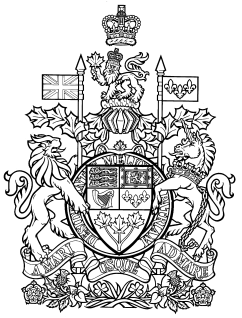

CANADA

Debates of the Senate

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OFFICIAL REPORT
(HANSARD)

Monday, May 10, 2004

THE HONOURABLE DAN HAYS
SPEAKER

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THE SENATE

Monday, May 10, 2004

The Senate met at 8 p.m., the Speaker in the Chair.

Prayers.

VISITOR IN THE GALLERY

The Hon. the Speaker: Honourable senators, before proceeding to Senators' Statements, I would like to draw your attention to the presence in the gallery of the Mayor of Iqaluit, Ms. Elisapee Sheuriapik. She has just returned, as has Senator Adams, her host, from attending a Nunavut symposium at Acadia University in Wolfville, Nova Scotia, which was held to celebrate the fifth anniversary of the creation of Nunavut and its government.

Welcome to the Senate of Canada.

[*Translation*]

SENATORS' STATEMENTS

LÉGER-COMEAU MEDAL 2004

CONGRATULATIONS TO MI'KMAQ NATION

Hon. Viola Léger: Honourable senators, the Léger-Comeau Medal is the highest honour given by the Société nationale de l'Acadie. Created in 1985, it has been awarded to individuals and organizations, in Acadia and elsewhere, for their contribution or commitment to Acadia and the Acadian people.

Former recipients of the award include the Honourable Louis J. Robichaud, former Prime Minister Brian Mulroney, French presidents Mitterand and Chirac, Father Ansèlme Chiasson and Gérard Pelletier.

On May 8, 2004, this prestigious medal was awarded to the Mi'kmaq first nation.

The Léger-Comeau medal was presented to Grand Chief Ben Sylliboy during a ceremony to thank and honour ancestors. This was an important ceremony for several reasons, because it was not by chance that the Mi'kmaq were chosen for this award.

In bestowing this award, the Acadians want to thank the Mi'kmaq people for their help over the past 400 years. The Mi'kmaq nations have played a crucial role in European settlement of the Americas.

The Mi'kmaq showed the settlers where to hunt and introduced them to edible and medicinal plants. They taught them the rudiments of survival in this new land. Without the help and friendship of these fine people, the first European arrivals would have had little hope of survival. One winter the Mi'kmaq even saved the starving French by inviting the settlers to live with them. The Mi'kmaq and the French also maintained a vigorous and flourishing trade in furs, the basis of the colony's economy.

[*English*]

Since the beginning of the 1600s to the present day, Mi'kmaq and Acadians have always had intertwined links. For almost 400 years, these two groups have lived an exceptional human and commercial relationship consolidated by marriages, by a mutual sustained nobility and by alliances. Although there have been occasional and inevitable mishaps between neighbours, the cordial understanding that unites these two groups has always been very strong.

[*Translation*]

The contribution of the Aboriginal peoples has been and continues to be a determining factor in Canada's heritage. Settlement would not have been possible without their contribution and their peaceful interaction with the Europeans. Unfortunately, this precious contribution has not always been properly recognized.

Honourable senators, I ask you to join me in saluting this wonderful, centuries-old relationship.

[*English*]

NATIONAL PLAN OF ACTION FOR CHILDREN

Hon. Landon Pearson: Honourable senators, it gives me pleasure to tell you that today in the Senate lobby we launched Canada's National Plan of Action for Children, with the support of Senator Austin and many of my good colleagues.

"A Canada Fit for Children" is the federal government's response to the commitment Canada made when it endorsed "A World Fit for Children" exactly two years ago today at the United Nations General Assembly Special Session on Children.

I was particularly proud that the launch was held in the lobby of the Senate as, to some extent, I have come to see us as parliamentary elders unequivocally devoted to the well-being of the nation's children and other vulnerable groups, and able to recognize that the 21st century will belong to our children and our children's children. It is their dreams and aspirations, shaped by the circumstances into which they are born and which surround them as they grow up, that will give the century its final definition.

Those who are under 18 years of age today constitute more than one third of the world's population and are already profoundly affecting our lives by their decisions and actions. For their sake, as well as our own, we must do everything possible to reduce the suffering that weighs them down, open up their opportunities for success and ensure them a culture of respect. This is what the young people said when they spoke to us at the General Assembly in May 2002.

We want a world fit for children, because a world fit for us is a world fit for everyone.

"A Canada Fit for Children" is Canada's plan of action to construct such a world. Canadians of all ages and from every sector of society contributed their thoughts and ideas to its design. Supporting families and strengthening communities became a central theme as all of us worked together to create a cohesive strategy for improving the situation of Canada and the world's children.

We know, alas, that many children in Canada do not escape the impact of the problems of poverty, poor nutrition or abuse that afflict so many of their contemporaries in other parts of the world. We also know that the obstacles here and overseas that prevent them from realizing their rights, as defined by the UN Convention on the Rights of the Child, often seem insurmountable, yet there is much reason for hope.

During the long process of consultation with Canadians that led to "A Canada Fit for Children," it became clear that Canadians who care about or for children, including children themselves, share a common vision of what needs to be done and are prepared to commit to doing it in order to create a better future for us all.

Now we have our plan. The next challenge is to implement it.

• (2010)

ROUTINE PROCEEDINGS

NATIONAL SECURITY AND DEFENCE

NOTICE OF MOTION TO AUTHORIZE COMMITTEE TO MEET DURING SITTING OF THE SENATE

Hon. Jane Cordy: Honourable senators, I give notice that at the next sitting of the Senate I shall move:

> That the Standing Senate Committee on National Security and Defence have power to sit at 5:00 p.m. on Monday, May 17, 2004, even though the Senate may then be sitting, and that rule 95(4) be suspended in relation thereto.

[*Translation*]

OFFICIAL LANGUAGES

BILINGUAL STATUS OF CITY OF OTTAWA— PRESENTATION OF PETITIONS

Hon. Serge Joyal: Honourable senators, pursuant to rule 4(h) of the *Rules of the Senate*, I have the honour to table petitions signed by 25 people asking that Ottawa, the capital of Canada, be declared a bilingual city and the reflection of the country's linguistic duality.

The petitioners pray and request that Parliament consider the following:

> That the Canadian Constitution provides that French and English are the two official languages of our country and have equality of status and equal rights and privileges as to their use in all institutions of the Government of Canada;
>
> That section 16 of the Constitution Act, 1867 designates the city of Ottawa as the seat of the Government of Canada;
>
> That citizens have the right in the national capital to have access to the services provided by all institutions of the Government of Canada in the official language of their choice, namely English or French;
>
> That the capital of Canada has a duty to reflect the linguistic duality at the heart of our collective identity and characteristic of the very nature of our country.
>
> Therefore, your petitioners ask Parliament to confirm in the Constitution of Canada that Ottawa, the capital of Canada be declared officially bilingual, pursuant to section 16 of the Constitution Act, from 1867 to 1982.

Hon. Jean-Robert Gauthier: Honourable senators, pursuant to rule 4(h) of the *Rules of the Senate*, I have the honour to table petitions signed by 50 more people asking that Ottawa, the capital of Canada, be declared a bilingual city and the reflection of the country's linguistic duality.

The petitioners pray and request that Parliament consider the following:

> That the Canadian Constitution provides that French and English are the two official languages of our country and have equality of status and equal rights and privileges as to their use in all institutions of the Government of Canada;
>
> That section 16 of the Constitution Act, 1867 designates the city of Ottawa as the seat of the Government of Canada;
>
> That citizens have the right in the national capital to have access to the services provided by all institutions of the Government of Canada in the official language of their choice, namely English or French;
>
> That the capital of Canada has a duty to reflect the linguistic duality at the heart of our collective identity and characteristic of the very nature of our country.
>
> Therefore, your petitioners ask Parliament to confirm in the Constitution of Canada that Ottawa, the capital of Canada be declared officially bilingual, pursuant to section 16 of the Constitution Act, from 1867 to 1982.

[*English*]

QUESTION PERIOD

NATIONAL REVENUE

CANADA REVENUE AGENCY— STRATEGIC BANKRUPTCIES

Hon. Donald H. Oliver: Honourable senators, my question is for the Leader of the Government in the Senate, and it deals with the Canada Revenue Agency. That agency reported recently that a growing number of Canadians are using the bankruptcy system to get out of paying their tax debts. In 2002-03, the tax agency failed to collect more than $319 million because individual Canadians or businesses have declared bankruptcy. That is up from $300 million a year earlier, and a steady increase from $242 million five years previously.

The agency itself notes, in an internal report, that it is partly to blame because it has not done a good job in discouraging what it calls "strategic bankruptcies." In many cases, the government is the only major creditor.

Could the Leader of the Government in the Senate explain what specific steps the government is taking to discourage the use of strategic bankruptcy to avoid paying taxes?

Hon. Jack Austin (Leader of the Government): Honourable senators, I, too, saw the report of that story, and I must say it is refreshing to see the Canada Revenue Agency note its difficulties in dealing with strategic bankruptcies. Of course, a strategic bankruptcy is something that is hard to see coming. It is a situation where, long before the Canada Revenue Agency has reports on what is taking place on the asset and liability side of a corporation, the corporation may be insolvent, and actions may or may not have been taken to place it deliberately into insolvency.

What steps are being taken? As Senator Oliver knows, identifying the problem is the first major step. We hope that there will be ways of requiring additional reporting with the types of information that will give early warning to the CRA.

CANADA REVENUE AGENCY— TREATMENT OF DISABLED PEOPLE

Hon. Donald H. Oliver: Honourable senators, last year, the tax agency cracked down on disabled Canadians by forcing many to prove that they were still disabled, that there had not been a miracle cure and that they had not suddenly regained their vision, or tossed away their prosthetic devices. Could the government leader advise the Senate as to why the government has been so fast to crack down on disabled taxpayers and so slow to take action against those who choose to abuse our bankruptcy laws simply to get out of paying their taxes?

Hon. Jack Austin (Leader of the Government): Honourable senators, the comparison of the two points being made is unfair. They are not related.

With respect to disabled people, the Canada Revenue Agency had had reports which led it to believe that it needed to signal a concern about certain practices that non-disabled people were taking in order to position themselves for treatment as disabled people. It was not a case where disabled people were falsely representing their disabilities.

There is always a choice. One cannot audit every taxpayer in the country. The Canada Revenue Agency is in a position where it has to determine what are the most immediate areas of concern and what signals should be sent to various classes of taxpayers in order to remind them that there is the potential for investigation.

CANADA REVENUE AGENCY—LOST TAX REVENUES

Hon. Donald H. Oliver: Honourable senators, some of the disabled felt that the clampdown was wrongly directed at them. The *Ottawa Citizen* reports an agency spokesperson by the name of Donna Labonté as noting that this $313 million is only a tiny fraction of the $1 billion in taxes per day that the agency collects. My question is this: Is $313 million the government's definition of a tiny fraction?

Hon. Jack Austin (Leader of the Government): Honourable senators, again, the question is asked in a way that creates an implied allegation that simply is not real. The statement is made in order to estimate what taxes may be lost and to provide a target for the revenue agency. Clearly, the statement is also made to warn certain classes of taxpayers that their behaviour is under scrutiny. There is no such implication in the question as Senator Oliver has given.

• (2020)

CANADA REVENUE AGENCY— TREATMENT OF DISABLED PEOPLE

Hon. Jean-Robert Gauthier: Honourable senators, I am interested in this question. People who have a permanent handicap — and I underline the word "permanent" — are required by Revenue Canada to be tested regularly. Why do they insist on constantly humiliating people? I do not understand. I am deaf; I have been tested; I am still deaf. That is what is happening out West.

I received a letter from Mr. Colin Cantlie, President of the Canadian Hard of Hearing Association. He complained about the fact that Revenue Canada is abusing the power they have by asking for repeat testing of people who are permanently handicapped. Why is this situation allowed to persist?

Hon. Jack Austin (Leader of the Government): Honourable senators, I will inquire whether there are repeated investigations of the kind raised by Senator Gauthier. However, I will tell senators that if Senator Gauthier tells us he is deaf, he is deaf.

NATIONAL DEFENCE

POSSIBLE TRANSFER OF HEADQUARTERS

Hon. J. Michael Forrestall: Honourable senators, my question is for the Leader of the Government in the Senate and is in regard to real estate and the Department of National Defence.

I have been told that Minto Developments is in the throes of arranging to purchase the JDS Uniphase complex in the riding of the Minister of Defence. The cost of the property, if purchased outright, would be in the order of $100 million.

Should Minto purchase the JDS property and lease it back to the government, that would make it terribly convenient and easy on the Minister of National Defence in the face of the potential closure of four or five major bases in Canada.

Could the Leader of the Government in the Senate confirm if he has any knowledge or information that Minto has indeed entered into negotiations with the Government of Canada regarding this transaction?

Hon. Jack Austin (Leader of the Government): Honourable senators, Senator Forrestall has asked this type of question of me in the past. I can tell him that I have no information whatsoever of any potential or actual commercial relationship between Minto Developments, an Ottawa-based company, I understand, and JDS Uniphase or anyone who owns the building formerly occupied by them.

I have reminded honourable senators that Minister Pratt has recused himself from transactions that might in any way take place within his constituency boundary.

Senator Forrestall: Honourable senators, that is very convenient, too.

It is rather curious where priorities come from. This deal has been cooking and simmering and has been cold then hot again for some time. As a matter of fact, I remember raising this question 20 or 25 years ago. At that time I wondered why in God's name the current structure was built. We put the Department of National Defence in a building that was not even intended for it. We will now put it in a manufacturing plant in the heart of the minister's riding so he can go home for lunch. That is not a bad idea.

