CANADA

DEBATES OF THE SENATE

OFFICIAL REPORT
(HANSARD)

SPEAKERS

THE HONOURABLE ROMÉO LEBLANC, P.C.
January 17, 1994 – November 22, 1994

THE HONOURABLE GILDAS L. MOLGAT
November 22, 1994 –

1994-96
FIRST SESSION, THIRTY-FIFTH PARLIAMENT
43-44-45 ELIZABETH II

VOLUME I

January 17, 1994 to November 29, 1994

Parliament was opened on January 17, 1994

and was prorogued on February 2, 1996

CANADA

DEBATES OF THE SENATE

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(HANSARD)

THE HONOURABLE ROMEO LEBLANC, P.C.
SPEAKER

1994-95

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THE SPEAKERS

THE HONOURABLE ROMÉO LEBLANC, P.C.
JANUARY 17 — NOVEMBER 22, 1994

THE HONOURABLE GILDAS L. MOLGAT
NOVEMBER 22, 1994 —

THE LEADER OF THE GOVERNMENT

THE HONOURABLE JOYCE FAIRBAIRN, P.C.

THE LEADER OF THE OPPOSITION

THE HONOURABLE JOHN LYNCH-STAUNTON

OFFICERS OF THE SENATE

CLERK OF THE SENATE AND CLERK OF THE PARLIAMENTS

GORDON BARNHART, M.A., P.MGR.
JANUARY 17 TO MARCH 11, 1994

PAUL C. BÉLISLE, ESQ.
MARCH 15, 1994 —

CLERK ASSISTANT OF THE SENATE

RICHARD G. GREENE

LAW CLERK AND PARLIAMENTARY COUNSEL

R.L. DU PLESSIS, Q.C., B.A., LL.L.

GENTLEMAN USHER OF THE BLACK ROD

COL. JEAN DORÉ, C.D.

THE MINISTRY

According to Precedence

(February 10, 1994)

The Right Hon. Jean Chrétien	Prime Minister
The Hon. Herbert Eser Gray	Solicitor General of Canada and Leader of the Government in the House of Commons
The Hon. André Ouellet	Minister of Foreign Affairs
The Hon. Lloyd Axworthy	Minister of Human Resources Development and Minister of Western Economic Diversification
The Hon. David Michael Collenette	Minister of National Defence and Minister of Veterans Affairs
The Hon. Roy MacLaren	Minister of International Trade
The Hon. David Anderson	Minister of National Revenue
The Hon. Ralph E. Goodale	Minister of Agriculture and Agri-Food
The Hon. David Charles Dingwall	Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency
The Hon. Ron Irwin	Minister of Indian Affairs and Northern Development
The Hon. Brian Tobin	Minister of Fisheries and Oceans
The Hon. Joyce Fairbairn	Leader of the Government in the Senate and Minister with special responsibility for Literacy
The Hon. Sheila Copps	Deputy Minister and Minister of the Environment
The Hon. Serge Marchi	Minister of Citizenship and Immigration
The Hon. John Manley	Minister of Industry
The Hon. Diane Marleau	Minister of Health
The Hon. Paul Martin	Minister of Finance and Minister responsible for the Federal Office of Regional Development-Québec
The Hon. Douglas Young	Minister of Transport
The Hon. Michel Dupuy	Minister of Canadian Heritage
The Hon. Arthur C. Eggleton	President of the Treasury Board and Minister responsible for Infrastructure
The Hon. Marcel Massé	President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal
The Hon. Anne McLellan	Minister of Natural Resources
The Hon. Allan Rock	Minister of Justice and Attorney General of Canada
The Hon. Sheila Finestone	Secretary of State (Multiculturalism) (Status of Women)
The Hon. Fernand Robichaud	Secretary of State (Parliamentary Affairs)
The Hon. Ethel Blondin-Andrew	Secretary of State (Training and Youth)
The Hon. Lawrence MacAulay	Secretary of State (Veterans)
The Hon. Christine Stewart	Secretary of State (Latin America and Africa)
The Hon. Raymond Chan	Secretary of State (Asia-Pacific)
The Hon. Jon Gerrard	Secretary of State (Science, Research and Development)
The Hon. Douglas Peters	Secretary of State (International Financial Institutions)

SENATORS OF CANADA

ACCORDING TO SENIORITY

(February 10, 1994)

Senator	Designation	Post Office Address
THE HONOURABLE		
John Michael Macdonald	Cape Breton	North Sydney, N.S.
Orville Howard Phillips	Prince	Alberton, P.E.I.
Daniel Aiken Lang	South York	Toronto, Ont.
Earl Adam Hastings	Palliser-Foothills	Calgary, Alta.
Douglas Keith Davey	York	Toronto, Ont.
Andrew Ernest Thompson	Dovercourt	Kendal, Ont.
Herbert O. Sparrow	Saskatchewan	North Battleford, Sask.
Richard James Stanbury	York Centre	Toronto, Ont.
William John Petten	Bonavista	St. John's, Nfld.
Gildas L. Molgat	Ste-Rose	Winnipeg, Man.
Edward M. Lawson	Vancouver	Vancouver, B.C.
Mark Lorne Bonnell	Murray River	Murray River, P.E.I.
Bernard Alasdair Graham	The Highlands	Sydney, N.S.
Joan Neiman	Peel	Caledon East, Ont.
Raymond J. Perrault, P.C.	North Shore-Burnaby	North Vancouver, B.C.
Maurice Riel, P.C.	Chaouinigane	Montréal, Qué.
Louis-J. Robichaud, P.C.	L'Acadie-Acadia	Saint-Antoine, N.B.
Jack Austin, P.C.	Vancouver South	Vancouver, B.C.
Paul Lucier	Yukon	Whitehorse, Yukon
Pietro Rizzuto	Repentigny	Laval-sur-le-Lac, Qué.
Willie Adams	Northwest Territories	Rankin Inlet, N.W.T.
Horace Andrew Olson, P.C.	Alberta South	Iddesleigh, Alta.
Royce Frith	Glen Tay	Perth, Ont.
Peter Bosa	York-Caboto	Etobicoke, Ont.
Stanley Haidasz, P.C.	Toronto-Parkdale	Toronto, Ont.
Philip Derek Lewis	St. John's	St. John's, Nfld.
Jack Marshall	Humber-St.George's-St.Barbe	Corner Brook, Nfld.
Robert Muir	Cape Breton-The Sydneys	Sydney Mines, N.S.
L. Norbert Thériault	Baie-du-Vin	Baie Ste-Anne, N.B.
Dalia Wood	Montarville	Montréal, Qué.
Reginald James Balfour	Regina	Regina, Sask.
Lowell Murray, P.C.	Grenville-Carleton	Ottawa, Ont.
Guy Charbonneau	Kennebec	Montréal, Qué.
C. William Doody	Harbour Main-Bell Island	St. John's, Nfld.
Heath Macquarrie	Hillsborough	Victoria, P.E.I.
Peter Alan Stollery	Bloor and Yonge	Toronto, Ont.
Peter Michael Pitfield, P.C.	Ottawa-Vanier	Ottawa, Ont.
William McDonough Kelly	Port Severn	Mississauga, Ont.
Jacques Hébert	Wellington	Montréal, Qué.
Leo E. Kolber	Victoria	Westmount, Qué.
Philippe Deane Gigantès	De Lorimier	Montréal, Qué.
John B. Stewart	Antigonish-Guysborough	Bayfield, N.S.
Michael Kirby	South Shore	Halifax, N.S.
Jerahmiel S. Grafstein	Metro Toronto	Toronto, Ont.
Anne C. Cools	Toronto Centre	Toronto, Ont.
Charlie Watt	Inkerman	Kuujjuaq, Qué.
Leonard Stephen Marchand, P.C.	Kamloops-Cariboo	Kamloops, B.C.
Daniel Phillip Hays	Calgary	Calgary, Alta.
Joyce Fairbairn, P.C.	Lethbridge	Lethbridge, Alta.
Colin Kenny	Rideau	Ottawa, Ont.
Pierre De Bané, P.C.	De la Vallière	Montréal, Qué.
Allan Joseph MacEachen, P.C.	Highlands-Canso	Whycocomagh, N.S.

Senator	Designation	Post Office Address
THE HONOURABLE		
Roméo LeBlanc, P.C., Speaker	Beauséjour	Grand-Digue, N.B.
Eymard Georges Corbin	Grand-Sault	Grand-Sault, N.B.
Finlay MacDonald	Halifax	Halifax, N.S.
Brenda Mary Robertson	Riverview	Shediac, N.B.
Richard J. Doyle	North York	Toronto, Ont.
Paul David	Bedford	Outremont, Qué.
Jean-Maurice Simard	Edmundston	Edmundston, N.B.
Michel Cogger	Lauzon	Knowlton, Qué.
Norman K. Atkins	Markham	Toronto, Ont.
Ethel Cochrane	Newfoundland	Port-au-Port, Nfld.
Eileen Rossiter	Prince Edward Island	Charlottetown, P.E.I.
Mira Spivak	Manitoba	Winnipeg, Man.
Gerald R. Ottenheimer	Waterford-Trinity	St. John's, Nfld.
Roch Bolduc	Golfe	Ste-Foy, Qué.
Solange Chaput-Rolland	Mille Isles	Saint-Sauveur-des-Monts, Qué.
Gérald-A. Beaudoin	Rigaud	Hull, Qué.
Pat Carney, P.C.	British Columbia	Vancouver, B.C.
Gerald J. Comeau	Nova Scotia	Church Point, N.S.
Consiglio Di Nino	Ontario	Downsview, Ont.
Donald H. Oliver	Nova Scotia	Dartmouth, N.S.
John Sylvain	Rougemont	Montréal, Qué.
Noël A. Kinsella	New Brunswick	Fredericton, N.B.
John Buchanan, P.C.	Nova Scotia	Halifax, N.S.
Mabel Margaret DeWare	New Brunswick	Moncton, N.B.
John Lynch-Staunton	Grandville	Georgeville, Qué.
James Francis Kelleher, P.C.	Ontario	Sault Ste. Marie, Ont.
J. Trevor Eyton	Ontario	Caledon, Ont.
Mario Beaulieu	De la Durantaye	Montréal, Qué.
Walter Patrick Twinn	Alberta	Slave Lake, Alta.
Wilbert Joseph Keon	Ottawa	Ottawa, Ont.
Michael Arthur Meighen	St. Marys	Toronto, Ont.
Normand Grimard	Québec	Noranda, Qué.
Thérèse Lavoie-Roux	Québec	Montréal, Qué.
J. Michael Forrestall	Maritimes	Dartmouth, N.S.
Janis Johnson	Winnipeg-Interlake	Winnipeg, Man.
Eric Arthur Berntson	Saskatchewan	Saskatoon, Sask.
Raynell Andreychuk	Regina	Regina, Sask.
Jean-Claude Rivest	Stadacona	Québec, Qué.
Ronald D. Ghitter	Alberta	Calgary, Alta.
Terrance R. Stratton	Manitoba	St. Norbert, Man.
Marcel Prud'homme, P.C.	La Salle	Montréal, Qué.
Fernand Roberge	Saurel	Ville St-Laurent, Qué.
Duncan James Jessiman	Manitoba	Winnipeg, Man.
Leonard J. Gustafson	Saskatoon	Saskatoon, Sask.
Erminie Joy Cohen	New Brunswick	Saint John, N.B.
Jean Noël Desmarais	Sudbury	Sudbury, Ont.
David Tkachuk	Regina-Qu'Appelle	Regina, Sask.
W. David Angus	Alma	Montréal, Qué.
Pierre Claude Nolin	De Salaberry	Québec, Qué.
Marjory LeBreton	Ontario	Manotick, Ont.
Gerry St. Germain, P.C.	Langley-Pemberton-Whistler	Maple Ridge, B.C.

SENATORS OF CANADA

ALPHABETICAL LIST

(February 10, 1994)

Senator	Designation	Post Office Address
THE HONOURABLE		
Adams, Willie	Northwest Territories	Rankin Inlet, N.W.T.
Andreychuk, Raynell	Regina	Regina, Sask.
Angus, W. David	Alma	Montréal, Qué.
Atkins, Norman K.	Markham	Toronto, Ont.
Austin, Jack, P.C.	Vancouver South	Vancouver, B.C.
Balfour, Reginald James	Regina	Regina, Sask.
Beaudoin, Gérald-A.	Rigaud	Hull, Qué.
Beaulieu, Mario	De la Durantaye	Montréal, Qué.
Berntson, Eric Arthur	Saskatchewan	Saskatoon, Sask.
Bolduc, Roch	Golfe	Ste-Foy, Qué.
Bonnell, M. Lorne	Murray River	Murray River, P.E.I.
Bosa, Peter	York-Caboto	Etobicoke, Ont.
Buchanan, John, P.C.	Nova Scotia	Halifax, N.S.
Carney, Pat, P.C.	British Columbia	Vancouver, B.C.
Chaput-Rolland, Solange	Mille Isles	Saint-Sauveur-des-Monts, Qué.
Charbonneau, Guy	Kennebec	Montréal, Qué.
Cochrane, Ethel	Newfoundland	Port-au-Port, Nfld.
Cogger, Michel	Lauzon	Knowlton, Qué.
Cohen, Erminie Joy	New Brunswick	Saint John, N.B.
Comeau, Gerald J.	Nova Scotia	Church Point, N.S.
Cools, Anne C.	Toronto Centre	Toronto, Ont.
Corbin, Eymard Georges	Grand-Sault	Grand-Sault, N.B.
Davey, Keith	York	Toronto, Ont.
David, Paul	Bedford	Outremont, Qué.
De Bané, Pierre, P.C.	De la Vallière	Montréal, Qué.
Desmarais, Jean Noël	Sudbury	Sudbury, Ont.
DeWare, Mabel Margaret	New Brunswick	Moncton, N.B.
Di Nino, Consiglio	Ontario	Downsview, Ont.
Doody, C. William	Harbour Main-Bell Island	St. John's, Nfld.
Doyle, Richard J.	North York	Toronto, Ont.
Eyton, J. Trevor	Ontario	Caledon, Ont.
Fairbairn, Joyce, P.C.	Lethbridge	Lethbridge, Alta.
Forrestall, J. Michael	Maritimes	Dartmouth, N.S.
Frith, Royce	Glen Tay	Perth, Ont.
Ghitter, Ronald D.	Alberta	Calgary, Alta.
Gigantès, Philippe Deane	De Lorimier	Montréal, Qué.
Grafstein, Jerahmiel S.	Metro Toronto	Toronto, Ont.
Graham, Bernard Alasdair	The Highlands	Sydney, N.S.
Grimard, Normand	Québec	Noranda, Qué.
Gustafson Leonard J.	Saskatoon	Saskatoon, Sask.
Haidasz, Stanley, P.C.	Toronto-Parkdale	Toronto, Ont.
Hastings, Earl A.	Pallister-Foothills	Calgary, Alta.
Hays, Daniel Phillip	Calgary	Calgary, Alta.
Hébert, Jacques	Wellington	Montréal, Qué.
Jessiman, Duncan James	Manitoba	Winnipeg, Man.
Johnson, Janis	Winnipeg-Interlake	Winnipeg, Man.
Kelleher, James Francis, P.C.	Ontario	Sault Ste. Marie, Ont.
Kelly, William McDonough	Port Severn	Mississauga, Ont.
Kenny, Colin	Rideau	Ottawa, Ont.
Keon, Wilbert Joseph	Ottawa	Ottawa, Ont.
Kinsella, Noël A.	New Brunswick	Fredericton, N.B.

Senator	Designation	Post Office Address
THE HONOURABLE		
Kirby, Michael	South Shore	Halifax, N.S.
Kolber, Leo E.	Victoria	Westmount, Qué.
Lang, Daniel A.	South York	Toronto, Ont.
Lavoie-Roux, Thérèse	Québec	Montréal, Qué.
Lawson, Edward M.	Vancouver	Vancouver, B.C.
LeBlanc, Roméo, P.C., Speaker	Beauséjour	Grand-Digue, N.B.
LeBreton, Marjory	Ontario	Manotick, Ont.
Lewis, Philip Derek	St. John's	St. John's, Nfld.
Lucier, Paul	Yukon	Whitehorse, Yukon
Lynch-Staunton, John	Grandville	Georgeville, Qué.
MacDonald, Finlay	Halifax	Halifax, N.S.
Macdonald, John M.	Cape Breton	North Sydney, N.S.
MacEachen, Allan Joseph, P.C.	Highlands-Canso	Whycocomagh, N.S.
Macquarrie, Heath	Hillsborough	Victoria, P.E.I.
Marchand, Leonard Stephen, P.C.	Kamloops-Cariboo	Kamloops, B.C.
Marshall, Jack	Humber-St.George's-St.Barbe	Corner Brook, Nfld.
Meighen, Michael Arthur	St. Marys	Toronto, Ont.
Molgat, Gildas L.	Ste-Rose	Winnipeg, Man.
Muir, Robert	Cape Breton-The Sydneys	Sydney Mines, N.S.
Murray, Lowell, P.C.	Grenville-Carleton	Ottawa, Ont.
Neiman, Joan	Peel	Caledon East, Ont.
Nolin, Pierre Claude	De Salaberry	Québec, Qué.
Oliver, Donald H.	Nova Scotia	Dartmouth, N.S.
Olson, Horace Andrew, P.C.	Alberta South	Iddesleigh, Alta.
Ottenheimer, Gerald R.	Waterford-Trinity	St. John's, Nfld.
Perrault, Raymond J., P.C.	North Shore-Burnaby	North Vancouver, B.C.
Petten, William J.	Bonavista	St. John's, Nfld.
Phillips, Orville H.	Prince	Alberton, P.E.I.
Pitfield, Peter Michael, P.C.	Ottawa-Vanier	Ottawa, Ont.
Prud'homme, Marcel, P.C.	La Salle	Montréal, Qué.
Riel, Maurice, P.C.	Chaouinigane	Montréal, Qué.
Rivest, Jean-Claude.	Stadacona	Québec, Qué.
Rizzuto, Pietro	Repentigny	Laval-sur-le-Lac, Qué.
Roberge, Fernand	Saurel	Ville St-Laurent, Qué.
Robertson, Brenda Mary	Riverview	Shediac, N.B.
Robichaud, Louis-J., P.C.	L'Acadie-Acadia	Saint-Antoine, N.B.
Rossiter, Eileen	Prince Edward Island	Charlottetown, P.E.I.
St. Germain, Gerry, P.C.	Langley-Pemberton-Whistler	Maple Ridge, B.C.
Simard, Jean-Maurice	Edmundston	Edmundston, N.B.
Sparrow, Herbert O.	Saskatchewan	North Battleford, Sask.
Spivak, Mira	Manitoba	Winnipeg, Man.
Stanbury, Richard J.	York Centre	Toronto, Ont.
Stewart, John B.	Antigonish-Guysborough	Bayfield, N.S.
Stollery, Peter Alan	Bloor and Yonge	Toronto, Ont.
Stratton, Terrance R.	Manitoba	St. Norbert, Man.
Sylvain, John	Rougemont	Montréal, Qué.
Thériault, L. Norbert	Baie-du-Vin	Baie Ste-Anne, N.B.
Thompson, Andrew	Dovercourt	Kendal, Ont.
Tkachuk, David	Regina-Qu'Appelle	Regina, Sask.
Twinn, Walter Patrick	Alberta	Slave Lake, Alta.
Watt, Charlie	Inkerman	Kuujjuaq, Qué.
Wood, Dalia	Montarville	Montréal, Qué.

SENATORS OF CANADA

BY PROVINCE AND TERRITORY

(February 10, 1994)

ONTARIO—24

	Senator	Designation	Post Office Address
	THE HONOURABLE		
1	Daniel Aiken Lang	South York	Toronto
2	Douglas Keith Davey	York	Toronto
3	Andrew Ernest Thompson	Dovercourt	Kendal
4	Richard James Stanbury	York Centre	Toronto
5	Joan Neiman	Peel	Caledon East
6	Royce Frith	Glen Tay	Perth
7	Peter Bosa	York-Caboto	Etobicoke
8	Stanley Haidasz, P.C.	Toronto-Parkdale	Toronto
9	Lowell Murray, P.C.	Grenville-Carleton	Ottawa
10	Peter Alan Stollery	Bloor and Yonge	Toronto
11	Peter Michael Pitfield, P.C.	Ottawa-Vanier	Ottawa
12	William McDonough Kelly	Port Severn	Missassauga
13	Jerahmiel S. Grafstein	Metro Toronto	Toronto
14	Anne C. Cools	Toronto Centre	Toronto
15	Colin Kenny	Rideau	Ottawa
16	Richard J. Doyle	North York	Toronto
17	Norman K. Atkins	Markham	Toronto
18	Consiglio Di Nino	Ontario	Downsview
19	James Francis Kelleher P.C.	Ontario	Sault Ste. Marie
20	John Trevor Eyton	Ontario	Caledon
21	Wilbert Joseph Keon	Ottawa	Ottawa
22	Michael Arthur Meighen	St. Marys	Toronto
23	Jean Noël Desmarais	Sudbury	Sudbury
24	Marjory LeBreton	Ontario	Manotick

QUÉBEC—24

	Senator	Designation	Post Office Address
	THE HONOURABLE		
1	Maurice Riel, P.C.	Chaouinigane	Montréal
2	Pietro Rizzuto	Repentigny	Laval-sur-le-Lac
3	Dalia Wood	Montarville	Montréal
4	Guy Charbonneau	Kennebec	Montréal
5	Jacques Hébert	Wellington	Montréal
6	Leo E. Kolber	Victoria	Westmount
7	Philippe Deane Gigantès	De Lorimier	Montréal
8	Charlie Watt	Inkerman	Kuujjuaq
9	Pierre De Bané, P.C.	De la Vallière	Montréal
10	Paul David	Bedford	Outremont
11	Michel Cogger	Lauzon	Knowlton
12	Roch Bolduc	Golfe	Ste-Foy
13	Solange Chaput-Rolland	Mille Isles	Saint-Sauveur-des-Monts
14	Gérald-A. Beaudoin	Rigaud	Hull
15	John Sylvain	Rougemont	Montréal
16	John Lynch-Staunton	Grandville	Georgeville
17	Mario Beaulieu	De la Durantaye	Montréal
18	Jean-Claude Rivest	Stadacona	Québec
19	Marcel Prud'homme, P.C.	La Salle	Montréal
20	Fernand Roberge	Saurel	Ville St-Laurent
21	W. David Angus	Alma	Montréal
22	Pierre Claude Nolin	De Salaberry	Québec
23			
24			

SENATORS BY PROVINCE—MARITIME DIVISION

NOVA SCOTIA—10

	Senator	Designation	Post Office Address
	THE HONOURABLE		
1	John Michael Macdonald	Cape Breton	North Sydney
2	Bernard Alasdair Graham	The Highlands	Sydney
3	Robert Muir	Cape Breton-The Sydneys	Sydney Mines
4	John B. Stewart	Antigonish-Guysborough	Bayfield
5	Michael Kirby	South Shore	Halifax
6	Allan Joseph MacEachen, P.C.	Highlands-Canso	Whycocomagh
7	Finlay MacDonald	Halifax	Halifax
8	Gerald J. Comeau	Nova Scotia	Church Point
9	Donald H. Oliver	Nova Scotia	Dartmouth
10	John Buchanan, P.C.	Nova Scotia	Halifax

NEW BRUNSWICK—10

	THE HONOURABLE		
1	Louis-J. Robichaud	L'Acadie-Acadia	Saint-Antoine
2	L. Norbert Thériault	Baie-du-Vin	Baie Ste-Anne
3	Roméo LeBlanc, P.C., Speaker	Beauséjour	Grande-Digue
4	Eymard Georges Corbin	Grand-Sault	Grand-Sault
5	Brenda Mary Robertson	Riverview	Shediac
6	Jean-Maurice Simard	Edmundston	Edmundston
7	Noël A. Kinsella	New Brunswick	Fredericton
8	Mabel Margaret DeWare	New Brunswick	Moncton
9	Erminie Joy Cohen	New Brunswick	Saint John
10			

PRINCE EDWARD ISLAND—4

	THE HONOURABLE		
1	Orville Howard Phillips	Prince	Alberton
2	Mark Lorne Bonnell	Murray River	Murray River
3	Heath Macquarrie	Hillsborough	Victoria
4	Eileen Rossiter	Prince Edward Island	Charlottetown

MANITOBA—6

	Senator	Designation	Post Office Address
	THE HONOURABLE		
1	Gildas L. Molgat	Ste-Rose	Winnipeg
2	Mira Spivak	Manitoba	Winnipeg
3	Janis Johnson	Winnipeg-Interlake	Winnipeg
4	Terrance R. Stratton	Manitoba	St. Norbert
5	Duncan James Jessiman	Manitoba	Winnipeg
6			

BRITISH COLUMBIA—6

	THE HONOURABLE		
1	Edward M. Lawson	Vancouver	Vancouver
2	Raymond J. Perrault, P.C.	North Shore-Burnaby	North Vancouver
3	Jack Austin, P.C.	Vancouver South	Vancouver
4	Leonard Stephen Marchand, P.C.	Kamloops-Cariboo	Kamloops
5	Pat Carney, P.C.	British Columbia	Vancouver
6	Gerry St. Germain, P.C.	Langley-Pemberton-Whistler	Maple Ridge

SASKATCHEWAN—6

	THE HONOURABLE		
1	Herbert O. Sparrow	Saskatchewan	North Battleford
2	Reginald James Balfour	Regina	Regina
3	Eric Arthur Berntson	Saskatchewan	Saskatoon
4	Raynell Andreychuk	Regina	Regina
5	Leonard J. Gustafson	Saskatoon	Saskatoon
6	David Tkachuk	Regina-Qu'Appelle	Regina

ALBERTA—6

	THE HONOURABLE		
1	Earl Adam Hastings	Palliser-Foothills	Calgary
2	Horace Andrew Olson, P.C.	Alberta South	Iddesleigh
3	Daniel Phillip Hays	Calgary	Calgary
4	Joyce Fairbairn, P.C.	Lethbridge	Lethbridge
5	Walter Patrick Twinn	Alberta	Slave Lake
6	Ronald D. Ghitter	Alberta	Calgary

SENATORS BY PROVINCE AND TERRITORY

NEWFOUNDLAND—6

	Senator	Designation	Post Office Address
	THE HONOURABLE		
1	William John Petten	Bonavista	St. John's
2	Philip Derek Lewis	St. John's	St. John's
3	Jack Marshall	Humber-St.George's-St.Barbe	Corner Brook
4	C. William Doody	Harbour Main-Bell Island	St. John's
5	Ethel Cochrane	Newfoundland	Port-au-Port
6	Gerald R. Ottenheimer	Waterford-Trinity	St. John's

NORTHWEST TERRITORIES—1

	THE HONOURABLE		
1	Willie Adams	Northwest Territories	Rankin Inlet

YUKON TERRITORY—1

	THE HONOURABLE		
1	Paul Lucier	Yukon	Whitehorse

DIVISIONAL SENATORS

	Senator	Designation	Post Office Address
	THE HONOURABLE		
1	J. Michael Forrestall	Maritimes	Dartmouth, N.S.
2	Normand Grimard	Québec	Noranda, Qué.
3	Thérèse Lavoie-Roux	Québec	Montréal, Qué.

THE SENATE

CHIEFS OF PRINCIPAL BRANCHES

Director of Personnel (Acting)	Douglas Powell
Director of Finance	Siroun Aghajanian
Gary W. O'Brien	Director of Committees
Editor of Debates and Chief of Reporting Services	Flavien Belzile
Director of Journals	Monique Grenier Tomka
Director of Information Services	Gordon Lovelace

REPORTING SERVICES

Editor of Debates and Chief of Reporting Services	Flavien Belzile
Assistant Editors of Debates (English)	Gilbert K. Hubbard Jeanie W. Morrison
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THE SENATE

Monday, January 17, 1994

THIRTY-FIFTH PARLIAMENT OPENING OF FIRST SESSION

Parliament having been summoned by Proclamation to meet this day for the dispatch of business:

The Senate met at 10:30 a.m.

SPEAKER OF THE SENATE

READING OF COMMISSION APPOINTING HONOURABLE ROMÉO LEBLANC

The Honourable Roméo LeBlanc, having taken the Clerk's chair, rose and informed the Senate that a Commission had been issued under the Great Seal of Canada, appointing him Speaker of the Senate.

The said Commission was then read by the Clerk.

The Hon. the Speaker then took the Chair at the foot of the Throne, to which he was conducted by the Honourable Joyce Fairbairn, P.C., and the Honourable John Lynch-Staunton, the Gentleman Usher of the Black Rod preceding.

Prayers.

COMMUNICATION FROM GOVERNMENT HOUSE

The Hon. the Speaker: Honourable senators, I have the honour to inform you that I have received the following communication from Government House which reads as follows:

RIDEAU HALL

January 10, 1994

Sir,

I am commanded to inform you that the Right Honourable Antonio Lamer, Chief Justice of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber to open the First Session of the Thirty-fifth Parliament of Canada on Monday, the 17th day of January, 1994 at 11:00 a.m.

I have the honour to be,
Sir,
Your obedient servant,
Anthony P. Smyth
Deputy Secretary
Policy, Program and Protocol

The Honourable
The Speaker of the Senate
Ottawa

The Senate adjourned during pleasure

At 10:55 a.m. the sitting was resumed, and was then adjourned, pending the arrival of the Deputy of His Excellency the Governor General.

The Right Honourable Antonio Lamer, Deputy of His Excellency the Governor General, having come and being seated,

The Hon. the Speaker commanded the Gentleman Usher of the Black Rod to proceed to the House of Commons and acquaint that House that it is the desire of the Honourable the Deputy of His Excellency the Governor General that they attend him immediately in the Senate Chamber.

Who being come,

The Hon. the Speaker said:

Honourable Members of the Senate:

Members of the House of Commons:

I have it in command to let you know that His Excellency the Governor General does not see fit to declare the causes of his summoning the present Parliament of Canada until a Speaker of the House of Commons shall have been chosen, according to law; but tomorrow, Tuesday, January 18, 1994, at the hour of three o'clock in the afternoon, His Excellency will declare the causes of his calling this Parliament.

The House of Commons withdrew.

The Honourable the Deputy of His Excellency the Governor General was pleased to retire.

The sitting of the Senate was resumed.

COMMUNICATION FROM GOVERNMENT HOUSE

The Hon. the Speaker: Honourable senators, I have the honour to inform the Senate that I have received a communication from Government House which reads as follows:

RIDEAU HALL

January 10, 1994

Sir,

I have the honour to inform you that Their Excellencies, the Governor General and Mrs. Gerda Hnatyshyn, will arrive at the Peace Tower at 14:35 p.m. on Tuesday, the 18th day of January, 1994.

When it has been indicated that all is in readiness, Their Excellencies will proceed to the Chamber of the Senate to formally open the First Session of the Thirty-Fifth Parliament of Canada.

Yours sincerely,
Anthony P. Smyth
for Judith A. Larocque
Secretary to the Governor General

The Honourable
The Speaker of the Senate
Ottawa

AJOURNMENT

Hon. Gildas L. Molgat (Deputy Leader of the Government), with leave of the Senate and notwithstanding rule 59(1)(*h*), moved:

That the Senate do now adjourn until tomorrow, Tuesday, January 18, 1994, at 2:35 p.m.

Motion agreed to.

The Senate adjourned until tomorrow at 2:35 p.m.

THE SENATE

Tuesday, January 18, 1994

The Senate met at 2:35 p.m., the Speaker in the Chair.

Prayers.

The Hon. the Speaker: As there is no business before the Senate, is it your pleasure, honourable senators, that the Senate do now adjourn during pleasure to await the arrival of His Excellency the Governor General of Canada?

The Senate adjourned during pleasure.

At 3:00 p.m., His Excellency the Governor General having come and being seated upon the Throne —

The Hon. the Speaker said:

Gentleman Usher of the Black Rod,

You will proceed to the House of Commons and acquaint that House that it is the pleasure of His Excellency the Governor General of Canada that they attend him immediately in the Senate Chamber.

The House of Commons being come,

Their Speaker, the Honourable Gilbert Parent, said:

May it please Your Excellency,

The House of Commons has elected me their Speaker, though I am but little able to fulfil the important duties thus assigned to me. If, in the performance of those duties, I should at any time fall into error, I pray that the fault may be imputed to me, and not to the Commons, whose servant I am, and who, through me, the better to enable them to discharge their duty to their Queen and Country, humbly claim all their undoubted rights and privileges, especially that they may have freedom of speech in their debates, access to Your Excellency's person at all seasonable times, and that their proceedings may receive from Your Excellency the most favourable construction.

The Hon. the Speaker of the Senate answered:

Mr. Speaker, I am commanded by His Excellency the Governor General to declare to you that he freely confides in the duty and attachment of the House of Commons to Her Majesty's Person and Government, and not doubting that their proceedings will be conducted with wisdom, temper and prudence, he grants, and upon all occasions will recognize and allow, their constitutional privileges. I am commanded also to assure you that the Commons shall have ready access to His Excellency upon all seasonable occasions and that their proceedings, as well as your words and actions, will constantly receive from him the most favourable construction.

SPEECH FROM THE THRONE

His Excellency the Governor General was then pleased to open the First Session of the Thirty-fifth Parliament with the following speech:

[*Translation*]

Ladies and Gentlemen, Honourable Members of the Senate,

[*English*]

Ladies and Gentlemen, Members of the House of Commons.

The two and a half years that have passed since I last had the pleasure of addressing Parliament have brought many changes, to Canada and to the world. Our hopes for global peace have been raised and, in many places, shattered. In some countries today, democracy is under stress, its future uncertain.

Canadians, however, continue their unwavering commitment to democracy. Elections in this country are carried out as peaceful clashes of ideas, not of forces. The very fact that we are gathered in this chamber is, itself, testimony to the durability and wisdom of the process by which we govern ourselves.

Once again we look forward to welcoming Her Majesty. This year she will travel to Nova Scotia and the Northwest Territories, and to British Columbia, where she will open the 1994 Commonwealth Games.

[*Translation*]

On October 25, 1993, Canadians chose a new Parliament and a new government. The Government has made a number of commitments to the people of Canada. They will be implemented.

On opening the first session of this Parliament, and on behalf of the Government, I make the following brief statements of government policy, which will be followed by legislation and other proposals by the Prime Minister and Ministers themselves.

The agenda of the Government is based on an integrated approach to economic, social, environmental and foreign policy.

[*English*]

In order to achieve this agenda, integrity and public trust in the institutions of government are essential.

My Ministers will insist upon integrity, honesty and openness on the part of those who exercise power on behalf of Canadians.

Specifically, an ethics counsellor will be appointed to advise Ministers and government officials and to examine the need for legislative change. Legislation will be placed before you to increase the transparency of the relations between lobbyists and the Government.

The Government is committed to enhancing the credibility of Parliament. Changes will be proposed to the rules of the House of Commons to provide Members of Parliament a greater opportunity to contribute to the development of public policy and legislation.

Measures to reform the pension plan of Members of Parliament, including the elimination of double-dipping, will be placed before you.

The Government attaches the highest priority to job creation and economic growth in the short term and the long term. To stimulate economic activity, an agreement has been reached with provincial and territorial governments for a joint federal-provincial-municipal infrastructure program. This program will proceed immediately.

The Government will reintroduce the Residential Rehabilitation Assistance Program. The Government will also create a Youth Service Corps to begin putting young Canadians back to work.

For longer-term job creation, the Government will focus on small and medium-sized businesses. The Government will work with Canada's financial institutions to improve access to capital for small business. A Canada Investment Fund will be created to help innovative leading-edge technology firms to obtain the long-term capital they need. To improve the diffusion of technology and innovation, a Canadian technology network will be created. To strengthen research and development, the Government will encourage technology partnerships between Canadian universities, research institutions and the private sector. The Government will also implement a Canadian strategy for an information highway.

[*Translation*]

The Government will promote better training for the managers of small businesses, and greater access to strategic information on new technologies and new marketing opportunities. The Government will also work with the provinces to reduce the regulatory and paper burden on small businesses and to streamline the delivery of programs.

Job creation and economic growth also require Canadian firms, especially small and medium-sized businesses, to adopt an aggressive trading mentality to take advantage of export markets. With the successful conclusion of the Uruguay Round and the implementation of NAFTA, the Government will assist Canadian companies to translate improved market access into greater export sales. The Government will pursue an activist trade policy so that Canadians may have improved access to expanding markets, particularly in the Pacific Rim and in Latin America.

The Government will ensure greater cohesion of federal activity in international business development and welcomes the agreement of the provinces at the First Ministers' meeting of December 21, 1993, to explore opportunities for reduced overlap and duplication in this area.

At the same time, the Government will promote greater trade opportunities domestically. The Government is committed to working with all provincial governments to eliminate internal barriers to trade.

