was not. It was an informational press conference.

As to the concerns the honourable senator has raised with respect to particular pieces of equipment on which the government may be making decisions, no decisions have been made with respect to any of those pieces of equipment.

REPLACEMENT OF SEA KING HELICOPTERS—
TIMELINE FOR RELEASE OF TENDER

**Hon. J. Michael Forrestall:** Honourable senators, I am pleased to see that the Leader of the Government at least now knows that some kind of a meeting took place with senior press members on June 5, which, if not to effect damage control, was at least an attempt to smooth the way. The fact remains that the standing requirement for this vehicle has been so substantially changed as to reduce its effectiveness to a level not acceptable to bad weather operations either on the West Coast or the East Coast, let alone in the North or in our mountains, on augmentation search and rescue activity.

• (1430)

My question is, and we go back to where we were 10 or 15 years ago: Before we break for the summer, can the Leader of the Government in the Senate tell me how long "soon" is?

**Hon. Sharon Carstairs (Leader of the Government):** The honourable senator makes reference to equipment, operational requirements and technical specifications that may have been satisfactory 10 or 15 years ago. Technology has progressed a great deal in 10 or 15 years. We want a helicopter that is the best possible piece of equipment at the time that that helicopter is produced, not one that perhaps was the best piece of equipment in 1990.

**Senator Forrestall:** That is good for a chuckle.

## FOREIGN AFFAIRS

PASSPORTS—INTERNATIONAL CIVIL AVIATION
ORGANIZATION CALL FOR COMPUTER CHIP

**Hon. Consiglio Di Nino:** Honourable senators, I am delighted that the Leader of the Government in the Senate chose to spend some time with us today because I am hoping she can shed some light on an issue that all senators, indeed all Canadians, should be concerned about — what I call "Big Brother coming on strong."

Honourable senators, the UN's International Civil Aviation Organization is requiring all member countries to develop a computer chip for passports that contains a person's personal information, including a photograph. The subcommittee of the agency recommended last week that facial recognition technology should be the method by which to identify travellers. The agency's final decision on the matter is expected shortly.

I understand that Canada's passport office has already begun digitizing millions of photos. These photos will be downloaded into a foreign country's database every time a passport is scanned at its borders.

What is the status of Canada's compliance with the International Civil Aviation Organization's call for development of a computer chip for passports?

**Hon. Sharon Carstairs (Leader of the Government):** Honourable senators, the federal government is trying to ensure that the Canadian passport remains one of the safest, if not the safest, passport documents in the world. The civil aviation study to which the honourable senator has alluded is not yet final but will be shortly. At that point, Canada's passport will have to be compared with what is recommended internationally. Canada will determine what our passports must be and Canada will continue to have the highest possible standards.

**Senator Di Nino:** Honourable senators, the use of biometric data travel documents is a prime example of technology moving faster than our ability to properly assess its impact on both privacy and data protection. Before Canada allows the biometric information of its citizens to be entered into a foreign database, the federal government must be sure that the safeguards applied to this information meet the highest Canadian standards possible. Has this concern been specifically raised with the International Civil Aviation Organization, and can the minister assure this chamber, and indeed all Canadians, that appropriate safeguards will be in place before the federal government signs on to this system?

**Senator Carstairs:** The honourable senator has raised an important question with respect to technology. Sometimes the technology is very advanced but is not necessarily the right technology for the citizens of Canada. The technology that is determined for Canada will be based on the protection of Canadian citizens, maintaining that we have a high-quality passport.

## THE SENATE

BLOCKING OF PORNOGRAPHIC E-MAIL MESSAGES

**Hon. Douglas Roche:** Honourable senators, my question to the Leader of the Government in the Senate is somewhat unusual. It starts from a personal base, although I think it is in the public interest and in the interests of all senators. It has to do with the inordinate amount of pornographic messages, unsought and unwanted, that are popping up on the computer in my Senate office. It is getting so that I hate to turn on the computer because I will be immediately confronted by a number of pornographic e-mail messages. Needless to say, this is very offensive, and I think it is an abuse of not only me but also my staff. Perhaps other senators are also experiencing this distasteful invasion of our privacy.

Can anything be done by Senate technicians, whom I regard as very competent in handling communications problems, so that this deplorable material can be blocked before getting through to senators' computers? Such an action here might lead to a wider public basis to protect the integrity of the e-mail communications system.

**Hon. Sharon Carstairs (Leader of the Government):** I thank the honourable senator for that question, but it is not appropriately addressed to me. It should be addressed to the Chair of the Standing Committee on Internal Economy, Budgets and Administration who looks after the Senate's computer network. I will bring that question to the attention of the committee's chair, the Honourable Senator Bacon.

## HERITAGE

### WINNIPEG SYMPHONY ORCHESTRA—REQUEST FOR FUNDS

**Hon. Terry Stratton:** Honourable senators, my question for the Leader of the Government in the Senate is in regard to a letter sent to the Honourable Sheila Copps, Department of Canadian Heritage, concerning the Winnipeg Symphony Orchestra and a $250,000 loan. The letter enquires as to the status of the loan. The letter to the minister states that the funds were urgently required by May 2003, and, as of June 13, there was no information to suggest a date when these funds would be received. Does the minister have any information as to when this might occur?

**Hon. Sharon Carstairs (Leader of the Government):** All I can tell the honourable senator is that I spoke this morning with the Honourable Sheila Copps, the Honourable Rey Pagtakhan and the Honourable Stephen Owen regarding this particular problem, and I hope it will be sorted out very quickly.

**Senator Stratton:** Honourable senators, I simply want to know when the funds will be received. I ask the leader to please let me know when that happens.

[*Translation*]

## ANSWERS TO ORDER PAPER QUESTIONS TABLED

### MINISTER OF JUSTICE AND SOLICITOR GENERAL—ANTI-TERRORISM ACT

**Hon. Fernand Robichaud (Deputy Leader of the Government)** tabled the answer to Question No. 7 raised in the Senate on February 4, 2003—by Senator Lynch-Staunton.

### OFFICES OF PRIME MINISTER AND PRIVY COUNCIL—ETHICS COUNSELLOR

**Hon. Fernand Robichaud (Deputy Leader of the Government)** tabled the answer to Question No. 122 raised in the Senate on March 18, 2003—by Senator Stratton.

[*English*]

## ENERGY, THE ENVIRONMENT AND NATURAL RESOURCES

### COMMITTEE AUTHORIZED TO MEET DURING SITTING OF THE SENATE

Leave having been given to revert to Notices of Motions:

**Hon. Tommy Banks:** Honourable senators, with leave of the Senate and notwithstanding rule 58(1)(a), I move:

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

I am asking this permission, honourable senators, because the committee has three witnesses to hear today. One is resident here and the other two have travelled some considerable distance. I am concerned, given the other events that are attending us these days, that we move the matter of the study ahead as quickly as possible. I ask the Senate's permission to do so.

**Hon. Terry Stratton:** Why would the honourable senator not be able to arrange this meeting in the committee's regular time slot? Why is it outside the time slot? If these people have travelled all this distance to be here today, why could they not have travelled to be here during the regular time slot?

**Senator Banks:** Our regular time slot is 5 p.m. Tuesday, or when the Senate rises.

**Senator Stratton:** Has the committee chairman consulted with the deputy chairman?

**Senator Banks:** Yes.

**Senator Stratton:** Have regular committee members on both sides agreed to this?

• (1440)

**Senator Banks:** It is my practice in that committee not to begin our meetings until we have a quorum and representation from both sides of the house.

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

**Hon. Senators:** Agreed.

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

**Hon. Senators:** Agreed.

Motion agreed to.

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[*Translation*]

# ORDERS OF THE DAY

## BUSINESS OF THE SENATE

**Hon. Fernand Robichaud (Deputy Leader of the Government):** Honourable senators, under Government Business, I would like us to begin with Item No. 6 under Bills and then resume the order proposed on the Order Paper.

[*English*]

## NATIONAL DEFENCE ACT

### BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

**Hon. John. G. Bryden** moved second reading of Bill C-35, to amend the National Defence Act (remuneration of military judges).

He said: Honourable senators, Bill C-35 relates to the revision of the pay of military judges, of which we have three.

The Military Judges Compensation Committee was established in 1999, at the same time as a comparable committee was established for all of the Supreme Court judges in the country. Every four years, the committee reviews the remuneration of military judges and submits a recommendation to the Minister of National Defence. This practice is parallel to that used for fixing the compensation of the other judges in Canada.

The main purpose of the bill is to provide clear authority in the National Defence Act to make retroactive pay adjustments for military judges, if such is the recommendation made by the Military Judges Compensation Committee, and if the recommendation is accepted by the government.

At the moment, there is a one-off. The last time, there was no authority to make a retroactive award, even if the government were to accept the recommendation of the review committee.

This is in order to continue to assure an independent and objective, effective mechanism to deal with the pay of military judges, just as we do with other judges in our system.

Bill C-35 will enable the government to implement committee recommendations that may have a retroactive effect. The government must be able to implement any recommendations from the committee that it accepts. It cannot possibly simply accept a recommendation and have no way of implementing it. This legislation will ensure that the compensation committee process is an effective one.

Retroactive pay adjustments are routinely implemented for other members of the Canadian Forces and employees of the public service, as well as for other judges if so recommended by the judicial compensation committee. Bill C-35 merely ensures that there is clear statutory authority to make retroactive pay adjustments for military judges back to the beginning of the compensation committee's review period. That review period happens once every four years, and arises again in September of this year.

A number of other minor amendments to the National Defence Act are also included in the proposed legislation. These amendments deal with, in one instance, the warrants and reporting procedure for the obtaining of samples for forensic DNA analysis. The other ones ensure that there is greater clarity and consistency between the English and French versions of the act. These are two small issues that will best be discussed in committee if this bill is referred to the Legal and Constitutional Affairs Committee.

Just quickly to conclude, the proposed amendments to the National Defence Act represent an important contribution to the effectiveness of our military justice system. Honourable senators, I encourage all of you to support the proposed legislation.

On motion of Senator Lynch-Staunton, debate adjourned.

[*Translation*]

## APPROPRIATION BILL NO. 2, 2003-04

### SECOND READING

**Hon. Joseph A. Day** moved second reading of Bill C-47, for granting to Her Majesty certain sums of money for the public service of Canada for the financial year ending March 31, 2004.

He said: Honourable senators, in February 2003, the Minister of Finance tabled the Estimates in the House of Commons to support his request to spend public funds. Included in the Estimates was information pertaining to budgetary and non-budgetary appropriations.

Appropriation Bill No. 2, 2003-04, provided for the release of interim supply to the tune of $17.8 billion for the Main Estimates 2003-04, allowing the government to continue to function until Parliament reviewed the entire budget in June. The interim supply received Royal Assent. The bill under consideration applies to the rest of the expenditures.