Are negotiations underway between the Government of Canada and Minto Developments for the lease of the JDS property?

Senator Austin: That is a fair question and I will make inquiries to determine if there is any such activity. Having said that, I have no information.

Senator Forrestall and I have also had exchanges regarding the physical security of the headquarters office of the Department of National Defence attached, as it is, to a shopping centre with a road running underneath it. Surely, this is one of the most vulnerable headquarters for a national defence office anywhere. If one were to compare it with the Pentagon and the security ring that surrounds that building, one would see the difference.

Honourable senators, I do not know whether Senator Forrestall and I have a difference of view in regard to the security of the present headquarters. In the past, I have heard Senator Forrestall say things similar to what I have just said. Perhaps he has a policy of moving the headquarters anywhere but to Mr. Pratt's riding.

Senator Forrestall: In response to the comments of the Leader of the Government in the Senate, I would move the headquarters to Trenton, the base that the government is about to close. That base is within easy proximity of major population centres in this country. I would not move the headquarters to the west end of this city, which would add another 3,000 or 4,000 cars to an area that is already plagued by horrendous traffic problems.

National Defence Headquarters could be moved to many places. The government could put the headquarters in Shearwater, which would love to have it.

Senator Robichaud: Moncton would be good, too.

Senator Rompkey: Goose Bay!

Senator Forrestall: The question is still there: Is the minister prepared to shed some light on this matter in order that proper planning might be done by the City of Ottawa? For example, have there been any discussions with the City of Ottawa with respect to moving this number of people, most of whom live either in the south or to the east? To have them now converge and travel to the west end of the city will cause further congestion. Has anyone spoken to the representatives of the City of Ottawa about the difficulties such a move might entail?

Finally, is there an estimate as to the cost the government would have to undergo to make the JDS building suitable to house the Department of National Defence? After all, it was built as a manufacturing plant with a small office complex attached.

Senator Austin: Honourable senators, first, as I have said repeatedly, I have no knowledge of any intention to move the Department of National Defence anywhere.

Second, I have agreed to make inquiries to see if I can provide Senator Forrestall and honourable senators with information regarding his specific question relating to the JDS Uniphase building and Minto Developments.

On the hypothesis that it is desirable to move the Department of National Defence, I am glad to see that Senator Forrestall is asking practical questions relating to comparative costs. I am interested in Senator Rompkey's suggestion. I wonder what it would cost to move the headquarters to Goose Bay and what it would cost to build a facility at Trenton and so on. Those are all valid questions, should it be the policy to undertake a move of the National Defence Headquarters. However, I wish to assure the Honourable Senator Forrestall that I will pursue the matter.

PRIVY COUNCIL OFFICE

RECUSAL POLICY FOR MINISTERS

Hon. Lowell Murray: Honourable senators, I hope that I heard the Leader of the Government in the Senate correctly. I understood him to say that the Minister of National Defence recused himself from any decision that might have a bearing upon the constituency of the minister.

Does the specific application of a new general policy apply to all cabinet ministers? What is the principle that is being defended? Will the Leader of the Government in the Senate provide a written statement as to this new policy, if that is what it is, and how it is to be implemented?

• (2030)

Hon. Jack Austin (Leader of the Government): Honourable senators, I would be delighted to provide a written statement of the policy of recusal when the appearance of a conflict of interest suggests itself, as determined by either the Ethics Counsellor or the minister involved.

The general principle is essentially the appearance of a conflict. Obviously, if there was a conflict, it would be included, but if there is even the appearance of a conflict, the minister is asked to recuse himself from his ministerial responsibility and a person is appointed to act for the minister, perhaps, for example, another minister who does not have such a conflict and that person would then take any decision required to be taken in the circumstances.

Senator Murray: Honourable senators, the Leader of the Government seems to be confusing the question of a personal conflict of interest, in which a minister or his family might have a financial or other interest in a matter, and the question of a constituency interest. This is not a personal conflict of interest, as I understand it, that affects the Minister of National Defence.

If ministers are to be precluded from taking part in decisions that might have the effect of conferring a benefit on their constituency, the system is truly being distorted somewhat, I would think.

Senator Austin: Honourable senators, that is the position that the Minister of National Defence has taken, and I am sure it was at the urging of Senator Forrestall.

Hon. Marjory LeBreton: Honourable senators, I have a solution to the problem of a conflict. The JDS Uniphase building is quite a nice facility in the neighbourhood where I was raised, which was farmland at that time. The solution is to remove the minister in the next election.

FOCUS GROUP RESEARCH—TRANSFER OF SERVICES FROM COMMUNICATIONS CANADA

Hon. Marjory LeBreton: Honourable senators, my question is directed to the Leader of the Government in the Senate. We have learned that the Prime Minister spent $50,000 on focus groups to come up with a title for the Speech from the Throne. The $50,000 report, prepared by Les Études de Marché Créatec, said no clear winner for the title emerged from eight focus groups. It is interesting, however, that many focus groups identified mismanagement as a problem.

Perhaps the government felt it could not use the title, "We're Sorry We're Wasting Your Money," so they had to drop the idea altogether.

Can the Leader of the Government tell us what other pre-election initiatives have been the subject of focus groups and how much money has been spent on conducting focus group sessions?

Hon. Jack Austin (Leader of the Government): Honourable senators, no, I cannot.

Senator LeBreton: Honourable senators, according to media reports, it was the Privy Council Office that contracted for the Throne Speech focus groups. We know from a delayed answer tabled here in the week of April 1 that the Privy Council Office picked up control and supervision of the Regional Operations Branch, the Public Opinion Research and Analysis Directorate, the Information Services and the Communications Support Group in Communications Canada.

Can the Leader of the Government tell us if focus group research is one of the areas that was transferred from Communications Canada to the Privy Council Office?

Senator Austin: Honourable senators, I believe so.

Senator LeBreton: Honourable senators, on March 22, 2004, I asked a question about the transfer of responsibility from Communications Canada to the Privy Council Office. From the delayed response tabled last week we know that as of April 1, 2004, 105 full-time equivalent positions were transferred to the Privy Council Office, but we still do not know the cost of these changes.

I note in the response to my March question that the Main Estimates give absolutely no information on how much Canadians will pay to carry on the work of Communications Canada. Can the Leader of the Government tell us when Canadians will know the total cost the Government of Canada is projecting for former Communications Canada services, including polling and advertising?

Senator Austin: Honourable senators, I will take the question as notice.

FISHERIES AND OCEANS

ILLEGAL FISHING BY FOREIGN VESSELS OFF NOSE AND TAIL OF GRAND BANKS

Hon. Ethel Cochrane: Honourable senators, my question relates to the press conference last Thursday held by the Minister of Fisheries and Oceans, the Minister of Natural Resources and the Minister of Foreign Affairs regarding the need to crack down on illegal fishing by foreign vessels on the Nose and Tail of the Grand Banks.

At this press conference, the ministers announced that citations had been issued to foreign vessels for illegal fishing. Over the last 10 years, Canada has issued in excess of 300 citations, so this is absolutely nothing new. Why, then, was there sudden, elevated attention paid to the issuing of citations last week when it has been a regular practice for the last decade? Does this represent a change in government policy or is it just another example of pre-electioneering by the government?

Hon. Jack Austin (Leader of the Government): Honourable senators, the matter is one of very serious concern. I am sure Senator Cochrane knows that foreign trawlers fishing the Nose and Tail of the Grand Banks are using illegal means to recover species and/or are recovering moratoria species. This matter has been of growing concern.

The government received some early indications that certain Portuguese trawlers were in breach of the North Atlantic fishing treaty and the agreed practices thereunder. We have now demonstrated, by boarding these trawlers, that illegal practices have in fact been conducted, and one Portuguese trawler has now been recalled to Portugal after inspection.

The matter is not simply one of pre-election staging, and I am sure that Senator Cochrane is satisfied with my answer.

Senator Cochrane: Honourable senators, I am definitely not satisfied with that answer. Earlier this month, fisheries officials say that the captain of the *Brites*, the Portuguese trawler to which Senator Austin has referred, cut its net free during an inspection. On Saturday, the recovered net, containing fish presently under moratoria, was put on display for the news media. In the words of fishery expert Gus Etchegary, this act was regarded by most people in Newfoundland and Labrador involved in the fishery as a charade.

Earlier today it was announced that, after high-level negotiations with Portuguese officials, the *Brites* is returning home for inspection. However, an EU fisheries inspector — not a Canadian fisheries inspector — will accompany the vessel to Portugal. Mr. Etchegary tells me that unless a Canadian observer is on the vessel, the evidence will not be there when the ship arrives in port. This has happened time and again, and I am sure that Senator Austin has read about it time and again.

Can the Leader of the Government in the Senate tell us what this approach has accomplished? Is this the sort of decisive action the government promised last week when it said it was taking immediate and decisive action in response to illegal fishing by foreign fleets on the Nose and Tail of the Grand Banks?

Senator Austin: Honourable senators, under the North Atlantic fishing treaty, Canada has no right of arrest. It can only inform the host country of a transgression. In order to demonstrate that transgression, the host country must send inspectors to establish the facts alleged by the Canadian inspector. This has been done.

Of course, it is not necessary for us to have an inspector on the trawler as it returns to Portugal. All the evidence is captured by other means and in other manners. We do not need to have a person sitting there, staying up all night, worried that evidence might be removed from the ship. The evidence was taken when the inspection was made. I believe that, in this particular circumstance, Canada's point will be proven.

• (2040)

I am sure the honourable senator does not take casually the interests of Atlantic fishermen. There is a very serious problem — as I am sure she knows; otherwise, she would not have asked these questions to begin with — and I do not believe that the honourable senator is urging us to take control of the Nose and Tail of the Grand Banks, contrary to international law. I am sure she believes we should carry out our actions in accordance with our international treaty obligations.

I am sure the honourable senator also believes that we should take action, rather than do nothing, as her question is suggesting.

Senator Lynch-Staunton: Ask Senator Cook how she feels!

HEALTH

EFFORTS TO ALLEVIATE UNCERTAINTY SURROUNDING CARE SYSTEM—10-YEAR PLAN

Hon. Wilbert J. Keon: Honourable senators, I have a question for the Leader of the Government in the Senate.

Honourable senators, there is fear in the medical community that the current tone of the debate surrounding health care means that the hard issues that need to be dealt with are not being discussed in a meaningful way. In a speech this weekend, the President of the Canadian Medical Association, Dr. Sunil Patel, stated that the CMA is concerned that the health issues that Canadians want discussed, such as how to improve access to quality health care services and which services to publicly insure, will not be debated in detail.

How will the federal government address the uncertainty surrounding the health care system for both patients and the medical profession?

Hon. Jack Austin (Leader of the Government): Honourable senators, this is a debate that is of maximum importance to individual Canadians. As Senator Keon is well aware, and as we have discussed in past exchanges, the federal government and the provinces and territories will be meeting in late July to raise a number of significant questions. The federal government, as the honourable senator knows, has proposed additional funding, provided that certain objectives can be met by the provinces with those additional funds.

The objectives include many of the questions that the honourable senator has asked in the past. However, as Senator Keon knows, the federal government today is providing $34 billion to the health care system and is prepared to add to that sum, based on a successful outcome to the discussions.

The honourable senator is also very much aware of the discussions led by Prime Minister Chrétien last year with the provinces, where a health accord was entered into. The meeting in July will further the objectives of that health accord.

Senator Keon: Honourable senators, certainly everyone was happy with the increased funding that came out of the health accord, but there is now discussion about a 10-year plan that will be reached — or not — with the provinces this summer. The problem is that this 10-year plan is not out in the open for people to discuss, debate and react to. There is a huge area in there with regard to how services should be delivered and whether we can continue to be the only country in the world with no competition in the delivery of health care services. We all agree that we want a single payer, but we remain the only country in the world that has no competition in the delivery of health care services.

Many people believe this situation simply cannot continue. If there is to be a 10-year plan, surely it should be published as soon as possible so that everyone can have access to it, particularly the health care professionals.

Hence, I am asking the minister when this plan will be released. I am not just asking him to tell me the date of the election. Will the details of this plan come out before the election, or will it be put on the back burner, followed by an election call, with the Prime Minister then going before the provinces without an appropriate public debate?

Senator Austin: Honourable senators, I cannot predict how the debate on health care will develop, but I can confidently predict that there will be a debate on health care. Whether the federal government will table the material and the objectives of a 10-year plan during the election or will wait until after the election, I cannot answer at this time, but I do know that the discussions at the government-to-government level are extremely active in preparation for the meeting in July.

Everything seems transparent today. If I miss a caucus meeting, I can get more information about it from the newspaper than I can from my colleagues.

I think that there will probably be a very fulsome debate.

DELAYED ANSWERS TO ORAL QUESTIONS

Hon. Bill Rompkey (Deputy Leader of the Government): Honourable senators, I have the honour to present delayed answers to oral questions posed in the Senate. The first delayed answer is to an oral question posed by Senator Andreychuk on March 11, 2004, regarding the proposed investigative unit to combat human smuggling. The second delayed answer is to an oral question by Senator Angus on March 11, 2004, regarding the confidential informant Stevie Cameron and the cost of investigating leads. The third delayed answer is to an oral question by Senator Stratton on April 20, 2004, regarding public safety and emergency preparedness. Finally, the fourth delayed answer is to an oral question by Senator Andreychuk on May 5, 2004, regarding the federal student work experience program and its availability outside the Ottawa region.