[*English*]

Job creation and sustained economic growth require an investment in people. The Government will work in partnership with the provinces and the private sector to help young people to be better prepared for the transition from school to the workplace. The Government will propose measures to improve job training as well as the literacy skills of Canadians. Funding for the National Literacy Program will be restored to its original level.

Canada's social security system must be responsive to the economic and social realities of the 1990s. The Government will announce an action plan for major reform of the social security system to be completed within two years. The Government will work closely and cooperatively with the provinces and will consult Canadians on the modernization and restructuring of our collective social security. New legislation will then be placed before Parliament.

The Government will pursue the fiscal discipline necessary for sustained economic growth. The budget will be tabled in February and will include measures to bring the federal debt and deficit under control in a manner that is compatible with putting Canadians back to work. The Government will work with the provinces to ensure that our shared fiscal challenge is dealt with cooperatively and creatively.

In collaboration with the provinces, and as a result of consultations to be undertaken by the House of Commons Standing Committee on Finance, the Government will replace the Goods and Services Tax.

It will be the policy of the Government to promote sustainable development as an integral component of decision making at all levels of our society. Special emphasis will be placed on pollution prevention and the development of "green" infrastructures and industries and their associated high-technology jobs. The Canadian Environmental Assessment Act will be proclaimed.

The East Coast fishery, which has provided a livelihood to thousands of families in the Atlantic provinces and Quebec, confronts significant challenges due to the groundfish resource collapse. The Government, working with industry and the provinces, will help those involved to become self-supporting. The Government will take the action required to ensure that foreign overfishing of East Coast stocks comes to an end.

[*Translation*]

The Government will vigorously pursue its commitment to strengthen the fabric of Canadian life. The Government will introduce measures to enhance community safety and crime prevention. There will be measures to combat the high level of violence against women and children. Measures will be proposed to combat racism and hate crime. The Court Challenges Program and the Law Reform Commission will be restored. Amendments will be proposed to the Canadian Human Rights Act; and the Canadian Race Relations Foundation Act will be proclaimed.

Canada's universal health care system is founded upon the principles of the Canada Health Act. The Government is deeply committed to these principles and rejects any measure which undermines them.

A National Forum on Health, chaired by the Prime Minister, will be established to foster, in cooperation with the provinces, a national, public dialogue on the renewal of Canada's health system.

A Centre of Excellence for Women's Health will be established to ensure that women's health issues receive the attention they deserve.

Prenatal nutrition programs for low-income pregnant women will be created and expanded.

[*English*]

The Government will forge a new partnership with Aboriginal peoples, particularly in respect of the implementation of the inherent right of self-government. Legislation to further the implementation of northern claims settlements will be put before Parliament.

The Government will allocate additional funds for the support of post-secondary education for First Nations and will develop an Aboriginal head-start program.

Our cultural heritage and our official languages are at the very core of the Canadian identity and are sources of social and economic enrichment. The Government will announce measures to promote Canada's cultural identity.

The Government will ensure that Canada plays an active, internationalist role in the global arena. In light of the radical changes that have occurred in international affairs in the last few years, the Government will ask parliamentary committees to review Canada's foreign and defence policies and priorities.

This year will also mark the 50th anniversary of D-day, and I look forward, on behalf of the people of Canada, to participating in commemorative ceremonies to mark the valiant efforts of our servicemen and servicewomen who participated in the liberation of Europe.

[*Translation*]

The Government will work vigorously to fulfil its responsibilities to ensure that federalism meets the needs of Canadians, recognizing that all Canadians share in the responsibility for making Canada work. It will be the policy of the Government to seek to clarify the federal government's responsibilities in relation to those of other levels of government, to eliminate overlap and duplication, and to find better ways to provide services so that they represent the best value for taxpayers' dollars and respond to the real needs of people.

[*English*]

By working cooperatively to create economic opportunity; by restoring common sense to our public finances; by rebuilding a sense of integrity in government; and by pursuing a positive and innovative agenda for our society, my Ministers are convinced that Canadian unity will be preserved and enhanced. They believe that this Parliament can play a historic role in preparing Canada for the new century to come.

Members of the House of Commons:

You will be asked to appropriate the funds required to carry out the services and expenditures authorized by Parliament.

Honourable Members of the Senate, Members of the House of Commons:

May Divine Providence guide you in your deliberations.

The House of Commons withdrew.

His Excellency the Governor General was pleased to retire.

The sitting of the Senate was resumed.

RAILWAYS BILL

FIRST READING

Hon. Gildas L. Molgat (Deputy Leader of the Government) presented Bill S-1, relating to railways.

Bill read first time.

SPEECH FROM THE THRONE

CONSIDERATION AT NEXT SITTING

The Hon. the Speaker: Honourable senators, I have the honour to inform you that His Excellency has caused to be

placed in my hands a copy of his Speech delivered this day from the Throne to the two Houses of Parliament. It is as follows —

Hon. Senators: Dispense.

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

Hon. Gildas L. Molgat (Deputy Leader of the Government) moved:

> That the Speech of His Excellency the Governor General, delivered this day from the Throne to the two Houses of Parliament, be taken into consideration at the next sitting.

Motion agreed to.

COMMITTEE OF SELECTION

APPOINTMENT—DEBATE ADJOURNED

Hon. Gildas L. Molgat (Deputy Leader of the Government) moved:

> That, pursuant to rule 86(1), the Honourable Senators Corbin, Doyle, Hébert, Kinsella, Lewis, MacDonald (*Halifax*), Neiman, Petten and Phillips be appointed a Committee of Selection to nominate (a) a Senator to preside as Speaker *pro tempore;* and (b) the Senators to serve on the several select committees during the present Session; and to report with all convenient speed the names of the Senators so nominated.

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

On motion of Senator Lynch-Staunton, debate adjourned.

The Senate adjourned until tomorrow at 2 p.m.

THE SENATE

Wednesday, January 19, 1994

The Senate met at 2:00 p.m., the Speaker in the Chair.

Prayers.

THE SENATE

CONDITION OF CHAMBER—FELICITATIONS TO STAFF

The Hon. the Speaker: Honourable senators, I would be remiss if I did not thank all the staff of the Senate for the excellent work they did in accommodating everyone yesterday, and for the excellent job they have done in restoring this chamber to its proper state, ready for its normal usage, which is the condition in which we now find it.

[*Translation*]

ROUTINE PROCEEDINGS

INTERNAL ECONOMY, BUDGETS AND ADMINISTRATION

REPORT OF COMMITTEE PRESENTED

Hon. Thérèse Lavoie-Roux: Honourable senators, I have the honour to present the following report concerning the Senate Estimates for the fiscal year 1994-95.

Wednesday, January 19, 1994

The Standing Committee on Internal Economy, Budgets and Administration has the honour to present the following report:

> Your committee has examined and approved the Senate Estimates for the fiscal year 1994-95 and recommends their adoption.
>
> The total Senate Estimates for 1994-95 will be $42,014,000. This is the third year during which the Senate budget shows a reduction. In the previous two years, the budget was reduced by 2.5% and 1.9% respectively. In 1994-95, the proposed draft budget is reduced by another 1.4% from the previous year although the workload is assessed to be higher than in 1993-94 as it will be the first year after an election.
>
> A summary of the Expenditure Budget 1994-95 accompanies this report.
>
> Respectfully submitted,
>
> THÉRÈSE LAVOIE-ROUX
> *Chairperson*

Your Honour, I do not want to talk about the report, but would my colleagues allow me to say a few words of thanks to the chairman of the Subcommittee on Budgets and Personnel, since he will not be here tomorrow? Would that be possible?

Some Hon. Senators: Agreed.

Senator Lavoie-Roux: I would simply like to express my sincere thanks to all committee members. I will come back to this when we discuss the report at a future sitting.

[*English*]

However, I should speak English for Senator Doyle. He accepted the responsibility of being the chairman of the Subcommittee on Budgets and Personnel for the preparation of the 1994-95 budget.

Senators and staff who have been attending these sessions in the preceding months, and senators who have previously assumed that responsibility, know that the budget process requires a great deal of patience, devotion and hard work. I should like to express my thanks to Senator Doyle for the excellent work that he has done, the result of which is presented to you today.

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, I wish to associate myself with the comments of Senator Lavoie-Roux with regard to the work of Senator Doyle and the subcommittee. If any of you have not served on that subcommittee, I urge you at some time to take advantage of that opportunity.

While the Senate was in recess through the fall period, the subcommittee met on many long days, and it was a hard, arduous task. The previous chairman of that subcommittee, Senator Doody, also knows what I am talking about. Therefore, I wish to thank Senator Doyle and all of the members who worked on that subcommittee. It was indeed tough work, and they have done a very good job.

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

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

SENATORS' STATEMENTS

THE HONOURABLE JOYCE FAIRBAIRN, P.C.

FELICITATIONS ON APPOINTMENT AS FIRST WOMAN LEADER

Leave having been given to revert to Senators' Statements:

Hon. Pat Carney: Honourable senators, I wish to acknowledge the presence in the chamber of the first woman Leader of the Government, or of the Opposition, in the Senate.

Hon. Senators: Hear, hear!

Senator Carney: Honourable senators, I think we should mark this occasion, because it is the first time that the Leader of either the Government or the Opposition has been a woman. This is, therefore, a red-letter day — if I may be excused the pun — in the history of this institution. I hope that it will not be the last occasion on which a woman will hold this position.

I am particularly happy to acknowledge this historic event today because my relationship with Senator Fairbairn goes back about 25 years, to the time when we both first became members of the Press Galley in the 1960s. I am fully aware of the distinguished role that she has played in her many positions in government: as legislative assistant to the former Prime Minister Trudeau, and as a long-time member of the Senate. I hope that she will have the support of all of us in the Senate to enable her to carry out her new and distinguished role.

In my case, she certainly will have not only my support but my affection.

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I cannot tell you how delighted I am to hear those words from my friend of many years — and I do believe, Senator Carney, it might even be more than 25.

Senator Gigantès: Not possible — chronologically impossible.

Senator Fairbairn: I will do my very best to be worthy of the confidence and the kindness that you have expressed today. I am also very conscious of the privilege and the honour that has been conferred on me, as indeed anyone would be in this position. It is the biggest challenge of my life. I will work with every bit of dedication, experience and will at my disposal to do a good and credible job for the Parliament of Canada but, most particularly, for all the Canadians we represent in this chamber.

• (1410)

I look around the chamber today and see how very different it is from the day that I came here in 1984. There are now many more women. I even see an old friend who is sitting in what was my original seat. I refer to Senator LeBreton.

I know that all of us will work together — regardless of whether we are men or women — to make this a place of significance and an institution to be proud of, not just for ourselves but for all Canadians.

Hon. Senators: Hear, hear!

ROUTINE PROCEEDINGS

SPEECH FROM THE THRONE

ADDRESS IN REPLY—TERMINATION OF DEBATE ON EIGHTH SITTING DAY—NOTICE OF MOTION

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, I give notice that tomorrow, Thursday, January 20, I will move:

That the proceedings on the Order of the Day for resuming the debate on the motion for an Address in Reply to His Excellency the Governor General's Speech from the Throne addressed to both Houses of Parliament be concluded on the eighth sitting day on which the order is debated.

INTER-PARLIAMENTARY UNION

NINETIETH INTER-PARLIAMENTARY CONFERENCE, CANBERRA, AUSTRALIA—REPORT TABLED

Hon. Peter Bosa: Honourable senators, I am pleased to table in both official languages the report of the Ninetieth Inter-Parliamentary Union Conference, held in Canberra, Australia between September 13 and 18, 1993.

INTER-PARLIAMENTARY CONFERENCE ON NORTH-SOUTH DIALOGUE FOR GLOBAL PROSPERITY, OTTAWA, CANADA—REPORT TABLED

Hon. Peter Bosa: Honourable senators, I am pleased to table in both official languages the report of the Inter-Parliamentary Union Conference on the North-South Dialogue for Global Prosperity, held in Ottawa from October 18 to 22, 1993.

BANKING, TRADE AND COMMERCE

NOTICE OF MOTION TO AUTHORIZE COMMITTEE TO EXAMINE REGULATIONS PROPOSED TO THE EXPORT DEVELOPMENT ACT

Hon. Michael Kirby: Honourable senators, I give notice that on Thursday next, January 20, 1994, I will move:

That when the Standing Senate Committee on Banking, Trade and Commerce is established, it be authorized to examine the regulations proposed to the Export Development Act (S.C. 1993, c. 26), together with the regulatory impact statement, originally printed in the *Canada Gazette* Part I, November 6, 1993; and

That the committee report to the Senate no later than February 28, 1994.

ABORIGINAL PEOPLES

NOTICE OF MOTION TO AUTHORIZE COMMITTEE TO EXAMINE AND REPORT UPON THE TREATMENT OF ABORIGINAL VETERANS FOLLOWING WORLD WAR I, WORLD WAR II AND THE KOREAN WAR

Hon. Len Marchand: Honourable senators, I give notice that tomorrow, Thursday, January 20, I will move:

That when the Standing Senate Committee on Aboriginal Peoples is established, it be authorized to examine and report upon the treatment of aboriginal veterans following the First and Second World Wars and the Korean War; and

That the committee present its report no later than September 15, 1994.

INTER-PARLIAMENTARY UNION

NINETIETH INTER-PARLIAMENTARY CONFERENCE, CANBERRA, AUSTRALIA—NOTICE OF INQUIRY

Hon. Peter Bosa: Honourable senators, I give notice that on Tuesday, February 8, 1994, I will call the attention of the Senate to the Ninetieth Inter-Parliamentary Union Conference held in Canberra, Australia from September 13 to 18, 1993.

INTER-PARLIAMENTARY CONFERENCE ON NORTH-SOUTH DIALOGUE FOR GLOBAL PROSPERITY, OTTAWA, CANADA—NOTICE OF INQUIRY

Hon. Peter Bosa: Honourable senators, I give notice that on February 8, 1994, I will call the attention of the Senate to the Inter-Parliamentary Union Conference on the North-South Dialogue for Global Prosperity held in Ottawa between October 18 and 22, 1993.

BUSINESS OF THE SENATE

PROPOSED AGENDA

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, before Orders of the Day are called, perhaps senators would be interested in knowing what the likely course of business will be.

We have canvassed as best we can what the situation will be in the other place, and what we might expect here. I cannot give any guarantees, but it looks as though there will not be anything received here in the immediate future. Therefore, when we adjourn tomorrow I will be proposing that we adjourn until February 8. I thought I would make this announcement today in order to oblige some honourable senators who may have plans to make.

Thereafter, I expect that we will be sitting steadily for some period. I am hopeful that we can achieve more predictability in our sittings, as Senator Lynch-Staunton and I tried to do last year, and that would accommodate everyone. In any event, we will be working on that. It will require the cooperation of both sides, but I think we can arrive at some arrangement.

In any event, we will be adjourning tomorrow until February 8.

[*Translation*]

ORDERS OF THE DAY

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE ADJOURNED

The Senate proceeded to consideration of His Excellency the Governor General's Speech at the opening of the session.

Hon. Philippe Deane Gigantès, seconded by the Honourable Senator Cools, moved:

That the following Address be presented to His Excellency the Governor General of Canada:

To His Excellency the Right Honourable Ramon John Hnatyshyn, a Member of the Queen's Privy Council for Canada, Chancellor and Principal Companion of the Order of Canada, Chancellor and Commander of the Order of Military Merit, One of Her Majesty's Counsel learned in the law, Governor General and Commander-in-Chief of Canada.

MAY IT PLEASE YOUR EXCELLENCY

We, Her Majesty's most loyal and dutiful subjects, the Senate of Canada, in Parliament assembled, beg leave to offer our humble thanks to Your Excellency for the gracious Speech which your Excellency has addressed to both Houses of Parliament.

[*English*]

He said: Honourable senators, it is my great privilege to address you in order to move the acceptance of the Speech from the Throne, read in this house yesterday by His Excellency the Governor General of Canada, the Right Honourable Ramon John Hnatyshyn.

• (1420)

This speech reflects what every candidate in the last general election and every senator heard on the hustings, from voters of every party: a desire on the part of Canadians for integrity in government; for honesty and transparency in what the people are told by each elected politician; a will for the voters to be heard and for elected representatives to be more than automatic supporters of their party's line. No member of this house would disagree with the voters on these issues; neither does the government disagree, for, as we have heard, the government intends to do the will of the people.

On the hustings, candidates of all parties further heard that Canadians want their country to be managed frugally and responsibly; but they also want it to be a land of economic opportunity, a land of hope. And there must be hope for all, for those who have found it easy to hope, and for those whom hope has eluded for too long.

[*Translation*]

Canadians made it clear during the election campaign that their country must ensure that no one is deprived of essential

medical services. The government will preserve the main principles underlying our health system: it is universal, free, portable, accessible and it is publicly administered.

Canada would not be the country it was meant to be if it neglected the poorest among us, those on welfare and the unemployed. Canadians do not want Canada to be the kind of country where young people despair of ever making their way in our society. Most of these less fortunate Canadians want one thing above all: a chance to have a job and the dignity that a job confers. In the Speech from the Throne you heard that dealing with unemployment will be one of the government's special priorities.

The government realizes that this is quite a challenge. At first glance, there seems to be a particularly cruel dilemma. All governments in this country are in debt and spend enormous amounts of their income on servicing their debt. However, every spending cut inevitably causes a loss of jobs. Every person who becomes unemployed and every welfare recipient who is able to work represents an annual increase of $16,500 in the deficit, and thus the debt, of the entire country, for a total of $45.375 billion, an annual amount equal to the federal deficit.

Let me explain briefly how the annual cost of unemployment is calculated.

[*English*]

Here is how one arrives at the figure of $45.375 billion, representing the total cost of unemployment. Before losing their jobs, the unemployed and those on welfare who are able and willing to work used to earn on average $23,000, on which they paid a total of $6,303 in federal and provincial income taxes, GST, and provincial sales taxes. That $6,303 was a plus figure, written in black ink in the account books of the federal and provincial governments. When these people lost their jobs, they received in UI or welfare payments an average of $13,110. That figure was written in red ink, a loss for government, in other words. That loss of $13,110 was reduced to $10,187 by the total of $2,923 which the average person on UI or welfare pays to the two levels of government in income taxes, GST and provincial sales taxes. This figure of $10,187 is written in red ink in the account books of the federal and provincial governments.

• (1430)

Looking at the state of government ledgers, a plus of $6,303, when the unemployed were working, becomes a minus of $10,187, when they have lost their jobs. It works just like a thermometer. If you go from plus $6,303 to minus $10,187, you have experienced a fall in revenue for governments of $16,500. As governments are in a deficitary state, a fall in revenue of $16,500 means an increase of the deficit and of the national debt by $16,500.

Now there are 1.5 million unemployed. Of the 2.723 million people on welfare, 46 per cent, or 1.25 million, are able to work and want the dignity of working, according to pertinent surveys. Counting those on UI and welfare who are willing and able to work, we have a total of 2.75 million jobless people hoping for a job. Multiply this by the $16,500 deficit each represents for the government, and you reach the total of $45.375 billion. That is equal to the federal deficit.

[*Translation*]

The figure of $45.375 billion is absolutely correct. It includes unemployment and welfare benefits plus tax revenues foregone by governments, the incomes of the unemployed and welfare recipients being much lower than they would be if they were working. It means, they pay far less income tax and buy fewer consumer goods, which of course has a negative impact on the private sector. I think it is very important to remember that these 2.75 million people who are out of work and who want to work each cost our society $16,500, in return for which they produce nothing. They contribute nothing to the gross domestic product, while when each of those 2.75 million people were working and earning $23,000, they each contributed $23,000 worth of goods or services to the gross domestic product.

[*English*]

Cutting government expenditures means, inevitably, cutting jobs among public servants, but it also means cutting jobs among those businesses that provide goods and services to these public servants before they lose their jobs, as well as cutting jobs among those who provide goods and services to the government itself.

[*Translation*]

I think it bears repeating that fewer jobs inevitably lead to less consumption and fewer sales. Fewer sales inevitably lead to a drop in production and an additional drop in employment.

[*English*]

Less consumption means less production, and that means fewer jobs. Each job lost, as we have seen, adds $16,500 to the combined deficits of the federal and provincial governments.

The other dimension of the problem is that each business which saw its sales fall, because unemployment caused a fall in consumption, tried to defend its profitability by becoming more efficient, by doing more with less, by buying labour-saving equipment. You cannot blame those business people. Any of us would have done the same thing in their place.

Supply-side economic theory claims that eventually — eventually — all this restructuring and down-sizing will produce jobs, because businesses, having cut costs and become more profitable, will be able to invest those profits in new ventures and thus create new jobs; enough new jobs, eventually, to reduce unemployment. Economists who tell me the best thing the government can do is to leave the economy alone because it will eventually produce all the jobs needed have never given me a description of "eventually" shorter than 15 years.

Supply-side economists further claim that government should reduce taxes on business so that there will be more capital to invest; they say that such investment in capital generates jobs, eventually.

Taxes on business were cut and transfers to business were increased beginning in the mid-1970s. The combination of these two measures over the years reduced the contribution of businesses to government budgets from 1.6 per cent of gross domestic product to less than zero — less than zero. In today's dollars, the net contribution of business to government budgets was $11.6 billion in 1975 and was minus $1 billion in 1992. Those figures are in today's dollars.

It is interesting to look at growth of business investment in plant and equipment and compare that with growth of gross domestic product in constant dollars, that is, taking inflation out of the equation. From 1947 to 1975, before the contributions of business to government budgets were reduced as I described them, business investment in plant and equipment grew at an average annual rate of 5.3 per cent, after adjustment for inflation, and the gross domestic product for the same period, 1947 to 1975, grew at an annual average rate of 5 per cent.

From 1975 to 1992, while net business contributions to government budgets fell, as we have seen, business investment continued growing at an average annual rate of 5.3 per cent, a rate that is no faster than before business contributions to government budgets were drastically reduced.

Yet, during the same period from 1975 to 1992, the gross domestic product grew at an average annual rate of only 2.8 per cent after inflation. The extra stimulation of the supply side by reducing net contributions of business to government budgets did not stop the decline in the growth rate of the gross domestic product.

It is important to emphasize this point, because business invested at the same rate, even though its contributions to government budgets had gone down spectacularly, as we saw, from 1.6 per cent of GDP in 1975 to minus 0.2 per cent in 1992. However, the supply-side help to business, which started under the Liberals and was continued by the Tories, did not produce the increase in gross domestic product for which it was designed. It seems legitimate to ask why business did not increase its rate of investment in plant and equipment. Was this because the rate of unemployment was increasing and, therefore, and inevitably, the rate of growth of consumption was slowing down? It would be foolish for a business person to start investing at a faster rate when consumption is not increasing at a faster rate.

• (1440)

When the GDP grows more and more slowly or, at times, decreases, the economy does not produce enough jobs for all those who want to work. There are other factors, such as what amounts to payroll taxes, or taxes on employment.

I did a calculation as to how many hours we should reduce the work week in order to absorb the 1.5 million people on the unemployment rolls. Theoretically — I emphasize the word, "theoretically" — if we reduced the work week from an average of 38 hours to 33.7 hours, with no overtime allowed and with no increase in hourly wages, there would be jobs for all of the 1.5 million unemployed — theoretically. The federal government would see a reduction of its deficit by nearly $23 billion; the provincial governments would see a reduction of their combined deficits by $1.2 billion; the newly employed would consume an additional $8.25 billion. But here is the catch: The extra costs to business for employing 1.5 million more people would wipe out any profit from these extra sales because of payroll taxes, such as contributions to unemployment insurance premiums, to workmen's compensation, et cetera. Therefore, even if we legislated a reduction of the work week —

The Hon. the Speaker: Honourable senators, I apologize for interrupting the honourable senator, but his time has run out. However, with leave, he may be allowed to continue.

Is leave granted?

Hon. Senators: Agreed.

Senator Gigantès: Therefore, even if we legislated a reduction of the work week from 38 hours to 33.7 hours with no increase in hourly wages — which means no increase in total wages paid by business — business would have no incentive to hire more people. Nor would they; why should they?

[*Translation*]

Consequently, one of the important measures proposed by this government is a review of the tax system with several goals in mind. Its purpose will not be to penalize employment; it will be to reduce the paper burden of tax measures like the GST for small business; to improve access to investment and research for small business; to improve training of employees and owners of small businesses; to provide special assistance to help these businesses find new markets abroad, and so forth. We all know that small businesses generate the most jobs. This government intends to help these businesses improve their contribution to the economy of this country.

[*English*]

It is in this context that the government would like to explore ways of converting unemployment insurance into employment insurance; in other words, stop paying people while they do not work, and pay them instead to work, to regain the dignity of work while they contribute not only to their own welfare and to that of their families but also to the growth of the economy. That is the primary emphasis of this government. That is something that will be undertaken with speed but also with great care and flexibility.

The government will be careful. It will constantly and openly monitor its programs, and be quick to abandon those that seem less productive and put more emphasis on other programs that are proving more productive. And, of course, this will be done in non-doctrinal collaboration with the provinces, without petty jurisdictional quarrels that the people do not want.

This government is dedicated to the proposition that the country needs to look at itself anew and determine, in agreement with labour, the private sector, and other levels of government, which level of government can best provide a certain necessary public service at the lowest cost. It should be that level of government that has the fiscal resources to finance the necessary service it provides. It is not a matter of constitutional jurisdiction. It is a matter of common sense.

Yes, like so many other countries, Canada has its troubles. They do not amount to a fatal disease. They can be cured by the dedication of women and men of common sense, whom Aristotle much preferred to philosopher kings.

Clearly, as we saw earlier, predictions of cures did not follow the prescription of what was considered the appropriate remedy. I do not doubt the sincerity of those who prescribed those cures. The cures did not work. There are forces at play that we did not fully understand in years past. The consequences of the free trade agreement with the United States may not be clearly and fully understood for years to come, if only because the U.S. is so much bigger, and its trade policy so much at the mercy of pressure groups. We cannot be sure of any prediction, not even of my past predictions of disaster. The fact is that we share a bed with a very large, if benevolent, elephant. If it rolls over and we are not agile, we become a very flat pancake. We must train to be as agile as possible.

The same can be said of the North American Free Trade Agreement, of the new GATT, and of globalization in which capital that can no longer be confined by national legislation seeks advantages, such as the lowest labour costs. We must not forget that countries where labour costs are low are often also countries that do better than we do in turning out people with better mathematical, scientific and even linguistic skills at the end of high school. Meeting the challenge of these hard-working and intelligent nations is part of our being more agile.

A newspaper article this past weekend said that our Prime Minister aspires to fixing the plumbing rather than building pyramids. I should like to remind honourable senators that the pyramids were tombs. This government simply plans many reasonable, open and measured actions to make the country better and make us all feel better about this wonderful country of ours — many actions in amicable collaboration with other governments and all citizens; all the actions that are needed to serve Canada well.

Honourable senators, you all have an important role to play in nurturing our country which you love, as I do, more than it is possible to say.

[*Translation*]

We all have a role to play in improving the well-being of a country we all love. That is what our fellow citizens want, and we are their servants. Is this a grand design for our society? Of course. A society's well-being is the best grand design there is.

[*English*]

Some Hon. Senators: Hear, hear!

Hon. Anne C. Cools: Honourable senators, I rise to second this motion.

Some Hon. Senators: Hear, hear!

Senator Cools: Before doing so, I would like to add my voice to the many who have congratulated Senator Fairbairn, Senator LeBlanc and the new leadership of the opposition. I wish them well. I congratulate Senator Fairbairn on becoming the Leader of the Government in the Senate; historically the first woman to do so. I also congratulate Senator LeBlanc on becoming Speaker.

• (1450)

With respect to both Senators Fairbairn and LeBlanc, I wish to say that they are certainly, in my view, very worthy human beings. They have served our side and this country well, tirelessly, and willingly in many different roles for a long, long time. I look forward to serving with them for a another long time, particularly on this side of the chamber.

Honourable senators, I wish to proceed now by saying that in this, the Thirty-fifth Parliament of Her Majesty in Canada, we Senate Liberals, supporting the government in the Senate, will have as our primary goal the implementation of the government's program as outlined yesterday by His Excellency the Governor General. Our support will proceed in this chamber in accordance with the historical and constitutional role of the Senate as the upper chamber in this our bicameral system of Parliament.

Our Liberal senators will review, study, and support those matters placed before us with due diligence. Our instruments will be the principles of Liberalism that have served Canada for many years, to the point that Canadian history is largely intertwined with the history of the Liberal Party of Canada.

Canada as a concept and Canada as a country has possessed the minds of many great Liberals. One of those was the Right Honourable William Lyon Mackenzie King. In 1948, Mr. King, speaking at a national Liberal convention, described the conditions of the Liberal Party when he became its leader in 1919. He described the Liberal Party's historic defeat in 1911 after 12 successive years in government. He described the enormous division in the party on the issue of reciprocity during that election. He also described the following electoral defeat in 1917, when again the Liberals met with another historic defeat.

The problems facing Mr. King and facing the Liberal Party at that time seemed insurmountable. Mackenzie King, and I would ask you to note that he was speaking in 1948, had this to say:

> Such was the position of the party when I was chosen its leader on August 7, twenty-nine years ago. It was a party which had been out of office for eight years; a party which had become sharply divided at a time of war; a party which had lost the great chieftain who, for over thirty years, had been its unchallenged leader; a party which was in a minority in both Houses of Parliament. In its ranks there were still enmities and divisions. A third political party — the Progressive Party, with a program largely Liberal in its inspiration — had come into being and was a rival of the Liberal Party for power. The country itself was unsettled. Still all too visible were the cleavages of opinion which, over the conscription issue, had threatened to destroy the Unity of Canada. I myself, as a Laurier Liberal, had been defeated in North York in 1917 and was without a seat in Parliament. When I was chosen leader of the party it was said by my opponents, and by some others, that I would not last long in that position.

Canada now has a new Liberal Prime Minister, the Right Honourable Jean Chrétien, who on his election to the leadership of the Liberal Party in 1990 faced much adversity, as Mr. King did in 1919.

About the Liberal Party leader, Mr. Chrétien, on his election to the leadership in 1990, it was said that he too would not last long in that position. Some of his detractors predicted his quick and early exit from politics, and many of them were quite ready to facilitate his departure.

In 1984, Mr. Chrétien ran unsuccessfully for the leadership of the Liberal Party. At that convention, the musical accompaniment to his grand entry into the stadium was the theme music from a film called *Chariots of Fire*. The words "chariot of fire" are borrowed from a hymn called *Jerusalem*, whose words were authored by William Blake and later put to music by Sir C. Hubert H. Parry. The relevant verse containing the term "chariot of fire" reads as follows:

> Bring me my bow of burning gold!
> Bring me my arrows of desire!
> Bring me my spear! O clouds, unfold!
> Bring me my chariot of fire!
> I will not cease from mental fight,
> Nor shall my sword sleep in my hand,
> Till we have built Jerusalem
> In [this our] green and pleasant land.

These words reflect on and relate the human struggle on earth for the heavenly Jerusalem, termed "the City of God" and that human journey which is tried in fire. I have always pondered why Mr. Chrétien chose that piece of music in 1984; and now, ten years later, in 1994, I fully understand and it all seems perfectly natural.

How fitting his choice was then and now. How fitting it was as the current era, assisted by the government recently in power, discredited politics and politicians. How entirely appropriate when looking at life from the opposition benches these past nine years. How appropriate as we Liberals looked at despair, degradation, bitterness and anger across this land as the government ruled with disregard and even malice for many citizens. That government ruled, headed by a reincarnated sorcerer's apprentice.

Many of us agonized as we witnessed the dismantling of this country and the abandonment of principle. That government ruled and sustained itself by engaging in the darker sides of the human persona. That government ruled by unleashing impulses in the human organism that are largely ungovernable, impulses which, since recorded history, religion has sought to improve and correct, legislation has sought to limit, and education has sought to overcome by instruction. That government ruled by engaging the forces of humans' lower nature that usually governments seek to contain.

That government ruled by engaging the psychodynamics of greed, jealousy, prejudice, division, racism and regionalism, traits that years of Liberal enlightenment, Liberal principle and Liberal humanity had sought to tame. Pandora was surpassed.

Deception was their hallmark. That government demonstrated repeatedly that the human psyche is an "artful dodger" when prejudice paraded as conviction, greed paraded as political philosophy, spitefulness paraded as justice, and human weakness paraded as party discipline.

• (1500)

A sorcerer's apprentice with his unchecked *libido dominandi*, to use St. Augustine's term for the drive to dominate, the lust for power, headed a government for many years. This *libido dominandi* was the engine which drove that of his closest supporters and at strategic times enlisted the *libido dominandi* of the general population. He dabbled in the recesses of people's minds, in areas which escape detection, in the pre-rational areas of which few have consciousness and few can identify, and even fewer understand. Such was the lust for domination working in the "Directing Mind" of this country; and today such is the consequent damage inflicted on the body psyche, the body politic, the body economy, and the body social of this country. Many were compromised. Many were affected. Many were degraded.

I have now observed that one dimension of this *libido dominandi* is now identified in the journalistic lexicon as "rolling the dice". It has been said that the unreflective mind is unreliable, and that the nonintrospective personality is untrustworthy.

Honourable senators, it is not my intention to disparage anyone today, but simply to bear personal witness to the past nine years as I have observed from the opposition benches in this Red Chamber. I am very proud to be associated with the great defences of Canada and liberalism that were undertaken by the Liberal senators in this chamber led by the Honourable Senators MacEachen, Frith, and others.

Prime Minister Chrétien entered politics under the leadership of the Right Honourable Lester B. Pearson in 1963. He was largely influenced by the liberalism and *modus operandi* of Mr. Pearson. Mr. Pearson was renowned at home and abroad in his personal and professional life for his insistence "...upon integrity, honesty, and openness on the part of those who exercise power." In 1962, the politician Pearson wrote as follows:

> Liberalism must strive to foster all those forces in a nation which will make for true development in other than material ways: the willingness to work and serve and sacrifice to achieve ends that are outside of self; appreciation of the beautiful and the good in life; understanding that bread and circuses are not the ultimate objective of existence, either national or personal; recognition that a society is only as strong as its adherence to moral values.

I repeat that a society is only as strong as its adherence to moral values.

Mr. Pearson's remarkable words are those of fundamental human sensibility and decency. This is the political position on which Prime Minister Jean Chrétien and the Liberal government are now standing firmly, and which was articulated in the Throne Speech yesterday. Many Liberals have subscribed to this sense of moral value as a building block of political principle and political

action. Further, this Liberal principle as articulated by Pearson has been enunciated repeatedly by many, including Aristotle and St. Thomas Aquinas. In St. Thomas Aquinas' *Summa Theologia*, he says:

> Planning for the general good belongs to the people as a whole or to someone representing them, since those pursuing the goal must do the planning for it. "The aim of legislation," according to Aristotle, "is the fostering of virtue."

I should like to repeat that, honourable senators.

> The aim of legislation is the fostering of virtue.

Honourable senators, let us put on the record today some thoughts on Liberalism, using the words of some of the masters of Liberalism. In the 1960's, the Honourable J.W. Pickersgill said:

> The first principle of Liberalism is that the state and government exist to serve man and not man to serve the state. The second principle of Liberalism is that the family is the foundation of human society and that it is the duty of all governments to promote the welfare of the family and the sanctity of the home. The third principle of Liberalism is that self-government provides the best assurance that the state will, in fact, promote the welfare of the individual and the family.

The Right Honourable Lester B. Pearson, whose father and grandfather both were Methodist ministers, had the following to say on Liberalism:

> The fundamental principle of Liberalism, the foundation of its faith, is belief in the dignity and worth of the individual. The state is the creation of man, to protect and serve him; and not the reverse.

And:

> The Liberal purpose remains the creation of opportunity for men and women to become self-directing, responsible citizens. This means, as we have seen, the simultaneous pursuit of freedom and welfare...
>
> In Canada, Liberalism has meant the evolution of political democracy; the removal of privilege, discrimination, and class distinction; the building of a society based on equality of rights and opportunities for all its members. It has included the struggle for national freedom, a struggle whose success has helped to bring about a great free community of an importance extending far beyond the borders of the countries concerned: the reconciliation of national independence with the close and friendly association of free states in a Commonwealth of Nations.

The Right Honourable Lester B. Pearson, a Nobel Peace Prize recipient, was internationally acclaimed for his and Canada's contribution during the Suez Crisis. Remember, honourable senators, that it was 1962 when Mr. Pearson wrote much of this. He said:

> The history of the Liberal Party in Canada is also the story of the search —

The Hon. the Speaker: I regret that I must interrupt the honourable senator, but I am informed that her time has expired. Perhaps there would be leave for her to conclude.

Hon. Senators: Agreed.