[*English*]

The bill before you, honourable senators, is Appropriation Act No. 2, 2003-04. It provides for the release of the remainder of full supply for fiscal 2003-04, which was outlined in the Main Estimates, amounting to $41.1 billion.

The 2003-04 Main Estimates — the "Blue Book," honourable senators — has been made available to each of us. Part I and Part II were tabled on February 26 of this year. The tabling of the Main Estimates was the first phase in implementing the expenditure plan set forth in the Minister of Finance's budget of February 18, 2003.

The granting of full supply provides the funding required by the government to carry out its functions for the remainder of the fiscal year.

• (1450)

The 2003-04 Main Estimates total $175.9 billion, including $2.9 billion in non-budgetary expenditures — items such as loans and investments — and $173.1 billion in budgetary spending. Those expenditures are consistent with and reflect the bulk of the $180.7 billion expenditure plan set out in the February budget. The balance includes provisions for additional expenditures that are not sufficiently developed at this time and will be sought through Supplementary Estimates later in this fiscal year.

The government submits the Estimates to Parliament in support of its request for authority to spend public funds. Appropriation Act No. 1, which the Senate reviewed in March of this year, provided for interim supply in the amount of $17.8 billion. The balance of the full supply is now being sought in this particular bill.

Budgetary expenditures, honourable senators, include the cost of servicing the public debt; operating and capital expenditures; transfer payments to other levels of government, organizations or individuals; and payments to Crown corporations. Non-budgetary expenditures, as I indicated previously, include loans and items such as that.

These Main Estimates support the government's request for Parliament's permission to spend $58.9 billion under program authorities for which annual approval is required. There is also $117 billion, or approximately 66.5 per cent of the total outlined in the budget, in the Estimates, which is statutory, and authority for those expenditures appear in statutes other than this supply bill.

Those forecasts are provided, therefore, only for the information of honourable senators, and you are not voting on that expenditure at this time. You are voting on the expenditure of the balance of the Main Estimates, which amounts to $41 billion.

Honourable senators, schedules attached to the legislation reflect the Main Estimates for the year. This particular bill provides for authority to spend those amounts, less the amount voted on in Appropriation Act No. 1, which we voted on in March of this year.

I thought honourable senators would be interested in looking at schedule 1 of the bill on page 38, which outlines the amount that Parliament is seeking for this fiscal year. Item No.1, under the heading "Parliament," is $41.7 million for the Senate —

**Senator Cools:** That is cheap.

**Senator Day:** — compared to $205.5 million for the House of Commons — five times as much as the Senate.

**An Hon. Senator:** And they are on vacation.

**Senator Day:** In fact, honourable senators, the amount of $41 million can be compared to the Canadian Centre for Management Development, which is $25 million, or the Library of Parliament, which is $23 million.

Honourable senators, therefore, will be aware that the Senate is, indeed, a very frugal and worthwhile institution in Canada.

**Hon. Senators:** Hear, hear!

**Senator Day:** Honourable senators, I bring to your attention increases in budgetary spending, such as: $450 million for direct transfers to individuals due to increases in Old Age Security Payments; $402 million to assist National Defence in performing its good work; $204 million to the Canadian Institutes of Health Research; $187 million for Canada's commitment to international assistance through the Canadian International Development Agency; $173 million to the Department of Indian Affairs and Northern Development; $168 million to Health Canada; and $164 million to Veterans Affairs to increase pensions to veterans.

There are some decreases as well that I thought I would highlight: $542 million related to agricultural risk management due to termination of the Canadian Farm Income Program. If programs are discontinued, there is a recouping of those funds, but often another program is implemented, such as in relation to farm risk, and that would be another expenditure in another place. Next are decreases of $100 million from Canadian Heritage related to the Canadian Television Fund, and $81 million from the strategic infrastructure and regional innovation initiatives.

Honourable senators, on the non-budgetary side, there is an increase of $1.15 billion for the Export Development Corporation due to an anticipated increase in concessional loan disbursements and loan repayments from the Canada Account loan agreements.

There are also non-budgetary decreases, honourable senators, and I have highlighted some of those decreases.

Honourable senators have already heard the debate with respect to the report of the Standing Senate Committee on National Finance, which was presented last week and adopted earlier this week.

Supply bills are dealt with in a different manner from most bills that come before honourable senators. The report that we have already studied, presented, debated and accepted forms the report of the National Finance Committee with respect to this particular supply bill.

Therefore, honourable senators, after debate on Appropriation Act No. 2 is concluded, and if honourable senators are inclined to accept this bill at second reading, then there will be a motion to proceed directly to third reading. I urge honourable senators to support this bill at second reading.

**Hon. Lowell Murray:** Honourable senators, I thank Senator Day for his very thorough presentation as to the contents of this appropriations bill. As he has pointed out, the Main Estimates for 2003-04, on which this bill is based, were referred to the Standing Senate Committee on National Finance in March. Since that time, we have heard from the officials of the Treasury Board. We reported on that meeting here in the Senate. We went on to hear from the President of the Treasury Board, Madame Robillard. We reported a second time on that meeting.

Let me add that the Estimates for this fiscal year are still before us, and we will have occasion, as the year goes on, to hold further meetings within that rubric as the spirit moves us.

• (1500)

Honourable senators, I do not intend to follow my friend with an analysis of the content of this appropriations bill. Rather, I intend to take advantage of the latitude that parliamentary tradition offers in a debate on an appropriations bill to pursue an issue that I raised briefly at the time of the debate on an interim supply bill last December.

The matter I have in mind is federal-provincial fiscal relations, with particular attention to what is called a fiscal imbalance, which has been very much in the news in recent weeks and will continue to occupy the attention of media and commentators as well as provincial and federal politicians.

A while ago, the Quebec government of former premier Bernard Landry appointed a commission under Mr. Yves Séguin to look into this matter. The Séguin commission found, in its opinion, that there is a serious "déséquilibre fiscal" between the two orders of government, with federal revenues growing faster than federal expenditures into the medium-term future, and provincial expenses growing much faster than their revenues in the medium-term future.

Since that time, the issue has been taken up by other provinces and by commentators; and, more recently, a new government was elected in Quebec — a federalist government under Premier Jean Charest. Lo and behold, the Minister of Finance in that government is Mr. Yves Séguin, the man who headed the commission on fiscal imbalance under the previous government. Premier Charest has announced that they intend to set up an office, a department as it were, of fiscal imbalance to pursue the question with Ottawa and with their sister provinces across the country. I think it is a safe bet that we have not heard the end of this issue for some time.

The federal government's response over the months has been largely through the voice of the Minister of Intergovernmental Affairs, Mr. Dion, reading a brief provided to him by the Department of Finance. The response has been to stonewall demands to redress this imbalance; stonewall it, first of all, by denying it exists, by attacking the methodology used by the Séguin commission and others, and by suggesting that projections of future budgetary surpluses or deficits are invalid because they are based on "status quo" assumptions. All that, of course, is true and due allowance must be made for those factors in making future projections.

Still, it has been done in the past. One of the things I want to do today is to refer very briefly to some examples in the past where the provinces and the federal government were able to come to some reasonable consensus as to what the future seemed to hold on revenues and expenditures at both levels of government, and to act accordingly.

Last February, as we know, as part of a first ministers' agreement on health, federal transfers to the provinces for health were increased. Indeed, provision is made for this in Bill C-28, for five years to 2007-08. On the other hand, in the budget that was tabled, there is a table with assumed levels to 2010-11, for which no provision has been made beyond 2007-08. Whatever it is, those who predict that the federal-provincial ministers, and perhaps first ministers, will be back at the table on this very issue, making the same arguments within two to three years, are probably pretty close to the mark.

In addition, we have the growing problems of post-secondary education and of the universities. I will not go into them in detail today, but I have been concerned for some time that the enormous attention and publicity that is rightfully being given to health problems may be shuffling issues such as post-secondary education off into a corner.

The problem is one of a need, in my view, for a coherent, longer-term approach and agreement on these matters. The federal government has got to stop stonewalling. Now that the Charest government is in office in Quebec, the federal government can no longer brush off the declarations of Quebec on this issue as being nothing but separatist propaganda.

At a minimum, the federal government will have to agree, and soon, to a study of federal-provincial fiscal relations with an emphasis on the financing of social programs. This can be done either by royal commission, by parliamentary committee or jointly by the two orders of government. Each of these models has been employed at one time or another in the past. What is important is that it be undertaken soon, that it be comprehensive and that it be as objective as possible.

The most famous and far-reaching study was that done by the Rowell-Sirois commission appointed in 1937. Its mandate was to re-examine "the economic and fiscal basis of Confederation and of the distribution of legislative powers in light of the economic and social developments of the last seventy years." I do not believe we need to go quite so far in the examination that is called for today.

In the 1960s, there was a Tax Structure Committee comprising three ministers from the federal government and one from each province — a federal-provincial Tax Structure Committee that reported periodically to first ministers. Mr. Dion, who keeps insisting on the impossibility of doing anything coherent or valid by way of future projections, should obtain an introduction to the Honourable Mitchell Sharp, who was finance minister during the second mandate of the Pearson government, from December 1965 to April 1968.

In that capacity, Mr. Sharp inherited the chairmanship of the Tax Structure Committee: this committee of federal and provincial finance ministers and officials that, among other things, tried with some success to do exactly what Mr. Dion today finds so impossible, that is to examine trends in revenues, expenditures and debt of federal, provincial and municipal governments in the light of major federal-provincial shared programs.

I trust that, as a distinguished academic, Mr. Dion will not be offended if I also suggest a reading list for him on this subject. Much of the policy and politics surrounding the creation of the Tax Structure Committee was described in an interesting and sometimes entertaining fashion in the memoirs of two senior mandarins: Tom Kent's *A Public Purpose*, published in 1988, at pages 272 to 277; and Gordon Robertson's *Memoirs of a Very Civil Servant*, published in 2000, pages 220 and 221.

Mr. Sharp himself referred to this Tax Structure Committee in his own memoir, entitled: *That Reminds Me*. I have a note here, in my own writing, saying pages 139 and 140, and I think those are the pages of Mr. Sharp's memoir that deal with this matter. I remember he quoted himself extensively from a speech he had given in the House of Commons on the work of the Tax Structure Committee.

• (1510)

Both Mr. Kent and Mr. Robertson credit R.B. Bryce, the deputy finance minister of those years, with the idea of a federal-provincial tax structure committee, described as "a comprehensive review of the nature and extent of federal and provincial taxes in relation to the financial responsibilities that now had to be carried by the two levels of government."

The first report of the Tax Structure Committee came down in 1966, looked ahead five years and is available at the Library of Parliament. Also available there is what I take to be the final report of the committee delivered by Finance Minister E. J. Benson to a first ministers' conference, presided over by Prime Minister Trudeau in February 1970.