ROYAL CANADIAN MOUNTED POLICE

PROPOSED INVESTIGATIVE UNIT TO COMBAT HUMAN SMUGGLING

(Response to question raised by Hon. A. Raynell Andreychuk on March 11, 2004)

After the events of September 11, 2001, the RCMP intensified its efforts with regards to Border Integrity and implemented numerous initiatives to reinforce Canada's borders. For example, it has established the following teams: Integrated Border Enforcement Team (IBET), Integrated Immigration Enforcement Team (IIET), and Integrated National Security Enforcement Team (INSET). The mandate of these teams encompasses the detection, prevention and enforcement of illegal activities at the border, including human trafficking and smuggling.

The Immigration and Passport (I&P) Program plays a critical role within the overarching umbrella of Border Integrity. The focus of I&P must be on Border Integrity and developing the capacity to pro-actively investigate transnational criminal organizations that facilitate illegal migration to Canada and the resultant victimization of both the people they smuggle and traffic, as well as the overall victimization of Canadian society. As a result, the RCMP's I&P Branch in concert with their partners, has identified trafficking/smuggling of persons, in particular women and children, as one of four joint national priorities. The RCMP regularly reviews its programs to ensure resources are aligned with priorities. Consistent with this, the I&P Branch completed a comprehensive Program Review in October 2003 to ensure their resources are aligned with the RCMP's strategic priorities.

The rollout of the Program Review is underway with commitments being obtained from respective Divisions for the **re-allocation of existing funded positions** to six locations. The re-engineering of the Program will create:

- Regional **I&P teams** in Vancouver, Calgary, Greater Toronto Area, Ottawa, Montreal and Halifax. The focus of these intelligence led teams, when fully established, will be to combat and disrupt organized migrant **smuggling and trafficking** of persons, with a more recent emphasis being placed on those individuals and/or organizations that pose a threat to the security of Canada. The regional teams, when in place, will provide the critical mass of I&P resources to meet the expectations of the RCMP and the Government of Canada.

- A **dedicated human trafficking unit** to be co-located with the Ottawa I&P team. This unit will focus on coordinating domestic and international trafficking investigations. Furthermore, it will interact with foreign law enforcement agencies in support of the other six teams and advocate education, prevention and awareness as it relates to this global phenomenon.

CONFIDENTIAL INFORMANT STEVIE CAMERON— COST OF INVESTIGATING LEADS

(Response to question raised by Hon. W. David Angus on March 11, 2004)

This matter is currently before the courts. A Preliminary Inquiry concerning a criminal charge of Fraud arising from this investigation resumed at Ottawa on April 19, 2004, having already heard evidence in September and October of 2003 and now has been adjourned to a date to be fixed in September or October 2004. On the specific issue of Ms. Cameron, a Justice of the Superior Court of Ontario is holding an inquiry — the exact terms of which are yet to be decided by the court — into the circumstances surrounding the sealing of limited search information on the basis of protecting Ms. Cameron's identity. This proceeding resumes at Toronto on May 31, 2004.

As these matters are before the court no further comment is appropriate.

PUBLIC SAFETY AND EMERGENCY PREPAREDNESS

POSSIBLE TERRORIST ACTIVITY—
LEVEL OF SECURITY

(Response to question raised by Hon. Terry Stratton on April 20, 2004)

Canada does not have a public warning system such as the US Department of Homeland Security's Homeland Security Advisory System. The Government of Canada is exploring various options at this time.

Presently, the Canadian security and intelligence community assesses terrorist threats as they apply to Canada. Should the circumstances warrant, the Government of Canada is prepared to respond to protect the safety and security of Canadians, including advising the public.

While a general threat of terrorism exists, there is currently no specific threat to Canadians or Canadian interests.

Canada has been working in a heightened security environment since September 11, 2001. The Government of Canada's efforts in the areas of public safety and national security continue to be a priority. We have put in place a flexible system capable of quickly adapting to new demands. As a guiding principle, we proceed on the assumption that our approach is a constant work in progress.

Vigilance and close collaboration, within and outside our borders, will remain our best defence against terrorism.

PUBLIC SERVICE COMMISSION

FEDERAL STUDENT WORK EXPERIENCE PROGRAM—
AVAILABILITY OUTSIDE OTTAWA REGION

(Response to question raised by Hon. A. Raynell Andreychuk on May 5, 2004)

The Public Service Commission (PSC) is the independent agency mandated by Parliament to ensure a Public Service that is competent, non-partisan, representative of the Canadian population and able to serve the public in the official language of their choice.

The PSC is committed to enhancing Canadians' access to federal Public Service jobs, including student jobs.

The Federal Student Work Experience Program (FSWEP) is the primary vehicle for recruitment into temporary student jobs in the Public Service of Canada. It is administered by the PSC on behalf of the Public Service Human Resources Management Agency of Canada (PSHRMAC).

Many believe that most student jobs are in the Ottawa area, however this is not the case. During the 2002-2003 FSWEP campaign, 37 per cent of student jobs were located in the National Capital Region (NCR), while 63 per cent were outside the NCR. These proportions are consistent with the overall population distribution of Public Service employees.

Even so, geography has been used as a criterion as there has been an interest in affording local students a chance to secure employment within their respective communities.

Operational considerations such as the length of the assignment and part-time nature of employment can make expanding the area of selection nationally impractical.

Nevertheless, the PSC will launch a pilot project for the fall 2004 FSWEP campaign for certain types of jobs in the NCR where all students interested in working in the NCR, regardless of their area of residence, can be considered for student employment.

ORDERS OF THE DAY

BUSINESS OF THE SENATE

Hon. Noël A. Kinsella (Deputy Leader of the Opposition): Honourable senators, I should like to ask a question of the leadership on the government side, as we have on our Orders of the Day a series of bills with which we wish to deal today. Item No. 5 is Bill C-9. I should like to raise an idea with regard to it, as I think it involves a community of interest. Senator Corbin spoke very clearly at our last sitting about a problem with the bill. It is my understanding that the minister has recognized this problem.

We on this side and, indeed, our colleagues in the other place, are supportive in principle of the bill, but there is a problem. I have a suggestion that I believe could get us around that problem. The government could approach its colleagues in the other place, and those colleagues could speak to others, to the effect of withdrawing this bill, with the unanimous consent of this house, and returning it to the House of Commons to make that amendment. The House of Commons could get the amendment done in a day or so. We have the ability of stretching our time out; they do not. They are under an order not to be here next week.

• (2050)

The problem is that the Senate is not being involved in the process. We are all agreed, as both Senator Corbin and Senator Sparrow articulated so clearly, that the House could make that amendment and get the bill right back to us. Therefore, we put this suggestion forward in the spirit of cooperation.

We can check the record, but I think that our colleagues in the other place have supported the bill, and I think we could achieve the kind of result that members of both sides of the Senate want to achieve. I raise this matter before the item is called because we have a couple of senators who wish to speak, which would give the leadership on the other side of the chamber time to reflect upon the suggestion.

Hon. Jack Austin (Leader of the Government): Honourable senators, I have had no notice of the suggestion. While I take it seriously, there are some questions that need to be asked. With four parties in the other place, one does not know how they would all respond to such an idea. While the party to which Senator Kinsella belongs may be quite cooperative, others may not.

I find myself in the position of agreeing with Senator Kinsella that Bill C-9 is very important for Canadians. It is a statement of Canadian values and of Canada's role in the world. This bill should be passed. I would urge colleagues to continue the debate tonight because the bill must move forward.

The Minister of Foreign Affairs is ready and waiting to appear before the Foreign Affairs Committee should it be asked to deal with the bill tomorrow. I think we have a very satisfactory fall-back position in the undertaking of the Minister of Industry to ensure that there will be an appropriate amendment to the bill in the next session. Of course, that is conditional on this government being re-elected. However, I am sure that if the voters elect the Conservatives, the party to which Senator Kinsella adheres, they would follow the same undertaking because it is significant to the dignity and proper role of this chamber.

I wish to thank Senator Kinsella for his suggestion. I would very much like the bill to proceed in its current course, but I will make inquiries tomorrow, at the first opportunity, which will be fairly early, to see whether the House leader in the other place would quickly assemble a House leaders' agreement.

I take it, then, that there would be an assurance from the opposition that it would not seek to amend other parts of the bill.

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, Senator Kinsella never said that. Senator Kinsella said that he wanted to build on what Senator Corbin said, based on Senator Sparrow's insistence that the Senate should be involved in a certain proceeding resulting from the bill. All he is suggesting, which makes a lot of sense, is that we send the bill back to the House tonight and say, "This is what we would like to see happen. If you do not like it, send it back to us tomorrow or the day after and we will dispose of it."

I do not think what my honourable friend finds here is an objection to the bill. What he finds, I think, is a feeling on both sides that the Senate would like to be part of a process that the House of Commons has decided belongs only to it.

Senator Austin: Honourable senators, I did not hear from Senator Lynch-Staunton an unequivocal agreement that the bill would not otherwise be amended. If I am correct that the official opposition in the Senate is reserving its opportunity to debate other parts of the bill, then I do not think that the suggestion is forthcoming.

Senator Oliver: That is not what he just said.

Senator Austin: I should like to hear the honourable senator say that there is no other part of this bill to which an amendment would be suggested.

Senator Lynch-Staunton: Honourable senators, I did not hear Senator Kinsella say that we had no other objections to the bill. That is not what he said. We have no objections to the bill. We think it is well thought out, although its implementation may be difficult, but time will tell. We are sympathizing with Senator Sparrow's intervention last week, supported by Senator Corbin and by others on both sides, that the Senate should be equal with the House of Commons in a certain process. Senator Joyal and others have insisted that we not be neglected in certain legislation, as we have seen the last long while. All we are suggesting is that the bill be sent back to the House of Commons as soon as possible. Tell them that we have no objection to it but that we do not like this idea that they feel that they alone can take certain decisions or give certain recommendations. Put us on par with them. The bill can then be sent back to us. I can assure my honourable friend that we will refer it to committee and hear whomever is responsible for the bill and that there will be no objection to passing it following the particular procedure that we are strongly urging upon all honourable senators.

Senator Austin: Honourable senators, I think the best way of proceeding, then, is for this house to continue with the bill and send it to committee tomorrow. I will make inquiries. If an amendment would be agreed to by all the parties in the other chamber, we will send this bill with third reading, with amendment, to the other chamber so that they can make the final amendment. It would not have to be returned to this chamber.

Senator Kinsella: Honourable senators, I thank the Honourable Leader of the Government in the Senate for that offer.

While we in the Senate have time, the House of Commons is under an order to rise on Friday of this week. If we follow our procedure and make an amendment, by the time the message is sent after third reading in this chamber, it will be too late. That is why, with agreement we propose that the House make this change to the bill tomorrow or the next day. We could then receive it, it having been amended, and reintroduce it here. We can be here all of next week as well, but the House of Commons will not. That is the problem.

Senator Austin: Honourable senators, it is an awkward process to send a bill back at this stage and have members of the House deal with it. In the meantime, it takes time for the parties on the other side to discuss their positions. If this is to be done at all, then the best form, I suggest, is for us to pass the bill with the appropriate amendment. Under the current standing order, the House will be sitting until Friday afternoon. If there is an all-party agreement in that chamber, they can pass the amendment in a second or two.

Senator Lynch-Staunton: Honourable senators, does that mean, then, that the Leader of the Government in the Senate will be in agreement that, if we pass an amendment tonight or tomorrow, to give the House time to consider it, we will be able to do so?

Senator Austin: First, I will have to make inquiries to make sure this is a practical course of action.

Senator Lynch-Staunton: Yes or no?

Senator Austin: Senator Lynch-Staunton is making me feel uncomfortable. As I pointed out, there are four parties in that chamber. The agreement of his party alone would not carry the suggestion that has been made by the Honourable Senator Kinsella.

Senator Lynch-Staunton: All I am saying is that if the Senate unanimously recommends to the House of Commons that an amendment to be included in a certain process is something that we feel the House should pass, all they have to do is say no, send the recommendation back to us and then we will abide by their decision. We could do that tonight. What is the problem?

• (2100)

I have asked the leader a question. I guess he does not have to answer it, but Orders of the Day has been called. Senator Kinsella did make a recommendation. We could bring up this bill right now, make an amendment and have it passed. We could then send it to the House of Commons, where, I hope, the members will agree to it.

Senator Austin: Is the suggestion that we would carry the bill through third reading with an amendment right now and then send it to the House?

Senator Lynch-Staunton: Yes.

Senator Austin: I would ask for a few moments to consider the suggestion.

Senator Lynch-Staunton: Senator Austin is the representative of the government here.

Senator Austin: When urged to decide, I am even more cautious.

CANADA ELECTIONS ACT
INCOME TAX ACT

BILL TO AMEND—THIRD READING—
DEBATE ADJOURNED

Hon. Terry M. Mercer moved third reading of Bill C-3, to amend the Canada Elections Act and the Income Tax Act.

He said: Honourable senators, I am pleased to launch the third reading debate of Bill C-3, to amend the Canada Elections Act and the Income Tax Act. Bill C-3 provides a timely response to the decision of the Supreme Court of Canada in the *Figueroa* case and ensures the effective functioning of our electoral system.

In its decision, the Supreme Court ruled that the 50-candidate requirement for party registration violated the Charter by disadvantaging small parties. However, the court suspended its ruling for one year until June 27, 2004, to give Parliament time to amend the law. Without remedial legislation, there will be a major gap in Canada's electoral laws. This will create a significant risk of financial abuse and will compromise the proper functioning of our electoral system. Therefore, doing nothing is not an option.

Honourable senators, I do not intend to use my remarks today to review the bill's provisions in detail. That ground has been covered and parliamentarians have had an opportunity to review and debate the legislation.

Let me summarize by reminding honourable senators of the bill's two key pillars: First, it replaces the 50-candidate threshold with a single-candidate requirement, adds a purpose-based definition of what a party is and introduces other new requirements for party registration and accountability. Second, the bill includes a series of anti-abuse measures and allows deregistration of parties whose conduct has been fraudulent.