Senator Cools: Thank you, honourable senators. I appreciate this very much.

Mr. Pearson said:

> The history of the Liberal Party in Canada is also the story of the search for security and welfare for all men and women in a society where activity is increasingly centred in huge corporate organizations and where the individual is increasingly at the mercy of forces which he cannot control and which he often cannot even understand.

He continued:

> Liberalism stands for the middle way: the way of progress. It stands for moderation, tolerance, and the rejection of extreme courses whether they express themselves in demands that the state should do everything for the individual, even if it means weakening and destroying him in the process, or in demands that the state should do nothing except hold the ring so that the fittest survive under the law of the jungle.

Later, he added:

> The Liberal Party is opposed to the shackling limitations of rigid political dogma, or authoritarianism of any kind, which is so often the prelude to oppression and exploitation. It fights against the abuse of power either by the state or by persons or groups within the state. It recognizes the special danger of such abuse in an age of massive concentration of wealth and economic power and of "bigness" of all kinds. Liberalism must protect the right of every man to live his own life, in creative freedom, in the midst of all this "bigness" and the pressures that follow from it.

And finally, in the words of Mr. Pearson:

> ...the Liberal Party favours social and economic planning which will stimulate and encourage private enterprise to operate more effectively for the benefit of all.

• (1510)

Honourable senators, it is very well known historically that principles and moral beliefs fare best and flourish when they enjoy the protection and patronage of the rulers of society. The Right Honourable Jean Chrétien is now the steward of an enormous heritage of Liberal principles and history. He has pledged fealty to Mr. Pearson's concept of government as moral.

Prime Minister Jean Chrétien has declared himself happily and enthusiastically to be the steward and protector of our Liberalism. He has committed himself, his ministers, his senators, and his members in the other place to this program, as outlined in the Throne Speech yesterday, and I shall repeat that sentence already quoted from the Throne Speech: "My Ministers will insist upon integrity, honesty and openness on the part of those who exercise power."

Prime Minister Joseph Jacques Jean Chrétien, a native son of Quebec, a boy, a man, a person from Shawinigan, who, molded by the Liberalism of the Right Honourable Lester B. Pearson, is also deeply attached to the Liberalism of the great chieftain, the Right Honourable Sir Wilfrid Laurier.

I observed, during the election campaign, that Mr. Chrétien repeatedly quoted three famous lines from Sir Wilfrid Laurier's well-known speech of 1877 in Quebec City. Those oft-quoted lines are: "I am a Liberal. I am one of those who think that everywhere, in human things, there are abuses to be reformed, new horizons to be opened up, and new forces to be developed."

Honourable senators, I have frequently noticed that while many people quote those three lines, no one ever seems to know what comes before or what comes after. I thought for the purpose of today's record, in the hope that many diligent young people and students will be reading this record some day, I should put that on the record.

Sir Wilfrid Laurier said:

> Certainly, I am far from blaming my adversaries for their convictions, but for my part, as I have already said, I am a Liberal. I am one of those who think that everywhere, in human things, there are abuses to be reformed, new horizons to be opened up, and new forces to be developed. Moreover, Liberalism seems to me in all respects superior to the other principle. The principle of Liberalism is inherent to the very essence of our nature, to that desire of happiness with which we are all born into the world, which pursues us throughout life and which is never completely gratified on this side of the grave. Our souls are immortal, but our means are limited. We constantly gravitate towards an ideal which we never attain. We dream of good, but we never realize the best. We only reach the goal we have proposed to ourselves, to discover new horizons opening up, which we had not before even suspected...This condition of our nature is precisely what makes the greatness of man, for it condemns him irrevocably to movement, to progress: our means are limited, but our nature is perfectible and we have the infinite for our arena.

Canada is a vast country and known to be difficult to govern. In 1867, when the Fathers of Confederation chose to call Canada a Dominion, and when Sir John A. Macdonald and others chose to adopt the phrase "from sea to sea," they borrowed from one of the only two psalms attributed to Solomon, Psalm 72, verse 8: "He shall have dominion also from sea to sea, and from the river unto the ends of the earth."

Just as the psalmody was the bread of comfort for the early Christian monks in the wilderness of the desert, for us, as Liberals, this body of ideas and beliefs was our bread in the wilderness of the past nine years. During this country's adversity and insecurity of the last nine years we were sustained by the strength of our souls and by the strength of the convictions I have spelled out today. We were also sustained by the strength of the conviction that we would be on this side again, too.

Prime Minister Chrétien was called to serve as leader of the Liberal Party during those years in the wilderness. He has ably demonstrated his fortitude and his devotion in the face of enormous personal tribulation and daunting political adversity. As Prime Minister, he has manifested his conviction in the time-tested, long-enduring concept of the leader as servant. "He serves most who leads." He must serve the most who is the leader. He is one of a long line of international Liberals, including William Wilberforce, William Ewart Gladstone, Herbert Henry Asquith, David Lloyd George, and one of a long line of Canadian Liberals such as George Brown, Edward Blake, Sir Alexander MacKenzie, Sir Wilfrid Laurier, William Lyon Mackenzie King, Louis St. Laurent, Lester B. Pearson, Pierre Elliott Trudeau and John Napier Turner. We Senate Liberals are all joined and connected to them.

Prime Minister Chrétien and his ministry, now in the flush of triumph, with revived courage and renewed confidence, meet Parliament in the name of Her Majesty and the people of Canada; and they have placed the government plan before us. As we support the government plan of action and program of legislation and administration, and as we endeavour to bring this program into action and into law, I do believe that, with Prime Minister Chrétien, as Liberal senators "our swords shall not sleep in our hands."

Honourable senators, this is our pedigree, this is our history. We shall be known by our difference as we endeavour to return dignity to public service, humanity to government, stability and security to the economy, and confidence to the hearts and minds of people. Honourable senators, we place our program before this chamber and ask all honourable senators to support it.

On motion of Senator Lynch-Staunton, debate adjourned.

COMMITTEE OF SELECTION

MOTION FOR APPOINTMENT—DEBATE CONTINUED

On the Order:

> Resuming the debate on the motion of the Honourable Senator Molgat, seconded by the Honourable Senator Hébert:
>
> That, pursuant to rule 86(1), the Honourable Senators Corbin, Doyle, Hébert, Kinsella, Lewis, MacDonald (*Halifax*), Neiman, Petten and Phillips be appointed a Committee of Selection to nominate (a) a senator to preside as Speaker *pro tempore*; and (b) the senators to serve on the several select committees during the present session; and to report with all convenient speed the names of the senators so nominated.

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, it never occurred to me that I would have had to rise yesterday to move the adjournment of the debate on this item, particularly given the circumstances under which we were sitting; but, had the motion gone through, we would have broken at least two precedents here and set a very dangerous one.

On November 13, 1984, when the Senate was faced with a similar situation, that is, a party with a majority in the House of Commons and in the minority here, Senator MacEachen, who was then the Leader of the Opposition, made the following statement:

> Every legislative assembly in our system operates on the majority principle, and the Senate is no exception. The majority will decide; the majority will prevail.

In 1988, we had the same situation. In 1984, the Committee of Selection was made up of five Liberals, three Conservatives and one independent. And in 1988, with again a Conservative majority in the House of Commons and a Liberal majority in the Senate, the Committee of Selection was made up of five Liberals and four Conservatives.

It is only natural that on questions such as these the leadership get together to have discussions to see whether some common ground can be arrived at and then to bring the fruit of their discussions to their respective caucuses for approval, change or modification.

Certainly, in our case, whenever these meetings are held, I make it clear, at least I hope I do, that depending on the item, whatever my personal view, only the caucus can decide; and certainly in this case that is the attitude we took.

• (1520)

The discussions that we had on this item led me to believe that we would follow the precedent that was set in 1984, and which continued in 1988. After hearing yesterday's motion, it was obvious that the Liberal caucus had decided to reject past history and to establish a precedent of its own: That is to say, no matter what the numbers in the Senate are, as long as the Liberal Party forms the government it must control everything.

I am wondering, then, if we are to assume that when Senator MacEachen talked about the majority deciding, he really meant only the Liberal majority which, today, means a Liberal minority. Or has the Liberal caucus, perhaps, decided that because the Progressive Conservative Party has lost its official status in the House of Commons, it can simply be ignored and dismissed as irrelevant in the Senate?

Let us hope that a steamroller tactic is not being initiated here, and that it will not be the main tool of our friends opposite in this new Parliament. If it is, then it is certainly a bizarre interpretation of what the Throne Speech referred to as "enhancing the credibility of Parliament."

In my reply to the Speech from the Throne I will elaborate on our party's understanding of its role in this place. Suffice it to say today that whatever its representation in the House of Commons, ours is the only other national party to which Canadians can turn. Some 2 million voters, or 16 per cent of those who went out to vote, gave it their support last October. That is more than that which was given to the separatists who form the official opposition in the House of Commons.

This party is present in every province of our country. It has a long and proud history. Because our electoral system does not translate popular support into seats on an equivalent basis is no reason to conclude what some are trying to make us believe: that the PC Party no longer exists. Far from it, honourable senators, let me assure you.

Some Hon. Senators: Hear, hear!

Senator Lynch-Staunton: If we are to conclude that this is the purpose of the motion, then are we to conclude also that independent senators become irrelevant because there is only one independent member in the House of Commons?

Honourable senators, this house has its own rules and traditions. Whether or not they are similar to those in the House of Commons is of no consequence. The issue here is simple: Do we respect what Senator MacEachen said about the majority deciding, the majority prevailing, or do we here on this side abdicate our responsibilities and simply hand over the running of this place to a minority group of senators, simply because they are members of the government party?

As far as we are concerned, the answer is obvious. Accordingly, I wish to move an amendment to Senator Molgat's motion.

MOTION IN AMENDMENT

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

> That the motion be not now adopted, but that it be amended by deleting the name of the Honourable Senator Neiman and by adding the name of the Honourable Senator Lavoie-Roux, and by deleting the name of the Honourable Senator Doyle and by adding the name of the Honourable Senator Robertson.

The Hon. the Speaker: Honourable senators, it is moved by the Honourable Senator Molgat, seconded by the Honourable Senator Hébert:

> That, pursuant to rule 86(1), the Honourable Senators Corbin, Doyle, Hébert, Kinsella, Lewis, MacDonald (*Halifax*), Neiman, Petten and Phillips be appointed a Committee of Selection to nominate (a) a senator to preside as Speaker *pro tempore*; and (b) the senators to serve on the several select committees during the present session; and to report with all convenient speed the names of the senators so nominated.

In amendment, it is moved by the Honourable Senator Lynch-Staunton, seconded by the Honourable Senator Berntson:

That the motion be not now adopted, but that it be amended by deleting the name of the Honourable Senator Neiman and by adding the name of the Honourable Senator Lavoie-Roux, and by deleting the name of the Honourable Senator Doyle and by adding the name of the Honourable Senator Robertson.

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

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, one thing on which I agree with Senator Lynch-Staunton right from the start is that I, too, did not believe that my first comments in the Senate in this new session of Parliament would be devoted to the question of the Committee of Selection.

First, I should like to answer three questions posed by the honourable senator in his remarks. He asked whether senators on his side of the house are irrelevant. The answer is: certainly not. He asked whether the independent senators are irrelevant. The answer is: certainly not. He asked whether the majority in this chamber prevails: The majority definitely prevails.

The motion we introduced yesterday, to which Senator Lynch-Staunton has proposed an amendment, is straightforward. It calls for the establishment of a Committee of Selection made up of nine senators — five Liberals and four Conservatives. The amendment just moved would make the composition of the committee five Conservatives and four Liberals.

Although our motion was in itself clear, the reasons for the wording of the particular motion may not be clear to all honourable senators. It is true that, over the last several years since I have been here, the majority party in the Senate has had the majority on the Committee of Selection. This occurred when we began our sessions in 1984, 1986, 1988 and 1989. Honourable senators will remember a slight blip in 1991 as we began the Third Session of the 34th Parliament. The government was given a majority on the Committee of Selection even though at that time it had a plurality rather than a majority in the Senate. That is the recent history on this particular subject.

The motion before us, as originally moved, takes a different approach. It seeks a majority on the Committee of Selection on behalf, not of the majority party in this place but of the party which forms the government of Canada. Yes, we are a minority in this house.

Senator Lynch-Staunton said something at the beginning of his remarks to the effect that these matters are discussed and, in the end, we speak as a reflection of the views held within our caucuses. He does that, as do I. In this sense, it was the view of our caucus that the motion put forward yesterday reflected the nature of a different political situation in which we find ourselves.

In the other place, there has been a major realignment of political parties. That realignment — perhaps one of the most different and dramatic in the history of our country — occurred as a direct result of Canadians voting in an election. Obviously, it is a realignment that is not reflected in this chamber. Perhaps this is one of the areas about which we will have discussions and, perhaps, legitimate arguments.

In the Senate there is no representative of the official opposition in the House of Commons. For that matter, there is no representative of the other recognized opposition party, or of the NDP. However, with respect to the NDP, that is something we are accustomed to in this place.

It was argued by Senator Lynch-Staunton that there was a similar situation in 1984 when the Liberals retained their majority in this chamber following the massive majority government which was won by the Conservative Party at the polls. However, there is a difference.

• (1530)

In 1984, the Liberal Party emerged from the election as the party chosen by the people to be the official opposition — that is, the alternative to the government. Following the 1993 election, the official opposition is a party which has not a single member in this house.

After the 1984 election, those senators who supported the new government then did not seek the majority on the Committee of Selection. That was their decision at the time. The mandates given in 1993 to the two parties represented in this house now are very different from what they were in 1984. It is our view that this cannot be completely ignored. Although we operate independently from the House of Commons, we cannot ignore the electoral realities that shape that house. We do not operate in complete isolation from it. The motion we moved for this Committee of Selection reflects that view.

The supporters of the government are, in effect, making a proposal to the Senate. We believe that it is the government's role and its task to make proposals as to what the Senate might do. There is consultation and negotiation between us on all of these matters — and there must be. Obviously, the Senate as a whole, on this motion as on all other motions, will accept or reject what is proposed. The preference of the majority will indeed prevail.

This move in the last two days has not been intended in any way — and I wish to emphasize that — as a signal of confrontation or of steamrolling. Quite the contrary. It is our hope — and I said this earlier today — that we can work in this Parliament with a high degree of cooperation not only in terms of our legislative responsibilities but also, as we began today, on any initiatives that we may take on important matters of public policy that need the kind of forum the Senate of Canada can provide. We want to make Parliament and this particular institution as effective, as productive, and as responsive as possible.

Honourable senators, we are very aware of the party standings in this chamber. The motion to establish the Committee of Selection is one of the first actions taken by the Senate since the election. This particular motion, honourable senators, was intended as a small reflection of changes that have taken place in the political landscape.

As is the custom in this house, honourable senators will make the decision. It is our view that it would be quite appropriate for that decision to be made today.

MOTION IN AMENDMENT ADOPTED

The Hon. the Speaker: Honourable senators, is it your pleasure to adopt the motion in amendment?

Some Hon. Senators: Yes.

Some Hon. Senators: No.

The Hon. the Speaker: Will those honourable senators in favour of the motion in amendment please say "yea"?

Some Hon. Senators: Yea.

The Hon. the Speaker: Will those honourable senators who are against the motion in amendment please say "nay"?

Some Hon. Senators: Nay.

The Hon. the Speaker: In my opinion, the "yeas" have it.

MOTION, AS AMENDED, ADOPTED

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

Some Hon. Senators: Yea.

Hon. Gildas L. Molgat (Deputy Leader of the Government): On division.

Motion, as amended, adopted, on division.

The Senate adjourned until tomorrow at 2 p.m.

THE SENATE

Thursday, January 20, 1994.

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

Prayers.

THE HONOURABLE DOUGLAS D. EVERETT

RESIGNATION FROM SENATE—ANNOUNCEMENT AND TRIBUTES

Hon. Douglas D. Everett: Honourable senators, I rise to announce my resignation as a senator effective as of today's date. I have nine years left before mandatory retirement, but I have decided that I cannot devote the time that I believe will be necessary to this chamber, and the time has come to make way for someone else.

First of all, let me congratulate you, Your Honour, on your appointment as Speaker, Senator Fairbairn on her appointment as Leader of the Government, and Senator Lynch-Staunton on his appointment as Leader of the Opposition. I hope those appointments herald a spirit of cooperation in the Senate.

While I am not against partisanship — indeed that is the lifeblood of politics and I would prefer to see an elected Senate — I believe that the committee system of this chamber is its heart and soul, both in its legislative capacity and in its investigative capacity. For it to work, that system requires the good will and cooperation of senators to get the job done.

I chaired the Standing Senate Committee on National Finance of this chamber for a number of years. I believe we were a respected voice in economic affairs in this country. We published several reports on effectiveness and efficiency in government departments and programs. Those reports were largely implemented by the departments involved. It is interesting to note that, despite the fact that we were investigating departments whose budgets were in the hundreds of millions of dollars, the committee never exceeded $100,000 per year in its outlays. That was made possible by the total cooperation of the members, regardless of their political beliefs. At one time there were four premiers on the committee. To my knowledge, in all those years there was never a difference over political matters. The committee was there to get the job done, and it was done.

Honourable senators, I have enjoyed many years in the Senate. I believe that an appointment to the Senate of Canada is the greatest honour that can be conferred upon a Canadian. Senators are a dedicated lot and most of them work extremely hard. Interestingly enough, contrary to popular opinion, the hardest workers are often those who have political backgrounds.

I should like to give thanks to the magnificent staff of this chamber who support us so greatly and so kindly. I would also like to give thanks for the many friends that I have made, many of whom have retired and some, regrettably, who have passed on.

To those that I have offended, I am sorry — not sorry for the stands I took, but sorry for my inability to overcome our differences with the civility that is so essential to the working of this chamber.

I congratulate the Liberals on a tremendous victory, and I hope for the revival of the Conservative Party, for, like Mackenzie King, I believe that this country is best represented by parties of broad spectrum, including all political beliefs and the entire geography of the country.

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, we are witnessing today in the Senate a rather rare event: a senator deciding to leave before his time of appointment is through. However, that decision is a mark of the individual that Doug Everett is. He always does what he thinks is right, and in this case it is his belief that it is proper and right for him to be leaving this chamber. I regret his decision as an old friend and colleague.

Senator Douglas Everett was summoned to the Senate on November 8, 1966, at the recommendation of Prime Minister Pearson. There are not too many left in this chamber of that particular era. Senator Everett's appointment was the very first appointment that Mr. Pearson made in Manitoba, and it was a good one. At that time, when it was not usual for young people to be appointed to the Senate, Senator Everett was the youngest person ever to be appointed. He was 39.

In spite of his rather young age, however, Senator Everett came to this chamber with a varied and extensive background. He was educated in various parts of Canada — the University of Manitoba, Osgoode Hall in Toronto, and Royal Roads Military College in Victoria. He served in the military as a naval officer in both the Canadian and British navies and, I might point out again, at a very young age. He first entered, I believe as an officer-cadet, in 1943, and, if you go back to his year of birth, you will find that he was very young indeed.

For a young man, he brought to the Senate a most varied and extensive business background, being the chief operating officer of a major corporation in Winnipeg and having wide business interests. His accomplishments in the Senate, and he alluded to this himself, were particularly in the Standing Senate Committee on National Finance. He led that committee through a number of major studies which had a very important role in changes that were made in the civil service and in the bureaucracy in Canada.

His investigations went in depth into the operations of various departments. At his suggestion, each year the committee would select one department, or a section of a department, and would do an in-depth study of it. However, he added one further aspect to that process which I commend to all committee chairmen and their committees: After the committee had produced its report,

within a few months — six, eight or ten months — Senator Everett's committee, on his recommendation, would invite back the minister and the bureaucrats of the department that had been investigated. They would then be asked, "Well, you have now had time to see what the report said. Do you agree? If so, what have you done about it? And if you don't agree, why don't you agree? Let us know."

That process, which was launched by my colleague Senator Everett, is an area where Senate committees can perform a most useful role.

I know we do not like to read old speeches, but I should like to refer to the maiden speech of Senator Everett, which he gave on December 15, 1966, and which gives his views on what the Senate is all about:

> When I came to the Senate I tried, like all new senators, to find out something about its history and its traditions. I found that the three things that we are here to protect are provincial rights, minority rights, and individual rights.

And as a senator of this chamber, Senator Everett certainly helped the Senate fulfil that role.

In that same maiden speech, he said, of our country:

> ...this country is unique, because it is a cultural mosaic. We say that what really distinguishes this country is that we have strong groups who maintain their individuality but who have a common allegiance to Canada. We seek unity in diversity...

• (1410)

Those words, spoken more than 25 years ago in this chamber, hold just as true today. We should celebrate our diversity and not find in it excuses to question the unity of our country.

Those who may not know Senator Everett as well as I do — and our association goes back to the early 1950s — may think of him as basically dealing with questions of finance and weighty problems of banking and international exchanges. What I think of is his contribution to the civic life in his home city of Winnipeg. He has been an active member of a host of local community bodies in Manitoba, such as the Children's Aid Society, the Royal Winnipeg Ballet, and so on. Rather surprising for an Anglican, he was on the board of two major Roman Catholic institutions: Sacred Heart Convent and St. Paul's College. His contributions, whether in money or time, were always made in his usual quiet, unassuming, and, indeed, very often anonymous way.

Senator Everett has been blessed in his union with his most charming wife Patty, who is now in the gallery. Between them, they have six fine children and now a host of grandchildren coming along. I know that they both want to spend more time with family and grandchildren.

I conclude by wishing my friend and colleague well, by thanking him for all he has done for this institution, for our province of Manitoba, I have to say for the Liberal party as well, and for Canada.

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, I join with the Deputy Leader of the Government in deploring Senator Everett's decision to leave this place today, nearly nine years before the mandatory retirement age.

Senator Everett may very well have explained that he is, and has been, unable to be here as often as he would have liked. However, as far as I am concerned, these explanations are not necessary. Honourable senators will certainly agree that a record of attendance is no measure of effective participation in this place.

Senator Everett's interventions were always listened to with special attention, as they were so often enriching and productive. His argumentations on fiscal and monetary policy were particularly lucid and thoughtful, and they will be greatly missed.

Senator Molgat has made mention of Senator Everett's special contributions as chairman of the Standing Senate Committee on National Finance, and I, too, would like to remind senators of that.

Interestingly enough, Senator Everett was appointed in 1966 as a Liberal. Sometime later, he identified himself as an independent Liberal. Not too long ago, he identified himself as an independent. I was hoping that this natural political metamorphosis would eventually lead him to make application to this caucus, particularly after hearing that, as an Anglican, he does not hesitate to sit on Roman Catholic boards.

Be that as it may, we will miss him tremendously. We understand his reasons for leaving. We wish him and Mrs. Everett and their family well. We know that we can call on him and his experience and his fondness for the Senate when need be. Certainly, that is one consolation as he leaves us today.

Hon. Marcel Prud'homme: I must say that I am totally unprepared. You can see I have no notes. I just learned of the departure of a very highly esteemed friend when I walked into the Senate chamber. However, I think it would be remiss of me not to get up and say a few words.

I have known Senator Everett for many years. I was looking forward to a great exchange of views, since the powers that be have decided to make me sit in this chamber. I have sat both in front of and behind Senator Everett, and I was looking forward to having long talks with him, as I know of his expertise.

Honourable senators may not know that I have a lot in common with Senator Everett. We both came to Parliament Hill under Prime Minister Pearson and were influenced by this great Prime Minister. Every chance I have had in my political life to say the word "Pearson" I have seized the opportunity. I was first elected in 1964 and I saw Senator Everett come to the Senate Chamber on November 8, 1966. I remember that date well — as, I am sure, will Senator Davey — because Mr. Pearson was re-elected in 1965 on November 8.

I must say that I have known Senator Everett. I did my basic military training in Shilo, Manitoba, in the late 1950s. I regret Senator Everett's departure because I think that some of us who sit as independents could play a greater role. We all know that there is a price to pay at times to sit as an independent, and that sometimes independents do not meet with the approval of some other senators.

I had already been in touch with Senator Everett to talk about what we could do together. I will not speak on behalf of the other fine gentlemen who sit as independents, the Honourable Senator Pitfield, Senator Lang and Senator Lawson, but I am sure that, for some of us who sit as independent senators, at the moment Senator Everett's departure is very sad indeed. I only hope that his wife and children will not mind if we take some of his precious time in the future when we call on him to seek his advice.

I say it openly: I am a new senator and I do not have experience in this chamber, so I was counting on this very fine gentleman. My father taught me that that is probably the best thing one can say about someone. When my father said about a lady, "She is a fine lady," he felt that he had said everything. When my father said about a man, "He is a fine gentleman," he felt that he had said everything.

As far as I am concerned, sir, you are a very fine gentleman who has sat in this Senate chamber and your departure will be missed by all senators, and certainly by me.

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I would join with my colleagues on both sides of the house in paying tribute to a fine gentleman. I agree with Senator Prud'homme that those words epitomize the honourable senator's life here in the Senate and also in his home city of Winnipeg. It was with surprise and sadness that I learned that Senator Everett would be making this announcement today. He has resigned, as he has done everything in his political life, as a matter of principle. Many of us would like to have had the opportunity to argue against his conclusion with regard to not being able to devote as much time to the Senate as he would have liked to contribute. Senator Everett's choice was to take his leave with the view that he would be followed by someone who would devote his or her full time to the work of the Senate. This is a testimonial to Senator Everett's own views on the importance of the work of this chamber. He has been one of the members of this chamber who have heightened its importance with their wisdom, experience, loyalty, and faithfulness.

• (1420)

Honourable senators, as I listened to Senator Molgat saying that Senator Everett was the youngest senator in this place when he was appointed in 1966, it took me back in time, because I remember that day; I remember it vividly.

I was a young reporter in the Parliamentary Press Gallery at the time. One of my newspapers was the *Winnipeg Free Press*. The arrival of this gentleman to Parliament Hill was big news. Thirty-nine years old or not, he had definitely made his mark in his community. The word came out from Winnipeg: "Go and interview this man; we want this for the front page." So I chased him down.

Somewhat reluctantly on his part, he agreed to be interviewed. It was one of the most difficult interviews I have ever conducted in my life. He was so careful and so cautious that his answers were single words. I had to go back and interview his friends in order to build the kind of story we wanted about the appointment of this very significant person to Parliament Hill.

I wish Senator Everett all the best in the future. He has many things left to do and a contribution to make. I have a feeling that he will find other avenues of interest and other tasks that will be important to the public life of this country. I wish him well; I wish Patty well; I wish their family well. You will be missed, Senator Everett.

Hon. Senators: Hear, hear!

Hon. H.A. Olson: Honourable senators, I did not expect this announcement today until Senator Everett made it. Consequently, I have no notes. However, I wish to say one or two things about this announcement.

I made Senator Everett's acquaintance long before I came to the Senate in 1977. He will remember that, back in 1968-69, ministers occasionally came to the Senate to give explanations for the legislation they were attempting to pass through the House of Commons and the Senate. I was Minister of Agriculture at that time, and there were a number of matters that were of great importance to Western Canada and the grain industry. As a result, I grew to know Senator Everett and the kind of questions he asked; questions which clearly displayed his interest and integrity.

Honourable senators, it is a sad day when someone with the intellectual capability and the integrity of Senator Everett decides to leave this place with, as he indicated, still nine years left. However, his reasons are his own, and it is not my right to question those reasons.

Honourable senators, over the past 27 or 28 years, I have had many interesting conversations and discussions with Senator Everett in public and in private. We have conversed over breakfast together in the fifth floor cafeteria many times, and I have enjoyed those conversations.

Senator Everett, I know you have thoughtfully considered what your future will hold, and knowing your personality, I am sure that future will be an interesting one. I wish you well.

Hon. Senators: Hear, hear!

Hon. Earl A. Hastings: Honourable senators, as a fellow member of Mr. Pearson's Class of '66, I rise to briefly associate myself with the remarks that have been made with respect to the career of our colleague Senator Everett as he leaves this institution.

• (1430)

I can only add how delighted and honoured I have been to work with the Honourable Senator Everett, and how much I have appreciated his friendship and counsel over the years.

I agreed with him wholeheartedly when he was a Liberal, and disagreed with him wholeheartedly when he was an independent. He was a Liberal much longer than he was an independent in this chamber.

I, of course, join everyone in wishing Senator Everett and his wife Pat good health and happiness in their years of retirement. I can understand, as the years go by, his wish to spend his time with his family and his grandchildren, and I would like to associate myself with other honourable senators in wishing him well in those years.

ROUTINE PROCEEDINGS

CLERK'S ACCOUNTS—ANNUAL REPORT

DOCUMENTS TABLED

The Hon. the Speaker: Honourable senators, I wish to inform you that the Clerk of the Senate has tabled the following documents: Statement of the Clerk's receipts and disbursements for the fiscal year 1992-93, pursuant to rule 134; Annual Report on the Administration of the Senate of Canada for the fiscal year 1992-93.

[*Translation*]

COMMITTEE OF SELECTION

FIRST REPORT PRESENTED AND ADOPTED

Hon. Jacques Hébert, Chairman of the Committee of Selection, presented the following report:

Thursday, January 20, 1994

The Committee of Selection has the honour to present its

FIRST REPORT

Pursuant to rule 86(1)(*a*) of the *Rules of the Senate*, your Committee nominates the Honourable Senator Ottenheimer as Speaker *pro tempore*.

Respectfully submitted,

JACQUES HÉBERT
Chairman

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

Senator Hébert: Honourable senators, with leave of the Senate and notwithstanding rule 59(1)(*g*), I move that this report be now adopted.

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

Hon. Senators: Agreed.

Motion agreed to and report adopted.

[*English*]

SECOND REPORT PRESENTED AND ADOPTED

Hon. Jacques Hébert: Honourable senators, I have the honour to present the second report of the Committee of Selection concerning the designation of senators to serve on the permanent committees of the Senate.

I ask that the report be printed as an appendix to the *Minutes of the Proceedings of the Senate*.

(*For text of document see* Minutes of the Proceedings of the Senate.)

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

Senator Hébert: Honourable senators, with leave of the Senate and notwithstanding rule 59(1)(*g*), I propose that the report be adopted now.

The Hon. the Speaker: Honourable senators, is leave granted?

Hon. Senators: Agreed.

[*Translation*]

The Hon. the Speaker: Honourable senators, with leave of the Senate, it is moved by the Honourable Senator Hébert, seconded by the Honourable Senator Gigantès, that this report be adopted now. Honourable senators, is it your pleasure to adopt the motion?

Hon. Marcel Prud'homme: Honourable senators, I would like to make my position quite clear, as of today.

At the opening of Parliament, there was a motion to appoint a selection committee, with five Liberal senators and four Conservative senators as members of the committee. Despite the presence of some very distinguished guests, I seriously considered rising in my seat and objecting to the motion, but I decided to be reasonable. I felt it would not be appropriate to have a debate in the presence of His Excellency the Governor General, the Right Honourable Prime Minister of Canada and other guests.

The motion was amended yesterday. It now reflects the majority, as Senator MacEachen had insisted in 1984 and 1988. It reflects the situation in the Senate at the present time: a Conservative majority. Yesterday, I again considered taking part in the debate, but to avoid casting a shadow over the proceedings from the start, I decided, at the request of some senatorial friends, against taking part in the debate. You will recall that you called a "yea-nay" vote yesterday. The "yeas" and the "nays" were pretty close, and you decided that the "yeas" had it. There was no division. I did not ask for one. I decided to defer to the wishes of my colleagues and friends.

I see that today a report was tabled, the first one, and I am sure it will be discussed for quite some time. The report was respectfully submitted by the Chairman of the Committee of Selection, Senator Jacques Hébert, who proposed that Senator Ottenheimer be appointed as Speaker *pro tempore*. So far, there have been no objections, and I did not hear any. I do not know what happened, but you live and learn! Therefore, we accepted this appointment.

Therefore, without any consultation — there is such a thing as independent senators! The Leader of the Government in the Senate said so yesterday. Today I was very sorry to hear about the departure of my esteemed colleague Senator Everett. However, the fact remains that independent senators do exist. The fact remains that some independent senators may have some useful expertise.

[*English*]

I was the Chairman of the Foreign Affairs Committee, unable to get anything else. However, I have been told, and such is written, that for close to 10 years in the House of Commons I was a good chairman of the Foreign Affairs and National Defence Committee, and yet I am now unable to participate in the deliberations. Thank goodness this summer I learned the rules and I know how I will participate. But this is not the way I intended to participate, and I submit that very humbly to you, Your Honour.

Yesterday, Senator Fairbairn, someone I can call a lady, like my father would have, said that surely an independent senator counts — even though in the French translation it was just the contrary; but that is not what Senator Fairbairn said. I have to be so careful here, and I have to read both versions. However, when translated into French, that is not what she said, but it is what she did say that counts. Senator Lynch-Staunton, the Honourable Leader of the Opposition, also said that independent senators count.

With respect to the list that I see today, I did not consult with the Honourable Senators Lawson, Pitfield, Lang or Everett, whose sad departure today I regret. No. In fact, I have to beg for information from various people around me, because they say that independent senators are under the jurisdiction of the chairmen, the senators responsible for committees, or the whip of the government. Surely the ones responsible for us should at least talk to us.

I regret to say that I was totally unaware of this committee report. I was not asked if I was interested in participating, or perhaps in offering, humbly, some views; they might not be shared, but at least I should have been able to submit them. I do not intend to stay in a corner and do nothing; I assure honourable senators of that.

I accepted the invitation of the Right Honourable Brian Mulroney — and I mention his name, even if some people think his name should no longer be mentioned. When he asked me if I wanted to come to the Senate, I said "Yes." I have much respect for all of the Prime Ministers, from Mr. Pearson to Ms Campbell, whom I have served loyally and faithfully, including the one I served the longest, the Right Honourable Pierre Elliott Trudeau.

I do not intend to be left out of events in this institution. If honourable senators want to have a harmonious Senate, as I have always begged all of my colleagues to make it, we have a duty, honourable senators, to show respect for our institution.

[*Translation*]

The Senate must show a great deal of civility. In fact the word "civility" exists in the vocabulary and the dictionary! I am one of those who believe in it.

[*English*]

I sat long enough in the House of Commons to know that the British Parliamentary system is the best of all systems, and that the Senate has a role to play while the country is under attack.

I did not answer questions asked by the press last summer which suggested that I was to become the leader of a certain party in the opposition. Some were playing games. I said nothing, and because I said nothing people interpreted my silence in their own way. My father taught me a good lesson, that you do not answer every question you are asked, and in that I imitated the Right Honourable Pierre Elliott Trudeau — which is also a name I am not afraid to mention. He never wasted his energy or his time in answering "pissy" criticisms in every little journalist's report. Excuse me for expressing myself that way, but I get carried away in English, which is not my first language, as honourable senators will realise.

[*Translation*]

Therefore, Your Honour, I respectfully submit to you that after looking at the list of senators, I will have to become someone that I do not want to be: that is, a dissident in the Senate.

[*English*]

Treat a minority well and a minority will act very well: that fact has a long, long history in Canada.

[*Translation*]

Scorn the minorities and they will act as minorities!

[*English*]

I do not intend to remain silent. I have kept my silence since I arrived in the Senate. Many events — sad events — have taken place since I arrived here. Who was I to disturb? Nobody. I am only one of you and, very humbly, one of the last one of you, and I submit to that.

However, I intend to do a lot for my country, and while the country is under attack is not the time for cheap shots between senators. I intend to devote my full time to the Senate for the salary I earn. I said that to the press. Like Senator MacEachen and many others, we do not touch double-dipping. I cannot speak for the other independent senators, or for those still to come. However, surely we have a role to play in this noble institution. We must have a protector. And you, sir —

[*Translation*]

You, my respected friend, you are the Speaker. I think you are the one who should report, and here I call upon the Government Leader in the Senate to report to the Prime Minister of Canada the subject of this debate today.

However, the Right Honourable Prime Minister of Canada, whom I stood up to applaud yesterday in the House of Commons —

[*English*]

I applauded the speech of the Prime Minister of Canada yesterday, as I stood in the gallery, and in that I was imitating, believe it or not, the new leader of the Reform Party.

• (1450)

He acted differently. When we talk about Canada, there should not be any partisanship. This country is too good to play politics with.

[*Translation*]

Your Honour, I am seeking your guidance. I would like one of these two alternatives: we either amend this report — I am not demanding it.

[*English*]

I am afraid I will have no one to second my motion, for the time being.

[*Translation*]

I looked at the list of members of the Standing Senate Committee on Foreign Affairs, and I can tell you that I will be there all the time, which might prove embarrassing for those who stay away.

[*English*]

I repeat in English. I will be present in my favourite committee, the Foreign Affairs Committee, even though I am not a member of that committee. Because I intend to be there, it will be embarrassing for those who may never show up, or who may only show up from time to time.