The exercise of the mid-1960s was preoccupied with the major financial pressures on provincial governments arising from the tremendous expansion of post-secondary education to accommodate the post-war baby boom and the need to make fiscal adjustments in favour of the provinces to enable them to meet this challenge.

"We both argued," says Mr. Kent, in referring to Gordon Robertson and himself, "that the provinces needed the money more than the federal government did." This is not a sentence we have heard very often recently or one we will hear in present circumstances. However, there is no denying the present needs of the provinces in view of the heavy responsibilities that they carry and will be carrying into the future, especially in the field of financing social programs.

It was interesting that in 1966, through this federal-provincial Tax Structure Committee, all provinces and the federal government were able to agree on a projection of an annual rate of revenue increase in the provinces of 7 to 7.8 per cent as against an annual rate of expenditure increase in the provinces of 8.5 per cent for the succeeding five years. They were able to make that projection. At the same time, they projected that federal expenditures over the succeeding five years would go up by 6.5 per cent per year as against annual revenue increases for the federal government of 7 to 8 per cent.

Mr. Sharp saw that total provincial expenditures would be rising at what he called "an abnormal pace," largely because of rising costs of higher education. Therefore, he envisaged the need for a fiscal transfer that would rise as higher education expenditures rose.

All that was just before medicare. By the time the 1970 report was presented by Mr. Benson to a first ministers' conference, medicare was in the process of being implemented across the country. Governments were facing what seemed like unmanageable demands on their treasuries at a time of rising inflation and unemployment. Federal and provincial ministers saw rising expenditures in hospitals, health, welfare and post-secondary education. The Tax Structure Committee presented the issue quite starkly to first ministers and said:

> If expenditures continue to rise at their projected rates, still higher taxes or deficits or both are unavoidable. The alternative is a strong and effective curtailment of expenditure growth, probably resulting in a reduction in the volume and quality of selected public services. These prospects — for higher taxes and/or appreciably slower growth in services — are further heightened in the immediate circumstances by the pressing need to minimize deficits for the government sector as a whole as one means of helping to bring prolonged and severe inflation under control.

Honourable senators, they were right. The fact that it took quite a long time for governments at both levels to heed the advice and analysis does not detract at all from the soundness of the analysis. It seems to me that what we need is this kind of consensus, analysis and advice today. When I talk about consensus, analysis and advice, I talk about the kind of consensus that would be reached, hopefully, as a result of an objective examination by federal and provincial ministers and their officials.

Fast forward now to February 1981, honourable senators. The House of Commons created a special committee acting as a parliamentary task force under the chairmanship of Herb Breau, MP, to "examine the programs authorized by the Federal-Provincial Fiscal Arrangements and Established Programs Financing Act of 1977, focusing on fiscal equalization, the tax collection agreements, the Canada Assistance Plan and the Established Programs Financing within the context of the government's expenditure plan as set out in the October 28, 1980 budget." The staff of the Economic Council of Canada did analytical studies for the committee, and the committee also had the benefit of research and advice from the parliamentary centre and from the library. The idea was to complete a study prior to the renegotiation of the federal and provincial fiscal arrangements that was then imminent.

The committee found the system "fundamentally sound" but in need of some adaptation to new circumstances. They found that there was no long-term structural mismatch in the revenue and expenditure responsibilities of the federal government. That is to say they felt that the revenue-raising capacity of the federal government had certainly not reached a structural ceiling, as they put it. I do not know what they would find today.

A majority of the committee said that further transfer of revenue sources or tax room to the provinces would not be appropriate at that time. They did not favour the transfer of further tax points to the provinces. They recommended that the Established Programs Financing be separated into two transfers, one for post-secondary education and one for health. Here we are, 23 years later, about to proceed in the direction suggested by the Breau committee. They also wanted to earmark the equalized value of the taxes transferred.

They suggested a three-year notice from the federal government before termination or amendment of these agreements. Indeed, we find a provision very much like this in the Social Union Framework Agreement that Ottawa signed with nine provinces a couple of years ago.

In the Breau report, I think honourable senators will find the basis of the Canada Health Act, passed several years later, in its recommendations. There was a strong emphasis on accountability to Parliament for federal spending. Many of the recommendations in health and social assistance, which was then covered by the Canada Assistance Plan, post-secondary education and equalization are still, in my opinion, worth reading, and some have found their way into policy and into law in the intervening years.

I believe that this year, 2003, there is a greater need for an overview of federal-provincial fiscal relations on the financing of social programs to provide guidance and stability for the medium term, which is not present now.

Honourable senators, the problem of trying to match projected revenues with projected spending responsibilities is certainly one of the oldest in federal-provincial relations. There has been plenty of attention to the problem in recent years by analysts, including some in and close to the federal government. The problem is that the federal government does not wish to engage itself. I saw, recently, a study in response to the recent demands for re-examination of the situation and the recent comments about fiscal imbalance.

Last July, the Department of Finance put out a document entitled: "The Fiscal Balance in Canada." Essentially, they brush off the whole argument by saying both orders of government have access to the same major revenue basis. "Arrangez-vous," they are saying to the provinces. They go on to say that the federal government faces a much greater fiscal constraint than the provinces as a result of its debt burden. They say both orders of government have key areas of responsibility and are facing growing demands on their resources, in which connection they add:

> The federal government also faces growing spending pressures in other areas such as: elderly benefits, aboriginals, research and development, skills and learning and, more recently, security.

• (1520)

That list of federal responsibilities is very interesting because there is not one of them that exclusively belongs to the federal government. All of these areas they have mentioned are areas in which the provincial governments have either primary or concurrent responsibility. Once again, it seems to me, it points up the need for more coherence and coordination in federal and provincial fiscal relations.

The conclusion of the Department of Finance is that there is no evidence of a vertical fiscal imbalance in Canada. End of argument, so far as the federal government is concerned.

No evidence? There was a discussion paper done for the Romanow Commission on the Future of Health Care in Canada. That was last August. The study was entitled: "Federalism and Health Care: The Impact of Political-Institutional Dynamics on the Canadian Health Care System" by François Rocher of Carleton University and Miriam Smith, also of Carleton University.

They say:

> The vertical imbalance is particularly important in the health care field. There is a growing gap between the fiscal capacity of the federal government compared to the provinces and territories and their ability to finance their own programs. The provinces and territories are responsible for programs based on services to citizens such as health, education, social services, et cetera, which are growing faster than the provincial tax base. For the federal government, the situation is the inverse: the federal government has revenue sources that are likely to increase more rapidly than the programs it finances.

This is a study done for a federal royal commission. However, I think it rather gives the lie — and it does so in much more detail than I have quoted — to the assertion by the federal Department of Finance that a federal-provincial fiscal imbalance simply does not exist.

It is not as if we did not see this coming. Twelve years ago, the Economic Council of Canada, in its annual review, found that to maintain levels of programming and existing spending commitments to 2015 would require an increase in provincial, local spending as a share of GDP, and a corresponding decline in federal spending. The next year there was a Federal-Provincial Study on the Cost of Government and Expenditure Management, which predicted that:

> ...the relative aging of the population will continue to increase...the demand for hospital and medical services.

In forecasts using realistic unit cost scenarios, the resulting pressure on provincial spending requirements emerged as the dominant trend in government spending needs over the next generation.

Ten years ago, G.C. Ruggeri and co-authors in a paper entitled: "Canadian Public Policy" said:

> the federal government has developed a fiscal structure with revenue growth potential substantially in excess of the built-in growth of its spending responsibilities. Provinces, on the other hand, face rapidly growing expenditures on 'people programs,' particularly health care, but their revenue growth falls short of their spending requirements because, unlike the federal government, they do not dominate a revenue source with high income elasticity.

They say that:

> The matter is complicated by the fact that vertical fiscal imbalance exists alongside horizontal differences between provinces.

In 1996 there was a federal follow-up study entitled: "Canada's Health, Education and Social Service Spending: Developments and Prospects" that found that "provinces, constitutionally responsible for health care, will face the most fiscal pressure" in social programming in the years ahead.

While the numbers have changed, I do not think the situation has materially changed in the intervening period. We have had a series of ad hoc solutions, Band-Aid solutions if you like, brought to bear every time there is a so-called crisis. Whenever there is an election coming up, another couple of years are provided for in terms of federal transfers, and the provinces dutifully take the money and run. However, it is not solving the problem that needs to be solved in terms of some medium to longer-term stability.

Last year, in July, the Conference Board of Canada did a study for the provincial premiers. Their projection shows that between 2001 and 2019-20, federal revenues are projected to increase by 3.5 per cent, and its expenditures by 2.5 per cent, whereas provincial-territorial revenues were projected to increase by 3.4 per cent and their expenditures by 4 per cent.

Professor Tom Courchene, in another piece written, I think, in August of last year, came to a similar conclusion, which I shall share with you:

> ...there appears to be evidence of serious horizontal, (interprovincial) imbalances to go along with the vertical (federal-provincial) imbalance, so that a federal-provincial tug of war is in the offing.

Then he says, in one sentence:

> To elaborate, it is important to recognize that the same projections that would generate a balanced budget (let alone a surplus) for Ottawa for fiscal year 2002-03 will lead to an outcome where virtually all provincial budgets will end up in deficit....
>
> ...one can speculate, as I have elsewhere, that this emerging vertical fiscal imbalance is ultimately not only about revenue shares but rather also about the division of spending responsibilities.

I think that will give you something of the flavour of what is on the public record on this issue.

As I say, the question of a fiscal imbalance of revenues and responsibilities of the two orders of government is as old as federalism itself and well known in Canadian federalism. It was only a very few years after Confederation that some adjustments had to be made in favour of Nova Scotia and perhaps other provinces. The occasion for that was the threat by Nova Scotia to pull out of Confederation, and changes were made in the fiscal regime as between Ottawa and the provinces at that time.

I think there is no doubt that we need a thorough examination of revenue and expenditures of both orders of government for the medium-term future. People who are taxpayers and who are served by provincial governments in health, education and welfare, and by the federal government through its direct social programs and the responsibility it has for vital areas, such as defence, security and international trade, should not be short-changed in terms of quality by ad hoc short-term approaches and unnecessary political bickering and finger-pointing.

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

**Hon. Senators:** Question!

**The Hon. the Speaker:** I will put the question. It was moved by the Honourable Senator Day, seconded by the Honourable Senator Lavigne, that this bill be read the second time. Is it your pleasure, honourable senators, to adopt the motion?

Motion agreed to and bill read second time.

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

On motion of Senator Day, bill placed on the Orders of the Day for third reading at the next sitting of the Senate.