Let me pause for a moment on the definition of "political party" and why it speaks of fielding candidates as being "one of" rather than "the" fundamental purpose of the organization. Simply put, the definition reflects the reality that parties pursue a variety of objectives. This avoids unnecessary controversy over the primary purpose of the party, which could lead to controversial judgment calls.

Many provinces in Canada have similar definitions of political parties in their jurisdictions — that is, British Columbia, Manitoba, Saskatchewan, my home province of Nova Scotia, and Newfoundland and Labrador. At the same time, the bill must distinguish political parties from mere interest groups. The definition accomplishes that objective. Obviously, a bill dealing with political party registration will generate debate. The issues addressed are sensitive to us all and finding the right balance is not an exact science.

Parties need to operate with a considerable degree of independence in order to fulfil their essential role in Canadian society. At the same time, it is important to ensure transparency and accountability. While this legislation may not be the final word on party registration, I believe it strikes the best balance possible within the deadline imposed by the Supreme Court.

In that regard, I would remind honourable senators that Bill C-3 includes an important amendment, moved by the government before the Standing Committee on Procedure and House Affairs, to add a two-year sunset clause. This means the provisions of Bill C-3 will expire two years after they come into force, thereby ensuring that Parliament will have the opportunity to revisit these issues in the near future.

Thus, Bill C-3 is really a bridge to a broader review. It provides a targeted and timely response to the Supreme Court's ruling while creating room for Parliament to undertake a more thorough examination of these issues. In fact, the government has already invited the House of Commons Standing Committee on Procedure and House Affairs to review the broader implications of the *Figueroa* ruling and other aspects of the electoral process. Likewise, I am pleased to note that the government House leader made it clear during his appearance before the Senate committee that the government is very interested in hearing the views of senators on these issues as well.

Before closing, let me briefly address the issue of coming into force. There has been discussion that this bill will only come into force on the day it receives Royal Assent if that date is after June 27, 2004. Let me be clear: This provision is not a loophole,

as some have suggested. The bill clearly contemplates that it should, in principle, come into force no later than June 27, 2004. However, as a matter of prudence, it is drafted to address the possibility that it may not be passed by Parliament until or shortly after June 27, 2004. In that case, and only in that case, it would take effect on the day it receives Royal Assent. This simply reflects the legal reality that legislation cannot take effect before it is assented to by the Governor General.

In any case, the issue is avoided entirely by passing the legislation now, ensuring that the Canada Elections Act remains operational and that there is no legal vacuum.

In conclusion, honourable senators, the Supreme Court's ruling in *Figueroa* has provided us with an important opportunity. In responding to the decision, we are given the opportunity to revamp our system of party registration ensuring that true political parties have greater access to party registration while, at the same time, preventing abuse by those that are not genuine.

These changes are very much in keeping with the democratic renewal that Canadians are demanding and that the government is delivering through its democratic reform agenda. By increasing access to registration and allowing more political parties into the system, there will be a wider spectrum of opinion available to Canadians when they are making their choice in an election.

Choice is a good thing for democracy. It may even help to re-engage Canadians in the political process and to address declining voter participation rates, particularly among young Canadians.

Of course, this bill is not the last word in making our electoral system better, but it is an essential step toward that goal. It provides a balanced, targeted solution that protects the integrity of our electoral system, respects the ruling of the Supreme Court and guarantees a role for parliamentarians in examining these matters in the future.

For these reasons, I urge honourable senators to support this important proposed legislation.

Some Hon. Senators: Hear, hear!

On motion of Senator Oliver, debate adjourned.

PARLIAMENT OF CANADA ACT

BILL TO AMEND—THIRD READING—
DEBATE CONTINUED

On the Order:

> Resuming debate on the motion of the Honourable Senator Morin, seconded by the Honourable Senator Downe, for the third reading of Bill C-24, to amend the Parliament of Canada Act.

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, Senator Kirby covered the main highlights of this bill last week, as well as emphasizing its origins. The Social Affairs Committee made observations that are an excellent summary of its concerns and apprehension. Nonetheless, I intend to elaborate on these themes, as well as to later highlight one unintended effect that Bill C-24 may well produce.

The first intended effect of this bill is to allow parliamentarians who retire between the ages of 50 and 55 to receive coverage under medical, dental and life insurance plans, although they would not be in receipt of a pension until age 55. At the moment, these benefits are only available to members of Parliament who are entitled to a pension, which by law they are not entitled to until they reach the age of 55.

• (2110)

The second effect is to ensure that parliamentarians over the age of 65 who are in receipt of a disability allowance are eligible for medical plan coverage. This second matter is one of clarification and is required only because it appears that the governing statute does not provide sufficient certainty and clarity. It would be an anomaly if eligibility for medical coverage were to cease at age 65 only for those receiving a disability allowance and not for those in receipt of a retiring allowance. There is no objection to this particular provision.

Bill C-24 received an expedited passage through the other place. In the First Session of the Thirty-seventh Parliament, Bill C-28, which created the disability allowance for parliamentarians over the age of 65 as one of its components, was introduced in the other place on June 4, 2001, in the Senate on June 11, and received Royal Assent on June 14. It is only speculation on my part, but I think it is safe to assume that Bill C-24, which is before us, arises from the expedited treatment of legislation in 2001, when scrutiny and examination were somewhat lacking, to say the least.

This remarkably swift process by which the other place — and on occasion, this place — deals with bills covering remuneration and benefits of parliamentarians is one which has, as a natural concomitant, a proliferation of errors. My view, which I have expressed previously, is that legislated proposals, whatever they may be, must be given the same thorough examination. The argument, too often heard, that a bill is but a "technical correction," should be treated as a warning, not welcomed as a reassurance.

Hustling bills through the process to avoid public input or public scrutiny is not acceptable, particularly as we are faced later with a need to deal with corrective measures, such as are contained in the bill before us today. Bluntly put, if we adopt and accept an abbreviated process, it is our own fault if errors, potential pitfalls or other omissions go undetected and have to be corrected at a later date. It is not what a chamber of sober second thought should allow itself to be reduced to.

My concern is not with providing access to these benefits to retiring parliamentarians who are not yet eligible for a pension. Everyone wants enhanced and guaranteed benefits, but the only difference between parliamentarians and others is that we are the ones who make the decisions. Our decisions are subject to public criticism, and our colleagues in the other place may find themselves in the proverbial hot seat should they gauge public sentiments incorrectly.

My concern lies with the process being followed, specifically with whether or not the public to whom Parliament is accountable has been sufficiently engaged in the discussions. My concern lies with whether or not the costs, both short and long term, have been properly assessed or even considered. My concern lies with whether or not better mechanisms may not be available, and whether or not such mechanisms have been sufficiently explored as alternatives to a general extension of benefits.

A significant impetus of this bill seems to lie in the circumstances of one individual parliamentarian in the other place who is not standing for re-election due to serious medical concerns.

There is an aphorism of long standing which is applicable here, and I will quote an entire passage from a dissenting opinion of Oliver Wendell Holmes, Jr., from the 1904 decision of the U.S. Supreme Court, called *Northern Securities Company v. United States*:

> Great cases, like hard cases, make bad law. For great cases are called great, not by reason of their real importance in shaping the law of the future, but because of some accident of immediate overwhelming interest which appeals to the feelings and distorts the judgment. These immediate interests exercise a kind of hydraulic pressure which makes what previously was clear seem doubtful, and before which even well settled principles of law will bend.

I think this covers, in large measure, the situation which we face today. We all have a natural interest and a great sympathy for one of our number who is facing great uncertainties. It is certainly in our power to offer a modicum of relief, be it ever so temporary and ever so modest, through the extension of benefits as provided in this bill; but hard cases make bad law.

Perhaps it was because of this that Bill C-24 has been portrayed as being a mere correction of an oversight, an effort to give to parliamentarians the same benefits available to civil servants. The fact is that it does not correct an oversight on the issue of extending benefits to retiring parliamentarians aged between 50 and 55. The benefits are not available to civil servants on the same terms as those offered to retiring parliamentarians by this bill.

I will quote at length from the testimony before the Standing Senate Committee on National Finance from Mr. John Gordon, National Executive Vice-President of the Public Service Alliance of Canada:

> PSAC members and others federal workers are prohibited from participating in the PSHCP, the public service health care plan and other plans unless they are in receipt of a benefit under the Public Service Superannuation Act. In short, the members of the House of Commons have voted a benefit for themselves and for senators that is quite simply not available to other workers under federal jurisdiction and who are paid by the federal government and its various departments and agencies.

The difference is that the Members of Parliament Retiring Allowances Act does not provide an option for former members of Parliament to receive a retirement allowance until age 55, while the Public Service Superannuation Act provides the opportunity to receive significantly reduced benefits at an earlier age in certain circumstances.

I will quickly run through the provisions that apply to members of the PSAC and others who are subject to the Public Service Superannuation Act. Other than cases involving total disability of employees who opt for medical treatment, the earliest a PSAC member is eligible to collect an unreduced pension benefit is age 55. To retire at this age, the worker is required to have banked at least 30 years of pensionable service. At that time, federal workers are eligible to participate in the public service health care plan and the public service dental care plan as retirees.

While retirement at age 50 is possible under the Public Service Superannuation Act, workers can only choose this option if they agree to a pension reduction. The pension reduction for workers with less than 25 years of pensionable service is 5 per cent for each year the retirement commences prior to the age of 60. For example, a federal worker who retires at age 50 after 24 years of service would see his or her pension reduced by fully 50 per cent in dollar terms. A federal worker with this age and service profile, and with an average salary for superannuation purposes of $40,000, would receive a pension of $9,600 instead of $19,200.

Mr. Gordon continued, because we have been told — and that is why I am emphasizing his statement before us — that what we are doing is putting parliamentarians on the same basis as civil servants. He continues:

> The pension reduction for federal workers who have at least 25 years of pensionable service on termination of employment after age 50 are subject to a pension reduction of 5 per cent per year of the greater of: the number of years of age less than 55 or the number of years of pensionable service less than 30 years. For example, a federal worker with 26 years of service who retires at age 50 will have his or her pension reduced by 25 per cent.

• (2120)

> To put this into perspective, the PSAC members other public sector workers over the age of 50 who decide to retire early or whose employment is terminated find themselves in a difficult quandary. They can elect to access their pension early and be subject to a severe pension reduction that, in many cases, will mean a post-retirement life of abject poverty but with a medical benefit that they so desperately need; or they can defer their pension to either 55 or 60, depending on years of service, and receive an unreduced pension but be denied medical or dental coverage until that pension is received.

> Bill C-24 also provides members of Parliament with an added benefit in respect of group insurance when compared to other federal workers. Under Bill C-24, insurance is provided to former members of Parliament who were age 50 when they left office on the same terms and conditions as apply to persons in receipt of an allowance, other than a withdrawal allowance under the act.
>
> In contrast, federal workers who leave their employment in similar circumstances and are not in receipt of an immediate pension benefit under the Public Service Superannuation Act can only maintain life insurance coverage under the supplementary death benefit plan at significantly higher commercial premium rates. Furthermore, the Public Service Alliance of Canada would bring to the committee's attention the many thousands of PSAC members whose positions have been divested to the private sector over the past several years and have no access to post-retirement health, dental or life insurance coverage from their successor employers.
>
> As I said at the outset, the PSAC supports proposed legislation that would see federal workers, including all members of Parliament, have their supplementary health, dental and life insurance maintained when they are over the age 50 and eligible for a deferred retirement allowance or annuity.

There might have been a lot of posturing in this testimony, and many of us remember PSAC when we were in government, but still, I think their case is well put.

Contrast this with what the minister said in the other place at page 1459 of the *House of Commons Debates*. This is the minister speaking, supporting the bill:

> With this legislation, all parliamentarians who are entitled to a pension will be able to get coverage under these medical plans beginning at age 50, just like public servants.

Other speakers during the very short debate over there echoed this sentiment, arguing that the bill is designed to bring parliamentarians to a par with civil servants, to eliminate an inadvertent loophole, to correct an anomaly.

Bill C-24 does no such thing. It creates new access to benefits in a manner not presently open to civil servants. It is not a correction of a loophole or an anomaly. Only those civil servants who are actually receiving a pension or an allowance are eligible for the benefits. Parliamentarians are now not eligible to receive either until age 55 and so are not eligible.

As the report of the committee noted, the proper corrective measure would be to, in fact, put parliamentarians on a par with the civil service by permitting them to accept a reduced pension beginning as early age 50. This is what the bill should have done; this is what this bill does not do.

By claiming that Bill C-24 is only trying to provide equal access to benefits already available to the civil service, the bill clearly opens the door to the civil service to seek parity if this bill passes. Having argued, in essence, the proverb that "sauce for the goose is sauce for the gander," the government will be hard put to deny a similar claim by the civil service at the negotiating table. In fact, the Public Service Benefits Plan is up for renegotiation in less than one year, so the government will be faced with an unexpected demand based on a precedent of its own making.

Honourable senators, hard cases make for bad law. Trying to deal with a specific case through a law of general application is simply bad legislation. While sympathizing with what prompts this amendment, and in particular with the one person whose problem inspired it, I strongly feel that the solution before us is not only wrong but, if accepted, will identify Parliament as a self-serving entity to be exempted from the realities that Canadians as a whole face when the time comes for their retirement.

I urge that the government take the initiative and move that this bill be returned to the other place. I do know that if I move the same type of amendment, I would not get as far as I think most of us in this chamber feel we should.

On motion of Senator LeBreton, debate adjourned.

CANADA NATIONAL PARKS ACT

BILL TO AMEND—SECOND READING

On the Order:

> Resuming debate on the motion of the Honourable Senator Austin, P.C., seconded by the Honourable Senator Rompkey, P.C., for the second reading of Bill C-28, to amend the Canada National Parks Act.