However, that is not the right way to proceed, sir. I thought I was coming to the Senate to give the rest of my days to the greatest cause of my life — Canada. Is that clear, honourable senators? This country is still the last great hope on earth, on a troubled planet. With all our differences and all our languages, it is still the best land. We cannot play politics with it. We cannot have little shots against each other. Perhaps I was not the subject of that shot. However, I find it strange that I was not informed that my name was not to be submitted to any committee.

[*Translation*]

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, I do not think we should carry on the debate on this issue. I look favourably upon the position of Senator Prud'homme. I simply want to say that all senators definitely have the right to sit on all of the committees. No senator is excluded, and that is just as true for committees meeting *in camera* as it is for committees open to everyone. It applies to all committees. There is no rule to keep him from participating.

However, I do believe that, in the other House as well as in this one, the official parties were the ones to determine the membership. This is not new; it has always been the procedure. I fully understand the honourable senator's position. I think we should discuss that point. Maybe we could reach an agreement whereby independent senators might be included. I do not know. The question has some merit.

[*English*]

Hon. Jack Marshall: Honourable senators, I should like to ask a question of Senator Molgat. Has any consideration been given to the organizational meetings of these committees? I ask because we are to be away from this place for three weeks, or so I understand. There are many important subjects that should be raised and discussed.

Senator Molgat: Honourable senators, I do not think that is a question which should properly fall to me to address. Our group does not have the majority on the committees. He might address his question to those who have such a majority.

Hon. C. William Doody: The Leader of the Opposition does not accept questions.

Senator Marshall: Would my leader respond?

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, the answer to the honourable senator's question is that the clerk of the respective committee is responsible for calling the first meeting of that committee so that a chairman, a deputy chairman and a steering committee can be selected. That will happen when all the committee members are available.

[*Translation*]

Senator Hébert: Honourable senators, if some of you are wondering why the report does not mention the important Committee on Internal Economy, Budgets and Administration, I want to say that both parties have agreed that the new committee would be established after the present committee has completed the budget study. Therefore, that committee will be mentioned in a future report.

[*English*]

Senator Marshall: May I appeal to His Honour, honourable senators? We are to be away from this place for three weeks.

Senator Molgat: Two weeks.

Senator Marshall: I have figured out that it is about 19 days from today until February 8. Nevertheless, we have been off for six or seven months. In the Throne Speech there was talk about the commemoration of D-day, which is an important and historic event. We are now about two years too late in planning for that event, but I will be telling honourable senators what the United States and Britain are doing in that regard.

Surely we should not be passing the buck back and forth; surely we can come to an agreement that organizational meetings should be held. Someone has to take the lead. Perhaps His Honour would care to respond, or am I asking the wrong person?

The Hon. the Speaker: Honourable senators, I have had a few years in parliamentary life. Of all the things I have learned, hurrying things along is usually done by the two sides of a house much more than by the Speaker. I do not think I will venture into that terrain unless and until I am requested to do so in a formal way.

I understand the honourable senator's impatience. He has stated his case. I believe I discerned a certain murmur of understanding from both sides that perhaps we could move to proceed. I hope that this way of operating will give good results.

If there is no further intervention, it is time to deal with the motion.

It has been moved by the Honourable Senator Hébert, seconded by the Honourable Senator Hastings that, with leave of the Senate, the report be adopted now. Is it your pleasure, honourable senators, to adopt the motion?

Senator Prud'homme: On division.

Motion agreed to and report adopted, on division.

CLERK'S ACCOUNTS

REFERRED TO COMMITTEE

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, I move, seconded by the Honourable Senator Hébert, that the Clerk's accounts be referred to the Standing Committee on Internal Economy, Budgets and Administration.

Motion agreed to.

BUSINESS OF THE SENATE

ADJOURNMENT

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, with leave of the Senate and notwithstanding rule 59(1)(*h*), I move:

> That when the Senate adjourns today it do stand adjourned until Tuesday, February 8, 1994, at two o'clock in the afternoon.

The Hon. the Speaker: Honourable senators, is leave granted?

Hon. Senators: Agreed.

Senator Molgat: Honourable senators, yesterday I gave advance notice on this matter. I know of nothing at the moment that is happening in the other place that would cause a change in our plans. As usual, of course, the motion should be passed on the understanding that, if required, we are subject to recall. At the moment, however, I do not see that likelihood.

In answer to Senator Marshall, the committees are now constituted, with the exception of the Internal Economy committee, which is continuing. When the committees so decide, they may proceed. Nothing now impedes their progress. There has been no delay in that regard, and they can meet whenever they wish.

Senator Marshall: That is all well and fine, but who will initiate —

Senator Doody: The chairman of the committee can get after the clerk.

Senator Molgat: The clerk normally initiates the organizational meeting, but obviously the clerk will have to consult with the members of the committee to ensure that they will be able to attend. I presume that, having heard the discussion today, the clerk will proceed to make that canvass of committee members.

Motion agreed to.

• (1500)

COMMONWEALTH PARLIAMENTARY ASSOCIATION

BILATERAL VISIT TO BRITAIN AND NORTHERN IRELAND— REPORT OF CANADIAN DELEGATION TABLED

Hon. C. William Doody: Honourable senators, I have several reports to table from the Commonwealth Parliamentary Association. First, there is the report of the delegation from the Canadian Branch of the CPA on a bilateral visit to Britain and Northern Ireland from June 22 to July 2, 1993.

THIRTY-THIRD REGIONAL CONFERENCE, OTTAWA— REPORT TABLED

Hon. C. William Doody: Honourable senators, I wish to table the report of the Thirty-third Canadian Regional Conference held in Ottawa from August 8 to 13, 1993.

THIRTY-NINTH COMMONWEALTH PARLIAMENTARY CONFERENCE, LIMASSOL, CYPRUS—REPORT TABLED

Hon. C. William Doody: Honourable senators, I wish to table the report of the Thirty-ninth Commonwealth Parliamentary Conference held in Limassol, Cyprus, from September 3 to 11, 1993.

HEALTH

ESTABLISHMENT OF SPECIAL COMMITTEE ON EUTHANASIA— NOTICE OF INQUIRY

Hon. Joan Neiman: Honourable senators, I give notice that on Tuesday, February 8, 1994, I will call the attention of the Senate to the desirability of establishing a special committee of the Senate to inquire and report upon the legal, social and ethical issues relating to euthanasia and assisted death.

Honourable senators, I have been considering this inquiry for some time, as a number of you are aware. I was not aware until a few weeks ago that members of the opposition had discussed this proposal informally in their caucus and were generally prepared to support the idea, provided that such an inquiry or if it goes beyond that to a formal study, would be on a non-partisan basis.

The Leader of the Opposition informed me that Senator Lavoie-Roux was particularly interested in this subject-matter and had also done a great deal of work on it. I look forward to joining with our colleagues on the other side on this matter. I trust that we will have an interesting and useful examination of this difficult subject.

ORDERS OF THE DAY

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

On the Order:

> Resuming the debate on the motion of the Honourable Senator Gigantès, seconded by the Honourable Senator Cools, for an Address to His Excellency the Governor General in reply to his speech at the Opening of the First Session of the Thirty-fifth Parliament. — (*1st day of resuming debate.*)

Hon. John Lynch-Staunton (Leader of the Government): Honourable senators, I know that I speak for all my colleagues in offering to you, Senator LeBlanc, our warmest congratulations on your being chosen Speaker of the Senate.

[*Translation*]

For more than 26 years, our colleague has played a very active role in Canadian parliamentary life, having been first elected to the House of Commons in 1972, then sworn in as a member of the Privy Council two years later, and finally summoned to the Senate at the end of June 1984.

[*English*]

He therefore brings to these new responsibilities a great deal of practical experience which can but benefit us all, as long as all of us, in turn, assure him of our cooperation as he presides over our deliberations.

As far as this side is concerned, the meaning of cooperation can be found in a quote from a speech given by a former Leader of the Opposition, whose comments were made on an occasion similar to this one, and which I hasten to make ours.

It was in November 1984. The Progressive Conservative Party had just been elected with a comfortable majority, while the Liberal Party was in the majority in the Senate. As Leader of the Opposition, Senator MacEachen said of the newly selected presiding officer that, "I certainly want to congratulate him and assure him of my full cooperation in carrying out his responsibilities."

These are the sentiments of the entire Progressive Conservative caucus, sentiments which we certainly do not intend to set aside, no matter how great the temptation.

[*Translation*]

I would be remiss if I did not pay my respects to and congratulate the senator who served as our presiding officer, an office he held for eight years; by far a record of which he himself and this house can justly be proud.

[*English*]

While Senator Charbonneau's tenure as Speaker was marked by unfortunate controversy, he faced it with uncommon equanimity and in the best tradition of a parliamentary presiding officer.

Some Hon. Senators: Hear, hear!

Senator Lynch-Staunton: I want to express to Senator Charbonneau our deepest appreciation, not only for his conduct as Speaker, but also for his representing Canada abroad with much distinction, as befits one whose office ranks fourth in the order of official precedence after the Governor General, the Prime Minister and the Chief Justice of the Supreme Court.

May I also be allowed to make mention of one other colleague? Whenever I discuss my present role I make it quite plain that I am not replacing Senator Murray; rather, I am following him. There is — to me, anyway — more than a semantic nuance in this choice of words, for far be it from me to suggest that I could meet the very high standards that he has always set for himself.

Some Hon. Senators: Hear, hear!

[*Translation*]

Senator Lynch-Staunton: Senator Murray has been with us since 1979. Having worked closely with Davie Fulton, Wallace McCutcheon, Robert Stanfield and Richard Hatfield, he arrived here with a rich political background that quickly led him to play key roles in three governments.

[*English*]

One had to have the privilege, as I have for some two years, of being closely associated with Senator Murray to appreciate the tremendous energy and dedication which he brought to his responsibilities, not only as Leader of the Government in the Senate, but also as a cabinet minister, chairman of important cabinet committees, and advisor to prime ministers and cabinet colleagues on many issues. He did all of this with patience, cool-headedness and even good humour — most of the time, anyway — despite the tremendous pressures brought on by a number of particularly sensitive issues which he was called on to handle. We should all be relieved to know that he intends to remain an active participant in this place, as all of us can benefit from his experience, knowledge and unshakeable optimism.

I commend the mover and seconder for their initiating this debate yesterday. The fact that they made little if no reference to the Speech from the Throne is understandable, for it is, I fear, after careful reading, but a half-hearted, watered-down extension of "The Liberal Plan for Canada," the so-called "Red Book" that the leader of the Liberal Party unveiled with much fanfare during the election campaign and which he and his colleagues continuously refer to as the program to which the Liberal Party is firmly committed. In less than three months, however, it has become evident that Liberal promises of the past are only as valid as the time it takes to convince people that they might be the promises of the future.

• (1510)

A few striking examples will suffice to support this: A Liberal government, we were told during the campaign, will renegotiate the Canada-United States Free Trade Agreement and the North American Free Trade Agreement to obtain a subsidies code, an anti-dumping code, a more effective dispute-resolution mechanism, and the same energy protection as Mexico.

Note the word "renegotiate." It implies so much dissatisfaction with a proposal that approval of it is impossible in its present state. The Red Book even suggested abrogation "if satisfactory changes cannot be negotiated." Brave words indeed, but oh, how empty, for here is the result: On December 2, did the Prime Minister announce successful renegotiation or abrogation? None of these, honourable senators. He announced, without a blush, "significant improvements."

And what are these "significant improvements"? Working groups have been established to deal with subsidies, countervailing duties, dumping and anti-dumping duties, and they are to complete their work by the end of December 1995. This, we are told in all seriousness, will also lead to an improved dispute-settlement mechanism. Improved? When the present dispute-settlement mechanism is so disadvantageous that Canada has come out ahead more often than not since its inception at the insistence of the Progressive Conservative government as an essential part of the free trade agreement? So disadvantageous that, earlier this month, the United States Commerce Department accepted the decision by a subsidy panel that punitive tariffs on softwood exports by Canada should be removed?

We can do better, say the Liberals, so much so that we will talk about the matter for another two years, and then, hopefully, everyone will have forgotten that we had no leg to stand on in the first place.

That, honourable senators, is how the Liberal government renegotiated both the FTA and NAFTA to obtain a subsidies code and an anti-dumping code, with the threat of abrogation if satisfactory changes could not be renegotiated.

The Liberals' tough bargaining stance with the threat of abrogation also led to the same sort of pious, meaningless statements on energy, environment and water, all subjects debated over and over again in the other place and here; all deliberately misinterpreted by the Liberal Party to leave the impression that the Conservative government was selling out. Then suddenly, when partisan consideration is set aside and the national interest is finally given some consideration, the Liberal Party is forced to admit that the flaws, anxieties and deep concerns which were being so skilfully advanced to Canadians had no foundation all along. They were simply gross political rhetoric with no concern over the damage done to our reputation with our two trading partners. Those partners must still be stunned by the misrepresentations of the Liberal Party which itself admits its distortions by concluding in its December 2 statement, "All these measures are to be effected without reopening the implementing legislation at this late date."

Renegotiations, indeed. What a farce! What is especially galling is that the Liberals show absolutely no sense of shame for having misled Canadians in such a fashion. On the matter of energy, the Red Book claims that "the Conservatives allowed Mexico to get protection for its energy resources that Canada does not have", and the Liberals pledged to get "the same energy protection as Mexico."

They were 100 per cent wrong on the first count, and fortunately failed on the second, because the NAFTA already provides Canada with benefits which Mexico does not receive.

As the Fraser Institute put it:

> ...Canada is guaranteed access to the U.S. market for the sale of its energy, a provision which is crucial to energy exporting provinces. Mexico is not provided this right.

Concurrently, Canada assures its U.S. customers that they will be given fair treatment in case of shortages, a normal commercial undertaking. NAFTA said this all along. The Liberals smugly claimed that Canada got the short end of the stick, but then they had to backtrack after October 25 when departmental advisors obviously warned them that any reopening of the NAFTA could very well be to the disadvantage of Canada, not the opposite.

One of the ironies of all this is that the Liberals trumpet, "Free, fair and open trade as essential to the future of our country," a view which few Canadians, who recognize the importance of exports to the prosperity of Canada, will challenge.

Nonetheless, as the Red Book does not want to displease anyone, one reads in it, only a few pages later, that "Canada's agri-food industry needs policies and programs such as supply management..."

[*Translation*]

All concerned Conservative ministers, led by the Prime Minister, did everything they could, used every available forum, in public and in private, to support the negotiators who worked relentlessly to ensure international recognition for this Canadian industry on which depend hundreds of thousands of Canadians, directly and indirectly. And for what? Soon after its swearing-in, the Liberal government sent its own representatives to Geneva, only to announce a few days later that it was a waste of time, that Canada stood alone, that we were running out of time, that the tariffs would be decreasing for a given period of time and that we should be satisfied with that from now on.

[*English*]

It was a Liberal government that introduced supply management. It was a Liberal government that instituted production quotas. It was a Liberal government that set import quotas. And now, it is a Liberal government that has agreed to the dismantling of the supply-management concept which their predecessors created.

We are all familiar with the arguments against supply management, particularly by consumer groups. But that is not the issue before us today. The issue is how will the government of Canada help the farming community to adjust, over the next few years, to our undertakings under GATT? Do not look for guidance in the Throne Speech. There is absolutely no mention whatsoever of Canada's agricultural industry in it; not even a platitudinous passing reference.

But perhaps the current *Maclean's* magazine inadvertently explains the Liberals' embarrassing silence. After the International Trade Minister twice boasted to the Prime Minister that the GATT agreement is a great day for Canada, the article states:

> But Chrétien cuts him off brusquely "Canadian farmers do not think it is a great day" says the Prime Minister, referring to unhappiness over the end of protection for them. "Tell me what I can tell them to make them feel better."

They are still waiting to hear from the Prime Minister and his colleagues.

The more one refers to the Red Book, the more one is depressed by its callous catering to every interest in a search for votes, and the total lack of implementation once the votes have been counted.

> A Liberal government will strengthen Canada's leadership role in international peacekeeping. In part, this will be done through a reorientation of Canadian defence policy and procurement practices to emphasize the key priority of peacekeeping. Consideration will be given to creating a special peacekeeping brigade, comprising Canadian volunteers with both military and non-military expertise, who want to spend time in an organization specifically mandated to meet the increasingly diverse requirements of modern peacekeeping.
>
> A Liberal government will also seek to convert surplus military bases in Canada to peacekeeping training and staging centres, and will encourage Canadian military industries to shift production in order to better support peacekeeping needs. We will give priority to Canadian efforts to improve the UN's policies on peacekeeping.

Is it not extraordinary that the Speech from the Throne makes absolutely no reference to Canada's foreign policy? No mention is made anywhere of our military obligations. No mention is even made of foreign aid. I dare say that this has to be the only Throne Speech in recent memory which ignores totally Canada's intentions outside its borders — unless the pledge to "take the action required to ensure that foreign overfishing of East Coast stocks comes to an end" is meant to reconfirm the Fisheries Minister's not too subtle insinuation that Canada might engage in a form of gunboat diplomacy to remove flag-of-convenience vessels fishing outside the 200-mile limit.

• (1520)

Why were the Red Book's sentiments on peacekeeping not at least alluded to yesterday or the day before in the Throne Speech? The Prime Minister did not even raise the matter at the NATO meetings in Brussels last week. Instead, we were embarrassed once again by a policy of having no policy: Perhaps we will have to remove our troops from the Balkans; perhaps we will reconsider. No air strikes, says the Minister of Foreign Affairs one day; well, air strikes if necessary, but not necessarily air strikes, says the Prime Minister the next.

The issue of deploying Canada's armed forces for the purpose of helping bring stability and humanitarian aid to other parts of the world is surely too important to be treated simply as another campaign promise — again to be neglected once the votes have been counted. It was bad enough for the morale of our troops to hear the then Leader of the Opposition in the House of Commons repeatedly contradict himself on his party's position on Canada's stand in the Gulf War. It is even more deplorable to see a Prime Minister sign a NATO declaration stating certain firm approaches and also to see the same Prime Minister contradict them verbally, days later.

The government says in all seriousness that since it has no firm policy, it will call for a special debate in the House and take it from there. What a sorry example of indifferent leadership. "We don't know where we're going," say the Liberals, "so we want the best of totally divergent views to guide us."

During the campaign, the Liberals were never hesitant to blame Canada's economic problems, whatever they might be, on the Bank of Canada and, in particular, on its governor, John Crow, who was pictured as a cold-hearted Scrooge whose monetary policy priorities were satisfying the international finance community to the detriment of domestic economic growth. "His days are numbered," the Liberals whispered not too softly. "He's going to be replaced by someone more compassionate, more understanding; someone sympathetic to our domestic problems; someone who will put an end to the bank's servility to the international financial users."

The result? Less than three months after the election, as the Liberal's fulminations were still resounding across the country, the Minister of Finance announced the appointment of Gordon Thiessen as governor. Mr. Thiessen has been with the bank for the last 30 years, the last six as senior deputy governor whose responsibilities included monetary policy.

Has the Bank of Canada all along had two monetary policies: one followed by Mr. Crow to wreck the Canadian economy, the other by Mr. Thiessen, more in tune with the Liberals? Not a peculiar supposition, considering the Liberal Party's vendetta against Mr. Crow, but grossly unfair to Mr. Thiessen.

The answer, of course, is not only has the bank one monetary policy, to which the former governor and his successor fully subscribed with the backing of the Conservative government, but both the bank and the Liberal government have formally pledged to adopt it in total.

Here is part of the statement of the Government of Canada and the Bank of Canada on monetary policy objectives released on December 22 last. Yes, December 22, a date when Canadians might reasonably have their minds on matters other than the economy. The statement says:

> In February 1991, the government —

Meaning the Conservative government.

> — and the Bank of Canada jointly announced a series of targets for reducing inflation and reaching price stability in Canada. By the end of 1995, the goal was to reduce inflation at the mid-point of a range of 1 to 3 per cent.

The statement continues:

> It is now time to specify the objective that will steer monetary policy beyond 1995 and provide a medium term guide for Canadians in making their economic decisions... Accordingly, the government —

That is, the Liberal government.

> — and the Bank of Canada have agreed to extend the inflation reduction targets from 1995 to 1998 and to maintain the objective of holding inflation inside the range of 1 to 3 per cent (mid-point 2 per cent) during that time.

The statement ends:

> In addition, the present approach under the targets for dealing with major price shocks stemming from unexpected developments, and with indirect tax changes that result in sharp changes to the Consumer Price Index will continue.

Political parties are renowned for using excessive language in the heat of a campaign and for engaging in exaggeration, but rare is it when a party so relentlessly savages a distinguished public servant with an enviable international reputation, then abandons him at the same time that it reconfirms his policies by naming as his successor his closest associate who will continue those policies without an iota of change. Honourable senators, if this is the new meaning of "integrity," please give us back the old one.

Is it any wonder, honourable senators, after such a sorry experience within less than three months, that one can only treat this so-called Liberal plan with cynicism? That is why the Speech from the Throne cannot be taken with much more than the traditional grain of salt, as it is from the same authors and advisers of the already discredited Red Book.

None should really be surprised, however, as it was all explained most succinctly in 1963 by a writer who was to become leader of the Liberal Party only a few years later. Mr. Trudeau wrote then:

> Therefore the political philosophy of the Liberal party is very simple: "Say anything, think anything, or even better, don't think anything at all, but put us in power because we are the ones who are best able to govern you.

Senator Gigantès: That's true. It still works.

Senator Lynch-Staunton: Despite —

Senator Gigantès: We're the best.

Senator Lynch-Staunton: You're the best because you think nothing and say everything.

Despite this deplorable beginning, the Liberals are nonetheless in the unique position of coming into office inheriting an economic situation which is the envy of many, and certainly —

Senator Molgat: Come on. There is a limit.

Senator Lynch-Staunton: — and certainly is in vividly stark contrast to the sorry mess with which the Conservative government was faced in the fall of 1984.

Senator Molgat: For humour, you get top marks.

Senator Lynch-Staunton: At that time, for every tax dollar collected for program expenditure, the Liberals were spending $1.33. The figures are now just about in balance.

From 1980 to 1985, program spending increased by an average of nearly 14 per cent per year. The last five years saw the rate of increase reduced to less than 5 per cent per year. The bank rate in September, 1984, was over 12 per cent. Last October, it was under 5 per cent. The prime rate then was 13 per cent. Last October, it was down to 5 and 3/4 per cent.

The budgetary deficit as a percentage of gross domestic product in the last year of the Liberals was just under 9 per cent, compared to just under 6 per cent in the last fiscal year, and this despite technical accounting changes introduced for the first time in the 1992-93 accounts.

Inflation averaged 8.3 per cent per year between 1980 and 1984. Eight per cent inflation means that savings lose half their value in only nine years. Inflation is now in the 2-per-cent range.

Sadly, the unemployment rate, which in 1984 averaged 11.2 per cent, remains unchanged for all intents and purposes. It is to be hoped that the new government will pursue active policies of job creation, vocational training and retraining, to carry on the efforts already in place, and improve on them if possible. Certainly, increasing unemployment insurance premiums and reducing capital projects is not exactly a step in the right direction.

The economic situation under which the government is working allows much more latitude in the creation of employment than did the conditions with which the

Conservatives were confronted in 1984. In addition, the last three years have been ones of worldwide recession from which, economists generally agree, North America at last is finally emerging. Despite this, however, 1.4 million more people are working today than at the end of 1984, and two-thirds of those jobs are full-time.

• (1530)

Honourable senators, much is being made of what can be expected from Conservative members who form the majority in this place. Let me assure everyone that we have too much respect for this institution to use it for overtly partisan purposes.

Senator Frith: Like holding votes in the absence of the opposition!

Senator Lynch-Staunton: Let me again quote Senator MacEachen to make my point clear. He said in 1984:

> As far as I am concerned, the constitutional position and political stature of the Senate remain unchanged. No member in this chamber would suggest that the Senate should usurp the leading role of the House of Commons, or systematically obstruct the will of the majority in the elected body of Parliament. Certainly I do not approach my role as Leader of the Opposition from that vantage point.

Every piece of government legislation will be given the scrutiny and assessment it deserves. It will be subjected to rigorous committee hearings when found necessary. It may even, on occasion, be subjected to amendments in order to improve it and be returned to the House of Commons for reconsideration in its new form. In the long run, however, the Senate must not, cannot be the final arbiter. It can, and must, contribute through the knowledge and experience of its members to what it considers better legislation. However, should the House disagree, then so be it, for the Senate must act as it sees fit. The decision of the elected must, and will, be abided by.

Senator Phillips: Does that mean we have to give back our kazoos?

Senator Lynch-Staunton: I want to end these remarks by warmly congratulating Senator Fairbairn on her appointment as Leader of the Government in the Senate. She brings to her new position here and in cabinet a unique practical experience, gained from 14 years' experience as senior legislative advisor to the then Prime Minister, and she has been an active, concerned and dedicated senator since 1984, and a most energetic one also, as anyone can attest who was present for her 16-hour marathon during the GST debate.

The Prime Minister has chosen well, and by giving her special responsibility for literacy has not only recognized Senator Fairbairn's longstanding interest in this matter but has expressed confidence that her abilities and determination will bring some tangible results.

[*Translation*]

I also wish to congratulate Senator Molgat and Senator Hébert on their reappointment to positions similar to those they held before the general election in October. We may have switched roles and seats, but our goals and intentions are the same: to continue to have a Senate where Canadians can find men and women from all over the country, from various political parties and, in some cases, with no official political affiliation, who are proud to have this unique opportunity to serve their fellow Canadians in this historic place, and are committed to contributing to the legislative process in an open and positive way for the benefit of all the Canadian people that they have the honour to serve.

[*English*]

Some Hon. Senators: Hear, hear!

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators —

Some Hon. Senators: Hear, hear!

Senator Fairbairn: Thank you very much, honourable senators. As I said in my impromptu remarks yesterday, welcome back. We have all travelled many miles and seen many changes since we were last in this chamber. I sense, certainly after the vigorous speech that Senator Lynch-Staunton has just given, a real and genuine enthusiasm to get on with the job and to start a new and different parliamentary chapter.

[*Translation*]

First of all, Your Honour, I would like to congratulate you on reaching this distinction which really is a crowning achievement for a remarkable political career.

[*English*]

Senator LeBlanc began the path that brought him here as a teacher; a teacher in high school and then at teachers' college, then as a respected journalist and a foreign correspondent, then as a communications advisor to two prime ministers, which is when I first got to know him. Then he was elected as a member of Parliament for the constituency of Westmorland—Kent back in 1972. In 1974 he entered the federal cabinet, and over the years he had responsibilities for various issues — mainly as the Minister of Fisheries and Oceans, with a great concern for that issue, but also the environment, Public Works, and housing. For almost ten years now he has served as a respected member in this chamber.

Your Honour, you have always distinguished yourself with your integrity, fairness and sense of humour. Most important, you have never forgotten the people of New Brunswick, whom you have served with such dedication for so many years.

Senator Molgat: Honourable senators, there is something wrong with the sound system.

The Hon. the Speaker: Honourable senators, we have lost the sound. It is unfortunate, especially since the honourable senator was dealing with a subject that I was hoping would be heard clearly.

Senator Fairbairn: Would you like me to go back to the beginning? I think all honourable colleagues, Your Honour, are familiar with, and very grateful for, your work in this house and its committees, and most notably on the Standing Senate Committee on Internal Economy, Budgets and Administration. We all wish you well in this new instalment of an impressive career.

To Senator Charbonneau, who is now back on the floor of the Senate, I wish him well in his duties ahead. He has been here since 1979, when he began with a very active interest in the committees of Banking, Internal Economy, and Energy. I hope that he will reinvigorate the interests that he developed at that time. Senator Charbonneau was Speaker of this chamber during some incredibly controversial and divisive events. Political life, I suppose, thrusts these responsibilities on one, and I wish him well in his future years of contribution to the Senate and to the people of the province he represents.

I should also like to congratulate the new Leader of the Opposition, Senator Lynch-Staunton. I think we have already begun a relationship of courtesy, cooperation and, I believe, friendship. Senator Lynch-Staunton has a distinguished background of many years duration in municipal politics in the City of Montreal. He has served in an executive capacity in the corporate sector and has come here not just as a representative of his province and his city. I know that a motivating force for him in this chamber is to work for the benefit and the unity of Canada and the Canadian federation.

I want to thank him for his frankness, his loyalty to those who work with him and also for the final words of his speech. He indicated to us a view that we profoundly appreciate, agree with and will contribute to: the will to develop a cooperative atmosphere in this Senate that will take it, I hope, beyond the confines and the isolation of this chamber, where too often it remains. It will enable us to tell the people of this country that there is in this chamber a will to work for them, to work for this country and to work together in a spirit of consensus and cooperation.

Of course we will have our differences; there is no question about that. However, there is a larger issue, particularly as certain events may be approaching in our nation's history, and this chamber is prepared to work for solutions for Canadians in the atmosphere of cooperation we have pledged.

• (1540)

I should like, as well, to congratulate your team, Senator Lynch-Staunton. Senator Berntson, another westerner, has been selected as Deputy Leader of the Opposition, and Senator Kinsella, with all of his good nature and charm, has taken on the responsibility of Chief Opposition Whip. Having sat beside the former Chief Opposition Whip, I wish you well. It is a tough job. Just know who your friends are.

Honourable senators, before I conclude my comments of appreciation for people on the other side, I wish to say a word about Senator Murray.

Senator Murray presided over this chamber for seven very interesting and turbulent years. He was given responsibilities by his Prime Minister on extremely critical issues of the day, and I know he worked with dedication to carry out those responsibilities. I believe Senator Murray's colleagues were saying that he worked with great patience and sometimes even humour. I appreciate that, because I have known him for a long time. We were both young sprouts on Parliament Hill at the same time. He was working out of Senator McCutcheon's office, and I was running around looking for news stories.

I wish Senator Murray well. I know he will remain engaged and involved, and he will also be doing everything he can, as he always has, to further the interests of the Conservative Party of Canada. That is a laudable course for him to follow. I wish to thank him, as well, for his cooperation and courtesy during the transition period over the last many weeks.

At the beginning of my speech, I mentioned the changes that have taken place. I have, indeed, undergone some of those changes myself, and one need only glance at the long and illustrious list of names of those who have preceded me as Liberal leader in this place to realize that there are some very large shoes to be filled. Some of those shoes are, in fact, still on the feet of their owners, and some of those owners are still here in the Senate with us. Of course I am speaking of Senator Frith, Senator MacEachen, Senator Olson, and Senator Perrault. If I may be given a moment, I would like to express my appreciation to them.

We all know Senator Frith as a great actor and great orator, but we also know him as someone who has been in this chamber since 1977 and has done an extraordinary job, not just on legislation, but in putting his heart and soul absolutely into the work and the activity of this place. He has been a great communicator in the Senate of Canada, as he has been throughout his life.

Again, thinking back to one's youth, the first time I met Senator Frith he was in a combined capacity as a lawyer and also a person very interested in broadcasting, because he was vigorously pushing views before the Board of Broadcast Governors, which was the precursor to the CRTC.

Honourable senators, in the past, Senator Frith has served in many capacities in support of the interests of this country and the cultural aspects that pull it together. He was on the Royal Commission on Bilingualism and Biculturalism, which was an historic moment in the evolution of this important issue in our country's history.

Senator MacEachen — what can I say about Senator MacEachen?

Senator Lynch-Staunton: We would like to know.

Senator Fairbairn: Honourable senators, Senator MacEachen is a part of the living history of this Parliament of Canada, both in the House of Commons — which he entered as a young member in 1953 — and in the Senate. Through more cabinet positions than one can easily remember, he has been at the heart of public policy in this country in a very important, sensitive and inspired way. Everyone in this chamber will know that beneath that toughness and debating shrewdness lies one of the most compassionate political hearts in this country.

Senator Olson is a compatriot from Alberta who again had a distinguished career in the other place. He was one of the finest House Leaders in the House of Commons. He served in this chamber as the Leader of the Opposition and as the Leader of the Government. He served very sensitively in the cabinet of Canada in portfolios such as agriculture — so dear to his heart — and economic development.

Senator Perrault is one of the most beloved politicians in the province of British Columbia. He came here in 1973, just before Senator Frith. He has made his mark in this place, as he did in the other, and as he did in the province of British Columbia in that legislature.

Honourable senators, I mention these colleagues because it underlines the depth of experience and vitality in public affairs that exists on both sides of this house. I say to them personally, they have my utmost respect and affection. I will be counting on their guidance and on their wise counsel.

Honourable senators, on this my first occasion to give this type of speech, I should like to reaffirm to you all my deep and profound respect for Parliament. It is true that I have worked, in one way or another, around this building for 32 years. I take very seriously my responsibility to uphold the traditions which have given this chamber and this group of individuals a very special place in the governance of Canada. In one way or another, politics has brought us all here, and I firmly believe that the political process is an honourable pursuit. It is clearly fundamental to the functioning of the democratic system in Canada.

• (1550)

People choose their governments. I believe our process is the best in the world. Now they have made their choice, and they are always right. Our task is to honour their expectations to the best of our ability.

The first step for a government in doing that is to outline its intentions in a Speech from the Throne, which we heard on Tuesday, accompanied by all of the ceremony that reminds us of the depth and durability of our parliamentary democracy. Honourable senators, I should like to take just one moment to express our appreciation to His Excellency the Governor General for his presentation, and also to Mrs. Hnatyshyn for her presence here. I offer him and his family, I am sure on behalf of us all, our very best wishes for their continued success on behalf of Canadians in every part of the country.

Hon. Senators: Hear, hear!

Senator Fairbairn: We began this debate yesterday with the speeches by our mover and seconder.

[*Translation*]

Honourable senators, I want to thank Senator Gigantès for moving the motion kicking off the debate after the Speech from the Throne.

[*English*]

He reminded us very seriously that the primary responsibility of all legislators to the Canadian people is to make every effort to provide them with an economy which offers everyone the dignity that comes with a job.

Senator Cools, whose poetry and eloquent prose took us back into the history books, made us — certainly those of us on this side of the Senate — feel proud to have been part of the social consciousness which has inspired so much of that legislation in this century.

Between the two of them, they pulled together the major messages of the Throne Speech. They also demonstrated the importance of balancing economic and social planning, a balance which has made ours the kind of progressive society it is today.

We are heading into a critical period in our nation's history, and the decisions we make here are of importance to every individual Canadian. We begin with the understanding that we are working for them and that they are looking to this new Parliament for some answers. We cannot let them down.

As we move towards the twenty-first century we need to remember some of the changes that have brought us this far; changes in our physical surroundings, in our attitudes, and events both inside and outside our borders that have helped determine the way we relate to one another as nations and as individuals. The scope of these changes has been vast. The very face of Canada has changed as people from around the world have come here, seeking to build a life in this country and helping to make Canada one of the most interesting and most tolerant countries in the world.

As we are always being reminded by Senator Marshall, we have suffered as a nation through two world wars and the Korean conflict. We have seen the beginning and the end of a Cold War between East and West. For decades, it seemed as though the world teetered on the brink of nuclear destruction. However, the end of that confrontation did not mean the end to brutal conflict, as events in the former Yugoslavia, Somalia, the Middle East, the Far East, and other trouble spots have shown us so painfully.

Canada has used its strengths and skills as a middle power to carry out a very special role in keeping the peace, not in making war. Thousands of women and men have served, and are serving today, as peacekeepers in many parts of this world. They are doing so under very dangerous conditions. Some, in fact, have lost their lives. Some, in fact, have been sent home with desperate injuries. I am proud of our commitment as a nation to the cause of peacekeeping. It is an issue that is very important in the mind of a government which has been grappling, and will continue to grapple, with the whole question of peacekeeping in a modern conflict.

However you wish to describe the events that took place at the NATO meetings, participants in those NATO discussions were themselves torn as to how to approach this function in the new circumstances that have followed the so-called liberation of Eastern Europe.

In recent years, we have also seen an explosion of economic activity within and among all industrialized nations of the world. Old antagonisms have been set aside. New partnerships have been formed. Old industries have died away and new ones are springing up to take their place. New international organizations have been and are being formed, and agreements signed, which may not seem directly important to the daily lives of individual Canadians but which, nonetheless, have an enormous impact on all of us.

The globalization of ideas and markets has brought, and will continue to bring, massive changes inside Canada. Our resource-based economy has led the way to greater and greater economic diversification. That, in turn, has presented Canada with enormous new opportunities, but also huge risks. It is our job to maximize those opportunities and minimize the risks.

In fact, how we treat the disadvantaged among us is the true measure of ourselves and our society. As the Prime Minister said in his speech yesterday in the House of Commons:

> We are extremely proud of the Liberal legacy in social policy. We believe that people experiencing economic difficulty must have income support available to them through social assistance.