• (1530)

## INJURED MILITARY MEMBERS COMPENSATION BILL

### THIRD READING—DEBATE ADJOURNED

**Hon. Joseph A. Day** moved the third reading of Bill C-44, to compensate military members injured during service.

He said: Honourable senators will recall that I spoke to Bill C-44 at second reading last Friday, when it was referred to the Standing Senate Committee on National Security and Defence. The committee, in recognizing the obvious merit of this matter, dealt with the bill and reported it back to the house on Monday afternoon without amendment. Bill C-44, which deals with compensation for military members injured during service, is now before honourable senators at third reading. It is retroactive in nature only and provides an example of how government and Parliament are able to move on an issue that obviously cries out for a quick solution.

Retired Major Henwood has been fighting this battle for eight years. Once the Minister of National Defence and the department became focused on the issue, things happened quickly.

Senator Meighen had hoped to speak to the report to urge the minister to take action, but now he will undoubtedly thank the minister for taking that action. I do not think further debate is necessary in respect of this bill, certainly from this side.

**Hon. J. Michael Forrestall:** Honourable senators, I rise to support Senator Day's comments.

On motion of Senator Forrestall, for Senator Meighen, debate adjourned.

## PENSION ACT
## ROYAL CANADIAN MOUNTED POLICE SUPERANNUATION ACT

BILL TO AMEND—THIRD READING

**Hon. Yves Morin** moved the third reading of Bill C-31, to amend the Pension Act and the Royal Canadian Mounted Police Superannuation Act.

He said: Honourable senators, I rise to speak to the merits and importance of Bill C-31. I am confident that honourable senators will find this bill worthy of their full and enthusiastic support because, first and foremost, the proposed legislation could bring peace of mind to our men and women in uniform. I also believe that Bill C-31 reflects the realities of the 21st century requirements and responsibilities faced by our Canadian military and police forces.

[*Translation*]

Honourable senators, members of our Armed Forces and of the Royal Canadian Mounted Police have always displayed courage and determination in the face of the most dangerous situations. Over the years, some of them have tragically and heroically given their lives in the service of their country; others have been seriously wounded.

It is therefore essential that these heroes be able to benefit from the fullest protection in terms of life insurance and disability pensions. Honourable senators, I would invite you to pass this bill swiftly.

[*English*]

**Hon. Norman K. Atkins:** Honourable senators, I rise to support Senator Morin's comments. Bill C-44 was referred to committee and was adopted without amendment. I am hopeful that it will pass third reading.

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

Motion agreed to and bill read third time and passed.

[*Translation*]

## BUDGET IMPLEMENTATION BILL, 2003

THIRD READING—MOTION IN AMENDMENT—
SPEAKER'S RULING—DEBATE CONTINUED

On the Order:

> Resuming debate on the motion of the Honourable Senator Carstairs, P.C., seconded by the Honourable Senator Robichaud, P.C., for the third reading of Bill C-28, An Act to implement certain provisions of the budget tabled in Parliament on February 18, 2003,
>
> And on the motion in amendment of the Honourable Senator Nolin, seconded by the Honourable Senator Murray, P.C., that the Bill be not now read a third time but that it be amended in clause 64, on page 55,
>
> (*a*) by deleting lines 11 to 39; and
>
> (*b*) by renumbering clauses 65 to 130 as clauses 64 to 129, and any cross-references thereto accordingly. —(*Speaker's Ruling*).

**The Hon. the Speaker:** During last evening's sitting, Senator Nolin spoke on the third reading motion of Bill C-28, a budget implementation bill. During the course of his remarks, he proposed an amendment to delete certain lines at clause 64 on page 55 of the bill. The effect of the amendment was to delete the entire clause.

[*English*]

Senator Murray then intervened to explain his interpretation of the significance of this deletion. As he put it, "the effect of the amendment that Senator Nolin has proposed would be to allow the Federal Court judgment to operate across the board, as it were, to all those school boards that would be affected by that judgment." As if anticipating a possible point of order, Senator Murray went on to provide some information about the somewhat confusing views expressed in the parliamentary authorities. At the same time, however, he seemed to express the opinion that, in the end, the amendment was not out of order.

[*Translation*]

Senator Murray's participation was prescient, for it just preceded a point of order that was raised by Senator Carstairs, the Leader of Government, who suggested that the amendment "is in substance exactly the amendment that was raised last week, which Your Honour declared to be out of order."

[*English*]

Senator Murray then spoke again to offer a more detailed statement of his position with respect to the point of order. After reviewing numerous precedents, he noted that "there are a number of things that can be done in the context of a bill of this kind, that are perfectly in order and perfectly consistent with both the constitutional and parliamentary tradition and practice in this Parliament." He then went on to list some of those options available.

[*Translation*]

I want to thank the honourable senators for their intervention. I have reviewed the matter and I am ready to rule on this point of order.

[*English*]

In assessing the merits of this point of order, it was necessary to take into account that the Senate is currently debating the third reading motion of a bill. Senate practices, acknowledged in our own *Rules of the Senate*, make it clear that it is possible to amend clauses at third reading. In addition, it is even possible to move the reconsideration of any clause at this stage so long as the bill is

still before the Senate. This is provided for in rule 77. The fact that we are reconsidering an amendment on clause 64 does not, in and of itself, make the amendment out of order. I do not think that was the rationale behind Senator Carstairs' objection.

[*Translation*]

Instead, I believe that the thrust of the senator's objection is that the amendment itself is out of order because it infringes the financial initiative of the Crown with respect to the authorization of expenditures. This was the substance of my ruling during last Friday's sitting, to which Senator Carstairs referred.

[*English*]

In this case, however, whatever the results of the amendment, it is not identical to the proposal that was made last week. That amendment sought to insert a phrase in clause 64 at the end of line 19 on page 55: "into force on December 17, 1990, except in respect of cases in which school authorities and lawyers representing Her Majesty in right of Canada, have agreed to file consents to judgment before the appropriate court." I interpreted that as an amendment to the bill which involved the expenditure of money. The amendment moved by Senator Nolan may or may not have the same effect. Senator Murray explained what that effect might be, but it is certainly in a different form from last week's amendment proposed by Senator Beaudoin.

• (1540)

The parliamentary authorities are consistent in recognizing the procedural validity of any amendment to a bill that seeks to delete a clause. For example, the most recent Canadian manual of practise, Marleau and Montpetit, states at page 666:

> ...since 1968 when the rules relating to report stage came into force, a motion in amendment to delete a clause from a bill has always been considered by the Chair to be in order, even if such would alter or go against the principle of the bill as approved at second reading...

In the Senate, our rules and practice are equally generous with respect to amendments. There are numerous examples that could be cited, as Senator Murray himself did last evening. Consequently, it is my ruling that the amendment moved by Senator Nolin is in order. Third reading debate on Bill C-28 and the amendment can proceed.

[*Translation*]

**Hon. Gérald-A. Beaudoin:** Honourable senators, I am told that the amendment moved yesterday by Senator Nolin has been ruled in order by the Speaker of the Senate. I am, naturally, in full agreement with the amendment, and I invite all honourable senators to vote in favour of it.

This amendment seeks to respect the Federal Court decision confirming the rights of school boards to a 100 per cent rebate of the excise tax they paid.

Bill C-28 must be placed in its true context. This concerns the legal principles established by the courts, no more no less. When a court hands down a decision, the principle of *res judicata* applies, and when the Supreme Court renders a decision, that decision acquires force of law. That is our system. I quite like this constitutional democracy. I simply want to ensure respect for the principle of the rule of law. Senator Nolin's amendment is clearly in keeping with this.

Furthermore, given our constitutional law, I do not see how we, as a legislative house, could determine that this does not apply to the school boards in group two. They are in the same situation, with regard to the facts, as the schools boards in group one. Consequently — and I hope that the law will be respected — the same legal principles apply.

The legislative branch, or Parliament, and the judicial branch each have, in their respective jurisdictions, independent and substantial powers. In my opinion, this amendment respects the principles of law as interpreted by the courts. If a court says — and this is the case here — that such and such a thing must be done, it must be done, even if expenses are incurred. There is nothing unconstitutional about this.

Honourable senators, I do not see any infringement on the powers of the Senate or the House of Commons, and we, as the Parliament of a democratic country, must respect the principles of law as interpreted by the courts.

In conclusion, as I stated last Friday, I believe that the principle of *res judicata* is a principle inherent in our legal system, our judicial system and our jurisprudence. It has existed for many, many centuries, probably since the Middle Ages, perhaps even from the Roman Empire, but I shall stop here. There is no point in going back twenty centuries to make my case.

Honourable senators, I suggest that this amendment be adopted by the Parliament of Canada, the Senate and the House of Commons.

[*English*]

**Hon. Wilfred P. Moore:** Honourable senators, I attended the hearing of the Standing Senate Committee on National Finance at which this matter was discussed in some detail. The Deschênes School Board won a decision in the Federal Court in October of 2001. Other boards were similarly interested. They subsequently took their action. They were successful. The government — Department of Justice, various ministers — did nothing after that until December 21, 2001, when a ministerial announcement was issued indicating that the minister intended to bring in legislation retroactive to 1991. Other boards were already in the legal process. They were already exercising their rights and their capacities to do so within the law of the land.

For society to function, there must be certainty. In Canada, that certainty is provided by the rule of law. I find such an approach of retroactive legislation to be repugnant to our whole system. I really find it strong-handed. I think someone alluded to it in the debate yesterday as being when the larger, weightier party to an action changes the rules, moves the goalposts and makes it difficult for citizens to proceed with the exercise of their rights.

Think about it. What did the government do? They did nothing. They did not appeal. I found it interesting that they did not appeal the decision of the Federal Court. They could have, but I think they probably knew they would not be successful. What did they do? They waited until now, and they buried their action in a piece of key legislation dealing with very important budgetary matters. I find the whole thing quite presumptive. They issued a statement saying, "We intend to do this." I do not know if that was meant to be a threat to other parties not to proceed when they have every right to do so.

• (1550)

Their approach is to try to make us part of their scheme. What is happening here is an awful thing. I cannot tolerate retroactive legislation. It flies in the face of due process, natural justice and anything else of which you can think.

I would, therefore, lend my support to the amendment and urge other colleagues to do so.

On motion of Senator Bolduc, debate adjourned.

## NATIONAL ANTHEM ACT

### BILL TO AMEND—SECOND READING

On the Order:

> Resuming debate on the motion of the Honourable Senator Kinsella, seconded by the Honourable Senator Corbin, for the second reading of Bill S-14, to amend the National Anthem Act to reflect the linguistic duality of Canada.—(*Honourable Senator Prud'homme, P.C.*).

**Hon. Noël A. Kinsella (Deputy Leader of the Opposition):** Honourable senators, Senator Prud'homme gave me assurance that he would speak on this bill no later than today, and he asked whether I would concur with him that after second reading the bill not go to the Standing Senate Committee on Social Affairs but rather to the Standing Senate Committee on Official Languages. That was satisfactory to me. Therefore, I do not concur that the item should stand.