Hon. Noël A. Kinsella (Deputy Leader of the Opposition): Honourable senators, I indicated Thursday last that I would speak at second reading of Bill C-28, and I rise to do so now.

This is a very short bill amending the Canada National Parks Act to remove land from two of our national parks, Pacific Rim National Park Reserve in British Columbia and Riding Mountain National Park in Manitoba, to meet government commitments relating to Indian reserves. The circumstances driving these adjustments to each of the two parks in question are different in nature.

First, I turn to the proposed adjustments to the lands contained in Riding Mountain National Park. A specific land claim settlement agreement concluded in 1994 between Canada and the Keeseekoowenin Ojibway First Nation established Reserve 61A. Apparently, due to an error in the preparation of the legal description for the land removal, a five-hectare strip of land was omitted when this reserve was created. That land remained as part of Riding Mountain National Park, and Bill C-28 will rectify that mistake.

In the case of the lands this bill proposes to transfer from the Pacific Rim National Park Reserve of Canada to the Esowista Indian reserve, we must look back to the history and circumstances under which the reserve was created in 1970. At

that time, it was clear that the government would eventually have to re-evaluate the amount of space allotted, and only seven hectares were set aside for the Esowista reserve. The primary reason for the decision to postpone a final settlement of lands was a recognition that the Tla-o-qui-aht First Nation, which was to be settled in the Esowista reserve, was in the process of changing from a seasonal fishing camp to a permanent residential community. The population growth that accompanied this change led to serious problems with water quality, sewage disposal, overcrowding and critical infrastructure problems on the reserve.

So it is that some 30 years later, the Government of Canada is acting on the knowledge it has had from the outset that a larger site for the Esowista reserve would eventually be required to meet the needs of the community. With the proposal in Bill C-28 to transfer the additional 86.4 hectares from the park to the reserve, the government is moving to address this issue.

From what I have been able to ascertain from the range of discussions and consultations which have taken place during the course of the passage of this bill from the other place to this chamber, including the Honourable Senator Austin's comments last week, the bill has the support of key stakeholders, NGOs and provincial governments.

Parks Canada has taken the position that the measures in this bill have been considered in a manner respectful of the ecological integrity of both national parks in question. It is on this latter point that I should like to take a moment and seek the indulgence of the chamber.

While we are being asked to support this bill to enable appropriate land adjustments to be made to Aboriginal reserves that share borders with two important national parks, it is appropriate that we use this opportunity to take stock of precisely where the government stands on the issues of ecological integrity and the maintenance of Canada's heritage sites and parks. In this context, I would note that the government's inability to adequately protect the ecological integrity of existing national parks has been flagged not only by Canada's Auditor General but also by Canada's Commissioner of the Environment and Sustainable Development and by the Federal Panel on the Ecological Integrity of Canada's National Parks.

• (2130)

These criticisms deviate somewhat from the official government line on national parks. According to the propaganda being circulated by those in the government, national parks have been one of the strongest legacy items for the Martin-Chrétien government. What this self-serving rhetoric ignores is the Liberal record of reduced spending and effort on the environment, national parks, and particularly the maintenance of national historic sites.

The Martin-Chrétien government would have us believe that the simple act of creating new national parks and marine reserves is sufficient to establish and nurture an effective environmental legacy. Unfortunately, setting these areas aside is only the first step. Perhaps a study needs to be done on whether the amount of land that has been set aside for national parks purposes is sufficient.

As I listened to Senator Austin last week, I reflected on whether we should have a policy that when lands are taken for legitimate purposes from national park holdings to be assigned for whatever purpose — and in this case for Indian reserves — an equal amount of Crown lands will be transferred, perhaps by an inflation factor, to the national parks portfolio. We have a great deal of federal Crown lands. Perhaps to ensure that there is no erosion of the land base in our national parks system, a public policy like that should be enshrined.

Let us look at the lands we do have in the system and how well they have been husbanded by this government. It is primarily in the subsequent and consequent work that we see the true level of commitment to the preservation of our great natural and national heritage.

In the context of the National Capital Commission, we have seen the erosion of the Moffatt farmlands in the National Capital Region for commercial development. Many members of this chamber have been involved in that particular file. Unfortunately, we will still lose to the federal holding some of the Moffatt farm.

Where this government has failed is in the focus on details, on implementation measures, on effectively targeting funding and follow-up work that is so essential to promoting ecological integrity of historic sites and resources. Very often those who are managing these sites are not managing at the level that is sensitive enough to ecological considerations. When one examines the details of how some of our parks have been managed and how the infrastructures have been neglected, we can come to the conclusion that this government's commitment to a healthy and vibrant national parks system leaves much to be desired.

Verification and documentation, honourable senators, of these problems come directly from Canada's Commissioner of the Environment and Sustainable Development. In her report of 2002, she stated:

> More than three-quarters of Canada's national parks... are reportedly suffering significant to severe ecological stress.

That is found on page 7 of her 2002 report.

That is, 75 per cent of our national parks are in dire straits. For a government that seeks to claim the national parks as a part of its legacy, this could properly be described as a disgrace and as another waste area.

Furthermore, in chapter 31 of a 1996 report, the Auditor General stated that for many national parks, ecological standards are not monitored on a regular and continuing basis. In the same report, the Auditor General expressed concerns that management plans for many parks appeared to emphasize social and economic factors over ecological factors.

Where does this lead us in assessing the state of this government's record on the environment and our national parks? According to the Commissioner of the Environment and Sustainable Development, it has led to a state where, in addition to other environmental failings of this government, Canada has a severe "environmental and sustainable development deficit."

The Martin-Chrétien Liberals would like to have it otherwise. They prefer to hide behind grand gestures and lyrical pronouncements in the Speech from the Throne. Meanwhile, at the hands-on level, the follow-up work, implementation measures and details of actually getting it right on the environment fall through the cracks of the government and, unfortunately, a fair degree of bureaucratic inertia.

Returning to Riding Mountain National Park, which is part of the subject-matter of the bill before us, there are a number of internal and external threats to its ecological integrity that require management and monitoring on an ongoing basis. These factors include: limited landfill sites for park refuse; the impact of major roads on wildlife and the effects of salting on vegetation; the impact of fertilizers and pesticides used in service centres and golf courses on streams and water resources; the fact that the park's hydroelectric corridor fragments the habitat of the area; poaching and hunting pressure on wildlife populations along park boundaries; resort development around park boundaries that also entails the introduction of exotic plant species and noxious weeds from agricultural activities and ornamentals from cottage development; and, finally, the impact of wind-blown chemicals on park resources.

Honourable senators, these points provide a very specific micro-illustration of what addressing ecological integrity in our national parks entails. Each national park has its own set of ecological integrity issues. How successful has the current government been at staying on top of these ecological integrity issues? While this subject is not my field of expertise, it is the field of expertise of the Commissioner of the Environment and Sustainable Development. If we are to go by the commissioner's conclusion that more than three quarters of Canada's national parks are suffering significant to severe ecological stress, this government has been getting it right less than 25 per cent of the time. That is a shameful legacy, one that will have lasting consequences, but the problem does not end there. There is also the matter of federal conservation efforts on national historic sites, including those within the boundaries of our national parks.

In her November 2003 report, The Auditor General pointed out that conservation needs with respect to heritage sites and resources have increased rapidly. Twenty per cent of all built cultural resources located on national historic sites and in national parks are in poor condition and will require preservation work within the next two years. Another 40 per cent are in fair condition and need preservation work within the next three to five years. According to the Auditor General, these resources include buildings, bridges, fortifications, maritime structures and lands. The Parks Canada agency has asserted that the protection of these national historic sites could require doubling the current amount of spending on these capital assets.

• (2140)

In the face of these increased funding requirements comes the fact that the government has slashed spending on historic parks and sites and other heritage resources. According to Statistics Canada, in 2000-01, federal departments and agencies spent about $14 million less on heritage resources than in 1990-91, or 6 per cent less. In constant 1990-91 dollars, this equates to a decrease of 22 per cent, with inflation having reduced the value of the expenditures by an additional 16 per cent.

Honourable senators, a renewed focus on the maintenance of national historic sites, including those within our national parks, is required. It will require vigilance. It will also require new and better focused funding to get the job done. A new government — a Conservative government — would ensure that this would happen.

I believe that the bill before us is supportable in principle. There are a number of larger issues with respect to the state of our national parks and historic sites. I want to use this occasion to underscore but some of them. As legislators, we have a duty to ensure that the government does not lose sight of their importance. These issues, the ecological integrity of our national parks and the effective maintenance of Canada's heritage sites, cross partisan boundaries. If national parks and historic sites are to be a legacy item, then let them be a genuine legacy, a legacy properly promoted, properly protected and properly preserved, and not just something to be trumpeted for narrow partisan purposes. Let them be a legacy for our children, our grandchildren and all future generations.

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

Some Hon. Senators: Question!

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

On motion of Senator Austin, bill referred to the Standing Senate Committee on Energy, the Environment and Natural Resources.

PATENT ACT
FOOD AND DRUGS ACT

BILL TO AMEND—SECOND READING—
DEBATE CONTINUED

On the Order:

> Resuming debate on the motion of the Honourable Senator Corbin, seconded by the Honourable Senator LaPierre, for the second reading of Bill C-9, to amend the Patent Act and the Food and Drugs Act (The Jean Chrétien Pledge to Africa).

Hon. Wilbert J. Keon: Honourable senators, Bill C-9 aims to make it easier for those in the developing world to access patented drugs at relatively low cost in instances where this would address serious public health problems. The bill enjoyed the support of all parties in the other place and, in a rare spirit of cooperation, the government accepted amendments from both the official opposition and the New Democratic Party.

The need to help fight AIDS in the developing world is the impetus behind this bill and, indeed, the statistics about this growing epidemic are alarming. Some 36 million people now live with AIDS, mainly in Africa. In some countries, such as South Africa, the infection rate runs as high as one in five. This disease has killed more than 20 million people and created 13 million orphans, many of whom are themselves infected. It is the fourth leading cause of death among adults in the world. Some 15,000 new victims are infected each and every day. To put this in perspective, it is equivalent to infecting a city larger than the entire Greater Toronto Area each and every year.

AIDS is a disease with no cure. I emphasize that: It is a disease with no cure. Drugs will not render its victims disease-free nor will they stop the spread of AIDS. I repeat: They will not stop the spread of AIDS. Rather, we are talking about treatment that will prolong and improve life. This presents a huge problem to society in the long term. A major disease with a very short life expectancy for those infected is now being converted to a chronic disease with the ongoing capability of infecting very large numbers of people.

The great tragedy is that AIDS is a preventable disease, but too little emphasis is being placed on its prevention. We must approach the problem in its entirety. This is not the only disease that continues to ravage the developing world. Tuberculosis and malaria are prime examples of others. Fortunately, those are both curable diseases.

I want to place a few observations on the record, beginning with some about the process in the other place. This bill, in its initial incarnation as Bill C-56, was rushed through the legislative drafting process at the last minute so that it could appear on the Order Paper as an initiative of the outgoing Prime Minister. Senator Corbin looked into that and commented on it in his speech the other night. There has also been some debate about it tonight. The official opposition in the other place was prepared to give the bill speedy passage. Unfortunately, last fall the bill was, for all intents and purposes, a draft.

The Globe and Mail put it this way on November 7, 2003:

> Privately, government officials said the legislation needs some rewriting, and said they would promise pharmaceutical industry and development group stakeholders the bill would be ironed out in the committee stage of review in the Commons. "It's incomplete," one senior official said.

The Montreal Gazette also noted in November:

> The government, meanwhile, seemed cool to the idea of passing the bill quickly, with several ministers saying it will take "two or three months" to establish a regulatory framework that satisfies the various stakeholders, who include Canada's pharmaceutical firms and several international aid organizations.... Government House Leader Don Boudria said the government was leery of trying to rush complicated legislation without submitting it to committee scrutiny.

Thus the government tabled an imperfect bill, and then prorogued the session. If Parliament had continued to sit into late November and early December, it could already be the law of the land.

The other place made several amendments to improve the bill. The most significant government amendment removed what is called the "right of first refusal." Very simply, under the bill as introduced, patent holders would have had the right of first refusal when a generic manufacturer proposed to export a drug to a qualifying country, a provision that arises from Canada's obligations under the Trade-Related Aspects of International Property Rights Agreement. The government came under heavy criticism that if generic manufacturers were to develop contracts that the patent holder would simply take from them, they would not invest time and money to do so.

An amendment was also passed expanding the list of eligible pharmaceuticals to include those that the World Health Organization has recognized as being essential to health needs, as well as other drugs that were flagged by witnesses before the Commons committee. However, there is concern about another government amendment to the original bill that will allow the Federal Court of Canada to review the grant of compulsory licences to generic drug manufacturers.

• (2150)

The government did accept an amendment from the official opposition in the other place that provides for a review of the licensing process after two years rather than three. If shipments of pharmaceuticals are being tied up by court proceedings, this review will flag the program much earlier and thus allow for an earlier response.

I do not doubt that in committee witnesses will suggest other amendments to improve the bill.

My second observation is that this bill must be a very limited exception to the way Canadian laws treat intellectual property, done under the auspices of the World Trade Organization in this case. It must not be the start of a process by which we abandon all protection for intellectual property. The potential here is, again, tremendous.

Honourable senators, just as copyright laws protect writers and other artists, patents provide inventors with time to benefit from their research and ideas before others may profit from their work. If little or nothing is gained from that research, then the research is not done or it is done somewhere else.

Our law must strike a balance between developing new drugs and treatments for Canadians affected with serious illnesses and providing those drugs to Canadians at affordable prices. This policy goal should apply to our international relief work as well.

As a member of the WTO, Canada must abide by the Trade-Related Aspects of Intellectual Property Rights Agreement. This agreement requires Canada to provide at least 20 years of protection for new pharmaceutical products. The Patent Act makes this a matter of law.