At this point, honourable senators, I do want to mention again my colleague from Cape Breton, Senator MacEachen. He has been at the heart of the development of these social programs, whether it be a labour code, pensions or Medicare. Throughout many decades he has maintained the social conscience of the Liberal Party of Canada through his absolute commitment to the wellbeing of Canadians wherever they may live, whatever their circumstances may be.

In politics, we all learn from our colleagues. We never replace people, we follow people. Because of politicians like him and others in this chamber, I have always believed that governments have a duty to stand up for those in our society who are put at risk through no fault of their own; those people who cannot speak out for themselves: the poor and the sick, the single mother trying to build a life for herself and her children, the elderly struggling to make ends meet on a shrinking pension, the disabled man or woman in need of special assistance and equal opportunity, children living in poverty — more than a million in Canada today — the aboriginal teenager who sees no hope and no prospects for the future, the high school dropout who is in need of skills in order to have any hope of getting a job, the older worker displaced by economic change, and many other voices that must be heard and listened to.

Honourable senators, in this Throne Speech, and indeed in the program that we put forward in our campaign platform, we are listening to these voices and we intend to respond.

One of the key priorities of this government, which was mentioned in the Throne Speech, will be to take on one of the most difficult societal attitudes facing us today. We will make a concerted effort to break the pattern of violence in our society, especially violence against women and children. We will bring in measures to improve community safety and crime prevention. We all want to walk on safe streets, we all want to live in security within our own homes, and we all want ourselves and all other Canadians to be free from racism and from crimes of hate.

It is a question of changing deeply rooted attitudes. However, there is also a connection between increased violence in our society and economic hardship, and that is one of the reasons we are putting a great deal of effort into direct job creation and into building the kind of economy that will give all Canadians a chance to participate.

• (1600)

Not the least of those who need help in participating are people with children, which is why we are committed to bringing in a child care program just as soon as our economic progress quickens enough to permit the initiative announced in our Red Book.

All Canadians have been experiencing very difficult economic times, but the toll has been particularly harsh on those at the lowest end of the income scale. The recession has not only eroded balance sheets and thrown people out of work, it has also seen many Canadians giving up on their government's ability to provide the framework for economic recovery and growth. In recent years — and we hear it every day — our whole system of government and Parliament has been viewed with increased cynicism.

I believe that since the election we have already seen, perhaps, a more positive mood across the country. That mood is tenuous and cautiously hopeful. I think that is a good sign because it is in all of our interests as members of Parliament in both houses that Canadians renew their trust in their institutions. That is why one of the first items in the Throne Speech is the statement that this government intends to keep the commitments made before and during the election campaign. As honourable senators know, these commitments were laid out in detail in our platform entitled "Creating Opportunities," and I listened with interest to Senator Lynch-Staunton. He was taking a bit of a dim view of how the commitments in the Red Book were either acted upon or not contained at all in what —

Senator Frith: A bit of a dim view? I would like to see what a really dim view was.

Senator Doody: He was looking at it from a very neutral position.

Senator Fairbairn: — was a very short and pointed Throne Speech. I was tempted to respond, point by point, to Senator Lynch-Staunton.

Some Hon. Senators: No, no.

Senator Molgat: To the humorous sections in his speech?

Senator Fairbairn: No. I have to tell you, Senator Molgat — you saw me taking my notes — I was getting all fired up and then Senator Lynch-Staunton lost me. You absolutely lost me, Senator Lynch-Staunton, when you said that we were inheriting an economic situation that was the envy of many.

Senator Molgat: First prize for humour.

Senator Lynch-Staunton: It is true. The OECD has told us that we will get the best growth rates over the next two years.

Senator Fairbairn: I do not want to get into the absolute nuts and bolts of why we are the envy of the world. I can only say that when we were facing the year ahead with the prospect, we thought, of a $32.6 billion deficit, which is horrendous in itself, and we have now seen that it may well end up being $46 billion, I really do not believe we can describe the situation as being one to be envied. I would rather, if I may —

Senator Lynch-Staunton: Tell that to the OECD.

Senator Fairbairn: It is not the OECD that worries me as much as the Canadian people.

Senator Hastings: The Canadian people judged you.

Senator Lynch-Staunton: The campaign is over.

Senator Fairbairn: That is one of the reasons why a central point of our Throne Speech, and of our whole presentation during the election campaign, was opportunities for jobs for Canadians.

An unemployment statistic of 11.2 per cent covers the harsh reality that over 1.5 million Canadians are on the sidelines, unable to participate in the economy, unable to participate or contribute to the daily lives of their families, and unable to contribute to the national life of this country. Many more have stopped even looking for work. We need them back.

In 1977, when Senator Frith moved the motion for the Address in Reply to the Speech from the Throne, he told us that unemployment should be spoken of "...in terms of human hardship, not in terms of global statistics." Statistics give us a measure of the problem we face, but they do not describe the physical and the personal hardships now confronting millions of Canadians and their families. That is what we, as parliamentarians, will be addressing in the months ahead.

Our government believes in an approach that is financially responsible and balanced. It takes account of the enormous debt and deficit with which we are faced, as well as the need to stimulate the economy to create growth and create jobs. Certainly, the private sector, particularly the small business sector, will continue to be the engine of job recovery in this country. Small- and medium-sized businesses now create upwards of 85 per cent of all the new jobs in Canada.

We have already started to put in place some measures, such as better access to investment risk capital, reductions in the government's regulatory paper burden faced by small firms, and other measures, including persuasion with the banks, to make it easier for our small businesses in this country to get the financing they need to set up their operations, and indeed prosper.

The specifics of those programs will be laid out in more detail in the upcoming federal budget. But one of the major commitments we have made, honourable senators, is to do away with the goods and services tax.

Senator Lynch-Staunton: And then?

Senator Fairbairn: As my colleague the Minister of Finance has indicated —

Senator Lynch-Staunton: What happens after? You intend to replace it with what?

Senator Fairbairn: — we are committed to replacing the GST as soon as possible with a fairer and simpler system.

Senator Lynch-Staunton: A fair tax. That's a lovely one!

Senator Fairbairn: In the interim, we will take steps to reduce the administrative burden to make it easier for Canadians to comply.

Senator Lynch-Staunton: Bring back the manufacturers' tax.

Senator Fairbairn: Senator MacEachen has always been very supportive of the manufacturers' tax. It brought in the money, there is no question about it. The GST has been a real disappointment in that regard.

Senator Lynch-Staunton: The taking off of the manufacturers' tax has helped our exports.

Senator Fairbairn: One of the things the government intends to do, Senator Lynch-Staunton, is to place this issue before the House of Commons Committee on Finance, which has been asked to develop options to deal with the GST.

Senator Lynch-Staunton: Delay, delay, delay.

Senator Fairbairn: No, not delay. It will enable the Canadian people to have a role in changing this tax.

• (1610)

Senator Lynch-Staunton: Bring back Senator Hébert's petitions.

Senator Fairbairn: As every senator in this house knows, it is probably the most hated piece of legislation ever passed by the Parliament of Canada.

Some Hon. Senators: Hear, hear!

Senator Carney: The National Energy Program tops the list.

Senator Fairbairn: In addition to the parliamentary process, the government is undertaking federal-provincial consultation to ensure that the replacement of the tax has a broad public and intergovernmental consensus.

We also believe that governments can, and should, take direct action where the private sector either will not, or cannot, move. This is why we have moved forward quickly with the Municipal Infrastructure Program.

Senator Lynch-Staunton: One convention centre in Quebec!

Senator Fairbairn: Don't be so pessimistic, Senator Lynch-Staunton. This will see the direct creation of thousands of new jobs and the indirect creation of many thousands more, while investing in projects of long-lasting benefit to Canadians in major centres of this country where unemployment is high, such as Quebec City. We will be bringing improvement to the quality of life for our citizens, while improving their job prospects at the same time.

In other areas, such as training and adjusting for the highly technical and competitive new job market, we are already at work putting together a National Youth Services Corps which will give young Canadians the opportunity to further their education and career development by working on social and environmental services in their own communities and across the country.

We will also have a program in partnership with the provinces and the private sector to better prepare young people for the school-to-work transition where so many of them fall by the wayside now because they have neither the experience nor the skills to be competitive in seeking jobs. We must give young Canadians the chance to get that relevant experience and the skills they need to qualify. Those programs will help do that.

We need a workforce which is not just more highly skilled but which is more flexible and adaptable to new conditions. I sincerely hope that the business community will support these initiatives which will help them grow faster and larger and, ultimately, become more profitable in the coming years.

I preface my next remarks by saying that there is some self-interest in what I am about to say. I am also pleased that the government has made a commitment to restoring funding for the National Literacy Program.

Hon. Senators: Hear, hear!

Senator Fairbairn: I am pleased that the Prime Minister has given me the responsibility for promoting the government's activities in this regard. As all senators know, and especially those who have listened to me for more hours than they ever cared to, this is an issue which is close to my heart. It is an issue which, over the last decade, has brought me into contact with some of the most committed and dedicated people in this country.

Honourable senators, we should never underestimate the magnitude of this problem. It may not remain high on the list of most popular issues about which politicians like to speak. I know Senator Berntson has had a great deal to do with this issue. He and his wife have done remarkable things in the province of Saskatchewan to further the opportunities for people to learn.

Statistics Canada has reported that approximately 38 per cent — more than one-third of adult Canadians — do not have adequate literacy and numeracy skills. This fact has enormous economic implications which I believe we are only now beginning to understand. Obviously, our efforts to train and retrain workers are undermined seriously by this deficiency. The challenge of teaching the new high-tech computer skills is impeded if the individual cannot read a computer manual.

There are also disturbing implications for safety on the job if people cannot read the warning and danger notices; of time wasted because people cannot understand written instructions, and many, many other cases which I have brought before this house in recent years. All of that, in turn, prevents us from reaching our competitive potential in the international marketplace.

Just as important, on a personal level, without these fundamental skills millions of Canadians are prevented from becoming full participants in our economy and our society but, most important, even within their own families. We are restoring the funding of the National Literacy Secretariat. Therefore, we are increasing our support for literacy organizations and projects across this country.

We are also participating in an international study to compare, on a regular basis, literacy skills in Canada with other countries. This will give us a much clearer picture of the relative effectiveness of our approach. It will help us focus our efforts on the most productive way of dealing with this problem. Of necessity, the literacy community in this country is broadly based and very much connected to people where they live and work. I will be communicating and participating in activities as often as I can with these groups and organizations and, in particular, with learners themselves.

The government is also committed to reviewing our health care program and to finding ways to make it work more efficiently to deliver better service for all Canadians. There will be a greater emphasis on preventative care, such as encouraging proper diet, proper exercise and more home care for those who are in need but not requiring a hospital bed. The Prime Minister feels so strongly about this issue that he will chair a national forum on the renewal of Canada's health care system.

Honourable senators, we will continue to uphold the five fundamental principles on which the Canadian health care system is founded. They are universality, public funding, public administration, comprehensibility and accessibility. Medicare is at the heart of the Liberal social commitment in this country. We believe that every Canadian has an equal right to the best medical care that Canada can afford. We intend to strengthen that system, not weaken it.

We also want to strengthen our relationship with the First Peoples of this country. We will be introducing measures to build a new partnership with aboriginal Canadians which safeguards aboriginal and treaty rights, and through which we will be working on community development, housing, health, education and justice issues.

More specifically, we will also be introducing a program for aboriginal children called Head-Start which will help ensure that, in the important and formative years, every aboriginal child has access to good food, clothing and adequate shelter. This will help tremendously to encourage them to complete their schooling, giving them a better chance for later success.

The cornerstone of our new partnership is the recognition of the inherent right to self-government. That has been a Liberal Party policy for several years. It is the key to opening up a fair and productive future for all aboriginal Canadians. We are supposed to be equal partners in this country. That has not

happened. This government recognizes that fact and is taking steps to make that partnership a reality. We will be working as closely and as swiftly as these difficult issues permit.

In its actions since the election, and in the Speech from the Throne, the Prime Minister and his government have started to fulfil commitments that were made. These include everything from reducing the size of the cabinet to the cancellation of some programs, which I do not expect the opposition to applaud. I refer to the helicopter program and the Pearson airport proposal.

We will also be dealing with questions such as the pensions of members of Parliament. We will be appointing an ethics counsellor to regulate the lobbying industry in this country. Some of this can and has been done by executive action, but some of it will require legislation. That, of course, means Parliament: the House of Commons and the Senate. The government has said repeatedly that it is committed to regaining the respect of Canadians in their Parliament. I will do everything, as all of us in this house will, to try and help fulfil that undertaking.

• (1620)

In addition to scrutinizing legislation, the Senate has long had a useful role in examining issues which are important to Canadians but which do not lend themselves to easy or swift legislative action. We remember the studies on poverty and aging, on children at risk, on the media, on Senate reform and on an international favourite, Senator Sparrow's "Soil at Risk." These and many other Senate reports are still referred to by scholars, by public servants and by politicians as they continue to grapple with many of these troublesome and chronic problems.

More recently, our committees have paid special attention to subjects as diverse as youth, international trade, energy and the environment, the changing work place, terrorism and public safety. Only this week we are turning our attention to new special issues such as the right to die and the treatment of aboriginal war veterans in Canada. This is the kind of work that the Senate is very good at. The government looks forward to this chamber continuing this important role.

Senator Neiman made a point today, in initiating her inquiry, along with Senator Lavoie-Roux, on the question of the right to die. Partisanship is not the route to take in dealing with these issues in this chamber.

I wish to conclude by returning to a reference I made earlier to the mood of Canadians and what they think of their country. As the Prime Minister has said many times, the one essential but also intangible quality that is required in pulling people together to build a better society is "hope." The task of government is to come up with the programs, the policies and the direction that will help to turn hope into a reality.

Yes, there is cynicism out there. There is also frustration and some anger. In fact, some political voices in this country say that Canada does not work any more and that we should give up altogether. Some say that people in this country simply do not care enough about one another to make it all work.

I strongly disagree with that attitude. It is wrong. I believe that there are millions of Canadians who do care and who do want to make a difference — millions of individuals who are willing to put in the effort to help their counterparts all across this land.

In this country, we have possibly the most outstanding volunteer culture in the world. Over one billion hours of service are donated by Canadians in volunteer activities each and every year. That represents roughly $13 billion-worth of unpaid work. That is a remarkable figure, and it proves that in tough times Canada and Canadians put action ahead of good intentions — and they are prepared to give more!

Just as an example, I looked at statistics in my home province of Alberta. A recent Statistics Canada survey affirms, among other things, that charitable contributions by individuals in three small towns in southern Alberta — namely Cardston, Raymond and Coaldale — are among the highest in the entire country. I think that is terrific! I am proud to come from that area, and to represent those Canadians who are involved in that way with the life of their country. In turn, they are representative of the strength, the understanding and the compassion that exists throughout Canada.

Honourable senators, here in Ottawa today there is a government — and a Parliament which includes a Senate — that does care and does want to work in partnership with Canadians; which does want to build a stronger economy and a fairer society, not only for adults but also for the young people who must lead us into the twenty-first century. Honourable senators, I am looking forward to working with colleagues on both sides of this house as we do our part together to help realize that goal.

On motion of Senator Beaudoin, debate adjourned.

ADDRESS IN REPLY—TERMINATION OF DEBATE ON EIGHTH SITTING DAY

Hon. Gildas L. Molgat (Deputy Leader of the Government), pursuant to notice of January 19, 1994, moved:

> That the proceedings on the Order of the Day for resuming the debate on the motion for an Address in reply to His Excellency the Governor General's Speech from the Throne addressed to both Houses of Parliament be concluded on the eighth sitting day on which the order is debated.

He said: Honourable senators, I have proposed this motion, which is the standard motion that is made each time there is a Throne Speech. If there are objections to it — that is, if someone wants to extend the debate, we can do so. However, this has been the traditional procedure and I suggest that we adopt it.

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

Hon. Senators: Agreed.

Motion agreed to.

• (1630)

INTERNAL ECONOMY, BUDGETS AND ADMINISTRATION

REPORT OF COMMITTEE—DEBATE ADJOURNED

The Senate proceeded to consideration of the report of the Standing Committee on Internal Economy, Budgets and Administration (Senate budget 1994-95), presented in the Senate on January 19, 1994.

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, the chairman of the committee is not here.

You, Your Honour, are the deputy chairman. Under the circumstances, I move that the report be adopted.

The Hon. the Speaker: Is it agreed, honourable senators, that the report be adopted?

Hon. Eric Arthur Berntson (Deputy Leader of the Opposition): Honourable senators, I move the adjournment of the debate in the name of Senator Doyle.

On motion of Senator Berntson, for Senator Doyle, debate adjourned.

BANKING, TRADE AND COMMERCE

COMMITTEE AUTHORIZED TO EXAMINE REGULATIONS PROPOSED TO THE EXPORT DEVELOPMENT ACT

Hon. Michael Kirby, pursuant to notice of January 19, 1994, moved:

> That when the Standing Senate Committee on Banking, Trade and Commerce is established, it be authorized to examine the regulations proposed to the Export Development Act (S.C. 1993, c. 26), together with the regulatory impact statement, originally printed in the *Canada Gazette* Part I, November 6, 1993; and
>
> That the committee report to the Senate no later than February 28, 1994.

He said: Honourable senators, some of you will recall that Bill C-118 went through the Standing Senate Committee on Banking, Trade and Commerce and then through the Senate last spring.

During the course of the hearings on Bill C-118, which was the Export Development Act amendments, there was some controversy raised by a number of business witnesses, notably those from the banking industry and the insurance industry, with respect to the additional powers that were being granted to the Export Development Corporation.

As a result of the discussion at the hearings, in winding up the hearings the committee asked the honourable Michael Wilson, who was then the Minister of International Trade, if he would agree to allow the committee to hold hearings on the regulations, which the act called to be established, prior to those regulations being put into effect. Mr. Wilson agreed that it made sense that, once the regulations had been gazetted, but before they were put into effect, he was prepared to give the committee time to hold those hearings.

The regulations, in fact, were gazetted early in November, so the original 60 days which Mr. Wilson had contemplated would have resulted in the regulations coming into force in mid-January. The current Minister of International Trade, the Honourable Roy MacLaren, has agreed not to put those regulations into effect until such time as the Standing Senate Committee on Banking, Trade and Commerce holds its hearings.

Honourable senators, we would hope to be able to have those hearings during the week of February 8. The witnesses are prepared to come. This involves a relatively small number of witnesses on a couple of fairly controversial issues. It is my hope that the Senate will approve this reference to the committee today so that we will be able to hold those hearings during the week that the Senate returns.

The Hon. the Speaker: Honourable senators, you have heard the motion.

Is it the pleasure of the house to adopt this motion?

Hon. Senators: Agreed.

Motion agreed to.

ABORIGINAL PEOPLES

COMMITTEE AUTHORIZED TO EXAMINE AND REPORT UPON THE TREATMENT OF ABORIGINAL VETERANS FOLLOWING WORLD WAR I, WORLD WAR II AND THE KOREAN WAR

Hon. Len Marchand, pursuant to notice of January 19, 1994, moved:

> That when the Standing Senate Committee on Aboriginal Peoples is established, it be authorized to examine and report upon the treatment of aboriginal veterans following the First and Second World Wars and the Korean War; and
>
> That the committee present its report no later than September 15, 1994.

He said: Honourable senators, before I begin my remarks I want to congratulate my old friend and seatmate Roméo LeBlanc in his elevation to great heights as our esteemed Speaker of this institution. I have known Senator LeBlanc for a number of years, both in the other place and here, and I am sure that he will serve us well in his new duties, and I do wish him well.

I also want to congratulate those involved in the changes of leadership on both sides of the house: Senator John Lynch-Staunton, Senator Berntson, and Senator Kinsella. I wish them well in their new duties.

Also, on our side of the house, a couple of my old pals over here were elevated to greater heights: Senator Joyce Fairbairn, as our new leader; Senator Gil Molgat; and, of course, Senator Hébert, as our whip.

There is also another important occasion in this Parliament that I wish to note, in that one of our pages, Douglas Lauriault, a Métis from Maniwaki, has joined us in this esteemed institution. This is the first time that an aboriginal person has ever served as a page in this institution. I want to wish Doug well in his duties.

Hon. Senators: Hear, hear!

Senator Marchand: That, in itself, is a very happy occasion but I suppose, in another way, it is rather sad that it has taken 126 years, just 126 years, for this kind of an event to occur. I will say no more on that.

• (1640)

Honourable senators, let me say at the outset how pleased I am that such a motion is before us today. It is long overdue. As a young boy growing up on the Okanagan Reserve, I recall the pride I felt when many of our people joined the war effort. The enlistment of aboriginal peoples across Canada was among the highest in the country, a fact in which many of our people take justified pride. As I grew older, I came to appreciate the significance of their personal sacrifice, and the loss to our communities of such a large number of our able-bodied men and women.

According to the 1918 Annual Report of the Department of Indian Affairs, the number of enlistments among the Indians in proportion to their population was remarkably large. More than 3,500 enlistments of Indians were recorded by the department. This represented approximately 35 per cent of the Indian male population of military-age residents in the nine provinces. It must be remembered that this did not include a large number of Indians who enlisted of which the department had no information.

The exact number of Métis participants is not known because the nominal roll lists of the Canadian expeditionary forces do not include ethnic origin. However, Julia Harrison, a Métis historian, notes that you see many Métis names such as Riel, Lépine, Nolin and Trottier on Canada's Military Roll of Honour, including that of Private Patrick Riel, nephew of Louis Riel, killed in action in France, January 16, 1916. Paddy Riel was a woodsman and trapper who depended upon the accuracy of his shooting for his livelihood. He enlisted with the 8th Battalion, Little Black Devils, the regiment which 30 years before had stormed the Métis stronghold at Batoche.

The department also acknowledged the contribution of aboriginal people in the war efforts. The report noted that the Indians have indeed established for themselves a magnificent record which placed their race high in the esteem of their fellow countrymen and our Allies. The manner in which the Indians have responded to the call of the colours appears especially commendable when it is remembered that they are wards of the government and have not, therefore, the responsibility of citizenship; that many of them were obliged to make long and arduous journeys from remote localities in order to offer their services, and that their disposition renders them naturally averse to leaving their own country and conditions of life.

I want to say that my people in the Okanagan also distinguished themselves in the war effort. According to the 1919 Annual Report of Indian Affairs, the Indians of the Okanagan agency made a splendid response to the call for volunteers, particularly among the members of my band, the Head of the Lake Band. It was reported that every unmarried, able-bodied male member of my band between the ages of 20 and 35 was on active service.

One of these Okanagan Indians, Private George McLean, performed an extraordinary feat of valour at Vimy Ridge, in recognition whereof he was awarded the Distinguished Service Medal for conspicuous gallantry in action. Private McLean, single-handedly, with a dozen bombs, killed 19 Germans and captured 14. He was himself seriously wounded.

Over the last year, I have come to appreciate more clearly the concerns of our aboriginal veterans and those of their families. Many aboriginal veterans made the ultimate sacrifice for this country, yet their families have never been properly cared for. Their concerns have been repeatedly ignored.

It has been more than two years since the Manitoba Justice Inquiry recommended that the topic of aboriginal veterans' entitlements should be studied. In their report, the commissioners recommended that a detailed study of the federal statutes and regulations and their implementation is needed to determine the unequal treatment of aboriginal veterans.

While the Manitoba Justice Enquiry did not undertake a detailed investigation into the concerns of aboriginal veterans, they were able to conclude the following:

Indian veterans do not appear to have received benefits off the reserve, and if they left the reserve they lost status and benefits under the Indian Act. In other words, they were no longer Indians.

Indian veterans who remained on the reserve were entitled already to land under the Indian Act, and yet it appears that the reserve land allocated to Indian veterans was treated as though it had been granted under the Soldier Settlement Act or the Veterans' Land Act. In other words, there are a number of Indian veterans who received land granted to them on their own reserves. Now, figure that one out. It was their own land.

The transfer of the ownership of land to or by Indians, on or off reserves, created jurisdictional problems because of the contradictory provisions of the Veterans' Land Act and the Indian Act. A few days ago I was digging around for some information pertinent to this motion, and lo and behold I found that there is a band in northern British Columbia called the Blueberry Band at Fort St. John. For some reason, the government of the day took a large portion of that reserve and gave it to white veterans. The Department of Indian Affairs poorly administered the Veterans' Land Act benefits for aboriginal veterans who settled on the reserve.

The leadership of the National Aboriginal Veterans Association has also pushed for the investigation of their post-war treatment since at least 1981. With the assistance of the Royal Commission on Aboriginal Peoples, the aboriginal veterans made the largest survey of aboriginal veterans ever undertaken. Their findings confirm those of the Aboriginal Justice Inquiry and the deep-seated concerns of our aboriginal veterans.

According to their report, the most common complaint has proven to be that returning Indian veterans of Canadian service in World Wars I and II and the Korean War, whether on-reserve or off-reserve, status or non-status, were subject to discrimination in the availability and distribution of veterans benefits and were in fact treated as "second class" veterans. Most complain that they were never made aware of education benefits, low interest loans for purchasing housing or starting a business, nor the full range of veterans' land benefits available to all veterans.

Although our people were treated as equals during the war effort, our veterans returned home to face discrimination, hardship and, on occasion, bigotry. As the results of the veterans survey demonstrate, many aboriginal veterans were unaware of the assistance and benefits which were widely available to non-aboriginal veterans. The denial of land benefits to aboriginal veterans merely repeated the denial of their land rights upon the settlement of Canada, and has left many aboriginal veterans disillusioned and hurt.

I want all honourable senators to know how strongly our aboriginal veterans feel about these issues. At a Métis veterans conference in Saskatoon last summer, Métis veterans completed a survey, the results of which illustrate the depths of their concerns. Asked whether they would serve in the armed forces again after the poor treatment they received upon their return home, many said they would not.

• (1650)

Honourable senators, this is a damning indictment of our post-war treatment of aboriginal veterans. It is a call to action, and one to which we must respond with vigour and compassion. Aboriginal veterans have given much to Canada. It is now time for us to honour them by responding to their call. I urge all of you to join with me in supporting this motion.

The Hon. the Speaker: Honourable senators, is it your pleasure to adopt this motion?

Hon. Senators: Agreed.

Motion agreed to.

The Senate adjourned until Tuesday, February 8, 1994 at 2 p.m.

THE SENATE

Tuesday, February 8, 1994

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

Prayers.

[*Translation*]

SENATORS' STATEMENTS

THE HONOURABLE JOHN LYNCH-STAUNTON

ELECTION BY SECRET BALLOT AS LEADER OF THE OPPOSITION IN THE SENATE

Hon. Gérald-A. Beaudoin: Honourable senators, precedents create constitutional conventions and contribute to the evolution of parliamentary law.

I wish to bring to the attention of senators an event which constitutes a precedent, the election of Senator John Lynch-Staunton as Leader of the Conservatives in the Senate by Conservative caucus members in a secret vote on December 15, 1993. This event should go down in the archives of the Senate, because it is the first time that a Leader of the Opposition in the Senate has been elected in this manner.

A committee of four senators, chaired by Senator Pat Carney, recommended such a secret vote. A chain of circumstances made it possible.

Since Confederation, with the alternation of Liberals and Conservatives in power, it has been easy to know which party could claim the title of official opposition in each chamber.

With the election of October 25, 1993, however, for the first time, the title of official opposition went to a secessionist party, on the customary basis of the number of seats held.

In the Senate, there is no counterpart to the Bloc Québécois, so we applied the only possible principle: the party having the greatest number of seats in the opposition is the official opposition. This official opposition then chose to elect its leader. This is an event that is worth putting on record.

Hon. Philippe Deane Gigantès: Honourable senators, I would say to my dear colleague Senator Beaudoin that constitutional experts are scarcely less of a nuisance than are we historians.

I have always believed that, of the constitutional experts whom I have read, Sir Ivor Jennings was the best. After three years of studying the situation in Pakistan, which had hired him with an advance payment of £50,000, he told them in a very short letter that a constitution was worthless. He said, "If I wrote one for you, you would tear it up!"

[*English*]

VETERANS AFFAIRS

FIFTIETH ANNIVERSARIES OF WORLD WAR II BATTLES

Hon. Jack Marshall: Honourable senators, I rise to remind the Senate that this year, 1994, Canada will honour various fiftieth anniversaries of World War II — notably the Normandy landings on June 6, 1994 — through the Canada Remembers program launched by the Secretary of State for Veterans Affairs on November 9, 1993. That program provides Canadians with the occasion to honour those who, 50 years ago, took part in Canada's greatest series of military victories.

Our contribution to the defeat of Hitler's Nazi Germany will be depicted in a series of ceremonies remembering the First Canadian Army, the Royal Canadian Air Force and the Royal Canadian and Merchant Navy, the key elements in the grand alliance against the Hitler tyranny.

Our celebrations will focus on the Canadian landing on Juno Beach in which, with many other Canadians, I had the honour to take part as a member of the North Shore New Brunswick Regiment.

I shall never forget that day as the Canadians entered and breached Hitler's west wall along with our British and American allies. We had long prepared for that day by training in Britain and taking part in the battles of Dieppe, Sicily and Italy, and now we were there on the beaches of Normandy, upwards of a quarter of a million strong.

This summer, some half million Canadian veterans will remember these exploits, and many will actually visit the scenes of 50 years ago to relive those gallant days and honour our fallen comrades. Together with our allies, their leaders, and our own Prime Minister, we will honour that Canadian achievement, which was out of all proportion to that of our much larger allies.

Like our gallant Canadian corps of World War I, the First Canadian Army won everlasting recognition in its march to victory. Fifty years later, Canadians are remembered for their gallantry and courage, and the contribution we made to peace. Those we liberated remember us yet as those who once freed them from the Nazi yoke.

The shoulder patch "Canada," our divisional patches and regimental flashes and our distinctive cap badges are milestones of how and where we served in the march towards V-day. Every Canadian, now and for the future, will carry the honour of the Normandy battle, not just as battle honours for their colours but as part of Canada's heritage honouring those who, 50 years ago, fought for their country in June and beyond. This summer, in so many ceremonies at home and abroad, let the people of Canada honour their fallen and their veterans so that all Canadians may pay tribute to the brave young men of those days.

Honourable senators, as this First Session of the Thirty-fifth Parliament continues, I will call the attention of the Senate to various aspects of the Canada Remembers program as it progresses.

ROUTINE PROCEEDINGS

CONFLICT OF INTERESTS

REPORT OF SPECIAL JOINT COMMITTEE PRESENTED

Hon. Richard J. Stanbury, Joint Chairman of the Special Joint Committee on Bill C-116, Conflict of Interests, presented the following report:

Tuesday, February 8, 1994

The Special Joint Committee on Bill C-116, Conflict of Interests, has the honour to table its

REPORT

Your committee, which was authorized by the Senate to incur expenses for the purpose of its examination and consideration of Bill C-116, an Act to provide for greater certainty in the reconciliation of the personal interests and duties of office of public office holders to establish a Conflict of Interests Commission, to amend the Parliament of Canada Act and to make consequential amendments to other Acts, met six times. One minister appeared before the Committee as well as four witnesses. The Special Joint Committee on Bill C-116 reports, pursuant to Rule 105, that the expenses incurred by the Committee during the Third Session of the Thirty-fourth Parliament are as follows:

Committee travel	$ 0
Registration fees	0
Contract consulting	4,897
Advertising	0
Temporary help	0
Hospitality	0
Miscellaneous	248
	$ 5,145

Respectfully submitted,

RICHARD J. STANBURY
Joint Chairman

BUSINESS OF THE SENATE

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, as a result of a discussion with my honourable friends opposite, there is agreement to continue the practice that was in place during the last session of Parliament of having a "short" Wednesday. In other words, when the Senate adjourns on Tuesday, it will meet at 1:30 p.m. on Wednesday. The understanding is that we will finish at three o'clock, after which committees can meet. At the moment, there are no committee meetings scheduled. However, I understand that tomorrow an indoctrination or information session is to take place. Thus, we have agreed to meet at 1:30 p.m.

I have a motion based on the understanding that we have. However, I seek the agreement of honourable senators to postpone moving the motion until later this day. The reason I ask is that there is a debate going on in the other place at this time on a government bill concerning the longshoremen's strike on the Pacific coast. It is possible that we will receive that bill later this day and may want to proceed with it. If there is agreement, then we can proceed with the bill quickly.

I ask for the agreement of honourable senators in order to remain flexible. If there is such agreement, then as soon as I have further information as to the timing of the matter, I shall inform the Senate.

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

Hon. Senators: Agreed.

INCOME TAX CONVENTIONS BILL

FIRST READING

Hon. Gildas L. Molgat (Deputy Leader of the Government) presented Bill S-2, to implement a convention between Canada and the Republic of Hungary, an agreement between Canada and the Federal Republic of Nigeria, an agreement between Canada and the Republic of Zimbabwe, a convention between Canada and the Argentine Republic and a protocol between Canada and the Kingdom of the Netherlands for the avoidance of double taxation and the prevention of fiscal evasion with respect to income taxes and to make related amendments to other Acts.

Bill read first time.

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

On motion of Senator Molgat, bill placed on the Orders of the Day for second reading on Thursday next, February 10, 1994.

[*Translation*]

INTERNATIONAL ASSEMBLY OF FRENCH-SPEAKING PARLIAMENTARIANS

NINETEENTH GENERAL ASSEMBLY—REPORT TABLED

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, I have the honour to table the report of the Nineteenth General Assembly of AIPLF, held in Libreville, Gabon, from June 24 to July 3, 1993.

ASEAN INTER-PARLIAMENTARY ORGANIZATION

FOURTEENTH GENERAL ASSEMBLY—REPORT TABLED

Hon. Guy Charbonneau: Honourable senators, I have the honour to table the report of the Fourteenth General Assembly and the meeting of the Working Committee of AIPO, held in Kuala Lumpur, Malaysia, from September 19 to 26, 1993.

[*English*]

• (1410)

SOCIAL AFFAIRS, SCIENCE AND TECHNOLOGY

NOTICE OF MOTION TO AUTHORIZE COMMITTEE TO EXAMINE VETERANS HEALTH CARE REGULATIONS

Hon. Jack Marshall: Honourable senators, I give notice that on Thursday next, February 10, 1994, I will move:

> That the Standing Senate Committee on Social Affairs, Science and Technology be authorized to examine and report on Veterans Health Care Regulations (SOR/90-594, SOR/91-438, SOR/92-406, SOR/93-309 July 1, 1993) and on all other matters concerning veterans affairs which may arise from time to time.

CHRISTMAS

WAY OF CELEBRATION IN CANADA—NOTICE OF INQUIRY

Hon. William M. Kelly: Honourable senators, I give notice that on Thursday next, February 10, 1994, I will call the attention of the Senate to recent developments in the way in which we celebrate Christmas in Canada.

[*Translation*]

PRIVATE BILL

GENERAL SECURITY INSURANCE COMPANY OF CANADA—PRESENTATION OF PETITION

Hon. Normand Grimard: Honourable senators, I have the honour to present a petition on behalf of General Security Insurance Company of Canada, of the city of Lévis, in the province of Quebec, which is seeking to obtain an act to authorize General Security Insurance Company of Canada to be continued as a corporation under the laws of the province of Quebec.

[*English*]

QUESTION PERIOD

THE GOVERNMENT

PROGRESS OF LEGISLATION—GOVERNMENT POLICY

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, the House of Commons has been in session now for some three weeks, and when one looks at the bills that have been introduced there so far, one can only express surprise at their thinness. They are mainly of an administrative and housekeeping nature; there is nothing of substance. One wonders whether such an agenda during this period should not cause some worry, indicating as it does how the government now feels about the House of Commons.

The House has been spending most of its time giving advice to the government, which all of a sudden cannot take any decisions without consultation from members on both sides. For example, the GST will not be replaced before 1996 because it has to be studied by a committee. The Minister of Human Resources Development is asking a select committee to look into social security and, while there may be some legislation later this fall or next year, there is no mention made of any implementation. The Minister of Health has announced the creation of a national forum on health; the Minister of Citizenship and Immigration has announced the launch of a new public consultation. During this period, the House has discussed peace-keeping, cruise missiles and the budget.

Can the minister confirm what one can only conclude: that this extraordinary, unprecedented process simply means that the government no longer recognizes the House as a legislative body but, rather, as an advisory board, and that, accordingly, the Senate's role in the parliamentary process will be reduced to that of spectator?

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, in response to Senator Lynch-Staunton, I would answer the latter part of his question first. The answer is no. I think we can look forward to a very active period in the Senate. I believe senators on both sides of this house will guarantee that this period in the Senate will be active, and that we will develop issues that perhaps the House of Commons itself will not focus upon.