**The Hon. the Speaker:** If no one is moving adjournment, I ask honourable senators if they are ready for the question.

**Hon. Senators:** Question!

**The Hon. the Speaker:** It was moved by the Honourable Senator Kinsella, seconded by the Honourable Senator Corbin, that this bill be read the second time. Is it your pleasure, honourable senators, to adopt the motion?

Motion agreed to and bill read second time.

### REFERRED TO COMMITTEE

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

On motion of Senator Kinsella, bill referred to the Standing Senate Committee on Official Languages.

[*Later*]

### POINT OF ORDER

**Hon. Marcel Prud'homme:** Honourable senators, I rise on a point of order. I did not know that we would proceed so rapidly today. I was solving an issue in His Honour's office. I wanted to speak today on the previous Order Paper item.

I want Senator Kinsella to hear me because I am so furious at this motion. I had said that I would speak today. I had told Senator Kinsella that I would speak today. I told him to delay, delay, and delay in my brief absence.

I am furious. It is the worst thing that could be done in this country, to allow this sabotage of one of the greatest "héritage de notre peuple canadien francais du Québec." It is on the day of the death of Pierre Bourgault. Now you can laugh. We will now have a "franglais" national anthem.

I want honourable senators to know that I had arranged with Senator Kinsella that the bill should be sent to the Official Languages Committee. I will wait for the committee.

I have all my notes here. I was here a minute ago. I went to solve a problem in His Honour's office. I had promised that I would speak today. I am very upset.

However, it is okay. I will wait for another time.

## CRIMINAL CODE

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

On the Order:

> Resuming debate on the motion of the Honourable Senator Lapointe, seconded by the Honourable Senator Gauthier, for the second reading of Bill S-18, to amend the Criminal Code (lottery schemes).—(*Honourable Senator LaPierre*).

**Hon. Sharon Carstairs (Leader of the Government):** Honourable senators, Senator LaPierre is representing the Senate at another function. He has asked that he be allowed to speak to this bill at a later date.

On motion of Senator Carstairs, for Senator LaPierre, debate adjourned.

## MERCHANT NAVY VETERANS DAY BILL

### SECOND READING—DEBATE ADJOURNED

**Hon. Joseph A. Day** moved the second reading of Bill C-411, to establish Merchant Navy Veterans Day.—(*Honourable Senator Robichaud, P.C.*).

He said: Honourable senators, I yield my time to speak to Senator Atkins, and I will attempt to speak on this tomorrow.

**Hon. Norman K. Atkins:** Is that procedure appropriate?

**The Hon. the Speaker:** It is not relevant who speaks first or second because of the 45-minute time limit. It seems that Senator Day is comfortable with having the opposition speak first on this government bill. He will have 45 minutes, provided that he speaks second. I do not see anything wrong procedurally. If Senator Atkins wishes to speak now, he may do so.

**Senator Atkins:** Honourable senators, it is with pleasure that I rise to address Bill C-411.

This bill is short but significant. It acknowledges the tremendous efforts of the veterans of the merchant navy in the defence of Canada and, as well, sets aside a day to remember their contribution to freedom. Bill C-411 would designate the third day of September as merchant navy veterans day. I commend the effort of Mr. Paul Bonwick, Member of Parliament for Simcoe—Grey, for bringing forward this bill.

As honourable senators will recall, it has been a long and difficult fight for the veterans of Canada's merchant navy to gain recognition for their valiant efforts, particularly during the Second World War. The merchant navy was often called the fourth arm of the fighting service, and the Canadian fleet grew rapidly during World War II. By the end of the war, Canada's merchant marine navy had grown to 180 ships and 12,000 members. Many more Canadian merchant mariners sailed on Allied ships.

• (1600)

The sea lanes of the North Atlantic Ocean were hazardous and the Canadian merchant navy seamen faced dangerous and difficult circumstances, including cold North Atlantic weather, U-boats, surface radar, mines and enemy aircraft.

The book of remembrance for the merchant navy lists by name 1,629 Canadians and Newfoundlanders who served on ships registered in Canada or Newfoundland who lost their lives in the Second World War. A total of 198 Canadians were prisoners of war and some were interned for up to five years.

Recognizing the efforts of the navy merchant veterans for their contribution to Canada's efforts in various conflicts is long overdue. I am pleased to support the designation of September 3 as a day when Canadians salute the veterans of the merchant navy for their bravery and tremendous contribution to the liberty and freedoms we enjoy today.

On motion of Senator Day, debate adjourned.

## STUDY ON POSSIBLE ADHERENCE TO AMERICAN CONVENTION ON HUMAN RIGHTS

### REPORT OF HUMAN RIGHTS COMMITTEE— DEBATE CONTINUED

On the Order:

> Resuming debate on the consideration of the fourth report of the Standing Senate Committee on Human Rights entitled: *Enhancing Canada's Role in the OAS: Canadian Adherence to the American Convention on Human Rights*, tabled in the Senate on May 28, 2003.—(*Honourable Senator Fraser*).

**Hon. Joan Fraser:** Honourable senators, I rise to speak today to the fourth report of the Standing Senate Committee on Human Rights, entitled "Enhancing Canada's Role in the OAS: Canadian Adherence to the American Convention on Human Rights."

I would like to begin by paying tribute to Senators Andreychuk and Maheu. Senator Andreychuk was the founding driving force of the Committee on Human Rights and piloted this very important study of our adherence to inter-American legal systems. Senator Maheu guided the committee, to which I no longer belong, to the conclusion of its work. It is a very important study. It recommends that Canada take all necessary steps, including a public debate, in order to adhere to the American Convention on Human Rights and, by extension, to accept the jurisdiction of the Inter-American Court by July of 2008, which is the thirtieth anniversary of the coming into force of the convention.

I share the committee's goals. It is important to strengthen the web of international law and human rights. I think Canada has a proud record in doing so. We should be working to extend our adherence to these instruments in our own hemisphere as well as around the world.

I would note that if we do adhere to the convention and join the court, the court will be strengthened in two ways: first, financially because we will be contributing to it, and it is not a rich court; it needs all the support it can get; and, second, by being able to furnish judges to it, which some of the witnesses before the committee suggested would be useful to the court. The court is doing excellent work but, again, we would contribute very well to it. Finally, joining this system would demonstrate our commitment to our Latin American friends and to our integration into the hemisphere as well as our other international links.

Generally, I support what this report is trying to achieve, but I believe there are serious problems in two areas. I do not think that the committee has adequately addressed one of those areas. One it has addressed very well; but not the other one.

The first of these areas, and the one I think the committee addressed well, has to do with the right to life. Article 4.1 of the American Convention on Human Rights reads:

> Every person has the right to have his life respected. This right shall be protected by law and, in general, from the moment of conception. No one shall be arbitrarily deprived of his life.

On the face of it, that would suggest that it is a provision banning abortion. We heard expert testimony that it has not been interpreted in that way. However, we also heard testimony from a number of witnesses who suggested that if we were to adhere to the convention this might mean, if a case were brought to the Inter-American Court, as it very well might be — we know how

much people care about abortion matters — that Canada would be obliged to legislate in the field of abortion. It would not impose upon us an obligation to legislate in any particular way, but it would perhaps impose upon us the obligation to legislate.

As honourable senators know perhaps better than any other Canadians, Canada, thanks to a decision by this chamber, has chosen not to legislate in the field of abortion. I am not at all sure that Canadians are even remotely interested in re-entering this debate at this time, and certainly not as the result of a decision of an international court.

The committee, in my view, took the appropriate response. It said that we should take a reservation on this clause of the convention; that is, when we ratify the convention, say that we refuse to accept that this particular clause applies to us; it will not apply to us. If we did that, the problem would be over. Cases could not be brought to the Inter-American Court in this manner.

The other problem in the convention that concerns me greatly is its treatment of freedom of expression, in two particular areas. Let me start by citing article 13.2, which reads:

> The exercise of the right provided for in the foregoing paragraph —

— that is to say, freedom of expression —

> — shall not be subject to prior censorship...

Anyone who remembers the debate on the Pentagon Papers will be aware that in general the communications media tend to resist anything that could be called prior restraint on publication, the idea being that you should be free to publish what you believe needs to be published and then take your lumps if you got it wrong. However, in Canada, we have some laws that might come under that heading. We have, for example, laws prohibiting publication of certain legal matters that are before the courts. We have laws about such things as the publication of juvenile offenders' names. Therefore, one would wish to be very sure that we could not find ourselves being obliged to overturn laws that Canadians believe are good and justified. In that case, as the committee recommends, we could file an interpretive declaration when we ratify the convention; which is to say that we accept this article of the convention but we understand that it does not apply to Canadian law in certain fields, such as the publication of young offenders' names. I think that would probably work. So far, so good.

However, now we come to Article 14 of the convention. That article is, in my view, far more problematic, both in its substance and in what the committee has recommended we do about it.

Article 14 reads:

> 1. Anyone injured by inaccurate or offensive statements or ideas disseminated to the public in general by a legally regulated medium of communication has the right to reply or to make a correction using the same communications outlet, under such conditions as the law may establish.
>
> 2. The correction or reply shall not in any case remit other legal liabilities that may have been incurred.

Honourable senators, I am sure that sounds good. Who among us, having been unfairly damaged or maligned by the press, might not think that a right of reply would be a wonderful thing to have? Indeed, responsible media do make great efforts to carry corrections and rectifications when it is demonstrated to their satisfaction that they have done an injustice. However, to write into law a right of reply would set, in my view, a very dangerous precedent in our system.

The committee heard only one witness who was an actual expert in freedom of speech issues.

• (1610)

His name is Mark Bantey, and he is a distinguished lawyer in Montreal with a very long record of legal work in this area. He said that, in his view, this clause of the American convention was contrary to the Canadian Charter of Rights and Freedoms, specifically, contrary to section 2(*b*) of the Charter which guarantees freedom of expression and freedom of the press.

The fundamental principle here, honourable senators — and it is a fundamental element of the freedom of the press — is that only the press, with very rare exceptions, may decide what the press shall publish. Just in case you think I am taking a journalist's knee jerk reaction to this, I thought I would cite for you some legal decisions. There is a long history of jurisprudence in this area, and I will draw some of it to your attention.

One of the legal decisions in the United States that has been viewed as a monument in this area involved the case of *Miami Herald Publishing Company v. Toreno* in 1974. In that case, the State of Florida had a statute allowing political candidates to compel newspapers to publish a reply if they felt unfairly treated. The United States Supreme Court said that legislators may not interfere with editorial discretion, that is, the decision to print or not to print a reply. The court found the mandatory right of reply statute to be as offensive as censorship. If you think through the implications, I am sure you can understand why.

[*Translation*]

There is a long history of jurisprudence in Canada on this — for instance, the well known *Reference re Alberta Statutes*, 1938, even before there was a Charter, in which the Supreme Court of Canada recognized the editor's ability to decide on the content of his publication without state intervention.