Most of the newer drugs used to treat AIDS and other serious diseases are still protected by patent, generating the returns that made these drugs possible in the first place. However, the price we pay here in Canada is beyond the means of most in the developing world and beyond the means of the aid agencies attempting to deliver those drugs.

Last August, the WTO agreed to let impoverished nations import generic copies of drugs to treat AIDS and other major diseases. Currently, a cocktail of the patented drugs used to fight AIDS can cost up to $10,000 per year here in North America, while a generic copy would cost about $300.

Canada's Patent Act currently does not allow the legal manufacture in Canada for export of a generic version of a medicine that has been patented here. Without the amendments in this bill, if a company were to manufacture a generic version, it could be charged with patent infringement and be held legally liable.

Canadian generic manufacturers have been lobbying for several years for changes that would allow them to export generic drugs to impoverished nations. They cite, for example, the attempt four years ago of the Canadian generic manufacturer Apotex to provide HIV/AIDS drugs to African countries at cost, with patent laws preventing the shipment.

At the same time, however, the brand name manufacturers will tell us that they are already selling a wide range of medications to the Third World at not-for-profit prices.

My third observation concerns the list of eligible countries. Bill C-9 sets out three separate lists of countries that qualify for access to lower-priced Canadian pharmaceuticals. Each schedule adds a further criterion.

The first list applies to the world's least developed countries. Examples of countries on this list include Afghanistan, Haiti, Rwanda and Uganda. For these countries, the manufacturer would have to provide notice that it would like to acquire a licence to produce the medicine for export.

The second list applies to countries such as Albania, Brazil, Cuba and India. In addition to the notice requirement set out for exports to the first list of countries, exports to these countries require an attestation that the drugs cannot be manufactured in the importing countries. Curiously, one of those countries, India, is itself a major drug manufacturer and cited, along with Brazil, as a major potential exporter of generic copies to the Third World.

The third list includes countries such as Israel, Poland, Kuwait, the United Arab Emirates and the Czech Republic. For these countries, in addition to the conditions set out on the second list, exports will be subject to an attestation that there is an emergency.

These lists will be subject to amendment through Order in Council.

While the lists appear to have been drawn up on the basis of various United Nations lists, it is puzzling as to who qualifies and who does not. Liechtenstein and the United Arab Emirates are far from being impoverished nations. Indeed, Liechtenstein is the richest country per capita in the world. However, the government initially rejected an opposition amendment to add East Timor in committee before changing its mind at report stage.

While this bill has been renamed the Jean Chrétien Pledge to Africa, the last time I looked, Liechtenstein was in Western Europe, not Africa, and is a very rich country. I look forward to the explanation in committee as to why it is on that second list where there does not even need to be an attestation that there is an emergency.

My final observation regards the practical reality of making this legislation work for the people in the Third World. Once Bill C-9 is law and the regulations are in place, there are significant logistical barriers to overcome for these drugs to reach those in need. Let us not kid ourselves. The cost of drugs is not the only barrier to treatment, as shipping drugs to Angola or Togo is not quite as simple as shipping them to Ancaster or Toronto. The challenges are many, beginning with a lack of basic infrastructure. There may not be a distribution network in place, and often there are insufficient medical personnel to supervise.

The complex cocktail of drugs required to treat AIDS can sometimes involve strict dietary rules, which Third World patients may not be able to follow because of food shortages, or require large amounts of water that also may not be available.

At some points in our lives, many of us have received a prescription that had to be kept below room temperature. Imagine keeping that medicine at the right temperature in the Sahara Desert, without benefit of the kitchen fridge.

Local military and political issues compound the problem of getting medicines to those who need them. In nations where bribery and corruption are a way of life, there is always the concern that medicines may be resold, long past their expiry date, somewhere else or diverted to another more profitable market when the shipment is out of our borders and hands. Senator Morin spoke about this at length the other night and I will not repeat it.

Honourable senators, we support this humanitarian initiative to help speed the delivery of much-needed medications to Third World countries that have been ravaged by public health emergencies such as tuberculosis, malaria and AIDS. We would also encourage the government to ensure that it works through agencies such as CIDA and non-government organizations to tackle the problems of distribution and administration in the recipient countries, and the prevention of AIDS.

Honourable senators, I support this bill fully, even though it has its foibles. My hope is that we see its passage before we adjourn for the summer.

Hon. Yves Morin: Honourable senators, I would like to congratulate Senator Keon on his excellent speech. He raised an important issue that has not yet been raised in committee or in the other place, that is, the matter of generic drugs manufactured in Brazil and India. This is very important. The Clinton Foundation and the World Bank have already bought and exported generic drugs that are manufactured in India to Africa. The issue is that these drugs are very cheap, much cheaper than generic drugs manufactured in Canada. They are cheaper, of course, than those that are still under patent, but they are fairly expensive.

• (2200)

Even under the present bill, drugs cannot be sold at more than 25 per cent of their value in Canada. Even under that, they would be more expensive than drugs that are manufactured in both India and Brazil. Therefore, there is a problem. We are trying to be generous. While I realize that our standards for approval of drugs may be superior to those of other countries, I should like to have Senator Keon's comments on that.

Senator Keon: I am very much aware of this horrendous problem. Indeed, there are a number of Indian manufacturing companies with superb science behind them that are manufacturing generic drugs at a fraction of the cost that we can do it in Canada.

The other night, I raised with Senator Corbin the question of diversion. Senator Morin then addressed that question in his speech, so I did not go back there tonight.

This situation will become a huge problem; there is no question about that. Nonetheless, we will have to deal with it as we go along. However, I do not believe we can afford to hold up this bill because of it.

I do think the most serious problem here is with the manipulation of a disease that has the potential, within three or four years, of killing the corresponding population of Canada in a single year. We are manipulating the natural history of this disease with drugs. We will increase the number of carriers enormously because we are converting an acute disease with a very short life expectancy to a chronic disease with virtually an endless life expectancy if an affected person keeps taking the drugs. The transmission of the disease is not affected by taking drugs. Instead of having 15,000 new cases coming in each year, we could be faced with having 100,000 cases coming in on a global basis.

Honourable senators, we must move forward and distribute the drugs. We would not withhold these drugs from anybody in Canada, America or Europe, so we should not be withholding them from the people of Africa. We must also accept our responsibility, get out our wallets, and implement necessary educational and medical programs to prevent this disease.

Hon. Senators: Hear, hear!

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, this is an important bill, one that we support, but we would like to see more Senate participation in certain aspects of its implementation. I had made a suggestion to the Leader of the Government and I am wondering whether he, with leave, could be part of the debate and tell us if he has any reply to that suggestion.

Hon. Jack Austin (Leader of the Government): Honourable senators, I had the opportunity a few moments ago to have a conversation with the Leader of the Government in the other place. I have had two such conversations since the proposal was made to this side by Senators Lynch-Staunton and Kinsella to put an amendment that could be sent in the bill to the other place.

Minister Saada advises me that, of the four days remaining of this week, before the Standing Order takes effect and the other place takes a break next week, he has two opposition days that are committed. Therefore, there is no House time that he can allow to debate an amendment.

Honourable senators, proposed section 21.18(1) suggests that there is no urgency because — and I quote:

> The Minister and the Minister of Health shall establish, within three years after the day this section comes into force, an advisory committee...

We will have, as I have already said, an undertaking from Minister Robillard, the Minister of Industry, to agree on behalf of the government to amend the proposed section so that the Senate role will be equivalent to that of the House of Commons in 21.18(2). Proposed section 21.18(2) is an amendment that was put into the bill by a Conservative member of the other place and adopted by the House. It reads as follows:

> The standing committee of the House of Commons that normally considers matters related to industry shall assess all candidates for appointment to the advisory committee and make recommendations to the Minister on the eligibility and qualifications of those candidates.

Regrettably, the Senate was not mentioned in the amendment proposed by the Conservative member. However, Minister Robillard has agreed that both the standing committee in the House of Commons and our standing committee will have an equal role when the opportunity arises for a bill on technical amendments to be presented in the next Parliament or session.

Senator Lynch-Staunton: Honourable senators, I have been here long enough to know that ministerial commitments are personal commitments, not permanent commitments. As much respect as I have for Minister Robillard, I fear the undertaking would not last for more than this Parliament.

I understand, from what the minister said, that any amendment we move this week would be rejected out of hand by the other place because, somehow, they do not have any time to consider what we may suggest to them. Yes, the House of Commons is not sitting next week. However, the last time I checked the parliamentary calendar, they are scheduled to return the following week and to be here at least until June 24.

Can the Leader of the Government in the Senate explain why amendments or suggestions raised this week cannot be considered at their return?

Senator Austin: Honourable senators, I would be happy to answer the real question behind the suggestion. Indeed, if we come back on May 25, there would be time to do a number of things. I have no doubt that we will have the opportunity to shape the amendment with the minister and in the next session of Parliament, if there is a next session of this Parliament, to complete her undertaking, which is proposed to be in writing to the committee and presented to this chamber. This is a serious undertaking on behalf of this government.

Honourable senators are as wise as I am, which does not mean, in the context of what I am about to say, terribly wise, because the media knows everything and we know very little. However, one might want to give some heed to what they write and what they say. Statistically, ther are not right even half the time, as honourable senators know, but sometimes they can be right.

With apologies to Senator Munson — and if Senator Fairbairn were here, I would apologize to her, too, along with Senator Fraser, if she were here, and any other members of the media, part- or full-time, in any part of their career — there is an assumption abroad. Honourable senators will have to accept that the leadership on this side and this caucus should be appropriately cautious and take into account the indications and proceed with the government's business as best we can until we adjourn.

Senator Lynch-Staunton: Honourable senators, I must say that I am distressed at the way this place has been operating since September. We came back in September, got business underway, and then Parliament was prorogued in November because the Langevin Block did not want a certain report tabled, and all business — important business — came to an absolute halt.

• (2210)

We came back in early February and then we were under the gun again because we thought something would happen before Easter. Now we are back and we are under the gun for the third time. Week by week by week — you can giggle and laugh all you want but that is not the way you should treat Parliament. Either we are a legislative body or we are not. Either we have the time to consider legislation or we do not.

We boast about our independence from the House of Commons, but we are becoming the handmaiden of the Langevin Block. That is all we have become. Do we want to be that? I for one do not.

We have offered the government tonight an amendment to Bill C-9, to bring it to the House of Commons, which, apparently, according to the minister, is quite willing to put the Senate on the same basis as the House of Commons in not a particularly important matter but as recognition of the importance of the house in the parliamentary system.

We were told by the minister — and I have great sympathy for his position — that the House leader there has said that they have two opposition days this week so they do not have time and that they will be going on a break next week. My reply to that, naive as it may be, is: What about the following week and the week after that? Stop playing games with this place. Have more respect for this place. Why should our work be determined by the whims of one person? That is what this is all about.

Frankly, I am distressed that we have been reduced to this. Day after day, we have to look at a poll, at the media, at Mike Duffy. We are told by them where we will be in the next few days. Why can we not determine our own work schedule? Why can we not tell someone out there: Just a moment; the Senate of Canada has work to do and it wants to do it properly without being obstructionist. Lord knows that this side has not been obstructionist as long as I have been Leader of the Opposition.

As Leader of the Opposition, I am pleading for recognition of the role of this place. I fear that what we have heard tonight has diminished that role considerably, and I certainly do not want to be a part of that.

Senator Austin: Honourable senators, I have considerable sympathy for the statements made by the Leader of the Opposition. This is a house of review. It is our job to carefully consider legislation. However, we also have a responsibility to the people of Canada to consider legislation that is important to their well-being. We must take into account such things as external events and the pressures of time and concern.

Honourable senators, none of the work we do is simple; none of it is easy. We have responsibilities that are sometimes exceedingly difficult to discharge. I must ask honourable senators to recognize that Bill C-3, Bill C-9 and Bill C-30 are extremely important bills, not just to the Government of Canada but to Canadians. In the case of Bill C-9, it is also important to millions of people in Africa who are deserving of and in extreme need of the benefits of Bill C-9. I would ask senators to take all of that into consideration as the legislative agenda continues.

The Hon. the Speaker: Continuing debate. It is Senator Corbin's bill.

Senator Corbin: I will speak on second reading if no one else wishes to speak at this time.

On motion of Senator Lynch-Staunton, for Senator Di Nino, debate adjourned.

[*Translation*]

BUDGET IMPLEMENTATION BILL, 2004

SECOND READING—DEBATE ADJOURNED

Hon. Pierrette Ringuette moved the second reading of Bill C-30, to implement certain provisions of the budget tabled in Parliament on March 23, 2004.

She said: Honourable senators, I have the honour of presenting, at second reading stage, Bill C-30, the Budget Implementation Act, 2004.

Before discussing the specific measures included in this bill, I think it would be useful to step back and consider this budget in a broader strategic context.

In its Speech from the Throne delivered in February 2004, the Government of Canada put forward an ambitious program to improve the level and the quality of life of all Canadians.

[*English*]

This new agenda is incurred by the principle of government living within its means. It applies to the resources that are available to the goal of giving Canadians greater means to advance their well-being by taking important new steps in key areas such as communities, learning, health care and innovation.

The 2004 budget introduced important building blocks to support this critical national agenda. At the core of the 2004 budget is the recognition that to achieve the fundamental goal of better lives for all Canadians, our social and economic policy must be mutually reinforcing. Central to the budget is that these policies must also be buttressed with the prudence of a balanced budget — in other words, of government living within its means.