As far as the House of Commons is concerned — and I will not go into a long dissertation, because it might be a shade painful for the ears of my friends opposite — the government has been extremely active since the last election. It has had productive meetings with the provinces. It has introduced an infrastructure program which has now been taken up by all but three of the provinces. Infrastructure agreements now in place go to the very heart of the election campaign, which was the urgent need for creating jobs and economic growth in this country.

We have also followed through on other important issues, such as those that dealt with the Toronto airport and helicopters.

We have also done something else in the House of Commons that is perhaps worthy of a debate at some other time in this chamber: we have responded to what the people of Canada have been asking parliamentarians to do, and that is to listen to them. The government is also being asked to listen to the peoples' representatives in the House of Commons.

It may be that no legislation has been introduced on peace-keeping, or on the cruise missile. However, we did something that has not been done in the Parliament of Canada for a very long time, and that is to have policy debates on the floor of the House of Commons, debates that then are available for consideration by the government as it reaches its decisions.

Apart from what has been happening in Parliament, the Minister of Finance, Mr. Martin, has travelled to every region of this country to have open consultations on the budget. Maybe it makes it tougher for him, in the end, to listen to Canadians, but he is listening to them and he is hearing them.

Therefore, Senator Lynch-Staunton, I believe that we will have an ambitious legislative program. We will also be examining some of the most important issues facing our country, including the one to which he referred most particularly, the social policy review, which will take place as part of the balanced approach this government will be taking on the economic side and the social safety net side at the same time.

These are not issues that can be decided overnight. There are people in this country who are very anxious to have a part in shaping the decisions that will come out of these reviews. Therefore, I ask the honourable senator, in that sense, to keep an open mind on these processes, because I think they will make for good government in Canada.

Senator Lynch-Staunton: Perhaps the leader was reading from the notes of the former Prime Minister, who said that, in one case, 47 days were not enough. Now we are told that two years may not be enough.

Senator Olson: The restoration of democracy.

Senator Lynch-Staunton: Restoration of democracy? I find it extraordinary that the main sources upon which this government is relying for advice are, one, a party which is bent on breaking up this country, and the other, a party whose views can only be called "reactionary" on the fundamental issues facing this country, when we have in this very chamber, on both sides of the house, the experience and knowledge, which are being completely neglected, of people who believe in the fundamental values that make up Canada. Instead, the government relies on separatists and reactionaries.

• (14:20)

Senator Fairbairn: I am not sure that there is a question there, but I would —

Senator Lynch-Staunton: — but you will answer it anyway. Why?

Senator Fairbairn: Why? The Leader of the Opposition has raised a very important question on the democratic process. We must acknowledge that the people who sit in the House of Commons are there because of the democratic process. They were elected by the people of Canada. We may dispute the outcome of that election in various parts of this house or in various parts of this country, but the fact is that the people who vote in our elections are the ones who make those decisions.

We have an interesting and different configuration in Parliament today. Here in the Senate of Canada we have two strong groups represented. I hope that we will be able to provide some very important and meaningful advice on some of the critical issues of the day. I am aware of the depth of conviction with which members of this chamber hold their positions. There should be no doubt where the members of this chamber stand on the future of our country.

HEALTH

CLASSIFICATION OF TOBACCO AS HAZARDOUS PRODUCT—GOVERNMENT POSITION

Hon. Mira Spivak: Honourable senators, my question is with respect to the policy announced this morning by the government on "A Government Action Plan On Smuggling." I must say that the coalition of health groups that is opposed to the reduction of taxes on cigarettes at the price point is not entirely happy with this announced policy.

As I am sure we all know, the increase in tobacco taxes during the 1980s resulted in a much greater decline in cigarette smoking in Canada than in the United States; I think from 41 to 26 per cent. In fact, a study by Finance Canada in June of 1993 entitled "Taxes, Tobacco and Consumption" clearly demonstrates that the increase in taxes was more important than other measures in the reduction in smoking.

Is the Government of Canada, then, through these measures which are directed towards smuggling, abandoning its policy of deterring smoking through the reduction of taxes — ?

Senator Molgat: Not at all.

Senator Spivak: Just a moment. Let me finish my question. That policy, of course, is a basic part of the national —

Senator Molgat: This is just part of a smoke screen.

Senator Spivak: I listen to you all the time. Please listen to me.

This policy was a basic part of the national strategy to reduce tobacco use. That strategy says that the government considers the tax on tobacco products to be a significant public health measure, and that the tax is one of the factors known to reduce tobacco use, particularly among the young.

If the government is not considering such a policy change, although it has reduced the taxes which are an essential part of that policy, will it then place tobacco, a product which kills an

estimated 44,000 people a year, under the Hazardous Products Act where it belongs? That act regulates production, import, sale and advertising of hundreds of potentially dangerous products, such as kite strings, teddy bears and hockey helmets, and would put in place a powerful instrument through which the government could deter people from smoking.

This, however, is not to say that the coalition of health groups would not still be unhappy about the reduction in taxes.

Hon. Joyce Fairbairn (Leader of the Government): I thank my honourable friend for her question. This has been a very important and difficult day on an incredibly difficult issue.

First of all, I would like to assure my honourable friend that the government is in no way abandoning its commitment to a vigorous assault on smoking in this country.

As I recall, a few years ago this house expressed strong views on this issue, as did I as a member of the Senate. The honourable senator mentioned the Hazardous Products Act. I believe my colleague the Minister of Health has already indicated today that that statute is being studied with respect to how it might be of use in the matter. I would emphasize that what we are dealing with here is not a single issue.

As you know, because there has been no lack of publicity, the government has been almost agonizing — if I may use the expression — over the problem in recent days and weeks in order to come up with a solution that would have the best chance for success. That solution cannot be single-pronged; it must be multi-pronged.

We in Canada are dealing with an enormous problem of contraband and smuggling of cheap cigarettes. We are dealing not just with a few people but with a very intricate network, primarily of organized crime. At the heart of the announcement today is an effort to get at that network. We are bringing forward increased enforcement measures and tax cuts to cigarette products across the country. Provinces may opt into these measures as they see fit, and we will increase support for them as they do so.

We have also targeted manufacturing profits — and I believe some of the people you are speaking for today would agree that this is an area that has been very difficult for governments to deal with in past years. We are bringing in as part of our measures an export tax on cigarettes. We will make that tax stick. We are also bringing in a health surtax over a three-year period. We will increase by 40 per cent the tax that tobacco manufacturing companies pay to the federal government. The additional revenues will be used for the most extensive anti-smoking and public education program in Canada's history.

I believe it was also said this morning that we are looking into the question of marking cigarettes in order to identify their point of origin. Eighty per cent of the contraband cigarettes sold in Canada come from Canada. That is one thing we wish to stop.

With regard to the public education program, we have also proclaimed today a piece of legislation that was already in existence concerning the age limit at which cigarettes are sold to young people. Young people and women will be the primary targets of our anti-smoking campaign. We will also be moving to ban the "kiddy packs," the small packages of cigarettes that young people may find attractive because of their price.

We will even be looking at generic packaging. I believe it was said in the House of Commons that the feasibility of generic packaging will be considered and that the issue may be referred to a Commons committee for review.

I know that my honourable friend is extraordinarily concerned about the health side of this issue. So am I, and so is the government. It is for that reason that we are bringing together different measures to try to solve an enormously difficult problem.

In conclusion, we are advised by Commissioner Inkster of the RCMP that past efforts to deal with this problem by enforcement have not been successful. The only way to come to grips with the problem is to combine enforcement with a reduction in price and with public education.

Senator Spivak: Honourable senators, I do not deplore the measures that will be taken to fight the smuggling, but the centrepiece of the anti-smoking campaign in Canada is taxation. Making cigarettes cheaper means that more people will smoke. My question to the Leader of the Government is, therefore: Is the government abandoning that policy? With all due respect, I do not think the Leader of the Government has answered that question.

Senator Doody: She must have.

Senator Spivak: Lowering the cigarette tax will cost the taxpayers of Canada a great deal of money. Most provinces are against reducing taxes, and the United States is now introducing taxes. I want to ask if that portion of the strategy is being abandoned? I take it from the answer that the government will consider and put into place the Hazardous Products Act and eliminate the exemption of tobacco from that act. Is that a correct assumption?

Senator Phillips: Twenty minutes will do.

Senator Fairbairn: Honourable senators, on the Hazardous Products Act, I believe I said in my earlier comments that this matter is being examined by the Minister of Health. I would not wish to go beyond that point. On the question of price, the cheapest cigarettes in Canada are contraband cigarettes. The people who are buying that contraband perhaps more than anyone else are young people. We are trying through this combined effort to get to the root of the problem. We are trying to bring the price down so that contraband cigarettes, first of all, will not generate these great profits and, second, will not have the attraction.

The honourable senator mentioned the intention of the United States to increase the price of cigarettes. As you know, cigarettes in the U.S. are cheaper than they are in Canada. In fact, an increase on the American side might well produce parity with Canada, which, in the end, might be a useful situation. The one thing I want to emphasize is that we are not abandoning the health issue in the smoking campaign. It is central. I know it is difficult and I know it is controversial. We are trying to come to grips with the matter in a holistic way, and I hope we succeed.

Senator Spivak: Honourable senators, I have one last question: Will the government then reintroduce taxes? Is this just a temporary measure?

CANADIAN COAST GUARD

SEARCH AND RESCUE OPERATIONS—STATE OF HELICOPTER FLEET

Hon. C. William Doody: Honourable senators, I hesitate to intrude on the "answer period."

Hon. Joyce Fairbairn (Leader of the Government): The question was good, too.

Senator Doody: During the leader's dissertation in reply to Senator Lynch-Staunton's question earlier she mentioned helicopters. That immediately caused my ears to prick up. This is a matter of major concern on the East Coast of Canada and, I suspect, in all areas of Canada where search and rescue is a matter of grave concern.

• (1440)

The current helicopter rescue force Sea Kings are acknowledged by anyone concerned to be obsolete, unreliable and dangerous to the crews asked to fly them. The statistics are quite startling and frightening, and are of little consolation to people in the North and on the West Coast and the East Coast, and on the lakes and anywhere else where the helicopter rescue capacity has been a major part of the planning and survival of the people involved.

I would ask the Leader of the Government to please let us know as soon as she possibly can what plans are in place to replace the Sea King helicopter force and to fill that major void in the rescue side of the search and rescue capacity of the Canadian government.

The search capacity is not such a big concern. The Auroras and other aircraft are still serviceable, functional and dependable. On the other hand, the helicopters are not only a danger to the people asked to fly them, they are quite unreliable in terms of their rescue capacity.

Senator Fairbairn: Perhaps the honourable senator's ears pricked up or —

Senator Olson: His antenna went up.

Senator Fairbairn: — his antenna went up at the story in the last few days in *The Globe and Mail* about the Sea Kings.

Senator Doody: No, I have been aware of that situation for quite some time.

Senator Fairbairn: I know, senator, but that story may have reminded you.

Senator Doody: Yes.

Senator Fairbairn: As the honourable senator knows, even under the former plan to have a new fleet of helicopters, those new helicopters would not have come into operation until the end of this decade. I can only repeat the words of the Minister of National Defence, namely that the current aircraft will remain airworthy until the end of this decade and will continue to have the capacity to perform the search and rescue operations for which they are responsible.

The Minister of National Defence has announced that a complete review of our defence programs will be launched within weeks. In the course of that review, I would hope the answer to your other question may emerge.

Senator Doody: I have a short supplementary to ensure that I know exactly what the honourable minister has said. Is it the intention of the Government of Canada to continue to use the current Sea King fleet until the end of this decade, and that there are no plans to charter or otherwise obtain supplementary equipment to augment this rather unfortunate capability?

Senator Fairbairn: Honourable senators, I would argue with the phrase "unfortunate capability." I am advised that it is a very viable and trustworthy capability. People within the armed services have indicated that as well.

I can only repeat what I have said: The current situation is known to my honourable friend, and any divergence from that would be discussed or come through the national defence review that will take place.

[*Translation*]

HUMAN RESOURCES DEVELOPMENT

PROFESSIONAL TRAINING—DOMAIN OF PROVINCES—GOVERNMENT POSITION

Hon. Jean-Claude Rivest: Honourable senators, I should like to ask a question of the Leader of the Government concerning job training. Does the government intend to follow the practice of the European Economic Community to ensure that job training is delivered as close as possible to workers and clients?

Put yourselves in the Canadian context: Does the government intend to confirm the provinces' constitutional jurisdiction in job training so that this training can be delivered by the provinces, which have control over school boards, schools and teachers, and which are also very close to workers and businesses in every region of Canada?

[*English*]

Hon. Joyce Fairbairn (Leader of the Government): I thank my honourable friend for his question. As he knows, the Minister of Human Resources Development is at this moment undertaking a broad examination of the whole scope of our social programs, our training programs, and our education programs. This examination is now under way, with a very tight timetable to produce results by the end of this year, and he is discussing with all of the provinces in detail the types of accommodations that will be made.

I cannot be definitive in my answer to you, but I will certainly discuss with my colleague the minister just what else I may be able to offer.

[*Translation*]

Senator Rivest: Does the government leader's answer mean that the Canadian government has a one- or two-year timetable? How many times has the Economic Council of Canada told the federal and provincial governments about the current administrative mess in job training?

Former Prime Minister Campbell and former Premier Bourassa signed such an agreement on job training. The honourable senator tells me that it will take one or two years for the two levels of government to reach an agreement to clean up the job-training mess in Canada, and it could take two more years before this agreement is implemented. Does the government not fear that the implementation of real and effective programs for Canadians will be too late for workers and businesses who are demanding more job training? That it is a matter of urgency and that Canadians and Quebecers cannot wait another four years for concerted action between the two levels of government?

If that is the fight against unemployment promised by the current government, it is quite discouraging, honourable senators.

[*English*]

Senator Fairbairn: I would agree very much with the honourable senator that this is an urgent issue, but it is not being put off for two years or four years. It is under constant discussion between different levels of government. However, I will discuss the matter with my colleague to determine whether I can provide a more definitive answer on timing to the honourable senator.

IMMIGRATION

REDUCTION OF BUSINESS CLASS COMPONENT— GOVERNMENT POSITION

Hon. Consiglio Di Nino: First of all, let me congratulate the government, and in particular the Minister of Citizenship and Immigration, for making the wise and proper choice to generally stay the course on the previous government's immigration policy.

As *The Globe and Mail* editorial of February 5, 1994, states:

> ...we seem to recall that, under the last Liberal government, immigration was cut to 85,000. On this, as on so many issues of late, we welcome their conversion to Conservative policy.

Some Hon. Senators: Hear, hear!

Senator Thériault: God forbid!

Senator Di Nino: But there is one difference, and that is: the reduction for next year of the business class component. In particular, what we most need is immigrants to help in our economic recovery. Why reduce the number of business class persons wishing to make Canada their home?

Hon. Joyce Fairbairn (Leader of the Government): Thank you, honourable senator, for the question.

One thing that both of our parties have in common is a determination to maintain a very healthy level of immigration in this country. This is what we have tried to do. Indeed, as you probably know, the minister is also at work trying to set out a longer-term strategy for immigration that will bring, I hope, an even greater certainty.

• (1450)

I wish to be candid in answering your question. I should therefore like to confer with my colleague in order to provide a more complete answer.

The Hon. the Speaker: Honourable senators, I apologize for having to interrupt Question Period, the half hour provided for in the rules having been used up. We can only continue with leave.

Senator Olson: Let's give leave.

The Hon. the Speaker: Honourable senators, is leave granted?

Hon. Senators: Agreed.

HUMAN RESOURCES DEVELOPMENT

INCLUSION OF REPRESENTATIVES OF EAST COAST FISHERMEN ON SOCIAL SECURITY TASK FORCE

Hon. Orville H. Phillips: Honourable senators, I have a question for the Leader of the Government in the Senate. The government has announced a program to dismantle the present social security program as we know it, with special emphasis on unemployment insurance and the Canada Assistance Program. The Minister of Human Resources Development has announced the formation of a task force of Canadians experienced in social security and employment reform to assist him. However, the group of Canadians who have the highest occupational unemployment rate — that is, the fishermen in Atlantic Canada — are not represented on that task force.

Can the honourable senator assure this chamber that the fisherman of Atlantic Canada will be allowed to nominate their choice to sit on that advisory board?

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I can assure my colleague that I will convey to the minister his question and his plea just as quickly as I can, and then provide the minister's response.

As the honourable senator knows, the task force is just one component of the discussions that will be taking place in the next weeks and months. I must say to my honourable friend that the government has absolutely no intention of removing or attacking the social safety net. In fact, the government wishes to make that net as effective as it possibly can be in the current situation, and one of the most important and sensitive issues in even discussing that net is the situation in Atlantic Canada.

I certainly will get back to the honourable senator with a response as quickly as I can.

REQUEST FOR FINANCIAL AID FOR FISHERIES ORGANIZATIONS

Hon. Orville H. Phillips: I thank the honourable minister for her reply. If I may go one step further, I would request financial assistance for the fisheries organizations in order for them to follow along and prepare their presentations. I would point out that many of the organizations represented on the advisory board already receive government financing. This group does not, and I would ask the same consideration for the fishermen as has been afforded to the labour force and other groups on the advisory board.

[*Translation*]

INDIAN AFFAIRS

CIGARETTE SMUGGLING ON NATIVE RESERVES

Hon. Pierre Claude Nolin: My question relates to the government action plan on smuggling announced this morning by the Prime Minister. Even if smugglers were not referred to specifically in the Prime Minister's speech, all news reports on television, all the information now available, seem to indicate that certain native reserves are an integral part of the smuggling network, or organized crime network, as the Prime Minister put it this morning.

In light of the sad events that have taken place during recent confrontations in Canada between natives and the Canadian Armed Forces, what concrete steps does the government intend to take to ensure that police forces respect the rights of Canadians living on reserves when a decision is made to tail them or to enforce the law?

[*English*]

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, first I will repeat what I said earlier in this session. The issue we are dealing with here is not isolated to any one part of Canada. It has developed, in recent years, much more strongly in areas of Quebec, in areas of Ontario, and in areas of New Brunswick.

With respect to the operations that will be carried out to increase enforcement of our laws, they will be carried out with determination and great care. The focus of the RCMP and provincial police activities will be, certainly at this point, on the border areas where the activity is most pronounced.

Regarding the aboriginal reserves, there have been discussions between the RCMP and the chiefs of the three reserves that have been most affected by this problem, namely Akwesasne, Kanesatake and Kahnawake. I believe Mr. Grey, the Solicitor General, will be meeting with the chiefs tomorrow. However, I emphasize that enforcement activities will be carried out with care.

[*Translation*]

Senator Nolin: Honourable senators, on the issue of contraband, there is no doubt that cigarette smuggling is a serious problem, but the government documents that are available also refer to the smuggling of alcohol products.

Unlike the situation with respect to cigarettes, where tobacco manufacturers will threaten to close their plants, the smuggling of alcohol into Canada does not really help Canadian plants but, rather, American distillers. What will the government do right now to put a stop to this activity before the situation deteriorates, as in the case of cigarettes?

[*English*]

Senator Fairbairn: Honourable senators, one of the concerns that have led to the action we have taken is that the networks that have produced perhaps the most visible type of smuggling, namely cigarette smuggling, are the very networks that are being used for alcohol, and that are being used, to a lesser extent, for drugs, and for some other products. One of our main objectives is to crack these networks. If we are successful, it is the belief of the government that we will also be cracking the networks used for smuggling alcohol and drugs.

AGRICULTURE

STRIKE BY WEST COAST LONGSHOREMEN—DELAY IN INTRODUCING BACK-TO-WORK LEGISLATION

Hon. Leonard J. Gustafson: Honourable senators, I am well aware of the fact that there may be a bill coming forth today on the grain handlers' strike, or the longshoremen's strike.

Honourable senators, these are not normal times in terms of agriculture and grain production on the prairies, and recently we have had a particularly difficult time. Now grain is starting to move and prices are increasing. This country cannot afford the economic loss that has taken place because of this action.

• (1500)

A loss of two weeks of shipping cannot be made up. Seventy-five per cent of all the freight transported on both our major railroads is grain. That loss cannot be made up. We are now moving into the second week and the cost of demurrage to farmers and to the country is tremendous. The lumber industry is not moving. Seattle is booming.

Under these extraordinary times, why has the government not moved quicker than it has? We have known for a week that the difference between the two negotiating parties was only 25 cents. Surely, for 25 cents, we could not afford the expense that this country and its farmers will pay because the government has not acted.

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, the government has been very conscious of the tremendously difficult position of the agriculture sector across Western Canada, as well as the credibility and the viability of the Port of Vancouver.

Since this unfortunate strike began, every effort has been made to resolve it through the collective bargaining process. Because the sides appeared to be so close and there appeared to be the possibility of a settlement, the government's best judgment was

to allow that process to proceed. It became evident on the weekend that the hopes that had been entertained last week were not to be fulfilled; for that reason, the government is moving as swiftly as it can with the legislation today.

As my colleague Senator Molgat said, we are not certain what the situation in the House of Commons will be today. However, I can assure my friend that we will, with everyone's cooperation, move as swiftly as we can here, which will put the system back in operation, I believe, within 12 hours of passage of back-to-work legislation.

I do not suppose anyone could be more disturbed than I at the cost of this strike, both in respect of our shipments and in respect of the reputation of the Port of Vancouver. I can only hope it will be over as quickly as possible.

Senator Gustafson: Honourable senators, I would ask the honourable leader if she would use her good offices to direct some attention to finding a long-term solution to this problem of strikes. This has happened before under our administration, and now it is happening under this administration. Certainly, we all understand the need to negotiate. However, the country cannot stand the prolonged situation that seems to hit it whenever economic times are at their very worst.

I would be pleased if the honourable leader would use her good offices to direct that to the government.

Senator Fairbairn: It would be a pleasure, Senator Gustafson.

ENERGY

PROPOSED CARBON TAX—GOVERNMENT POLICY

Hon. Ron Ghitter: Honourable senators, my question will take a very simple answer, which I am sure will be a relief to the Honourable Leader of the Government, given the complex questions that have been offered to her today. It is on a subject that just will not go away for Albertans, and that is the "here again, gone again" carbon tax question.

I know that, as a fellow Albertan, the leader is well aware of the consequences that such a discriminatory tax would have on our province. We in Alberta well recall October 28, 1980, when the National Energy Program was sprung upon Alberta.

I am confused as to the position of the government relative to the statements that have been made in the House of Commons. On January 25, the Honourable Minister of Natural Resources, also an Albertan, in response to an inquiry in the House of Commons relating to the institution of a carbon tax, responded:

> In relation to his specific question let me say that I believe it to be purely speculative. As the hon. member is aware the Minister of Finance has embarked on an unprecedented consultative process. He is in Toronto today. He will be in Calgary on the weekend...
>
> I welcome you to participate.

On February 2, 1994, in the House of Commons, the Minister of Finance, in response to a similar inquiry, stated:

> I would also say that when I was in Calgary I met with groups on that particular issue. I am certainly prepared between now and the date of the budget to meet with other groups.
>
> I would tell the leader of the Reform Party that there have been very strong representations made to me by the members of the Alberta caucus...

Yet neither the Minister of Natural Resources nor the Minister of Finance has yet given a simple "yes" or "no" to the question.

Therefore, I ask the honourable leader if she might advise the Senate whether or not the government intends to introduce a carbon tax or any legislation in the following session with respect to this discriminatory approach?

Hon. Joyce Fairbairn (Leader of the Government): I thank my honourable friend for his question, and I offer a simple answer: Wait for the budget.

Having said that, I would add that the Minister of Finance has also said the whole question of this issue was raised out of the mouths of others and not out of his mouth. He said that both in Calgary and in Ottawa.

I have a colleague at the end of this row who has been outspoken on this matter. I am not in a position to speak for the Minister of Finance on anything to do with taxes. I invite the honourable senator to wait for the budget, and I will leave it at that.

Senator Ghitter: I understand that the Honourable Leader of the Senate met last week with the Leader of the Liberal Party of Alberta, Mr. Decore. Mr. Decore is reported as stating, when he returned to Alberta, that he had the leader's assurances that there would be no carbon tax. Can you give Mr. Decore those assurances but not the Senate?

Senator Fairbairn: Honourable senators, I have not read that report, and I certainly would not discuss here the very good conversations that I had with the Leader of the Liberal Party in Alberta.

ROUTINE PROCEEDINGS

LIBRARY OF PARLIAMENT
OFFICIAL LANGUAGES
SCRUTINY OF REGULATIONS

STANDING JOINT COMMITTEES—MESSAGE FROM COMMONS

The Hon. the Speaker: Honourable senators, the following message has been received from the House of Commons:

Tuesday, January 25, 1994

Ordered—That a Message be sent to the Senate to invite Their Honours to join with this House in the creation of the Standing Joint Committee on the Library of Parliament, the Standing Joint Committee on Official Languages and the Standing Joint Committee for the Scrutiny of Regulations.

Attest

ROBERT MARLEAU
Clerk of the House of Commons

Tuesday, February 1, 1994

Ordered—That a Message be sent to the Senate to acquaint Their Honours that Mrs. Debien, Mr. Dromisky, Mrs. Kraft Sloan, Messrs. Mayfield, McWhinney, Milliken and Richardson have been appointed to serve on behalf of this House on the Standing Joint Committee of the Library of Parliament.

Attest

ROBERT MARLEAU
Clerk of the House of Commons

Tuesday, February 1, 1994

Ordered—That a Message be sent to the Senate to acquaint Their Honours that Messrs. Bélair, Bellemare, Boudria, Dumas, McTeague, Ringma and Mrs. Ringuette-Maltais have been appointed to serve on behalf of this House on the Standing Joint Committee on Official Languages.

Attest

ROBERT MARLEAU
Clerk of the House of Commons

Tuesday, February 1, 1994

Ordered—That a Message be sent to the Senate to acquaint Their Honours that Messrs. Lebel, Lee, Leroux (Richmond-Wolfe), McTeague, Milliken, Nunziata, Wappel and White (North Vancouver) have been appointed to serve on behalf of this House on the Standing Joint Committee for the Scrutiny of Regulations.

Attest

ROBERT MARLEAU
Clerk of the House of Commons

[*Translation*]

ORDERS OF THE DAY

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

On the Order:

Resuming the debate on the motion of the Honourable Senator Gigantès, seconded by the Honourable Senator Cools, for an Address to His Excellency the Governor General in Reply to his speech at the Opening of the First Session of the Thirty-fifth Parliament. (*2nd day of resuming debate*)

Hon. Gérald-A. Beaudoin: Honourable senators, I had adjourned the debate, but I am quite willing to yield at this time to my colleague Senator Kelly. Of course, I intend to speak this afternoon on the Speech from the Throne.

[*English*]

• (1510)

Hon. William M. Kelly: Honourable senators, I wish to thank the Honourable Senator Beaudoin. It is not for any complex reason that I have asked to speak before him. I have a little bit of a time problem. However, what I did not want to confess to Senator Beaudoin when I asked if he would do this for me was that, when I was made aware that he would speak and I would follow him, nothing would be more difficult for me than to follow an eloquent speaker such as Senator Beaudoin. I could not stand having to go through the agony of being such a pale shadow. Thus, I thought I would make my remarks and leave the rest to Senator Beaudoin.

Honourable senators, I am pleased to have this opportunity to speak to the government's Speech from the Throne. I have not delivered any remarks in reply to a Speech from the Throne in previous sessions of Parliament. However, this time I felt it would be important.

In her remarks the other day, Senator Fairbairn referred to the many changes we have witnessed since we were last in this chamber. I am sure each of us here watches with great interest the new political configuration in the other place. I am sure each of us has his or her own theories as to how things will turn out.

There are those who are disturbed at this new configuration — an avowedly separatist party forming Her Majesty's Loyal Opposition; a distinctly regional party holding the next largest block of seats; and two former national parties reduced to a rump of members.

Obviously, I am saddened by the reduced status of the Progressive Conservative Party, a party that has played a major part in Canada's history, its birth, development and maturing as a nation, and, I must say, a party to which I have given considerable time, energy and personal allegiance. I only hope, like many other Canadians, and am optimistic, that the Progressive Conservative Party will rise phoenix-like and take again its rightful place in Canadian politics.

Beyond that, the political reconfiguration we are now witnessing does not bother me terribly much. We must recognize that in many ways Canada is going through a transition, a structural realignment unprecedented in our history. That realignment is being felt in our economy, in our governments, and soon will begin to impact on our institutions. It is only logical, therefore, that it be reflected in our politics.

To a considerable extent, it was the former Conservative government that put the transition and realignment in motion, and then became caught up in the avalanche. It was the former government that realized that Canada risked being left behind in the new world of economic order. To keep pace, the government initiated an ambitious series of initiatives — Canada-U.S. free trade, NAFTA, privatization, deregulation, economic restructuring, major fiscal reforms and government reorganization and retrenchment.

I believe that the political failure of the previous government was not what it did or tried to do, but how it did it. Look at this government's Throne Speech and compare it with the previous government's first Throne Speech in 1984. There is a remarkable similarity in policies and in directions.

The failure of the PC government, in my view, was the rapid pace of change that it partly initiated and to which it partly reacted, and that government's sometimes maddening inability to explain to Canadians why the changes were happening or were necessary. I do not think the former government adequately explained where it was going and why it wanted to get there. As a consequence, Canadians got the impression that they were caught up in a flood of apparently unconnected initiatives going toward an unknown destination.

They were on the track that I think the country has to stay on. I think history will record that the government of the day, the PC government, had the vision to recognize the dangers we were facing if we did not move in new directions. However, they all had to happen so quickly that they were difficult to explain.

Let us look both at the present and forward to the future. Some people find the strong representation of the Bloc Québécois and the Reform Party in the other house ominous and disturbing. Honourable senators, I think it is for the best. I think it is only positive that the views, policies and philosophies espoused by either party will now for the first time be exposed and subjected to parliamentary scrutiny and debate at the national level. It is one thing to promote philosophies and policies during an election campaign to a predisposed regional audience and draw on a well-spring of regional interests and discontents. It is quite another to have those same philosophies and policies debated as actual alternatives to government policies and put under the microscope of parliamentary and public scrutiny every day, day in and day out.

It is important, and I think critical, that the clash of opposing ideas on the future direction of Canada be debated, and there is no better forum for that debate than the Parliament of Canada, where the national perspective should be paramount and where all sides to the issues can be presented and explored.

I think it is fair to say that the federalist case has not been effectively advanced in Quebec for some time. Nor has the sovereigntists' or the quasi-sovereigntists' view been adequately tested in debate, or even adequately explained to the rest of Canada. The Bloc's strong representation in the other place will ensure that this happens.

I want to take the opportunity presented by this debate to talk about another issue, which I wish had been addressed in the Throne Speech; that is, Canada's need for an industrial strategy. Given the Liberal Party's historical ideological orientation and its huge mandate, I thought that a Liberal government would commit itself to the preparation of an industrial strategy. I was disappointed when it did not. It was, after all, the Trudeau government that made a stab at the last industrial strategy in a document entitled "The Way Ahead" for public discussion and debate. I believe our colleagues Senators Pitfield, Kirby, Fairbairn, Kenny and others had more than a little to do with that document and therefore know far more about it than I do.

Surprise has been expressed that the Throne Speech did not mention either the deficit or the government's plan for deficit management. I, too, find that surprising, given the rhetoric during the campaign. Deficit management based on further tax increases will only snuff out the faint glimmer of economic recovery now under way and will probably, as well, contribute to the growth of the underground economy which we see increasing today.

Further government cut-backs, though laudable in some cases and symbolically useful in others, will have little true impact on the government's operating budget. What is therefore required is to increase economic activity by leaps and bounds, thereby increasing tax revenues and putting people back to work in large numbers in meaningful long-term employment.

The question is: Does the government sit back and hope that cyclical economic forces and recovery in the U.S. economy are enough to prime the pump, or does it take a more activist role? I think a more activist role is called for if we are to have sustained, long-term, stable, economic recovery and growth. That is where an industrial strategy comes in.

By an industrial strategy I mean a sector-by-sector analysis of the Canadian economy that identifies strengths and weaknesses, that identifies those sectors that now compete internationally, those sectors that, with some adjustments, could compete and those sectors that neither have nor could with reasonable effort be helped to have a comparative advantage. That analysis would then be used as a guide for federal policies, purchasing decisions, fiscal and regulatory actions in each sector. The focus should be on those sectors which could, with some adjustments, be made competitive. We should then examine each such sector in detail to decide what fiscal policy, regulatory or other governmental actions are needed in order to realize each sector's competitive potential.

Honourable senators, I want to be clear at this point. I am not talking about government subsidies. Only rarely, in my view, do government subsidies accomplish anything. In most cases they either skew market forces or postpone the inevitable. Canada is unfortunately littered with abandoned or underutilized plants that were artificially created by government subsidies and quickly withered in the hot sun of real market forces. Subsidies should be a small part of an industrial strategy.

I am talking about the government acting as a facilitator or a catalyst by making whatever public policy and fiscal adjustments are called for to increase competitiveness on a sector-by-sector basis. I refer to deregulation, regulatory forbearance, infrastructure improvements, training programs, assistance with identifying and applying new-process technology, promoting R&D, generating market intelligence, promoting trade opportunities, and strategically using the federal government's massive purchasing and procurement powers.

In those sectors where a federal Crown corporation exists, especially where it is a dominant firm, we should look at prospects for privatization. We should look at the taxation or duties placed on inputs to ensure we are not putting Canadian firms at a disadvantage.

• (1520)

We should look at our competition law and its application to ensure that our traditional concern about "bigness" does not deprive Canadian companies of the critical mass necessary to compete abroad. Honourable senators, we must understand that a company may be big in the Canadian context, yet still very small in the international market where it competes. With the removal of trade barriers it should be the international competitive situation, not the domestic situation, that determines application of our competition policy.

We must be aggressive in removing interprovincial barriers to trade, and I was pleased with the Throne Speech commitment to do so. On the surface, it is clearly so foolish. I wish the government well in that initiative. Interprovincial trade barriers contribute to our high-cost economy. They militate against national strategy and mean product lines and firm sizes are frequently too small to be able to compete internationally.

Most important, we must facilitate the growth of pools of venture capital for those sectors with competitive potential. Venture capital companies characteristically provide the equity capital — and sometimes the management expertise — that firms need to grow and become more competitive by commercializing new products or by introducing new-process technologies.

The Canadian venture capital industry is underdeveloped. The heavy reliance of venture capital funds on pension funds — and pension funds now account for more than 60 per cent of the capital committed to venture funds — makes our venture funds more conservative than their counterparts in the United States. A large portion of the industry's available investments is heavily concentrated in Quebec — and the Caisse de Dépôt is an example — and Alberta. The network by which deals are matched with funds is unsophisticated and underdeveloped, and there is insufficient connection to foreign venture capital firms and partnership opportunities.

Without a vibrant, developed, venture capital sector we risk losing opportunities both absolutely and also to the more aggressive venture capitalists in the United States.

With such a sector-by-sector industrial strategy in place, we could then knit together the policies and actions of a range of departments and agencies in Ottawa that are otherwise inclined to operate independently and sometimes at cross-purposes — for example, the Department of Finance, Investment Canada, Treasury Board in its management of the infrastructure program, Investment Canada, the Department of Industry, the Competition Bureau, CIDA, the Department for International Trade, and Government Services in its purchasing and procurement activities.

I am not talking about a top-down command economy type of industrial strategy; I am talking about building on the extensive sectoral analyses already done by the industry department. Those sector analyses have already identified, implicitly at least, winners and losers by sectors and have identified impediments to enhanced competitiveness on a sector-by-sector basis. The next step is to involve each sector identified in the development of a strategy to maximize its potential. Provincial governments, labour organizations and academic institutions with a role to play or something to offer should also be involved in the development of a strategy for each sector.

I realize, honourable senators, that industrial strategy presents political complications. As I have said, an industrial strategy requires the explicit identification of winners and losers on a sector-by-sector basis. However, losers do not like to be identified as losers, especially if it also means being cut off from government assistance and general largesse. It is particularly difficult for governments if losers are highly concentrated in a specific region or province.

That is why now is the time to devise such a strategy. This government, with its huge mandate and almost an entire term ahead, has a unique opportunity to do what has to be done and brave the political wrath that will come from some quarters.

What is required is a strong dose of political courage. We also must confront the reality that, to a considerable degree, we do not have a choice. Our newest free trade partner, Mexico, has had a comprehensive and very successful industrial strategy, the national development strategy, in place since 1986. The economic revitalization of Mexico that has occurred as a consequence of that strategy and the unswerving political commitment to it has been phenomenal. Mexican government economists now forecast that gross output of the Mexican economy will exceed Canada's by the year 2000, thereby relegating Canada to weak-sister status in NAFTA unless we respond.

Another of Canada's major trading partners, Japan, has had an industrial strategy in place for some time. Many of the Pacific Rim countries with whom we trade or wish to promote trade have some form of industrial strategy in place or under development.