Later on, in 1979, in another very important case, a monumental precedent in this area, in *Gay Alliance Towards Equality v. The Vancouver Sun,* Martland J. concluded the following:

> The law has recognized the freedom of the press to propagate its view and ideas on any issue and to select the material which it publishes.

"To select the material which it publishes."

[*English*]

Finally, I would draw to your attention in this matter the case of *Trieger v. Canadian Broadcasting Corp.,* 1988, in which the high court of Ontario said, among other things:

> It is not the function of government or indeed the courts to dictate to the news media what they should report.

I think those are important precedents and important arguments to bear in mind in this matter.

There are, however, other grounds than the constitutional grounds for opposing the application of this clause to Canada, and Mr. Bantey, to whom I referred earlier, drew our attention to some of them. I will quote from his testimony. He said:

> Article 14 basically gives an automatic right of reply to anyone who happens to disagree with an article or an opinion published in a news medium. Will this provision, if enacted in legislation, flood the news media with inept, useless or irrelevant rebuttals? How do you run a newspaper if you are printing hundreds of replies from hundreds of individual citizens and public officials?
>
> A British House committee examining freedom of press issues, the Fox committee, said that a mandatory right of reply is inherently objectionable because it "entitles a person, who may be without merits, to compel a newspaper to publish a statement extolling his non-existing virtue."
>
> If the media are compelled to publish replies, shall they be forced to publish replies that are themselves libellous, obscene, racist or inaccurate? What if the editor knows that the reply contains blatant falsehoods meant to mislead the public? What if the reply is irrelevant to the issue at hand?

I can assure you, honourable senators, that in the practical operation of the press, be it electronic or print, those are very real questions that one would find oneself faced with on a distressingly regular basis.

Some of the witnesses before the committee said, "Well, this is not really a problem because Canadian law, specifically Quebec law, includes the right of reply." This is not, in fact, true. In the applicable legislation in Quebec, there is one clause that is a little ambiguously worded, but taken in conjunction with another clause, it makes it clear that, in Quebec, if a newspaper or other communications medium allows the person who deems himself or herself to have been offended to exercise a right of reply, then the fact of publishing that reply means that there are no damages — quite different from the Inter-American Convention.

However, nothing in Quebec law obliges the press to publish a reply crafted by someone else. If they want to do it they can, but if they do not want to do it and want to fight that case in the courts, they can fight that case in the courts. It may be the case that, in due course, the judge will decide that the communications medium has committed libel and will order, among other things, the publication of the court judgment in the offending medium. However, that is the publication of the judge's judicious and judicial words, not the publication of the offended person's words crafted in any way he or she sees fit. The distinction is important, and even that is very rare. It generally does not work out that way, so the argument that we already have this in Canadian law really does not bear any examination at all.

The committee recommended on this matter, and I quote from the report:

> ...that the Government of Canada consider making an interpretive declaration to express its understanding that the right of reply under article 14 is not absolute and that it is exercised according to applicable provincial legislation.

My difficulty with that recommendation, honourable senators, is that it suggests that there are occasions when legislation, whether federal or provincial — provincial, in this matter — is appropriate. I do not think that general legislation guaranteeing a right of reply is appropriate, at any level.

[*Translation*]

**The Hon. the Speaker** *pro tempore***:** The time allocated to the honourable senator has expired. Does she have leave to continue, honourable senators?

**Senator Fraser:** I would need another two minutes.

**Hon. Senators:** Agreed.

[*English*]

**Senator Fraser:** I would further draw to your attention, honourable senators, that decisions of the Inter-American Court, once one accepts its jurisdiction, are binding. They even outrank decisions by the Supreme Court of Canada, so that I would have very grave reluctance, indeed, to submit to this particular clause.

I believe that Canada should adhere to the American convention, but I believe we should take a strong reservation on that clause — no ifs, ands or buts. For that reason, it is with regret that I shall abstain from supporting the committee's report, even though I support all the other parts of it.

**Hon. Tommy Banks:** May I ask a question of the senator?

**Senator Fraser:** If the Senate is willing, yes.

**Senator Banks:** I may have misunderstood the honourable senator, and I would ask her to straighten me out if I did. I think the honourable senator said that section 14 talked about the obligation to right of reply in regulated media. I do not think in Canada — and the honourable senator would know this immediately — that newspapers are regulated media.

Second, there are many international conventions and treaties that many different countries have signed and ratified, except that they have reserved their ratification on a carved-out area and say they agree with all of this except this part here. I wonder if that would be an alternative in this case.

• (1620)

Third, when the honourable senator was speaking about electronic media, was she taking into account the fact, and I am sure she was, that during election campaigns there are regulations with respect to equal time that apply in the electronic media in Canada?

**Senator Fraser:** Obviously, newspapers are not regulated in anything like the way electronic media are regulated. A vigorous lawyer could make the argument that they are regulated by the mere fact that they must have business permits to operate.

My recommendation is precisely that we take a reservation, not an interpretative declaration, on this element.

I cannot now remember the honourable senator's third question.

**Senator Banks:** Had the honourable senator taken into account that during the course of a declared election campaign there is tit-for-tat in the electronic media?

**Senator Fraser:** Yes. I was at pains to say that there were a very few rare exceptions to this rule. The fundamental notion of freedom of the press is that we need it to enhance democracy. Extending free speech by publicizing election platforms enhances democracy. Thus, it does not offend the basic principle, in my view.

On motion of Senator Andreychuk, debate adjourned.

[*Translation*]

## STUDY ON DOCUMENT ENTITLED "SANTÉ EN FRANÇAIS—POUR UN MEILLEUR ACCÈS À DES SERVICES DE SANTÉ EN FRANÇAIS"

REPORT OF SOCIAL AFFAIRS, SCIENCE AND TECHNOLOGY COMMITTEE—ORDER STANDS

On the Order:

> Resuming debate on the consideration of the Seventh Report of the Standing Senate Committee on Social Affairs, Science and Technology (document entitled: Santé en français — Pour un meilleur accès à des services de santé en français (French-Language Healthcare — Improving Access to French-Language Health Services)) tabled in the Senate on December 12, 2002.—(*Honourable Senator Ringuette*).

**Hon. Maria Chaput:** Honourable senators, I am interested in taking part in the debate on consideration of the seventh report of the Social Affairs Committee. I move that the debate stand in my name until the next sitting and depending on the amount of time I have left to continue.

Order stands.

[*English*]

## STUDY ON NEED FOR NATIONAL SECURITY POLICY

INTERIM REPORT OF NATIONAL SECURITY AND DEFENCE COMMITTEE—DEBATE CONTINUED

On the Order:

> Resuming debate on the consideration of the fifth report (interim) of the Standing Senate Committee on National Security and Defence, entitled: *The Myth of Security at Canada's Airports,* deposited with the Clerk of the Senate on January 21, 2003.—(*Honourable Senator Atkins*).

**Hon. Tommy Banks:** Honourable senators, with respect to consideration of the fifth report of the Standing Senate Committee on National Security and Defence, I have the permission of Senator Atkins to speak briefly today in order that debate on this item be continued. I ask that debate be adjourned in the name of Senator Atkins for further consideration and that we resume the counting again. Honourable senators know what I mean.

On motion of Senator Banks, for Senator Atkins, debate adjourned.

## THE BUDGET 2003

INQUIRY—DEBATE CONTINUED

On the Order:

> Resuming debate on the inquiry of the Honourable Senator Lynch-Staunton calling the attention of the Senate to the Budget presented by the Minister of Finance in the House of Commons on February 18, 2003.—(*Honourable Senator Robertson*).

**Hon. Norman K. Atkins:** Honourable senators, if the Honourable Senator Robertson does not mind, I would like to speak to this item.

**Hon. Brenda M. Robertson:** I do not mind at all.

**Senator Atkins:** Honourable senators, I rise today to speak on the 2003 federal budget read in the other place in February by the new Minister of Finance. In preparing my remarks for today, I took the opportunity to review previous speeches I have given on budgets brought down by the present finance minister's predecessor, Mr. Martin. I was struck by the consistency of the criticism I have raised over the years.

While I have been consistent in my criticism, the government has been consistent in the content of the budgets. There has not been enough money for the military. Student debt is ignored. Instead of concentrating on two or three areas and dealing with them totally and conclusively, we are continually faced with what we on this side have called a "scattergun approach" — a little money here, a little money there, but not nearly enough to make a significant difference in the lives of Canadians.

Last time we heard from Mr. Martin, we were to have the security budget, which actually did little to address Canada's security needs. This time we were to have, for want of a better phrase, the Prime Minister's legacy budget, but it had no real focus except increased spending spread over a number of initiatives, but not enough to really make a difference in any one of them.

As a fiscal conservative, I would have liked to have seen a real commitment to addressing the country's debt. The greatest thing we can leave our children and our grandchildren is a country that is mortgage free.

This, however, does not seem to be a priority for this government. The priority seems to be to spend to satisfy the demands of several interest groups. Paying down the debt guarantees our future, a future in which we are free to set priorities unencumbered by huge interest payments.

As it is now, little is left in the reserves, and we may be entering a period of slow or marginal economic growth. Too bad the government did not pursue a more prudent course.

Today, I wish to address in some detail four areas where I believe this budget fails Canadians: the failure to deal with student debt; defence; health care; and the emerging issue of the failure of this government to adequately provide funds to replace the crumbling infrastructure of our major cities.

With regard to student debt, I am well aware that this budget puts more money — $60 million over two years — into the Canadian Student Loan Fund. Also, I know that provisions have been made for reductions if graduating students find themselves in financial difficulty.

In my opinion, the first thing the government should do is make the full amount of scholarship and bursaries tax exempt. Second, it would stop playing at the margins with the issue of student debt. The problem is that with rising tuition costs necessitated by the decrease of transfer payments, financially challenged students are required to take out larger and larger loans.

Under this government, since 1994, some $24 billion has been cut out of the CHST in relation to health and post-secondary education. In the 2000 general election, our party proposed a tax credit based on the repayment of Canada's student loan principal to a maximum of 10 per cent of the principal per year for 10 years after graduation. This would have been very helpful to our graduating students. However, these proposals do not give young Canadians the answer. The answer to my mind is a complete, overarching commitment to post-secondary education.

• (1630)

I have floated this idea before. I believe the government should look seriously at solving the access problem for all academically qualified students who are in financial difficulty by creating a program modeled on the one put in place for veterans returning from World War II. This program was similar to the GI Bill in the United States. With some innovative thinking, surely we can devise a system whereby access to post-secondary education depends on merit, not financial resources. The proper program could be a significant boost to this country. This requires political commitment, but it is the best investment we can make in the future of this country.