In this vein, Budget 2004 contains the prudent fiscal planning that has been the cornerstone of Canada's economic track record in recent years. For the 2003-04 fiscal year, the government will record its seventh consecutive surplus with Canada as the only G7 nation not to run a deficit. We have achieved this despite the series of economic shocks, such as SARS and BSE, that beleaguered the Canadian economy last year. This record underscores why the budget maintains the yearly $3 billion contingency reserve and rebuilds extra prudence for 2004-05 and 2005-06. We will continue to be ready to face the unexpected with fiscal confidence. Equally important, if the contingency reserve is not needed to cover any further unexpected fiscal shock, it will continue to go directly towards debt reduction.

I urge honourable senators to bear in mind that this approach has helped the government reduce the national debt by $52 billion since it balanced the budget in 1997-98, which in turn has delivered ongoing savings of $3 billion a year in interest charges. This is money freed up for investing in health care, infrastructure and other important national priorities. That is why Budget 2004 aims to go further on debt reduction by setting the objective of lowering the debt-to-GDP ratio to 25 per cent in 10 years.

This is no abstract accounting goal. It means real future benefits for Canadians because a stronger financial position today positions us to better meet the needs of tomorrow. That is more important than ever if we are to meet the fiscal challenges of a greying population with fewer working-age people to fund social programs but with more seniors placing greater demand on those programs.

Honourable senators, let me now pull back from the future and turn to today's legislation and the specific measures in Bill C-30, measures that address Canadians' priorities of community, health care, learning and the environment.

Let us start with the proposal to provide full relief from the goods and services tax and the federal component of the harmonized sales tax for municipalities of all sizes. Let me explain why this measure is necessary. As we know, Canada's communities are the social and economic foundation of the country. Whatever their size, the communities in which Canadians choose to live have a significant bearing on their quality of life and the social and economic opportunities open to them.

• (2220)

Municipal leaders have pointed to the financial challenges that they face in trying to maintain and improve their economic and social strength. They consistently identify infrastructure as their most pressing priority. However, the challenges facing municipalities extend beyond the provision of physical infrastructure. Also under strain are the social programs and services that help Canadians participate in their communities, find employment and benefit from the opportunities around them.

Clearly, municipalities are facing increasing pressure to maintain and renew their infrastructure and ensure that necessary social programs are available to their residents. However, there is a general understanding that there are limits on the extent to which the property tax base, the single most important source of revenue for municipalities, can finance these spending pressures. In recognition of these challenges, the federal government is committed to forging a new deal for communities. The new deal will be a sustained, long-term effort to improve the living standards and quality of life of Canadians in cities and communities of all sizes.

The government's new deal for communities is designed to ensure that Canada's municipalities have reliable and predictable long-term funding by working with provincial and territorial governments and municipalities to provide more effective program support for pressing infrastructure and social priorities in communities, to help communities to acquire the best tools to pursue local solutions for local problems, and to give municipalities a greater voice in shaping federal policies and programs that affect them.

Budget 2004 takes important first steps in building this new deal. A full rebate on the GST and the federal component of the HST paid by municipalities across Canada in providing municipal infrastructure and community services, will be granted effective February 1, 2004. Bill C-30 also includes an amendment to facilitate an orderly transition to the full rebate, protect the integrity of the tax system and enhance transparency.

This relief measure advances the objectives of the new deal in three ways. First, the higher rebate represents an additional source of growing, reliable, long-term funding for all municipalities. Second, the increased rebate benefits municipalities of all sizes across Canada. Third, it provides a significant contribution for the funding of critical infrastructure priorities such as roads, modern transit and clean water. This increased rebate will provide municipalities with an estimated $7 billion in additional revenues over the next 10 years. I repeat, $7 billion over the next 10 years, including $100 million for two months of 2003-04, $580 million in 2004-05, and $605 million in 2005-06. That, honourable senators, is real money for real needs in real time.

Next, Budget 2004 recognizes that investments in learning are also fundamental to a strong economy. We all recognize, I am sure, that learning produces a work force that is qualified to meet the demands of a growing economy and fosters advances in knowledge, the development of new technologies, new products and improved production processes. These, in turn, increase productivity, generate economic growth and promote our international competitiveness. In order to create, find and keep good jobs in the knowledge-based economy, Canadians will increasingly need to pursue learning opportunities both during their youth and as working adults later in life.

The federal government fully recognizes that support for learning starts with the birth of a child and extends well into adulthood. Over the years the government, in partnership with provincial and territorial governments, has developed a strong agenda in support of Canada's children. Budget 2004 builds on this commitment by increasing its support of early learning and child care, among other things. This national commitment is embodied in both the 2000 Early Childhood Development Agreement reached by first ministers and the 2003 Multilateral Framework on Early Learning and Child Care agreed to by federal, provincial and territorial ministers responsible for social services.

Bill C-30 accelerates implementation of this framework by increasing cash transfers to provinces and territories under the new Canada Social Transfer over the next two fiscal years by a total of $150 million. This will represent an increase of $75 million per year, this year and next, and bring total funding for early learning and child care to $375 million over those two years. These resources could provide up to 48,000 new child care spaces, or up to 70,000 fully subsidized spaces for children from low-income families.

Moving on, further action to help strengthen our publicly funded health care system is also a key component of the government's new agenda and the 2004 budget. As honourable senators know, the Prime Minister confirmed in January that provinces would receive $2 billion in additional funding for health, bringing to $36.8 billion federal funding provided in support of the 2003 first ministers accord on health care renewal. Events such as last year's SARS outbreak highlight the need for active responses to gaps in our public health system. The budget takes this action by providing funding to improve Canada's readiness to deal with public health emergencies and address immediate gaps.

Specifically, Bill C-30 authorizes $400 million in payment to a trust to be provided to provinces and territories over three years, of which $300 million is targeted for a national immunization strategy. This new funding will build on the $45 million over five years provided for immunization in the 2003 budget. The $300 million will support the introduction of new childhood and adolescent vaccines such as vaccines for chicken pox, meningitis, pneumonia and whooping cough proposed by the National Advisory Committee on Immunization.

The remaining $100 million will relieve stresses on provincial and territorial health care systems that were identified during the SARS outbreak and help the provinces and territories address immediate gaps in their public health capacities by supporting front-line activities, specific health protection and disease prevention programs, information systems, laboratory capacity, training and emergency response capacity. As well, the budget takes measures to ensure that Canada's public health system has the information technology systems needed to deal with future public health outbreaks or epidemics.

Bill C-30 authorizes the payment of $100 million to Canada Health Info Highway Inc. for its use to enable the provinces and territories to invest in software and hardware, with the goal of assessing, developing and implementing a high quality, real time public health surveillance system with a particular focus on infectious disease monitoring. Through the measures in Bill C-30, Canada's public health system will have greater capacity and surveillance, diagnostic and response capability, and improved information sharing, training and education and collaboration across jurisdictions.

Bill C-30 also addresses health care in learning through federal transfers made through the equalization program. Since its inception in 1957, the Canadian equalization program has played an important role in defining the Canadian federation.

• (2230)

Not all provinces in the federation are equally prosperous. The federal government makes equalization payments to the less prosperous provinces to allow them to provide their residents with public services that are reasonably comparable to those in other provinces at reasonably comparable levels of taxation. Provinces that receive these funds use them to help pay for the programs for which they have primary responsibility, including health care, education and social programs.

The program is reviewed and renewed every five years to ensure the integrity of the formula upon which payments are based. Bill C-30 renews the equalization program for five more years, from 2004-05 to 2008-09. As part of this renewal, the bill includes changes to maintain the integrity of the program and improve its operation. Such changes will provide more stable and predictable equalization payments and more accurate measures of fiscal capacity and tax bases. As a result of these changes, an estimated additional $1.5 billion will be transferred to the equalization-receiving provinces over the next five years. Moreover, year over year, fluctuations in equalization payments will be significantly reduced.

As well, the bill contains provisions related to the offshore accords that allow Nova Scotia and Newfoundland to manage and tax offshore energy resources as if they were under provincial jurisdiction. Nova Scotia will receive a payment that approximates what it could have received if the equalization offset provision had started in 2000-01. The bill extends the deadline for Newfoundland and Labrador to choose either a generic solution established under the equalization program or the benefits of the accord, whichever the province prefers.

So far, I have focused on budget measures that deal directly with people and institutions, but the budget also recognizes that a clean and safe environment is fundamental to a healthy society and its sustainable economic growth. The government remains committed to ongoing support for the development and commercialization of environmental technologies that hold the promise of improving economic efficiency while contributing to a cleaner and healthier environment, for example, through a more efficient use of energy. These technologies will be fundamental to meeting our environmental goals, such as reducing greenhouse gas emissions to address climate change.

To promote better environmental stewardship for the future, the budget, through Bill C-30, invests $200 million in the sustainable development technology foundation, bringing total federal funding to $550 million. An arm's length, not-for-profit foundation, SDTC, is to further the development and demonstration of technologies that reduce greenhouse gas emissions and improve air quality.

The bill also broadens the mandate to include support for clean water and soil technologies. This will allow the foundation to deliver innovation technology solutions for sustainable development issues like climate change and clean air, water and soil.

Another measure in the bill builds on Canada's existing efforts to bring research discoveries to the marketplace by enhancing access to venture capital financing. In 2002, Farm Credit Canada launched a new business line, FCC Ventures, to provide venture capital financing for the agriculture and agri-food sector. Building on last year's initial investment of $20 million over two years, this budget provides FCC with an additional $20 million over two years to specifically provide venture capital financing for promising agriculture and agri-food companies. Bill C-30 amends the Farm Credit Canada Act to increase the statutory limit on capital payments to allow for the future injection of capital in FCC.

I have covered a great deal of ground because this is important and far-reaching legislation. Before concluding, I should highlight the fact that Bill C-30 also includes several other measures of importance to Canadians. It clarifies the rules governing employers' contributions and refunds under CPP and reduces the burden of compliance on employers. When an employer is restructuring, employees are sometimes treated as if they had joined new employers, even though their jobs remain unchanged. In these cases, the successor employer has to make contributions for the same employees a second time in the same year. Now, through Bill C-30, employers who undergo a change in business structure will not have to pay contributions twice for the same employees.

To further reduce the burden of compliance on employers undergoing business restructuring, the bill also amends the Employment Insurance Act with respect to EI premiums in the event of business restructuring.

A third measure takes action to ensure that persons with disabilities are not penalized when they decide to re-enter the workforce. Currently, recipients of CPP disability benefits who attempt to return to work but abandon their efforts because of difficulties in overcoming their disability are required to reapply for disability benefits. The delays and uncertainty associated with the need to reapply can discourage individuals from returning to work. Accordingly, this bill allows for the reinstatement of disability benefits if a former recipient ceases working for reasons related to his or her disability within two years of returning to work.

A fourth measure gives the Governor in Council the authority to set the EI premium rate for 2005 to ensure against the risk that legislation implementing a new rate-setting mechanism is not passed in time to set the rate for next year.

Finally, in response to a Supreme Court of Canada decision, Bill C-30 establishes a 10-year limitation period for the collection of federal tax debt under the Air Travellers Security Charge Act, the Excise Act, the Excise Act 2001, and the Income Tax Act, effective March 4, 2004. The bill also provides that taxes that were unpaid on March 4, 2004, will be subject to a new 10-year limitation period as of that date, and taxes collected before March 4, 2004 but after the expiry of an application limitation period will not be reimbursed. These measures will prevent late payers from gaining a windfall benefit.

Honourable senators, it is clear from these measures that Budget 2004 delivers vital, sometimes visionary, action for tomorrow, while maintaining the government's commitment to prudent fiscal planning for balanced budgets. The measures in Bill C-30 ensure that we can help Canadians enhance the well-being of their families while still living within our means. Surely this is an objective that serves the fundamental purpose of this place and government overall, so I have no hesitation in urging all honourable senators to pass this bill without delay.

[*Translation*]

Hon. John Lynch-Staunton (Leader of the Opposition): Would Senator Ringuette entertain a few questions?

Senator Ringuette: Certainly.

Senator Lynch-Staunton: Could the honourable senator explain to us the government's accounting system? If I am not mistaken, we are dealing with the 2004-05 fiscal year, but the bill includes an amount of $620 million that would be allocated to the year 2003-04. How can she explain what seems to me to be a contradiction? We are being asked to approve monies for the current year, but some amounts are allocated to a previous fiscal year.

• (2240)

My second question relates to the fact that one of the main points in the honourable senator's presentation was that the GST rebate to municipalities came into effect on February 1. What exactly is a municipality in this context? Is it only the major cities, or is it incorporated municipalities, townships, regions, villages? What is the formula?

What are the payment dates? A total of $580 million will go back to the municipalities for the calendar year. I would like to know whether my small municipality — not incorporated, though the township is — or other municipal incorporations of the same kind will also have the advantage of these rebates, or will they go only to large cities and municipalities better known than mine?

Senator Ringuette: I thank Senator Lynch-Staunton for his question. The GST rebates go to incorporated municipalities. The provinces are responsible for incorporating these municipalities, these geographical areas. All that the federal government has said is that a portion of the GST has already gone to the municipalities. So, if his township is incorporated, it has already got a certain percentage of GST credit, and now the rebate will be on the whole amount.

Senator Lynch-Staunton: I am going to ask that question before the committee and the official witnesses.

There is one last question I would like to ask. In the case you referred to, Canada Health Infoway, there will be a payment of $100 million this year, but it will show in the government books as being for the previous fiscal year. On the other hand, the $200 million for the Canada Foundation for Sustainable Development Technology will be credited in the year the payment is made.

There are two payments, to different bodies, but made at about the same time. Yet one will be debited — this is not the proper accounting term — in fiscal year 2003-04, while the other will be debited in 2004-05, though paid at about the same time.

What needs to be known is who decides what, and why.

Senator Ringuette: Honourable senators, this question involves technical detail of an administrative nature that would be better dealt with at committee hearings.