As for our largest trading partner and geographic neighbour, we must realize that we risk being picked clean by American states who identify winners in the Canadian economy and offer them very attractive inducements to move to the United States. In the absence of a strategy, and in the absence of federal-provincial cooperation, we simply do not have the tools to compete with this kind of industrial cherry-picking.

We must also realize that we do not have much time. The economic future of Canada will be set over the next four to five years. We are now standing at the crossroads. Which way we turn will determine the future economic health of this country.

That is why I do not think it will be productive to engage in — and I use these words carefully — frivolous, partisan debate on these issues.

There are some of us who would have preferred that another party had formed the government. I am one of them. However, Canadians made their choice, and we have in place a Liberal Prime Minister and a Liberal government with an historic mandate. We owe it to Canada to make partisan objectives secondary to helping the government do whatever is right for Canada.

Canadians are also clearly tired of partisan bickering and manoeuvring, and want their governments to address the major challenges that face them. My only admonition and warning to the government is this: We must do something and we must do it quickly. Time is not on our side. The old ways of muddling through and hoping for the best, rhetoric without substance and political bickering will no longer work. We need a strategy; we need the political courage to implement that strategy; and we do not have much time.

Hon. H.A. Olson: Honourable senators, I agree with many of Senator Kelly's admonitions. However, before we get into that, I was amazed to note today that there has not been a day for months where the preambles to the questions have been very long, and have, in fact, turned into speeches. The honourable senator used to make a great case of that in the last session. I was surprised that he was so quiet, mild and reserved while this was going on today.

Senator Di Nino: Things may change.

Senator Olson: Yes, I realize that.

Honourable senators, I intend to try to keep my remarks within the time limit of 15 minutes. In that short period of time, I will deal with only two subjects in the Address in reply to the Speech from the Throne. One is the same subject Senator Kelly mentioned, namely that there has been a major shift in the political landscape in Canada. Some consequences flow from that that we may as well recognize sooner rather than later, because we, as a Parliament and as representatives of the people and people's business at the federal level, will have to deal with them.

The first area I want to talk about briefly is trying to prognosticate on what Parliament in this 35th Session of Parliament will deal with during these next four years.

• (1530)

If you listen carefully to the Prime Minister, to the Minister of Finance and, indeed, to anyone in authority, you realize that they are telling us there is no money for any new programs, no matter how high a priority is put on them. Therefore, if any legislation tries to bring in new programs of any kind that cost money, that legislation is out. Such programs will not be instituted.

We will be making major reductions in the size of government, and indeed the cost of government, and we will not bring in new programs for anybody. I accept that. I think the priority in recognizing that is valid.

I am also very sure that the message from the electorate this time has been different than ever before in my political career. That is, the electorate does not want the government to bring in a bunch of new costly programs, if there will be any additional cost to the government with the subsequent deficit problems that flow from it. The people of Canada, for the first time that I have ever heard, have said, "No, thanks. That is not the kind of administration we want."

That holds true if you are at the federal level or indeed at the provincial level. I guess it has happened in other parts of Canada, too, but certainly in Alberta. There, the new government, which some people call the Conservative government, is not really a Conservative government at all. It is a Ralph Klein government. That is the only thing that saved the party from a complete wipe-out such as happened at the federal level. It is because Ralph Klein was elected the leader shortly before that election. He, of course, was elected primarily in response to the electors telling him, "We want you to get rid of this deficit of $2.5 billion dollars." That is quite a lot for a province the size of Alberta.

For the next four years we probably will have some major problems. There is the matter of trading, particularly in the international field. There is also the problem of rising crime rates, particularly among young people, and youth crime certainly needs to be dealt with.

I should also like to suggest that what is happening today — indeed, what happened ten days ago with respect to a strike by the longshoremen on the West Coast — points specifically at another matter which we legislators now must deal with. Traditional labour-management relations are no longer valid so far as most people in the country are concerned. But the problem is even deeper than that. I think it is fair to say that, in Alberta at least, most of the members of trade unions no longer support the kinds of actions their leaders have been taking, because of the consequences to them personally. The union leaders are no longer serving their members well. Certainly, the leaders of the longshoremen's union are not, in my opinion, serving their members well when the average or the beginning wage of those longshoremen is somewhere around $20 an hour. To go on a long, protracted strike because they could not get within, as somebody has already said, about 25 cents is not in keeping with the best interests of those union members.

We know that all over this country, perhaps not as much in British Columbia, but certainly in Alberta and many other places, there are no increases being offered to anybody. Decreases are the order of the day. In Alberta there are many different decreases. Canadians employed in agriculture, I expect, have suffered more than a 50-per-cent loss in income, especially the grain farmers, over the last three or four years, as have many other sectors. Even the people in the government sector, whether they be school teachers or nurses or anything else, are being asked to take a 5-per-cent reduction in their wages, even though those wages were arrived at by collective agreement.

Most people think it will be either a 5-per-cent reduction or something else. That is not the case. It will be a 5-per-cent reduction first, and then another 20-per-cent reduction in the amount of money that will be provided for a number of departments in the government. It is not "either-or." It is both.

Quite frankly, although I am not a Conservative and I am not even a Ralph supporter, I think Ralph Klein is maintaining a very large degree of support from the people in that part of the country by sticking to what he is determined to do, which is to reduce the cost of government, because the people who elected him want him to reduce the cost of government. Anyone who thinks he can defy that will simply lose, in my view.

Honourable senators, I want to go back briefly to what I call the new political landscape in Canada. One of the things that some people, particularly Conservatives, are thinking — perhaps hoping — is that there will be some great revival of the Conservative Party. That party has been reduced to two members, one of whom was re-elected and a new member from New Brunswick, whom I suspect was elected because she was a particularly popular person in her own right before she ran for any party. I don't think anyone disputes that.

Senator Corbin: That is one version.

Senator Olson: That is one version. She got elected. We have to accept that. I do not think it was particularly because she was a Conservative that she got elected. Maybe it was. I do not know.

Senator Corbin: Could be. She ran on a Tory ticket.

Senator Olson: Whatever. However, anyone who looks at this situation and thinks that it is some kind of temporary flash in the pan is really not looking squarely at the problem. In the election, the Reform Party in Alberta captured all but four seats and, of course, most of the seats in British Columbia, plus some in Saskatchewan and Manitoba and one in Ontario. I do not believe that that is a passing thing.

I would remind honourable senators that the last time the people of Western Canada decided to vote for a party other than the two so-called traditional parties, one being the Conservatives and the other being the Liberals, they kept on doing the same thing for the next 36 years in Alberta. From what they are telling me now, the present generation of electors in Alberta are just as determined as their forbears ever were that, for as long as they live, they will never vote for the kind of government they have had over the last ten years.

Senator Corbin: Short-term memory.

• (1540)

Senator Olson: No, it is not. That is exactly what happened when R. B. Bennett was thrown out of office in 1935. The people went through a depression that was partly manufactured by the federal government of the day, and they vowed that they would never vote for that party again, and the fact is that they did not. No, they did not. They did not vote for them at all, insofar as the provincial government was concerned, for about 36 years, and they did not vote for them federally until 23 years later, from 1935 until 1958. The determination of the majority out there is that that will happen again.

The question is, honourable senators, why did it happen? If you are attempting to solve something or resolve something, you should at least understand what happened, and why it happened. I think the reason that it happened, the reason why they stopped voting for the Liberal Party sometime in the 1960s, was that they believed there was a problem with their being recognized as an equal part of Canada with central Canada. They did not believe that was happening, rightly or wrongly. I was a member first of the Social Credit Party and then of the Liberal Party, and the people did not believe that the federal government was giving them a fair shake within Confederation. It is true, whether honourable senators want to believe it or not.

I think they then voted for the Conservatives as the alternative that was there. There is no doubt about that. I do not intend to go through the entire history, but almost the entire province elected the Conservatives four or five times, hoping that they would give Alberta and Western Canada a reasonable and equal consideration with the rest of the country. The fact is, of course, that they did not. When you go through all the details, the people out there did not feel that they were given a reasonably fair shake. My friends opposite know what happened with a number of things, with respect to matters being moved or extra consideration being given to central Canada at the expense of Western Canada.

It is important to understand this, because it may be something that our party will have to face. We might be popular for a time, but after four years of having to re-establish democracy and fairness across the country, it may be difficult to sell ourselves the next time. If we have a tough four years and find that we are only cutting social programs and other things rather than bringing in sweet new programs, it may be even more difficult.

My friend who is giving me all the trouble is from Toronto. He might understand better now, because, for the first time, that part of Canada understands what a little depression means. They missed it all of the other times. We in the west did not miss any of them.

I am suggesting that a fundamental change has taken place in the regions of this country, and the people are determined that they will have an equal position insofar as the federal government and the federal Parliament are concerned, in spite of a number of problems.

The last government raised some constitutional matters. One such initiative was called the Meech Lake accord, and that was turned down for obvious reasons. They then came along with the so-called Charlottetown agreement to try again to do something about the constitution. However, the people of Canada were not enamoured of the argument that six senators from each province — innocuous senators, since they intended to take away all the real power that the present senators have — could be exchanged for 36 more seats in the House of Commons. To expect the people to buy that is absolutely ludicrous. I cannot understand why the government could not see that, yet I have to admit that all eleven governments apparently agreed to it in Charlottetown. The people of Western Canada did not buy it. To my surprise, even in Nova Scotia they did not buy it. It was not fair. It would just have made the whole situation worse, as far as they were concerned.

Right at the beginning of these major changes in the political scene in Canada, I think it is useful for someone such as myself to put these few remarks on the record so that historians, whether in the near or distant future, will have the benefit of someone's remarking upon the situation. I am sure some senators do not agree with me. I sincerely believe we may as well face it now: The outer regions of this country are determined to become an integral part of the whole country, and they are equally determined to be treated as an equal part of this country, and this last election was probably the most potent way that that message could be delivered to the parliamentarians here.

Honourable senators, I have a great deal more to say, but I —

Hon. Gildas L. Molgat (Deputy Leader of the Government): We'll give you leave.

Senator Olson: Perhaps honourable senators will let me have leave, if my time has run out, for just a couple of minutes?

The Hon. the Speaker: Honourable senators, is leave granted that the honourable senator may continue?

Hon. Senators: Agreed.

The Hon. the Speaker: Leave is granted.

Senator Olson: Honourable senators, I will not take advantage of that, but I do want to talk about trade. I have had some experience in dealing with the international trade arrangements, particularly with the United States, and I hope that members of this house will forgive me if I am a little less than fully diplomatic in discussing that subject.

We have entered into treaties, long-term arrangements, where we have more or less given up political control of our borders. My experience as a minister, but first as Minister of Agriculture, is that there are many people in the United States — they were there 20 years ago and they are there today — who believe that the United States is big enough and powerful enough that what the United States wants, the United States gets, no matter what they have signed.

This came home to us so clearly the other day. Under our free trade arrangements, not NAFTA but the one before it, there was an arrangement whereby there would be a freer flow of some goods across the border, including, by the way, durum wheat. Twice panels were set up to deal with complaints that had come from some of the American farmers and farmers' organizations respecting durum wheat. In both cases the panels ruled in Canada's favour, that we had not violated any of these arrangements. Yet, when the President of the United States wanted the Congress to pass NAFTA because he thought it was critical, he agreed — or at least promised, or gave an undertaking — that he would have another go at the problem of Canadian wheat coming into the United States. The disease that the United States officers have goes right up to and includes the President: It doesn't matter what they sign — what they want at any given time is what they will go for.

I can remember other cases — I don't want to raise them individually now — in agricultural trade where they had no respect for the rules under seasonal tariffs. If they needed something, they did it, and they would argue about it afterwards. There were livestock diseases involved, and many other things.

I am not terribly impressed with these commitments by which we give up to the United States political control of our borders with respect to trade. It needs to be proven to me that they will respect what they sign, and they have not done that. It seems to me that we have had more trouble with the United States over things like steel rails, steel sheets, softwood lumber, hogs, and all those other things since we put the free trade agreement into operation than we ever had before.

• (1550)

Let us not kid ourselves that we will get any benevolence from the United States with respect to trade. I am in favour of freer trade but I am not in favour of relinquishing our political control on what flows this way, when they simply will not give up the political control they exercise through other laws — countervailing laws and so on — when they refer to Canadian products moving into the United States. I say that in spite of the fact that I think there are many great people in that country. They have a problem with regard to trade; they think they should have their way on all things, regardless of what they may have signed.

Hon. Earl A. Hastings: Perhaps the honourable senator would permit a question?

Senator Olson: Certainly, if I may have the time to answer.

Senator Hastings: In the honourable senator's otherwise thoughtful presentation this afternoon, he indicated at one point something about crime by young people being on the rise, and that it had to be dealt with. Perhaps the honourable senator would tell us what authority he is quoting from, and what knowledge he has that youth crime is on the increase in this country, when all the statistics available by all the organizations indicate that youth crime is under no greater increase than any other crime group within Canada.

Yet youth, who cannot respond, seem to be singled out by speaker after speaker as perpetrating some great catastrophe on this nation that simply does not exist, and the honourable senator has done it again today. Perhaps he has some knowledge or some authority he can share with me to verify what he has said.

Senator Olson: The honourable senator may be right, and I apologize if the statistics that show the whole picture with respect to youth crime indicate no increase in such incidents. I do know that some very violent crimes, including murder, have been committed in the school yards and various other places in Calgary. The honourable senator would have to give me a few days to dig up the records on those crimes, but they are there, and Senator Hastings knows that. There may not be a significantly greater number, and the honourable senator may be able to prove

that, too, but I do know that the general public is far more disturbed now than I have ever seen it in relation to young people going to school carrying weapons that were never seen on school grounds before. I think that is what they are talking about. The number may be smaller but the violence involved has been the subject of many articles in newspapers, and I presume that they have at least reported those facts correctly.

I think it is fair to say that the general public in Canada expects its Parliament, which is responsible for the Criminal Code, to change that code so that law enforcement officers will have more authority to deal with the problem.

[*Translation*]

Hon. Gérald-A. Beaudoin: Honourable senators, the Parliament that opened on January 17 will be unlike any other. For the first time in Canadian history, the Leader of the Official Opposition in Ottawa wants a province to achieve independence. The Reform Party, concentrated in Western Canada, has almost the same number of seats as the Bloc Québécois and is also in the opposition. These two opposition parties are poles apart. Our parliamentary system is still the best place to settle great differences of opinion in a civilized manner.

Canada experienced a threat of secession at the very beginning of Confederation. In 1868, a movement led by Joseph Howe of Nova Scotia was cleverly countered by Sir John A. Macdonald. In May 1980, the Quebec people voted by a margin of 60 per cent to 40 per cent to reject Premier René Lévesque's request for a mandate to negotiate Quebec's sovereignty and association with the rest of Canada.

This time, part of the debate is taking place in the Canadian Parliament, the only forum where all Canadian citizens are represented by their elected members. All this seems contradictory, but let us just wait and see.

Prime Minister Jean Chrétien, who, like Lucien Bouchard, comes from Quebec, wants to focus on job creation. That, according to him, is the mandate he received from the Canadian people. The Leader of the Official Opposition has stated that the renewal of federalism is a "dead issue." Jean Charest, for his part, draws a distinction between an election and a referendum. In his opinion, the Quebec people know that they have not exhausted all the benefits and potential of federalism. The leader of the Parti Québécois, Jacques Parizeau, talks about a "mental block" in the rest of Canada. Finally, Robert Bourassa has declared that Quebec sovereignty is geopolitical nonsense, that sovereignty is not a formula for the 20th century and that, in the end, Quebecers want to keep many things in common with Canada.

Federalism is a flexible formula that goes back a long way. Our parliamentary system may be part of the solution to save Canadian federalism. For decades, constitutional talks have been held at the level of the first ministers, in a process of what we call "executive federalism."

It must be embodied in the legislative branch of government. Parliamentarians must have their say in tomorrow's federalism.

Can this federalism meet today's needs?

[*English*]

In the Speech from the Throne, the Chrétien government proposes to eliminate overlapping in the field of the division of powers. It is an interesting idea that may contribute to rendering our country much more functional. From the beginning, this is an idea that has been put forward by our party, as Prime Minister Campbell explained last year.

The theory of a watertight division of powers is no longer what it was in the 19th century for federal states. Federalism has become complex, refined. For example, unemployment insurance has been within the authority of Parliament since 1940. Education, property and civil rights have been under provincial jurisdiction since 1867. It has been ruled by the Supreme Court that social security is primarily a provincial matter.

• (1600)

Since 1937, our jurisprudence has recognized a certain federal spending power under certain conditions. Finally, following amendments adopted in 1951 and 1964, old age pensions became a concurrent power with a provincial preponderance. What should we do? In my opinion, we have first to respect the Constitution and, second, we must render more flexible the working of our federalism by using administrative arrangements between the two orders of government.

The administrative agreements constitute an efficient way to solve problems. They do not require constitutional amendment. They adapt Canadian federalism to the needs of each era. The Quebec-Ottawa agreement on immigration is an eloquent example. Flexibility is the genius of federalism.

Canadian federalism is always in evolution. It is for us to continue to improve the work of the Fathers of Confederation and to adapt federalism to the needs of our time.

What is happening, in particular, in the case of manpower training? In the Beaudoin-Dobbie report and in the Charlottetown agreement, the Liberal Party agreed to sign agreements with the provinces wishing to exercise their jurisdiction over manpower training.

This is now clearly the wish of the Quebec government and perhaps of some of the other provinces. There was an agreement in principle between former Prime Minister Kim Campbell and former premier Robert Bourassa in July of 1993, the details of which now remain to be defined. In my opinion, things must be speeded up.

The Chrétien government also wants to implement the inherent right to self-government for the aboriginal peoples — in concert with them. It is a commendable objective.

The Royal Commission on Aboriginal Peoples, co-chaired by Mr. Justice René Dussault and Dr. George Erasmus, will probably table its report later this year. The recommendations of that report will certainly shed light on the whole aboriginal question.

In my opinion, honourable senators, we must settle the aboriginal question by appropriate federal legislation, step by step. Then, when we are ready, we should enshrine those principles in the Constitution.

The inherent right to self-government for the aboriginals should have parameters as stated in the Beaudoin-Dobbie Report on the Renewal of the Constitution:

> ... any new constitutional provision should indicate that the right is inherent in nature, circumscribed in extent, and sovereign within its sphere.

[*Translation*]

What should we do until the election in Quebec? What should we do until the referendum, if the Parti Québécois wins the election? The time has passed for global federal offers to amend the Constitution. Those efforts were worthwhile at the time. Today, the same problem appears in a different light.

In my opinion, the time has come to conclude administrative agreements. It is only after trying out certain arrangements in the division of powers that we will be able to discuss constitutional amendments and resolve this issue. We must first experiment. Renewed federalism will not happen overnight but we must start the process today. We must demonstrate that federalism is not dead.

Quebecers will remain faithful to federalism if our system shows in practice that it can meet their needs.

Since 1867, Quebec has made tremendous progress that it would be unfair to deny. Where did it acquire its present strength if not within the federal system? To stay or not to stay; that is the question that may soon be asked. We must demonstrate, on both sides of this chamber, that it is in the interests of all parts of this country to stay and work together.

[*English*]

Hon. Jerahmiel S. Grafstein: Honourable senators, this is the first time since my appointment to the Senate that I have been energized to participate in a reply to a Speech from the Throne.

Civility, civilité, civilitas. Most senators will recall that the prescribed duties of that first antique Senate, whose name we proudly bear, was to bring civilizing tendencies to public life, and we all recall the severe penalties for failing to do so. Some say that, at times in the recent past at least, the Senate has suffered from short-term memory loss. So, honourable senators, it is most pleasing to hear those soothing, precatory words of civility oozing and flowing from our respective leaderships as we approach, with some delicacy, this new and admittedly unprecedented Parliament.

At the outset, may I salute the new Speaker; hail the leadership troika on the government side and on the opposition; recognize the various works of each of their predecessors; and remind our public and our leaders alike that those who would ascend to the lofty heights of Senate leadership sooner or later will descend yet again to rejoin those of us in the well of this chamber, rent with wear and tear from their experiences of higher office, to take up once again the rejuvenating and resuscitating Senate tasks in common cause with their more assiduous Senate peers.

Today, senators on all sides of this chamber, we find ourselves crouching on rather unique political geography, wrapped in a rather singular time warp in Canadian history. Recently, I forced myself to plough through Mason Wade's voluminous volumes on the history of Canada, drafted from a French Canadian perspective, to discover if there was, at any time in our past history since Confederation, a parallel to this particular moment! Was history repeating itself? Were there lessons to be learned? Alas, I could discover no precedent.

• (1610)

While the modern rhetoric in the other chamber rings with familiarity in its circular and repetitive Canadian content, we do hear dissident sounds in Parliament for the first time. The democratic demography in Parliament is freshly unfamiliar and strangely different.

For the first time since Confederation, the other place is quite heavily populated with those who do not share any common vision of Canadian unity. Meanwhile, here in the Senate, while we all share a common vision of a united Canada, we continue to differ profoundly on the priorities, the process, the ground rules, indeed the contours of the playing field that we all aspire to for a united Canada to occupy.

By accident or by design, history has injected the other place with a cast of characters dysfunctional and asymmetrical from the Senate. What can one predict from this rather curious misalliance? Will we speak for our regions with different voices? Will we catch the ear of a sceptical populace? I believe that we in the Senate will speak for a united Canada from the perch of our different regions, while recognizing our very fragile political limitations.

Has history thrown us a momentary task beyond serving as a chamber of sober second thought? Perhaps we can, on this different political terrain, construct the scaffolds of a public platform as a first chamber if we act to diagnose clearly, and ever more precisely, and ever more rationally, the pathology of the problems besetting Canada from within and from without.

This I believe we can do together in the Senate in the months ahead. If our prescriptions are lucid, we may hope to be tuned in by the public ear, attract the public mind, and enlist the hearts of Canadians who are simply aching for clarity of vision and rational leadership in the confusing world of economic unrest and riveting uncertainty. Is there an organizing idea lurking beneath and feeding the current state of unrest in the world?

In 1849, Benjamin Disraeli, then an aspiring leader of the opposition in the British Parliament, criticized England's most experienced and famous minister of foreign affairs, Lord Palmerston, for, as Disraeli said, Palmerston's "obsession with newfangled and divisive doctrines of nationality."

In the 15 decades since, close to 150 years later, we have learned little and erred much. Yet, from bitter experience, historians have now isolated the most corrosive cause of wanton human destruction. They have now correctly detected that cause, that scourge, that tumour, as nationalism. Thoughtful observers have labelled nationalism in our century, the 20th century, as "the killing century." Some have even calculated that over 167 million people have been slaughtered in this century, all in the name of one idea: "The nation." Many have defined nationalism as a political cancer of this century that obscenely has legitimized those killings. We find this malignancy is cocooned deep in the parts of Canada, and is found nesting in much more virulent forms in many parts of the world where unrest and suffering and bloodshed abound.

For me, the problem of Canada is not Quebec, nor is the problem of Quebec Canada. Rather, the problem of Canada and the world is nationalism. Nationalism — where self-love corrupts universal love; nationalism — where one group exalts itself over others; nationalism — where an imaginary superiority complex of one so-called "class" demands the artificial creation of inferior classes; nationalism — where tribal passions never fail to engulf and drown reason; nationalism — that seduces in the name of one so-called solitary, unique culture, while the essence of any culture lies in diverse and multi-ethnic groups.

Salman Rushdie, that notorious victim of extremism, argues that culture, like art, requires freedom. But he cautions that artists long for "imaginary homelands" so that they can plant their art and their dreams in one place, in one time. Meanwhile, below the planting surface of culture, he finds that art, like culture, requires cross-pollinization, cross-roots to flourish. One culture can only thrive or grow on the influences from others.

Hemingway, the American, needed France and Spain; Günther Grass, the German, needed America; Fuentes, the Mexican, needed Spain and America; Kundera, the Czech, needed France and Russia; Naipaul, the West Indian, needed England; and practically every novelist professes that he was nourished by Kafka, the Czech and Cervantes, the Spaniard.

Every artist needs another culture to centre himself in his art. Art can uncover no superior, no solitary, no isolated, no special, no distinctive culture, for none exists.

There is no "authentic" English or French or German voice. Who is a more authentic Quebecer, Anne Hébert or Gabrielle Roy, writing from France, or Mordecai Richler writing from England? Céline Dion singing from Las Vegas or Leonard Cohen singing from New York?

Culture coagulates from a melange of authenticities and a mixture of sources, and it depends on its clarity of vision — on its universal truths — not its origins and not its influences. Culture, like science, knows no boundaries, and certainly no national boundaries.

In recent days, critics consider the most perceptive novel turned into a film on English society and culture in the 1930s *The Remains of the Day*, which was written by an Englishman of Japanese origin and directed by an Englishman of Indian origin. And the most recent heralded French film, called *Bleu*, about a Frenchwoman suffering from the inner trauma of her problems adapting to modern day France, was produced and directed by Poles.

One can also detect that in the name of nationalism, or its incubator baby sisters, chauvinist regionalism and ethnic fundamentalism, the public vocabulary changes; subtly, it insidiously changes to justify atrocities. "Just Wars" or "Just Defense" they are called, all in the name of "the nation." Individual rights are absorbed or aborted by the collective. National justice is defined by the supremacy of one group over the individual. "Ethnic cleansing" is justified — all for the sake of the nation. Show me a nationalist who loves a stranger as himself. Show me a nationalist who prefers to argue that justice should be equal for all. Show me a nationalist who seeks to balance in the legislatures, or in the courts, justice for all, or craves equality for others in the media or equity in the marketplace.

In Quebec, we find a nationalist media who thinks it is not unfair to monopolize print and the electric airways in its singular promotion of its nationalist idea. While this monopoly should not surprise us, it should occupy the attention of any interested historian, any interested humanist.

Freud, almost always the realist, wrote the following:

> It is always possible to bind together a considerable number of people in love, so long as there are other people left over to receive the manifestations of their aggressiveness.

One wag, one wit, has even suggested that nationalists are always united in a common dislike of their neighbours, in a common mistake about their origins.

Where are the Voltaires or the Benjamin Franklins, who believed that, where liberty lives, that was their country?

Our fault, senators, has been to appease or, worse, to underestimate the forces of nationalism. Even such brilliant modern philosophers as Hobshawn or Berlin find nationalism so incongruous, so incredible, so unreasonable, that one group of people at the end of the 20th century would hold a belief of exultation over others at the expense of reasonable, liberal, universal values. Holding universal values appears to them to be so rational, so humane, so fair, so just and so workable. Pascal, that thoughtful medieval French humanist, put it best when he wrote in his *Pensées*: "The heart has its reasons of which reason knows nothing."

• (1620)

We fail repeatedly to illuminate the contradictions of nationalism. Have you ever heard a nationalist argue for a good society or a better society for all, rather than a special, distinctive or unique society for some? Or argue in favour of reducing the barriers between classes and empowering the minorities towards equality in their society? These ideas are simply not part of, nor a portion of, the rhetoric or the vocabulary of nationalism.

Have you ever wondered why, as one author has recently suggested, "the alibi of nationalism" is always promoted by "bourgeois prophets" whose Utopian plans always result in a "multiplication of misery" for the masses rather than for the leadership classes?

We know that nationalist power — chauvinist power — inflates and distorts the needs of a majority at the expense of the minorities. In 1955 the Tremblay commission in Quebec argued that Quebec needed more taxes, more power, as less than 30 cents out of every tax dollar was then being expended by the province. Then, the Tremblay Commission concluded that 50 cents out of every tax dollar would be fair, would be equitable, would be democratic. Now, in the 1990s, over 70 cents of every tax dollar is expended by the provincial government and still it is not enough. Alas, nationalists the world over never know when to curb their bloated appetite.

Is it not, senators, part of our challenge, our job, to contain and curtail that voracious appetite and to provide the public with alternatives: civil, universal, liberal alternatives to the coarseness and the crudeness of nationalism in the weeks and months ahead? The "alibi of nationalism" always suffocates debate for more jobs, more equity, more equality. This is the paradox of nationalism.

May I turn more specifically to the Throne Speech and one gentle critique made by the Leader of the Opposition in the Senate? He suggested that the Throne Speech was negligently absent of any foreign policy discussion. I respond that this is simply not fair comment.

The government promises that Parliament will review foreign policy in all of its aspects. And who in the Senate could argue that such a review is not long overdue? Wherever we turn, senators, at home or in the world, we find our foreign policy in tatters, because the assumptions and the foundations that have supported our foreign policy are changing ever so rapidly.

We know at home that domestic institutions are losing credibility because they were simply unprepared to cope with the economic limitations of the 1990s. So, too, we find international institutions designed and machined for another age. The UN, NATO, our relations with the Commonwealth, our relations with emerging Asia, our relations with the developing world, all these noble groupings are founded on political templates that are shifting beneath our feet. The tremors of the new world order — the unpredictable new world order — are cracking the pillars of international organizations.

Today we read in the *New York Times* a damning article by Sadruddin Aga Khan, the former UN Commissioner of Refugees, deploring the United Nations' Secretary General's attempts to pull the teeth on the United Nations International War Crimes Tribunal just set up by the UN Security Council.

The UN War Crimes Commission, "charged with assembling evidence," the Aga Khan tells us, is being told to "wrap up" its investigations in Yugoslavia by April. The Aga Khan charges in today's article that "the neutering of the international tribunal is on the way." Worse, he argues, is that those leaders who have led the way to the atrocities in Yugoslavia are about to be whitewashed. Yes, senators, surely we need a review of our foreign policies.

What kind of new world order can call itself by that name?

The Hon. the Speaker: Order. I apologize to the honourable senator. I am informed that his time has come to an end. However, with leave, the time may be extended. Is it agreed, honourable senators?

Hon. Senators: Agreed.

Senator Grafstein: What kind of new world order can call itself by that name, when the most robust states disengage and retreat like isolationists of old? What happens when the most economically viable states refuse to deploy their resources abroad because of lesser, pseudo, needs at home? Yes, the ice of the Cold War has melted. Yet the human condition remains encased with the cancer of nationalism that continues to metastasize.

Canadians are confused, when we send our troops abroad to Somalia and Yugoslavia and their mission and their mandate is not supported by a clear international consensus. Canadians worry when they detect that a strong United Nations command structure and a stronger political direction is absent, particularly when Canadian troops are deployed in harm's way abroad.

Canadians sense that there is weakening of leadership, even in the most congenial atmosphere of NATO. This is not new to senators. These concerns we noted in our Senate report on peace-keeping last year. Obviously NATO, the touchstone of our European policy, needs a refurbished mission statement since its credibility to play a decisive concert on its own instruments against open, visible, aggression in the name of nationalism has been neutered by confusion and inaction. Where is Mr. Pearson when we need him!

We must examine our foreign policy. We must examine what values and resources Canadians are prepared to project on to the world stage. We must find out anew how Canadians can make a humane difference. Canadians relish their international involvement in good causes abroad. Canadians have been proud of their international role. Now clearer policies must support these very noble sentiments.

Salman Rushdie wrote about the "beautiful image" in a Saul Bellow novel called *The Dean's December*. The Dean, the central character of Bellow's book, hears a dog barking wildly somewhere. He imagines the barking is the dog's protest against the limits of the dog's experience. "For God's sake, open up the universe a little more," the Dean thought. Not a bad organizing idea for our foreign policy: "For God's sake, open up the universe a little more."

To close, honourable senators, on a domestic topic, I do applaud the government's proposal to revive the National Law Reform Commission. I had a hand in the establishment of the first National Law Reform Commission and I was proud of its role and its membership throughout its tenure. The essence of the

rule of law is not self-love, but equality and respect for each individual. The rule of law is precisely where domestic and international conduct intersect. Just as we must develop new modalities abroad, we must re-examine the rule of law at home. Respect for the rule of law remains the holy ark in our search for domestic and foreign tranquillity.

Cecil Augustus Wright, one of Canada's greatest law reformers and the Dean of my law school at the University of Toronto, a great teacher and a mentor of mine, said, 30 years ago, quoting yet another great judge:

> Fragile as reason is, and limited as the law is as the expression of the institutionalized medium of reason, that's all we have standing between us and the tyranny of mere will and the cruelty of unbridled, undisciplined feeling.

The Canadian way of life is adherence to the rule of law. The Canadian way of life requires civility. The Canadian way of life requires us to contain our passions by our reason. This is exactly the purpose which the Senate was constructed to accomplish. Senators, let us get on with the job!

Senators, I am indebted for the articulate support for some of the notions in this speech found in two recent and extraordinary books: *The Cultivation of Hatred* by Peter Gay and *The Wrath of Nations* by William Pfaff. I commend both books as primers for any student of foreign and domestic policy. Thank you for your indulgence.

Hon. Ron. Ghitter: Honourable senators, I should like to congratulate Senator Grafstein on a thought-provoking and excellent presentation this afternoon. It was wonderful to hear. I would now beg leave to adjourn the debate.

On motion of Senator Ghitter, debate adjourned.

• (1630)

INTERNAL ECONOMY, BUDGETS AND ADMINISTRATION

REPORT OF COMMITTEE—DEBATE CONTINUED

On the Order:

> Resuming the debate on the motion of the Honourable Senator Molgat, seconded by the Honourable Senator Frith, for the adoption of the Report of the Standing Committee on Internal Economy, Budgets and Administration (Senate budget 1994-95), presented in the Senate on January 19, 1994.

Hon. Richard J. Doyle: Honourable senators, honest efforts to no avail, having spent nine years attempting to become perfectly and abominably political, I find myself back where I started — incapable of hating, loathing and demonstrably despising the new Leader of the Government in the Senate. It will take more than preaching from Senator St. Germain or coaching from Senator Atkins to turn me from cheering Senator Fairbairn, who is to me like a bridge over troubled waters.

What good fortune for Senator Fairbairn to come to high office just as Senator Lynch-Staunton assumes the leadership of the opposition, which holds the majority of the seats in this place. The accomplished Senator Lynch-Staunton, as Senator Fairbairn will certainly have noticed, arrives as the choice of the caucus he now represents.

Some Hon. Senators: Hear, hear!

Senator Doyle: Never has a leader in this place been expected to dance with so many people who brung him. Good on both of these elegant Canadians. The Senate? A class act, eh?

I should also wave my little rule book at Senator Roméo LeBlanc. I first met our new Speaker when I interviewed him about his policies as Minister of Fisheries. Long since, we have both been hooked, so to speak — he as a newly gowned rainbow trout, I as a struggling smelt. We come here having served our colleagues on the same committee and having shared the same problems, if not always the same solutions. Some of those problems are still with us.

Honourable senators, the three faces of the Senate — government, opposition and management — defy all attempts at precise definition. Government offers a clear agenda, opposition its reasonable alternatives, and management its peculiar priorities and undoubted efficiencies. Such neat slotting, alas, makes little allowance for divisive groupings related to the political left or the political right, to age or youth, to spendthrift or miser, to him or to her.

Nowhere are the supposed conformities of "Senating" so frequently rent asunder as they are in the Internal Economy Committee, that compendium of fussy housekeepers whose budget proposals for 1994-95 are now awaiting the verdict of this chamber. Left to their own devices, government members of the budget subcommittee would have served up a different dish; opposition, a more calorie-limited plate; management, something along the line of nouveau cuisine — perhaps with a nasturtium leaf to hide wee buds of excess.

The compromise comes with less potential for confusion than budgets devised before Senator Brenda Robertson's revision of the rules severely restricted the use of *in camera* committee meetings for most purposes other than those relating to finance, personnel and agenda. A direct result of this reordering was Senator Lavoie-Roux's disposal of two of the "in secret" subcommittees that historically pre-screened Internal Economy's workload. With this move to far more transparency of the committee's business, there began tentative efforts to persuade the media to make use of the windows now provided.

Obviously, when the controversial move to increase accommodation allowances came in June of 1993, the media did not look for disclosure in the budget papers. Senators understandably — and regrettably — did not hasten to point it out. This year, we have been bolder. For instance, we have made note of provision for increased use of research allowances in our press release, as well as in our report to the Senate.

The media have not rushed to describe the Senate's efforts to respond to the hard times that have alarmed the country. But I would venture that we have seen credible beginnings. Examples were to be found, for instance, in the *Gazette* of Montreal and *The Hill Times* of Ottawa. The Canadian Press was straightforward and fair.

The Hill Times does not have the country's largest circulation, but it is the home town paper for people who work on the Hill and it shows encouraging signs of trying to get things right. That, dear friends, is a blessing to behold, even in stories or columns that attack or ridicule events or folks in Parliament. Attack and ridicule are, after all, stylish techniques in our business, too.

As long as facts are the ammunition used in the exercise, we have no grounds for complaint. Sometimes, however, explanation can be useful on either side of the media relationship — testy as such relationships are, and should be.