Students today are graduating from colleges and universities with huge debt loads. Debt incurred per year, which includes tuition and living expenses, can approach $20,000. Help is needed, and not just in putting more money into the loan fund. We must rethink the way we ensure access to post-secondary education for all academically qualified students.

Students do not want a free ride, but they do want an equitable system of debt management that allows them to get an education and repay borrowed money at a reasonable rate when they gain employment. Surely, as a stopgap measure, the government could intervene to put an end to debt collectors hounding students within a few months of graduation. Surely, we can afford a moratorium on loan payments for a period of at least two years after graduation. Students could have that period to get on their feet and begin to earn an income without worrying about debt repayment immediately.

With regard to defence, I must begin by congratulating Defence Minister John McCallum for at least stopping the bleeding off of money from the military. However, as difficult as his job may have been to obtain $800 million, it falls short of what is really needed. The capital budget must be set high enough to permit buying off the shelf.

As senators who have been involved in the Standing Senate Committee on National Security and Defence know, we must bring our military to a point where it is actually combat capable and equipped properly. This means increasing the defence budgets to approximately $24 billion by 2010; and we need to increase our Armed Forces personnel to 75,000, even though the minister disagrees. He says he wants a smarter, smaller military. That is fine, but the government has to stop making commitments it is hard to fulfill.

Canadians do not need more stories about our lack of equipment in Afghanistan, where we are returning this summer, or anywhere else where our military may serve. We do not have the service personnel to fulfil our obligations. We need helicopters. It is time to set aside old grudges and bad decisions. Canadians know that the election promise to write "zero helicopters," made for cheap political gain in 1993, was wrong. Our military personnel have been at risk because of this decision.

In this budget, the government should have made a real commitment to defence, and it did not. There needs to be a commitment to resource the military to insure adequate strength levels and the funding of quality-of-life initiatives for our Armed Forces personnel and their families. While the budget goes in the right direction, it does not go nearly far enough to make up for the years of neglect, the years of ravaging the defence budget to pay for other initiatives or to reduce the deficit.

This government, in its failure to support our traditional allies, has brought Canada's place in the world to an all-time low. We can do better than this, and we should be doing better. Canadians deserve better. The time has come to carry out a thorough review of our foreign policy, and then follow it by a review of defence policy. It is time to get serious about Canada's role at home and abroad.

Canadians also deserve better health care. I thought the days of starving our health care system were over, but apparently not. Of the monies set out in the budget, $3.9 billion is old money, previously announced. As well, the new money of $13.4 billion is spread out over three years. This is $1.6 billion short of the amount recommended by the Romanow report and does not satisfy the report of the Standing Senate Committee on Social Affairs, Science and Technology, either.

Between 1993 and 2001, Liberal budgets cut $15 billion from the transfer payments to the provinces. There is a lot to make up as we move forward in this decade. The federal grant contribution, percentage-wise, is significantly lower than it was just a few years ago. There have been two studies done in this area in recent months. I would have thought the government would at least use this budget to consider them carefully, not just ignore them.

Finally, I want to turn my attention to the economic plight of our cities. Again, this is an area where the Liberal government, albeit the Liberal caucus, completed a study that focussed on a new deal for urban centres — the centres that have become economic engines of this country. What happened? The budget provides for an additional $3 billion in infrastructure support over the next 10 years. This money is to be shared by municipalities across the country. It is insulting to the needs of our cities when one considers that only $100 million is available in fiscal 2003-04 and $150 million in 2004-05. Realistically, this hardly builds more than a highway interchange per year in one city in this country.

Our urban municipalities need a new deal. They need recognition in a meaningful way if Canada is to be competitive in the world. The budget fails our major population centres. Surely we can do better than this. Surely the better approach is to pick two or three areas and do a thorough, complete job. That is my suggestion for building a budget: Identify the most pressing needs and address them; do not engage in this shotgun, Band-Aid approach.

Honourable senators, I look forward to hearing other comments on the budget as the debate continues.

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

## UKRAINIAN FAMINE/GENOCIDE

### MOTION REQUESTING GOVERNMENT RECOGNITION—DEBATE CONTINUED

On the Order:

> Resuming debate on the motion of the Honourable Senator Andreychuk, seconded by the Honourable Senator Stratton:
>
> That this House calls upon the Government of Canada:
>
> (*a*) to recognize the Ukrainian Famine/Genocide of 1932-33 and to condemn any attempt to deny or distort this historical truth as being anything less than a genocide;
>
> (*b*) to designate the fourth Saturday in November of every year throughout Canada as a day of remembrance of the more than seven million Ukrainians who fell victim to the Ukrainian Famine/Genocide 1932-33; and
>
> (*c*) to call on all Canadians, particularly historians, educators and parliamentarians, to include the true facts of the Ukrainian Famine/Genocide of 1932-33 in the records of Canada and in future educational material.
>
> Given that the Genocide of Ukrainians (now commonly referred to as the Ukrainian Famine/Genocide of 1932-33 and referred to as such in this Motion) engineered and executed by the Soviet regime under Stalin to destroy all opposition to its imperialist policies, caused the deaths of over seven million Ukrainians in 1932 and 1933;
>
> That on November 26, 1998, the President of Ukraine issued a Presidential Decree establishing that the fourth Saturday in November be a National Day of Remembrance for the victims of this mass atrocity;
>
> That the fourth Saturday in November has been recognized by Ukrainian communities throughout the world as a day to remember the victims of the Ukrainian Famine/Genocide of 1932-33 and to promote the fundamental freedoms of a democratic society;
>
> That it is recognized that information about the Ukrainian Famine/Genocide of 1932-33 was suppressed, distorted, or wiped out by Soviet authorities;
>
> That it is only now that some proper and accurate information is emerging from the former Soviet Union about the Ukrainian Famine/Genocide of 1932-33;
>
> That many survivors of the Ukrainian Famine/Genocide of 1932-33 have immigrated to Canada and contributed to its positive development;
>
> That Canada condemns all war crimes, crimes against humanity and genocides;
>
> And that Canadians cherish and defend human rights, and value the diversity and multicultural nature of Canadian society.—(*Honourable Senator Andreychuk*).

**Hon. A. Raynell Andreychuk:** Honourable senators, this year, 2003, marks the 70th anniversary of the Ukraine Famine/Genocide of 1932-33. Joseph Stalin's collectivization program was a process that culminated in a man-made famine in one of the world's richest and most fertile agricultural regions. Estimations are only now being calculated as to the millions who lost their lives, mainly in the Ukraine but also in North Caucasus, Kazakhstan and Russia.

• (1640)

As American scholar and historian Robert Conquest stated in his book, *The Harvest of Sorrow*:

> ...in 1932-33 came what might be described as a terror-famine inflicted on the collectivized peasants of the Ukraine and the largely Ukraine Kuban (together with the Don and Volga areas) by the methods of setting for them grain quotas far above the possible, removing every handful of food and preventing help from outside — even from other areas of the USSR — from reaching the starving. This action, even more destructive of life than those of 1929-1932, was accompanied by a wide ranging attack on all Ukrainian cultural and intellectual centres and leaders and on the Ukrainian churches.

He went on to say:

> Though confined to a single state, the number dying in Stalin's war against the peasants was higher than the total deaths for all countries in World War I. There were differences: in the Soviet case, for practical purposes only one side was armed and the casualties (as might be expected) were almost all on the other side. They included, moreover, women, children and the old.

At the height of the famine/genocide of 1932-33, Ukrainian peasants were dying of hunger at the rate of 17 persons per minute, 1,000 persons per hour, and 25,000 persons per day, while the Soviet regime was dumping 1.7 million tons of grain on Western markets.

By way of a reminder, in 1929, Stalin sought to industrialize the newly created Soviet Union as rapidly as possible. Funds had to be acquired in order to purchase the industrial machinery and equipment required to build the new communist empire and till the soil of the collective farms that were to feed its inhabitants.

At the same time, a way had to be found to overcome resistance to farm collectivization, which found particular strength in the Ukrainian Soviet Republic. The legacy of the Soviet master plan in dealing with this opposition to collective farming and, more generally, to Ukrainian expression of self-identity has left a terrible scar on the history of the Soviet Union.

Thousands of Soviet agents were dispatched to Ukraine in order to confiscate grain and food products from the productive peasant farmers, known as the kulaks. These items were sold to the West in exchange for hard currency with which the Soviet Union purchased the machinery required to industrialize the nascent communist experiment.

A few facts highlighting the conditions under which victims of the famine had to live offer at least a small insight as to the misery that they suffered.

Starving people who attempted to feed themselves with food they had grown themselves and that had now become state property were considered thieves and risked either death before a firing squad or confiscation of all their property. Armed agents of the Soviet forces guarded fields from all those who were fighting starvation. Only people with permission to travel could purchase train tickets, thus rendering flight from famine so much more of a remote possibility.

Those who had the responsibility of executing the planned famine/genocide issued a decree whereby the word "holod," meaning hunger or famine in the Ukrainian language, was considered counter-revolutionary. By the time the famine/genocide finished taking its toll, approximately one fifth of Ukraine's rural population had perished in approximately one year.

As this atrocity continued swiftly and horrifically, few outside the Soviet Union knew or cared to know about it. One voice, Malcolm Muggeridge, a British journalist who at the time was a dedicated socialist, upon hearing of starvation in the Ukraine, bought a ticket from Moscow and travelled to Ukraine. What he saw terminated his affair with communism. He wrote:

> I saw something of the battle that is going on between the government and peasants. On the one side millions of starving peasants, their bodies often swollen from lack of food; on the other, soldier members of the GPU carrying out instruction of dictatorship of the proletariat. They had shot or exiled thousands of peasants, sometimes whole villages, they had reduced some of the most fertile land in whole world to melancholy desert...

George Orwell also complained about the events of the Ukraine famine, involving the death of millions of people, escaping the attention of the "large and influential body of Western thought."

Some, it could be said, refused to see the real issues in their haste to examine a new emerging Soviet doctrine. Most, I suspect, had no access as the forces of the Soviet Regime put down dissent and controlled movement, expression, thought and life in the Soviet Union. In fact, for all the years of the Soviet Union, the famine was an exercise in deflection, deception and concealment about this genocide against the Ukrainian people.

Slowly emerging from the long and dark shadow of the years of the Soviet Union, the Government of Ukraine, in its newly independent status, on November 24, 2002, finally heard its president state:

> Holodomor (The Famine/Genocide of 1932-33) and political repressions planned and carried out by the communist regime put under threat the very existence of our nation.
>
> It is no exaggeration. Holodomor became a national catastrophe. One fifth of Ukraine's rural population died in 1932-33. People died by villages. Even today Ukraine can feel demographic, socio-economic, historic and cultural consequences of those murderous deeds....
>
> We have to admit — it was genocide. Having a clear purpose, a meticulously planned genocide against Ukrainian people.