[*English*]

Hon. Donald H. Oliver: Honourable senators, I have a question for the honourable senator. As the honourable senator will know, since she is a member of the National Finance Committee, for the last few weeks the committee has heard from a number of ministers of finance from the provinces of Canada who have come to Ottawa to give testimony and evidence about the fiscal equalization formula that is in place. She will know that finance ministers from Saskatchewan, Newfoundland and other provinces have complained that the existing formula is unfair, creates hardships, and is punitive and unjust. A number of witnesses who appeared before the committee have asked for the re-implementation of a national standard to equalize the opportunity so that each of the provinces could live up to the mandate from the Constitution of Canada for which the equalization formula was devised.

The first 10 pages of Bill C-30 deal with equalization. Would the honourable senator tell me where in these pages is the need and request for a national standard to equalize the fiscal equalization formula set forth?

Senator Ringuette: The honourable senator is also an active member of the Finance Committee. He will certainly know that we are speaking about comparable levels of service for comparable levels of taxation in regard to the equalization process. Under that formula, 33 items have been established through the years. This program has been established for more than 50 years. There is much history here.

I am well aware of the different demands that certain provincial finance ministers have been making. In the last five years, I remind honourable senators that there were 48 meetings of federal-provincial finance ministers to discuss this issue. Some provinces have requested that the formula be changed from five base provinces to 10 base provinces. I remind the honourable senator that I asked one of the ministers of finance who appeared before us what he would say, if with the same amount of money in the program, the federal government aked all of the provincial finance ministers who are not happy with the current formula to devise a formula that would be just and fair for all. His response was, "No, thank you. It would be too divisive."

Senator Oliver: The honourable senator, when giving her discourse on what is in this Budget Implementation Bill, 2004, mentioned agriculture, which is of particular interest. Her comment on agriculture was that last year there was $20 million set aside for a venture capital fund for new and exciting ventures in the agricultural sector. She further said, as I recall, that in this year's budget there was another $20 million set aside for venture capital financing. However, she did not deal with the more important, substantive section, clause 28, found on page 22 of the bill, that deals with the government apparently taking more control of the Farm Credit Canada Act.

Would the honourable senator explain what is behind the request to pay the corporation out of the Consolidated Revenue Fund amounts not exceeding the aggregate of $1.25 billion?

Senator Ringuette: Honourable senators, this is a technical question. As the honourable senator is Chair of our Agriculture and Forestry Committee, I will endeavour to supply him with a written answer to that question.

On motion of Senator Oliver, debate adjourned.

• (2250)

PUBLIC SERVICE COMMISSION

APPOINTMENT OF MARIA BARRADOS AS PRESIDENT OF THE PUBLIC SERVICE COMMISSION—REPORT OF NATIONAL FINANCE COMMITTEE ADOPTED

The Senate proceeded to consideration of the eighth report of the Standing Senate Committee on National Finance (appointment of the President of the Public Service Commission) presented in the Senate on May 6, 2004.

Hon. Lowell Murray moved the adoption of the report.

He said: Honourable senators, the study of the precedents indicates that if this report is adopted by the Senate, it will have the effect of approving the appointment of Dr. Maria Barrados as President of the Public Service Commission. For the benefit of honourable senators, there are available from the pages copies of the unedited transcript of the committee's meeting of last Wednesday night.

We had a good meeting on Wednesday night. We convened the nominee, Madam Barrados, who has been Acting President of the Public Service Commission since last November. We had with us the President of the Privy Council, Mr. Coderre.

Members of the committee took the opportunity to raise several issues which, while they may or may not have been immediately related to this motion, are of importance to the morale and efficiency of the public service and, therefore, to good governance in this country.

Senator Lynch-Staunton raised the adequacy or otherwise of the whistle-blowing legislation that the government has tabled or, perhaps I should say, by most accounts, the inadequacy of that legislation. While there was an exchange on the matter between himself and the minister, I think it is obvious that, unlike some of the legislation that is before us now, the government will have world enough and time to revise or repent of this legislation since it is unlikely that it will get very far before an expected dissolution of this Parliament in the next little while.

Senator Ringuette, Senator Lynch-Staunton and others discussed the question of national areas of selection, the need to do away with geographical restrictions for hiring in the public service, and other senators raised other questions. I am indulging a bit, because it is a question I raised with the minister when he was there, and with the official, Madam Boudrias, who was with him.

There seems to be some confusion surrounding an announcement made on the day of the swearing in of the Martin government in November concerning proposed changes in ministerial responsibilities as they affect the public service. There was created a new human resources management organization, which transfers responsibilities from the Treasury Board to the President of the Privy Council. That seems to be underway; at least, Mr. Coderre and Madam Boudrias told us it is.

It was also announced on the day of the swearing in that the public service employer for collective bargaining services, which up to this point and for many years had been the Treasury Board, would henceforth be the Department of Public Works and Government Services. When I inquired, Madam Boudrias said that a decision has not been taken on that matter, and Mr. Coderre indicated that they were waiting for the present round of collective bargaining to be completed.

I must say that I thought the announcement on the day of the swearing in made the intentions of the government pretty clear. I am not sure that it lies with a public servant, even one accompanying a minister before a parliamentary committee, to tell us that a decision that was announced by the Prime Minister is not a decision. In any case, to say that some of this stuff is a work in progress is to put it kindly, and one need not be privy to all the gossip in town to know that there is confusion.

I simply make the point that a continuation of that kind of uncertainty and confusion in as important a matter as ministerial responsibility for the public service is bound to have a negative effect both on morale and good governance.

When Dr. Barrados appeared before us, one matter that arose was the question of the auditing function of the commission. This is extremely important, the more so since we passed the legislation last October that provides for even further delegation of commission responsibilities to deputy heads and below the rank of deputy head. Without a proper auditing capacity, the commission will be unable to monitor properly whether these delegated powers are being used properly and whether the merit principle, which is the core principle, is being fully respected.

I recall that when the committee was studying Bill C-25 last summer and fall, we had the then president of the commission, Mr. Serson, before us, who told us that 10 years previously there had been about 100 auditors at the commission. Since then, because of various cutbacks, financial constraints and whatnot, the number was down to seven or eight auditors. Dr. Barrados told us that she is determined to double that number quickly. In dialogue with Senators Oliver, Downe and Chaput at committee, she spoke about operating on a risk basis. When she or members of the commission discerned that there is a higher than usual risk at some particular department or agency, they would send the auditors in at that point. Of course, she has the ultimate sanction of taking back the delegated power and reminded us that that had been done with the Privacy Commission and, indeed, the delegated authority had not been restored to the Privacy Commission in the weeks and months since we received such disagreeable news about the operation of that agency.

With regard to the question of the elimination of geographic restrictions for hiring, as Dr. Barrados pointed out, this is a matter of technology. The commission needs the technology to be able to advertise all positions on a national basis. She told us — and I am paraphrasing, but I think accurately — that we have the money, but the commission has spent four months going through the hoops at Treasury Board to try to get their approval of the purposes to which the money will be put.

This raises again the general question of the budgetary process as it affects officers of Parliament, or officers who report directly to Parliament and not to a minister. It is the case with the Auditor General; it is the case with the President of the Public Service Commission; it is the case for some others — perhaps the Chairman of the Human Rights Commission, perhaps the Commissioner of Official Languages, perhaps the Privacy Commissioner and the Information Commissioner. We know who they are.

These people should not have to go hat in hand to the Treasury Board to get their budgets approved. There should be some way for the two Houses of Parliament to have a key involvement in that process. This subject has come up again and again in almost all the years I have been here. However, I must say that if we are waiting for this government, or any government of any stripe, to provide a satisfactory process that will take some of the power away from them and their committees and give more of it to Parliament, we will be waiting forever. It is incumbent upon us to try to design a process that makes sense and that will work, and try to impose it on the executive government of the country.

• (2300)

There was a discussion of the makeup of the commission. The law that we passed in October provides that there will be a full-time president of the commission with a mandate of seven years and at least two part-time commissioners. These part-time commissioners will not be subject to parliamentary approval. They will be appointed by Order in Council only, which raises the danger that there will be partisan appointments or other inappropriate appointments to that commission. That is a real problem.

There are two points here. Senator Lynch-Staunton pointed out that some of the decisions will have to be made by the commission as a whole and, therefore, she, the president, will be outvoted by the other two, which underlines the necessity of care, caution and due diligence in recruiting and appointing the two part-time commissioners. She has told us that she has an undertaking from the present government that she will be consulted before any Order in Council appointments of that kind are made, which is good as far as it goes and as long as it lasts; but it is something that will bear watching by the Senate.

It is also clear that we are finished, at least for the time being, with the revolving door we have had there for too many years. The intent of Parliament was that the chair and members of the commission would serve quite long mandates — 10 years under the old law. It must be twenty years since there was a president who completed his full mandate. The practice has been a revolving door in which chairs and other members of the commission come from the ranks of the senior bureaucracy and return there. That is not the way the commission is supposed to function. I am happy to note that Dr. Barrados told us that, at her age and state, she is not looking for another job. She will be glad to fill at least one mandate as president of the commission.

In terms of any problems that might arise with the other commissioners or in any case, she said, and I will give honourable senators a direct quote:

> I feel that where I am in my career, and how strongly I believe in some of those things, that if I ever felt that I was being compromised in this fashion, I would be calling the chairs of the parliamentary committees to come and speak to you.

That is a worthwhile assurance from the president that I am glad to place on the record.

Another matter that was alluded to indirectly concerns the fact that the commission has limited, if any, power over some of the agencies that Parliament in its wisdom separated from our oversight some years ago. I refer not just to Parks Canada but to the Canada Customs and Revenue Agency. These are no longer part of the core Public Service of Canada. The commission has rather limited power or authority over them, which is something that will continue to bear watching from the point of view of the Senate.

Honourable senators, I think I can speak for the committee and say that Dr. Barrados made an excellent impression on all of us. We have known her for a while. She was previously in the Auditor General's office. She clearly has a very good grasp of what her responsibilities will be as president of this commission, and a very strong commitment, even a dedication, to the values of a non-partisan, merit-based public service.

I am happy, and I think the committee is happy, to recommend that the Senate approve her appointment. I hope we will not only approve her appointment but also support her in her important work in the months and years ahead.

Hon. Noël A. Kinsella (Deputy Leader of the Opposition): Will the honourable senator take a question or two for clarification?

The Hon. the Speaker: It is not a problem, but Senator Murray's time has expired.

Does Senator Murray wish additional time?

Senator Murray: Yes.

The Hon. the Speaker: Honourable senators, is it agreed?

Hon. Senators: Agreed.

Senator Kinsella: I have several quick points, honourable senators.

It is clear in Senator Murray's presentation and also as one reads the transcript from the committee that Dr. Barrados embraces the merit principle and sees that it is the heart and soul of a professional public service.

I was, as I suspect were other honourable senators, brought to sit erect in my chair. It did not come to mind when we were examining the bill. The person that we are approving in this process reports directly to Parliament, but her decisions can be overridden by other members who would be appointed under the part-time appointment provisions of the act, as I saw on page 19 of the transcript that I have, where Senator Murray just a few moments ago alluded to Senator Lynch-Staunton's questioning of Dr. Barrados. How does Senator Murray see that process working in practice if there are two part-time members? We have had a commission of three members. I should think that the government would move quickly to have at least two part-time members in addition to the chair. Do those part-time members have half a vote or a full vote? How serious is the possibility of the commission being appointed on a partisan basis through the part-time appointment process and overriding the Public Service Commissioner approved by Parliament?

Senator Murray: Honourable senators, in answer to that question, I should probably place on the record what Dr. Barrados said about the authority she will have as president to do things on her own. I think I can say that those would be mostly administrative things. Then she says:

> Any of those strategic directions for how we do the delegation agreements, what kinds of things we are delegating, how we define political activity in the process we put in place, our audit plan, are the kinds of things that should go to the commission. Any of the regulatory areas have to go to the commission.

I take it from that response that to have a decision made on those matters would require a consensus of the commission. There is no suggestion that the part-timers would have anything less than one vote each on those matters.

This is probably one of the reasons why the president has insisted, and the government has agreed, that she be consulted in the recruitment and appointment of the part-time commissioners, and why she has given us the assurance that if in any way her position is compromised in the process she would be calling the chairman of one or the other of the parliamentary committees to come to report to us that this is going on.

• (2310)

Senator Kinsella: The other question was with respect to the relationship to the experience, and again Senator Murray underscored it. In the past, deputy ministers or assistant ministers were appointed to membership on the old admission, and two or three years later they would go back to a line department or agency.

Can that still happen with the part-time members? That is, they would be appointed from the public service and, after a period of time, go back into the public service?

Senator Murray: I know nothing that would prevent that happening, honourable senators.

Senator Kinsella: My final question is this: In your discussions with Dr. Barrados, did she express a view as to the importance of whistle-blowing legislation in general? More particularly, one of the models for effective whistle-blowing machinery would be to have the whistle-blowing commissioner become one of the commissioners of the Public Service Commission. Did she express her view on any of that?

Senator Murray: That specific aspect, I can say with certainty, did not come up. I stand to be corrected but my recollection concerning the discussion about the whistle-blowing legislation was held during Mr. Coderre's testimony before the committee.

Senator Rompkey: Question!

The Hon. the Speaker: Honourable senators, it was moved by the Honourable Senator Murray, seconded by the Honourable Senator Spivak, that this report be adopted now.

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

Motion agreed to and report adopted.

BUSINESS OF THE SENATE

Hon. Bill Rompkey (Deputy Leader of the Government): Honourable senators, might we have agreement from both sides of the chamber, and by any other independent people who happen to be here, to stand all other items on the Order Paper in their order until the next sitting of the Senate?

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

Hon. Senators: Agreed.

The Senate adjourned until tomorrow at 2 p.m.

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