Four days later on November 28, 2002, the Parliament of Ukraine echoed those words. Further, on March 17, 2003, in Geneva, at the Fifty-ninth Session of the United Nations Commission on Human Rights, Mr. Volodymyr Yel'chenko, State Secretary for Foreign Affairs of Ukraine, stated:

> The induced famine of 1932-33 was the act of genocide against the Ukrainian people that took lives of more than 7 million Ukrainians. Organized by the totalitarian Soviet regime in 1932-33 and aimed at suppressing people in the regions that were opposed to forced collectivization, it was one of the most tragic events in our modern history.
>
> The fact of induced famine in Ukraine was carefully concealed at that time. Elaborate steps had been taken to deny its existence or diminish its consequences up till Ukraine's independence. Still, much remains to be done to increase the global awareness of that event.
>
> At the time the world failed to respond to that tragedy. Today we are obliged to honour the memory of its victims in order to be able to respond to other acts of genocide ever, in the future.

The Verkhovna Rada, the Parliament of Ukraine, has taken a series of steps to honour the memory of the victims of the 1932-33 famine/genocide. They have set a task for themselves to honour the memory of the victims and to guarantee that this genocidal famine is not forgotten by generations to come. In their recommendations, of which there are many, they state:

> Participants of the parliamentary hearings held on February 12, 2003, on commemorating the 70th anniversary of the 1932-33 famine genocide and honouring the memory of the millions of its victims note that the Communist Party and the most senior government officials of the Soviet Union had been officially denying for many decades the tragedy of the 1932-33 genocidal famine. Information on its reasons, artificial nature and its scale had been concealed not only from the international community but also from several generations of compatriots.

They go on to indicate that it is only with independence that the seal on official secrecy surrounding these events was broken, and they have set for themselves and their government a series of actions.

• (1650)

Honourable senators, in proposing the motion under discussion, the Senate would seek to assign the Ukraine Famine/Genocide of 1932-33 its rightful place in the annals of history. In proposing this motion, the Senate would seek to commemorate the lives of all those millions of people who were so callously and cynically sacrificed in the name of an illusory ideal that could have known no greater betrayal than the means employed in trying to reach it.

Canada has taken great strides to condemn all war crimes, crimes against humanity and genocides, and Canadians, as a society, cherish and defend human rights and value the diversity and multicultural nature of Canadian society. We must also join with the many survivors of the Ukraine Famine/Genocide who have immigrated to Canada and contributed to its positive development. The record is now emerging and Canada should share in acknowledging the famine/genocide and in correcting our knowledge of this horrific event by taking the step of approving this motion. I urge you, honourable senators, to do so.

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

[*Translation*]

## HUMAN RIGHTS

### COMMITTEE AUTHORIZED TO MEET DURING ADJOURNMENT OF THE SENATE

**Hon. Shirley Maheu,** pursuant to notice of June 16, 2003, moved:

> That pursuant to rule 95(3)(a), the Standing Senate Committee on Human Rights be authorized to sit on Mondays, beginning September 15, 2003, on its study of the examination of key legal issues affecting the subject of on-reserve matrimonial real property on the breakdown of a marriage or common law relationship, even though the Senate may then stand adjourned.

Motion agreed to.

[*English*]

## ENERGY, THE ENVIRONMENT AND NATURAL RESOURCES

### NOTICE OF MOTION TO AUTHORIZE COMMITTEE TO MEET DURING ADJOURNMENT OF THE SENATE—DEBATE ADJOURNED

**Hon. Tommy Banks,** pursuant to notice of June 16, 2003, moved:

> That the Standing Senate Committee on Energy, the Environment and Natural Resources be empowered, in accordance with rule 95(3)(a), to sit during the traditional summer adjournment of 2003, even though the Senate may then be adjourned for a period exceeding one week, until such time as the Senate is ordered to return.

He said: Honourable senators, members of this committee, in pursuing this study, wish to work during the summertime. I suppose that we are the characters that have recently been portrayed in a cartoon captioned, "Senators Gone Bad," in which a senator is pictured saying, "I want to work." We are guilty of that. Committee members wish to meet at some time during the summer to continue their consideration of a report, which the committee has undertaken according to its terms of reference, so that it might be moved along and dispensed with more quickly. It is the wish of the members of the committee to do so.

I remind honourable senators of an answer that I gave to Senator Stratton earlier today in respect of the committee. The committee does not believe in, and I do not believe in, and would not be convening a meeting of the committee that was comprised of a number of substitutes; that we would want regular, assigned members of the committee to be present; and that the only dates that would be chosen for these meetings would be those when a quorum of members of both sides of the Senate could be in place. I ask leave to sit at the request of the committee, whose servant I am. We wish to work, honourable senators.

[*Translation*]

**Hon. Lise Bacon:** Honourable senators, I would not want to prevent the honourable senators from working during the summer. Still, I would like to remind them that there are people who work for the Senate and who need to take their holidays. We owe them some respect for their private lives.

These people usually take their holidays in the summer months. I repeat. The work senators do in the committees must not prevent Senate staff from taking their holidays. There are people who have a life outside the Senate. If they can take holidays during the summer, let us give them a chance to have a life outside the Senate.

There are employees who work all year long. They help the senators perform their duties and they provide support. They need to take holidays. Therefore, if sitting during the summer months prevents Senate employees from taking their holidays, they must be given compensation for the extra hours they put in. In addition to the human side of things, as the person responsible for the budget, I would like to remind the honourable senators that expenditures for the business of the Senate also have to be considered.

[*English*]

**Senator Banks:** Honourable senators, I am talking about a meeting or two between the time that this house rises and September 16. Would the Honourable Senator Bacon agree with me that it is unlikely that any employees would be taking holidays that would extend to 12 weeks? Would she agree that if we were to find accommodation for that, we could probably find two to four days between the time that this house rises and September 16, during which we would not interfere with the holidays of the staff required for two or so days of meetings?

[*Translation*]

**Senator Bacon:** Honourable senators, I simply wanted to remind you that there are employees who need holidays. We must grant them respect; I think that is the least we can do. These employees are dedicated; they are always there when we need them.

[*English*]

**Hon. John Lynch-Staunton (Leader of the Opposition):** Honourable senators, I want to add that a committee is not an independent entity. Rather, it is a creature of the Senate, answerable to all senators, and meetings are to be held with fair notice since all may attend and participate. I would be more sympathetic if those committees requesting leave to sit during the summer would provide the house with specific dates. The chairmen of these committees proposing similar motions must select dates convenient to the members, to the translators, to the clerks and to their families. Those people have obviously made plans for the summer and it would be extremely unfair for a committee to decide that its work, valid though it may be, could interfere with the well-earned rest of our Senate staff, who are so helpful and cooperative when the house is sitting.

• (1700)

For the moment, I will not support this motion. If Senator Banks and others who have similar motions would come back and give us specific dates that meet the agreement of both sides of the committees and are agreeable to their immediate staff, then I, for one, would be more sympathetic to supporting such a motion. As presently worded, however, this motion does not have my support.

On motion of Senator Kinsella, debate adjourned.

## MERCHANT NAVY VETERANS DAY BILL

### SECOND READING

Leave having been given to revert to Commons Public Bills:

On the Order:

> Resuming debate on the motion of the Honourable Senator Day, seconded by the Honourable Senator Biron, for the second reading of Bill C-411, to establish Merchant Navy Veterans Day.

**Hon. Joseph A. Day:** Honourable senators, I will not repeat the statistics indicated by my honourable friend, but the bill we are dealing with, Bill C-441, a Commons public bill, deals with the proposed creation of a merchant navy veterans day, September 3.

Honourable senators, the road to recognition by the merchant navy has been long and difficult. Approximately 15 years ago, in Sydney, Cape Breton, and Nova Scotia, a group got together to preserve some of the crumbling World War II fortifications. That resulted in a nationally recognized military war museum, namely Fort Petrie. That also gave impetus to the merchant navy to carry on with some other initiatives.

Honourable senators, the merchant navy stepped up during the war and performed an extremely important support function. Merchant navy ships delivered troops, ammunition, goods, tanks, clothing, boots, airplanes, fuel, raw materials and so on to our forces in Europe.

Some of the merchant seamen were only 14 years of age, while many were too old for the regular Armed Forces but continued to serve through the merchant navy. Others joined the merchant navy rather than the regular forces and were accused of being draft dodgers. This was a myth, and if one looks at the tremendous and horrible casualty statistics, one would know that that is a myth. If a ship was sunk, the survival rate for the crew was less than 50 per cent. One in seven mariners serving aboard merchant ships in World War II died in the line of duty. At the end of the war, a staggering 25,000 merchant seamen deaths were attributable to enemy action. They were British and Canadian sailors.

The merchant navy has moved to get recognition, and their battle for recognition has been going on for at least five decades. In 1992, the merchant navy veterans were finally given veteran status, but their road to recognition did not end there because they were given a different class of status from other military veterans. They made submissions to the Senate's Subcommittee on Veterans Affairs, and honourable senators will recall a hunger strike in 1998 that took place here in Ottawa by a number of veterans trying to bring attention to their plight.

I am pleased to advise honourable senators that in the year 2000, the then Minister of Veterans Affairs and now the Honourable Senator George Baker took the initiative and announced a $50 million tax-free package for Canadian merchant navy veterans and surviving spouses. That was the beginning of the recognition that they deserved.

In 2001, a year later, the then Minister of Veterans Affairs and another former member of the Senate, Ron Duhamel, announced an additional $34 million lump sum payment to the Canadian merchant navy veterans.

Honourable senators, this is another step in the long road for the merchant navy and veterans. This bill, although very short in form, asks that a day be set aside and be known as merchant navy veterans day. The day proposed is September 3 of each year because that particular date was the day that war was declared in 1939. The first casualty of the Second World War was a lady by the name of Hannah Baird, who has been recognized by Veterans Affairs. She was returning from England on a ship, and that ship was sunk. It was the SS *Athenia,* and it carried many civilian passengers. It is a story not unlike the passenger ship that was sunk in the First World War. The ship went down, and Hannah Baird, who was working on board that ship, was the first Canadian person to die at the hands of the enemy during the Second World War, according to Veterans Affairs Canada. That was September 3, 1939, and that is why that particular date is chosen.

I hope all honourable senators will support this bill at second reading.

[*Translation*]

**Hon. Roch Bolduc:** Honourable senators, I support this bill. One of my uncles died in 1943 on board the *Lady Hawkins*. It was the third time the ship had been sunk. He was the 2nd Officer Deep Sea, and a young man of 25. The ship was carrying cargo from New York to England. The first two times the ship had been sunk, he had managed to survive, but he died the third time.

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

**Some Hon. Senators:** Yes.

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

**Hon. Senators:** Agreed.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

On motion of Senator Day, bill referred to the Senate Standing Committee on National Security and Defence.

The Senate adjourned until Wednesday, June 18, 2003 at 1:30 p.m.

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