In the course of commenting on the budget before you, honourable senators, I said in the Internal Economy committee:

> We did not think it was our job to tell senators what services they should or should not have in the way of doing their work. Those are things that should properly be decided in the chamber, and not by some committee working on a budget.

• (1640)

I am certain that there will be some support from at least some of my colleagues here in the chamber for the quick retort from the reporter from *The Hill Times* who wrote that:

> All the committee's major decisions must be ratified by the Senate as a whole. But what prevents them from debating the future of services during a budget meeting? Senator Doyle's comment sounds eerily like a certain Prime Minister of the Tory persuasion who insisted that election campaigns were not the place to discuss the future of social programs.

I might pause now to allow honourable senators to say "Hear, hear!" But, in fairness to my committee colleagues, I must point out that the subcommittee on budgets has never hesitated to discuss any aspect of Senate spending, and has always invited carryover of that discussion in the open precincts of the committee as a whole. Any senator who wishes may attend and speak at committee or subcommittee meetings.

In addition, some budget matters are referred to Liberal and Conservative caucuses. For example, the drastic change made in this year's budget for senators' overseas travel was sent to caucuses before being endorsed by the subcommittee and passed by the committee as a whole. If there had been a proposal to eliminate the underwriting of such travel, I would have argued that the Senate as a whole should consider the matter here in the chamber. I would say the same for consideration of further cuts in, or abandonment of, support for parliamentary associations and their travels, and their hosting here of visitors from the parliamentary associations of foreign governments.

If we find that the national economy requires further changes that will radically affect or eliminate programs and services, then the Senate itself should be involved in the process. I would say the same for future review of equipment provided for senators' offices. This year we have said no to replacements unless the equipment is beyond repair. There are services and programs which I, for one, believe should be delayed until Parliament has more money that it can spend with a clear conscience.

In the last month of last year, and just before the finalization of the budget now in your hands, honourable senators, the subcommittee was asked to give its approval to a scheme submitted by the Public Works Department to halt the structural deterioration and to make better use of the East Block, the treasure house of so many parliamentary relics.

I ask: What does a good senator say when asked, ever so nicely, to save the Crown jewels?

Ah, but wait a minute. While initial work will require no money from the Senate, we will have started down a road that in this decade will require from the Senate millions of dollars to pay for furnishings, finishings and services to the offices for eight or 18 new senators — none of which is necessary to fill an immediate need. We will be required to commit ourselves to abandon our Centre Block post office and accept at the same time the conversion of an abandoned, windowless vault as a work place for Senate postal staff.

Discussions of the important East Block rebirth and the sensible creation of a new Centre Block committee room have been underway, in the present phase, for three years and more, although in the last year these discussions have been almost totally confined to the secret meetings of the management board of the other place.

When we on the Senate Internal Economy Committee inquired last summer about persistent rumours that the post office was about to be moved and the East Block plan revived, we were told nothing of the kind was afoot. When the Public Works Department sent a representative to our most recent meeting, which was held last month, we were advised — or perhaps told is a better word — that omnibus plans were finished and approval was necessary at once so that tenders could be called. Work would be under way with spring thaw, even before consideration of the House of Commons' budget!

The Hon. the Speaker: I apologize to the honourable member but I am informed that his time has expired. However, with leave, he may continue.

Some Hon. Senators: Agreed.

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

Hon. Senators: Agreed.

Senator Doyle: Honourable senators, this is the kind of project that cannot be dealt with by approving or denying a committee recommendation. It is the very kind of thing that I said in the Internal Economy Committee "should be properly decided in the chamber." In this instance the word "properly" should imply "after full and public debate."

A last thought here about that word "public." My year in the budget slot has convinced me that we would be better off in the business of understanding, and even far better off in the business of being understood, if we did away with all *in camera* meetings of the budget subcommittee other than those directly related to working relations with our employees with whom, as you can see, clear and candid talks are needed from time to time. As senators, we might well even show the way to our friends down the hall at the Commons Board of Management, where, we are told, members must swear oaths of secrecy.

• (1650)

In such circumstances, I would hope that the three faces of the Senate would continue to enhance the openness that is such a vital part of the new politics Canadians seek.

On motion of Senator Di Nino, debate adjourned.

INTER-PARLIAMENTARY UNION

NINETIETH INTER-PARLIAMENTARY CONFERENCE, CANBERRA, AUSTRALIA

Hon. Peter Bosa rose pursuant to notice of January 19, 1994:

> That he will call the attention of the Senate to the 90th Inter-Parliamentary Union Conference held in Canberra, Australia from September 13 to 18, 1993.

He said: Honourable senators, it is my privilege to speak on the report I tabled in the Senate on January 19, 1994, concerning the ninetieth Inter-Parliamentary Conference held in Canberra from September 13 to 18, 1993. Three of our distinguished colleagues, Senators Bonnell, Comeau and Lewis, and I attended this conference. Our Clerk Assistant, Mr. Richard Greene, accompanied the delegation in order to attend the regular conference of the Association of Secretaries-General, which meets at the same time as the IPU.

Before speaking about the deliberations at the conference, I wish to say something about our host country. Australia is the flattest, smallest and driest continent. A nation as well as a continent, it seems an anomaly: It is English-speaking, Christian, sparsely populated with about 17 million inhabitants, and it stands on the rim of its cultural antithesis, Asia.

The first British settlers landed in Australia in 1788. Successive immigrations led to the establishment of six separate colonies which joined together to form the Commonwealth of Australia in 1901. Each of the six states and the two territories also has its own legislature.

The government of Australia is a constitutional monarchy with Queen Elizabeth II as the head of state. The legislature is bicameral, comprised of the Senate and the House of Representatives. Voting in all Australian elections is compulsory for citizens over the age of 18.

The 148 members of the House of Representatives are elected by a preferential voting system. If no candidate has a majority after the primary votes are counted, the votes of the candidate who gets the least votes are distributed to the candidates who receive their second preference. This process is repeated until one candidate achieves more than 50 per cent of the vote. Elections are held every three years.

The 76 senators are elected by a system of proportional representation under which each of the six states is treated as a single constituency. Elections for half of the Senate are usually held simultaneously with the elections for the House of Representatives. Senators, therefore, normally have a six-year term.

Currently, the system of government is a Westminster-style parliamentary democracy. However, the Prime Minister, Mr. Paul Keating, has called for a referendum on whether Australia should become a republic by the turn of the century. A Republic Advisory Committee has been established to examine the modalities of achieving a federal republic and is expected to make its report in the near future.

Our visit took place five months after Australia's federal election, which was held in March 1993. The Australian Labour Party has ruled Australian federal politics since 1983. Most recently, Mr. Keating led his party to an upset fifth victory, notwithstanding a stubbornly slow recovery, persistently high unemployment, and generally popular discontent with his government. He won more than 52 per cent of the vote, and even doubled his majority in the House of Representatives to 13 seats. However, the actual margin was very thin: Only 1,550 votes in the eight most marginal seats made the difference.

Since the early 1970s, Australia has progressively reoriented its foreign policy stance away from Europe and towards Asia. This approach has been accelerated by the Hawke-Keating governments. As it increasingly directs its policy towards the region, Australia is beginning to question its involvement in such organizations as the Commonwealth.

Canada-Australia relations are long-standing, friendly and broadly based. Apart from historical and cultural links, bilateral trade and investments are not insubstantial. Similar viewpoints on a vide variety of international issues exist. In addition, there is a welcome and well-entrenched tradition of exchanges of officials, views and mutual assistance. Canada works closely with Australia in multilateral fora, particularly the United Nations and its associated agencies and the Commonwealth, as well as in the multilateral trade negotiations through the Cairns Group. During the conference, the Canadian government announced the sharing of some diplomatic facilities abroad with the Australian government.

I would now like to turn to the conference itself. At the outset, I wish to pay tribute to the Canadian Deputy High Commissioner, Mr. Gardner Wilson, and his colleagues for their assistance and support during the conference. Shortly after our arrival, Mr. Wilson and other staff members provided a comprehensive and informative briefing on Australia. In addition, Mr. Wilson attended our regular morning briefing sessions and he also hosted a reception in order for us to meet members of the Canadian community in Canberra, including a number of public servants participating in exchange programs.

The first topic on the agenda of our conference was "Respect for international humanitarian law and support for humanitarian action in armed conflicts." My colleague Senator Bonnell and Walter Van de Walle of the other place spoke on behalf of Canada in the plenary debate. They also represented Canada at the meetings of the committee which examined this subject and prepared a draft resolution. Both Canadian speakers emphasized the need for the protection of peace-keepers who are not covered sufficiently by the existing international covenants. When the proposed draft resolution did not make any reference to peace-keepers, Senator Bonnell successfully moved an amendment to the draft text to ensure that they were included.

The second topic on the agenda was "The health and wellbeing of the elderly." The inclusion of this subject on the agenda came about largely through the efforts of the women parliamentarians in the Canadian group. Two of our colleagues from the other place, Mrs. Edna Anderson and Mr. Les Benjamin, represented Canada in the plenary debate. A drafting committee of nine persons was selected to prepare a draft resolution. Mrs. Anderson was elected as chairperson of the drafting committee. The draft resolution, which was adopted unanimously by the conference, contained some elements proposed by the Canadian group, especially several clauses on elder abuse, a topic examined in detail by a parliamentary committee last spring.

At each conference there is an opportunity to vote on a supplementary item to be included on the agenda. On this occasion, the topic was "External displacement as a consequence of the conflict in Bosnia and Hercegovina and other wars and civil wars." Two of our colleagues, Senator Comeau and Senator Lewis represented Canada at the meetings of the committee that examined that subject, and they worked vigorously to produce a text that was adopted subsequently by consensus.

There was also a debate on the general political, economic and social situation in the world. I used this opportunity to speak about the North Korean withdrawal from the non-proliferation treaty, stressing the need for a multilateral, regional, security-dialogue mechanism for the North Pacific, similar to the mechanism of the Conference on Security and Cooperation in Europe. I believe that the lessons we have learned from the CSCE process could be applied to other regions of the world in order to ease tensions in situations of conflict, and to facilitate the development of trust and mutual understanding.

• (1700)

I should also like to mention the report of the IPU Committee on the Human Rights of Parliamentarians. As you are aware, the Canadian group has been very active in the work of this committee. Our colleague Senator Neiman, who was instrumental in its establishment, was a member of that committee for a number of years.

During the Canberra conference, the violations of the rights of 101 members or former members of Parliament in seven countries were brought to the attention of the delegates. The 101 cases were one from Bulgaria, five from Columbia, one from Indonesia, sixty-eight from Myanmar, formerly Burma, two from Togo, twenty-three from Turkey, and one from Uzbekistan. Supporting actions by legislatures play an important role in securing positive developments, and I would urge my honourable colleagues to consider how we might assist in promoting the human rights of parliamentarians throughout the world.

Honourable senators, the Inter-Parliamentary Union was founded in 1889 by two men: an Englishman, William Cremer, a carpenter, trade unionist and a Liberal Member of Parliament, and a wealthy Frenchman, Frederic Passy, a member of the Chamber of Deputies. What united these two men of quite different backgrounds was a joint commitment to the cause of international peace. Both argued strongly for the need for some form of international arbitration as an alternative to war. The IPU was very active from the beginning in the international peace movement and was largely instrumental in establishing the Permanent Court Arbitration in The Hague.

At the opening ceremony, the Governor General of Australia, the Honourable Bill Hayden, paid tribute to the IPU, noting:

> ...it is a forum where some of the most important issues facing humanity in the modern world can be discussed by elected representatives in an open and vigorous way, without delegates necessarily having to express the particular views of governments or parties. It seems to me that this has been the great strength of the Inter-Parliamentary Union over the decades, and I hope that it will be a touchstone of this conference.

Honourable senators, I can assure you that delegates at the ninetieth Inter-Parliamentary Conference continued to work vigorously toward the great objectives of the IPU: the peaceful resolution of conflicts and the development of democratic institutions.

The Hon. the Speaker: Honourable senators, if no other senator wishes to speak, the inquiry is considered debated.

INTER-PARLIAMENTARY UNION

INTER-PARLIAMENTARY CONFERENCE ON NORTH-SOUTH DIALOGUE FOR GLOBAL PROSPERITY, OTTAWA, CANADA

Hon. Peter Bosa rose pursuant to notice of January 19, 1994:

> That he will call the attention of the Senate to the Inter-Parliamentary Union Conference on the North-South Dialogue for Global Prosperity, held in Ottawa on October 18 to 22, 1993.

He said: Honourable senators, on January 19 last, I presented the report of the Inter-Parliamentary Conference on the North-South Dialogue for Global Prosperity held in Ottawa on October 18 to 22, 1993. Senators Andreychuk, Cools and I attended this conference. Permit me to share with you some of the background which led to the organization of this event.

At the 83rd IPU Conference in Nicosia, held in April 1990, the International IPU Executive Committee decided to set up a working group to make specific proposals on how the union can make a better contribution to the North-South dialogue and to the solution of the problem of Third World debt. After reviewing the report of this working group, the executive committee recommended the establishment of a support committee to the North-South dialogue on problems of Third World debt. The support committee's specific mandate was the early convening of a conference on the solution of the Third World debt problem. Chaired by the then President of the Inter-Parliamentary Council, Dr. Sow of Senegal, the support committee was composed of members designated by the national groups of the following countries: Canada, Egypt, France, India, the U.S.S.R., and Venezuela. Dr. Bruce Halliday of the other place served as Canada's representative.

Early in its mandate, the support committee expressed its wish to hold the conference in Canada, and subsequently the Canadian Parliament extended an official invitation to IPU members to come to Ottawa. Little did we realize that this conference would take place immediately before our federal election.

The support committee worked on specific issues to be addressed at the conference and in April 1993 recommended that the agenda should not be limited to strictly North-South relations but should also include Eastern and Central European countries in the equation.

I am pleased to report that 94 parliamentarians from 42 countries attended this conference, which focused on three main themes: trade and development, financial resources and the debt question, and managing the world economy. The inaugural ceremony took place on October 18 in the theatre of the Museum of Civilization. Senator Andreychuk represented the Speaker of the Senate at this event.

The format of this specialized conference was one which encouraged a lively exchange of views among participants. Following introductory remarks by the keynote speakers, delegates were free to challenge views expressed by the experts or to provide alternative suggestions. From personal experience, I can assure my honourable colleagues that the debate was animated and extensive. Both Senator Andreychuk and I had the honour to serve as vice-chairpersons of the conference, and each of us presided over one of these sessions.

Eight countries, including Canada, were elected to serve on a drafting committee to prepare a final document: Canada, Costa Rica, Egypt, Germany, India, Kenya, Senegal and Slovenia. Our colleague Senator Andreychuk served as Canada's representative and subsequently was elected as chairperson of the drafting committee.

The 41-paragraph final document contained nine specific recommendations for follow-up and initiatives by Parliaments and the Inter-Parliamentary Union. Noting that:

> ...parliamentarians have an unique contribution to make in shaping institutions and policies for a more interdependent world...

the conference recommended that national and international policy makers need to be alert to the needs and demands of people everywhere when shaping the new system of global governance.

Honourable senators, in presenting this report on a conference hosted by our own Parliament, I want to mention the praise and congratulations offered by our international colleagues, first, for hosting a conference on such a topical and relevant issue, where the outstanding speakers and the level of debate ensured that it was a most interesting and informative event; and second, for the superb organizational and administrative arrangements. Not only did everything run smoothly and efficiently, it was an excellent opportunity for our international guests to see and appreciate Canadian culture and institutions.

We can be proud of the contributions of the Canadian group to the ongoing work of the Inter-Parliamentary Union. The recent conference on North-South Dialogue for Global Prosperity was yet another example of Canada's strong interest in, and firm support of, IPU activities.

In conclusion, honourable senators, as usual I should like to thank Mr. Peter Hucal, the executive director of our IPU group, Mrs. Barbara Reynolds from the Parliamentary Centre, and many other persons too numerous to mention at this time, for their contribution to the success of this conference.

The Hon. the Speaker: Honourable senators, if no other senator wishes to speak, this inquiry is considered debated.

BUSINESS OF THE SENATE

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, it is now five o'clock and we have reached the end of the Order Paper. I do not have any news as to the procedure in the other place. All the indications are that the bill should pass within the next hour or hour and a half. Although I expect that we will receive it at 6:00 or 6:30 p.m., of course I can make no guarantees, since that depends on how the debate progresses, but I would point out that there is an agreement among all parties. I would suggest, honourable senators, that we suspend the sitting of the Senate now to the call of the bell and, as soon as we receive the bill, we will ring the bell for 15 minutes and then resume the sitting. I would ask for the views of honourable senators.

• (1710)

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, we are as anxious as the government to settle this matter as expeditiously as possible. At the same time, I have consulted with a number of Conservative senators and I am informed that some have regional caucus meetings at 6:00, 6:30 or 7:00 p.m. I am sure the deputy leader will agree that we would not want to disrupt their schedules. I would, therefore, suggest that we amend his motion and agree to resume at eight o'clock.

Senator Molgat: My honourable friend, having more numbers on his side than I have on this side, leaves me no choice. If that is his wish, we would concur. However, I would ask that we give some indication that this house is in favour of moving this legislation through quickly. I see a number of heads nodding in agreement with me. Perhaps I should ask the Leader of the Opposition to turn around. Not wishing to embarrass him, I would suggest a two-minute suspension so that honourable senators opposite might caucus.

Senator Lynch-Staunton: Honourable senators, that is unnecessary. We will not delay the passage of this bill unnecessarily, but, to honour the schedules and commitments of certain of our senators and no doubt certain senators on the deputy leader's side as well, we would still like to resume at eight o'clock and dispose of the legislation as quickly as possible.

Senator Molgat: I would agree to adjourning the session until eight o'clock.

[*Translation*]

Hon. Marcel Prud'homme: Honourable senators, you may recall my saying several weeks ago, when we adjourned until today, that independent senators in this chamber count.

Therefore, let me begin by saying that I received a letter this afternoon from the Honourable Senator Molgat advising us of what was happening. I want to say here and now that I appreciate this gesture on his part.

Secondly, by way of a positive contribution to the work of the Senate, I would like to assure him that as long as he extends this courtesy to the independent senators — I am not the only one, but I speak for myself, of course — he can always count on our cooperation. We are here, and I will make it my duty to point this out every time certain people forget it.

I want to be very clear on this matter: I will make it my duty to point out that if the courtesy shown by the two main parties to each other is not extended to independent senators, then it will be more difficult for us to proceed in a harmonious way in the Senate.

For the moment, everything is fine. I am quite happy to go along with your suggestion, namely that we either suspend the sitting to the call of the bell or adjourn until 8 p.m. I will go along with the will of the majority in the Senate, but either way I will be available. When the bell rings, I will be in attendance.

[*English*]

Hon. Jerahmiel S. Grafstein: May I ask the leaders of the Senate whether or not it would be appropriate for the Foreign Affairs committee to meet in the interregnum between this adjournment and eight o'clock? The committee was to have its organizational meeting when the Senate rose. I do not think it will be a lengthy meeting, but we should get on with the work of that committee.

Senator Molgat: Notice was given that the committee would meet when the Senate rose, so it is perfectly in order that it should hold its organizational meeting now.

The Hon. the Speaker: It is suggested by the Deputy Leader of the Government, and there appears to be agreement on the other side, that we should adjourn until eight o'clock this evening. Is it agreed?

Hon. Senators: Agreed.

The Senate adjourned until 8 p.m.

• (2000)

At 8 p.m the sitting of the Senate was resumed.

WEST COAST PORTS OPERATIONS BILL, 1994

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-10, to provide for the maintenance of West Coast ports operations.

Bill read first time.

SECOND READING

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

Hon. Joyce Fairbairn (Leader of the Government): With leave of the Senate, now.

The Hon. the Speaker: With leave of the Senate and notwithstanding rule 58(1)(*f*), it is moved by the Honourable Senator Fairbairn, seconded by the Honourable Senator Molgat, that this bill be read the second time now.

Is leave granted, honourable senators?

Hon. Senators: Agreed.

Senator Fairbairn: Honourable senators, the purpose of Bill C-10 is to end the labour dispute in West Coast ports and get products moving again. As honourable colleagues know, nothing has moved through these crucial ports since January 29. The dispute that has given rise to the introduction of this legislation involves the British Columbia Maritime Employers Association, representing shipowners, stevedoring firms and agents in the longshore industry on the West Coast of Canada, and the International Longshoremen's and Warehousemen's Union, Canadian area, which represents some 2,300 full-time and 1,300 casual members. They are covered by the collective agreement that expired over one year ago on December 31, 1992.

On January 27, the longshore union started legal strike activity at the Port of Chemainus on Vancouver Island. The next day, the employer said it would not request the union to supply labour as of 8 a.m. on January 29. In response, the union started strike action at other British Columbia ports during the afternoon of January 28, and by the next day all operations had ceased. The initial indications from both parties were that an early resolution could occur. Both sides professed a desire to settle and get the ports open again.

While the union expressed willingness to continue to move grain and other perishable commodities, the employer took an all-or-nothing approach to the movement of cargo in and out of the ports, and so all activities ceased.

Honourable senators, the costs of this dispute are considerable, and we talked about them a little bit this afternoon. The Port of Vancouver estimates that it is losing $1 million per day. The Canadian Wheat Board is concerned with demurrage costs. As of yesterday, some 26 ships are now in West Coast ports awaiting loading. A further 38 ships are due to arrive in the next two weeks. They are scheduled to load about 2.1 million tonnes of grain worth over $450 million.

It is obvious that, if those ships do not load that grain and it does not move, the losses to our western farmers in particular could be staggering. It is important to note that these losses will not likely be made up later in the season. This is the peak market period, and towards the end of this month prices may start to drop.

In addition, five other container ships carrying some 5,000 containers have already been diverted away from the Port of Vancouver. Our shipments of lumber, potash, sugar and minerals are all at a standstill. The Western Canadian Wheat Growers Association, the Alberta government, the British Columbia Chamber of Commerce, the British Columbia Manufacturers Association, the Canadian Federation of Independent Business, the Premier of Saskatchewan —

Senator Berntson: Even him?

Senator Fairbairn: Even the premier of Senator Berntson's province — and many others have demanded that the federal government step in and legislate a solution. More than 170 grain handlers have been laid off at West Coast elevators. More than 200 rail employees have been laid off. Layoff notices are being sent to 190 federal grain inspectors. There are also reports of layoffs in other industries that serve those ports. The B.C. Sugar Refinery and Cominco have both indicated that they will be facing reduced operations if the work stoppage continues much longer.

Therefore, in addition to the direct financial cost, our reputation is being damaged. We are losing business, and for a trading nation that is bad news.

As I mentioned at the beginning, the collective agreement between the union and the employers' association expired over one year ago, on December 31, 1992. Despite receiving considerable third-party assistance the two sides have been unable to settle their differences. A federal conciliation officer, who was appointed in July 1993, met with both sides on more than 20 occasions between July and December of last year, but no agreement was reached. Earlier this month a conciliator was appointed and intensive mediation talks were held, but still the parties could not settle their dispute.

Honourable senators, the major difference is over wages. In fact, the parties are more or less agreed on everything else in their collective agreement. To the participants, the wage issue is significant enough to prevent a negotiated settlement. Consequently, the Government of Canada cannot stand by and allow the livelihoods of millions of farmers, transportation workers and Canadians in associated industries to be put at risk. While a negotiated settlement between the parties clearly would be preferable, the impact of the work stoppage now extends far beyond the parties and is causing serious economic disruption in Western Canada. This dispute cannot be allowed to paralyze the movement of goods and damage Canada's reputation as a reliable exporter. We cannot permit the integrity and the credibility of our West Coast port facilities to be harmfully diminished. It is time to act.

• (2010)

I wish to make it clear that the government believes the collective bargaining process is the best way to resolve issues of wages and working conditions for Canadian workers. We believe that process should be given every opportunity to continue. However, in this case the parties could not reach a settlement despite the fact that their previous collective agreement expired over a year ago, and despite the efforts of federal conciliators and mediators. In fact, both parties are playing what my colleague the Minister of Human Resources Development referred to in the other place as "a very dangerous game of poker with extremely high stakes."

Honourable senators, the legislation before us orders both parties back to work. It will take effect, I am told, within twelve hours of receiving Royal Assent in this house. The parties will then have seven days to agree on an arbitrator. If they cannot agree within that time, the federal government will appoint one.

While arbitration itself is not new, what is different about this legislation is that the concept of final-offer selection is being used for the first time. That means that the arbitrator receives from both parties a list of issues on which they agree and a list of issues on which they still disagree. Included with that list is the final offer from both parties on the items in dispute. Within 90 days, the arbitrator is obliged to select the final offer of one of the parties on all of the issues and apply it as the resolution of this dispute. This, then, forms the new collective agreement which will be in force until December 31, 1995.

The act also provides for regular penalties in the event of noncompliance. All of the costs to the Crown relating to the appointment of the arbitrator and the carrying out of his duties are recoverable on an equal basis from the two parties.

No one in this chamber, and I am sure no one in the other place, is ever comfortable in legislating employees and employers back to work. However, we are faced here with a situation that offers the government no other choice. It is not a simple dispute between an employer and a union. Hundreds, if not thousands, of other people are innocent victims of the failure of these parties to reach a settlement.

I know that members on the other side of this house will appreciate the position in which the government finds itself with this particular union and this particular employer. There is a history here. The same parties have been the subject of back-to-work legislation in the past, specifically in 1972, in 1975, in 1982, and in 1986.

Honourable senators, the necessity for this bill is clear. We are taking this action reluctantly and, I must say, with considerable frustration. We profoundly wish that the circumstances had not made this legislation necessary. It is indeed a last resort. I hope that all honourable members will give this bill their support so that many Canadians can get back to work, both for themselves and for this country.

Honourable senators, at the appropriate time I intend to move that this legislation be referred to Committee of the Whole.

Hon. Leonard J. Gustafson: Honourable senators, I am pleased this evening to say a few words with reference to the strike on the West Coast. First, however, I must mention that this is my maiden speech.

Hon. Senators: Hear, hear!

Senator Gustafson: I would rather have had considerably more time to prepare, but I do speak with some authority. My grandfather came to Canada in 1909 and began farming; my father farmed; I farmed; and I have ridden tractor with my grandson.

The subject before us tonight in Bill C-10 is a serious one, especially to the prairie people. I know you might say, "The farmers are crying again." However, this is Canada; more than farmers are affected.

I served for 14 years at Milestone, Saskatchewan. A sign there says, "We feed the world." Honourable senators, there might be a little exaggeration in that phrase, but we do feed some of the world. The important thing is that every dollar of grain and primary production in Canada turns over 24 times. That is important, especially at a time when we are facing economic difficulties and our farmers are facing problems that they have not faced for many years.

In 1985 on our family farm, we were receiving about $6 a bushel for our wheat. This past year, we started our sales to the elevators at $2.40 a bushel for No. 2 wheat, less than half of what we were receiving in 1985. Indeed this has been a difficult time.

However, in the past few months we have seen prices rising. You have heard a lot about the durum wheat crisis and grain going to the United States. I made it my business to find out what the price of durum wheat was selling for in Crosby, North Dakota. On November 15, it was selling for $7.50 Canadian. The price was increasing. Some of that Canadian wheat was going to us and some was going to other countries. The irony is that now we have an opportune time to move the product into the international marketplace, we find ourselves saddled with a strike.

The Leader of the Government told us that 64 ships are either in the Port of Vancouver or moving into the port to be loaded. When we had the strike in 1991, there were 21 ships in the port. The longshoremen walked out on the Monday and were ordered back on the following Friday. That was severe, but the number of ships waiting in port has now tripled! One Wheat Board official puts the figure for lost sales at $450 million.

Honourable senators, this strike is having serious repercussions for Canada. Not only are we talking about the consequences for farmers, but with the grain backed up at the ports, the terminals are full; the boxcars are full; the hopper cars are sitting idle on the tracks. I just came through Regina and passed terminals and elevators. No boxcars are sitting there; they are gone. The elevators are full, and we have had a cold winter to move grain — -40 degree and -30 degree temperatures. This is a serious situation which will be very costly to Canada.

Honourable senators, the problems have been pointed out, but what is the answer? Proposals must be put forward. We in the Conservative Party believe in bargaining with the people who work for the companies and for the farmers, if you will, and for the country.

• (2020)

Certainly, we need collective bargaining, but there must be some type of settlement which could be negotiated that would not cause the country to be choked in the way it is being choked in this case.

We must look at other ways. Some people in the grain business suggest that we should have an alternative route through Seattle for just this situation. We should be able to negotiate some kind of settlement with the union, which would be backed by legislation, in order that this cannot happen.

You might say that that is idealism, but the price for this is too heavy to pay. We cannot pay this price as farmers, as legislators or as citizens of this country which has this great capability to produce. We must come to grips with the problem.

I hope that all of us in the Senate, in the House of Commons, and all Canadians who are interested in the future of this country, will work together to solve this problem, dealing fairly with the labour force. However, we must not allow the country to be throttled again as it is now being throttled.

Hon. Edward M. Lawson: Honourable senators, I should like to make a brief intervention on a subject dear to my heart: free collective bargaining.

I have had some experience over the years, as has Senator Perrault, watching the harbour from Vancouver during these strikes. At times the ships have been lined up so close together in the harbour that one could almost walk across the harbour on the decks of those ships.

Ten or 12 years ago I had the experience of going to the United States with officers of the International Longshoremen's Union to meet with shipping company representatives and to plead with them to send more product, more ships, to the Port of Vancouver, to create more jobs. Although they were somewhat responsive, they did say, "What about your reputation for constant strikes and ships being tied up in port? We will undertake to ship more tonnage through the port if you give us an undertaking that there will be no interruptions."

From those discussions, considerable improvement took place. It has been seven years since a major dispute has tied up the port, so some success has been achieved.

In deciding whether or not to support this legislation, which, after a fashion, is an attack on free collective bargaining, I must ask myself whether the parties have acted reasonably and responsibly, and whether the government has acted fairly in bringing this legislation to us this evening.

I do think the longshoremen's union acted responsibly in making the offer to continue handling perishables. I suspect, and I think I know, that the Maritime Employers Council said no in the hopes of provoking what is taking place today, but provoking it sooner.

Nevertheless, free collective bargaining directly by the parties had ample opportunity to work, and it failed. Conciliation was given an opportunity to work, and it was unsuccessful.

After the strike started, the federal government appointed a mediator, Bill Lewis. He is a fine young man who is a friend of mine. As a matter of fact, he took his training as a union representative in the organization I represented for 40 years. He is a skilled negotiator and mediator. When he said, as he did the other evening on television, that the dispute is hopelessly deadlocked and there is no possibility of immediate settlement, you can take my word that you can take his word that there is no possibility of a settlement.

So what happens now? There are times when the interests of the nation are far greater than the interests of the parties. Senator Fairbairn, the government leader, gave you all the details of the meetings, the disputes and the amount of unemployment. Surely at this time, with the amount of unemployment we have, with the desperate attempt we are making to come out of this recession and put people back to work, we have to look seriously at this dispute.

I recall the meetings we had in San Francisco with shipping employers. There was a time when we had a lock on these markets, but not anymore. Many countries are willing and anxious to displace Canada if we cannot honour our contracts and meet our commitments, whether we are talking about wheat, as the senator did a moment ago, coal, or any other product. In this highly competitive, shrinking world of trade and free trade, we have no lock on those markets.

Therefore, I must ask myself what a responsible Canadian, a responsible former labour leader, should do in a situation like this. I have come to the conclusion that the government has acted fairly and reasonably in giving free collective bargaining a chance to work. It has acted fairly and reasonably in appointing a competent mediator. It has not been possible to achieve a settlement in that way.

The proposed legislation deals with two critical issues. One is final-offer selection, which is not as frightening as it appears to be. Whichever offer the arbitrator accepts and imposes on the parties, I am satisfied that the union workers will not get less, but will get more.

There are two other serious considerations. If the parties are fearful of or offended by a legislated settlement after this bill is given Royal Assent, I suggest they get back to immediate collective bargaining and resolve the issue.

Failing that, the legislation also provides, which is a comfort to me, that:

> Nothing in this Act shall be construed so as to limit or restrict the rights of the employers' association and the Union to agree to amend any provision of the collective agreement extended by this Act, or any new collective agreement...

Therefore, even with the imposition of the legislation, the parties will have the right to sit down at any time and negotiate their way into a satisfactory settlement that would restore free collective bargaining.

In the face of all this, I conclude that the interests of the nation, the economy of the country, our reputation in world affairs for being able to deliver products that we commit to, far outweigh the interests of the parties, and I propose to support the legislation.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE OF THE WHOLE

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

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I move that the bill be referred to a Committee of the Whole and that the Senate do now resolve itself into a Committee of the Whole to hear from the witnesses.

The Hon. the Speaker: It is your pleasure, honourable senators, to adopt the motion?

Hon. Senators: Agreed.

Motion agreed to.

• (2020)

CONSIDERATION IN COMMITTEE OF THE WHOLE

The Senate was accordingly adjourned during pleasure and put into a Committee of the Whole on the bill, the Honourable Eymard G. Corbin in the Chair.

Senator Fairbairn: Honourable senators, I would ask that the Honourable Lloyd Axworthy, Minister of Human Resources Development and Minister of Western Economic Diversification, be invited to participate in the deliberations of the Committee of the Whole.

Hon. Senators: Agreed.

Pursuant to rule 21 of the *Rules of the Senate*, the Honourable Lloyd Axworthy, Mr. Michael McDermott and Mr. Robert Cooke were escorted to seats in the Senate chamber.

Senator Fairbairn: Honourable senators, I welcome the Minister of Human Resources Development and Western Economic Diversification. I suspect he has not been here for a while in this type of capacity; indeed, since Parliament reopened, this is the first occasion we have had on which to invite someone to share his wisdom and information with us.

Welcome, Mr. Axworthy. I would also ask senators to welcome Mr. Michael McDermott, the Senior Assistant Deputy Minister, Labour, and Mr. Robert Cooke, Counsel, Legal Affairs.

The Chairman: Honourable senators, the Senate is now in Committee of the Whole on Bill C-10, to provide for the maintenance of West Coast ports operations.

Shall the title be postponed?

Hon. Senators: Agreed.

The Chairman: Shall clause 1, the short title, be postponed?

Hon. Senators: Agreed.

The Chairman: I will invite the minister, if he so wishes, to take the opportunity to make a statement at this time.

Hon. Lloyd Axworthy, Minister of Human Resources Development and Western Economic Diversification: Mr. Chairman, first let me apologize for being late. I was not aware of how efficient the Senate had become. I was in a meeting in the Confederation Building and it took me a little while to return. I do appreciate both your courtesy in waiting for me and also the willingness of the Senate to deal with this legislation at this hour.

We all recognize the pressures that we face, and so we very much welcome the opportunity to present our views to you. I am sure that the Honourable Leader of the Government has presented the reasons for this bill, and I see some senators present from the B.C. area who probably know full well exactly what is taking place.

I will only make one comment, if I may, Mr. Chairman. In the legislation itself, in addition to requiring the back-to-work order as of tomorrow morning, if it is passed this evening, we have introduced the final-selection clause. This is the first time it has been used in federal back-to-work legislation. This house is not a stranger to back-to-work legislation. It has had to be imposed many times before. I think there have been four or five occasions in the last 10 or 12 years where it has been used in relation to this particular problem.

The reason we have decided, for the first time under federal jurisdiction, to use a final-selection clause is that we still want to keep the pressures on the parties to respond to their own responsibilities for bargaining and to come up with solutions.

The use of arbitration in the past has become a crutch; it has become an easy way out for both sides of the process in these areas to say, "Let the government bail us out," and it is about time we said, "We want you to go back to work because the economic impact is substantial." However, we still believe that there is an onus upon the parties to come to some agreement, and the final selection offer process is one way of maintaining their responsibility within that agreement.

We will do our utmost to retain the element of fairness. The parties themselves will have the opportunity to come together and recommend an arbitrator. If they cannot agree after seven days, then I will make the appointment. Nevertheless, we are trying to keep that open. The reason for it, Mr. Chairman, is that on the horizon are a number of other disputes of an equally disturbing nature. I am not predicting — I am certainly not hoping — but we do have other port disputes that are now reaching the end of their collective lives, and substantial questions are being raised in other parts of the transportation industry.

We were hoping that with this proposal we could send an effective message that we do not intend to let the parties simply bail out of their own responsibilities. We want them to recognize that even if a government must represent third-party national interests, public interests, there is still a responsibility for them to work out differences and to come up with a solution in which they have to develop their own best proposals.

That is the reason for the final-selection offer. It is the one area that members of this chamber would recognize as different from past initiatives of this kind.

If there are further questions, I shall be more than happy to receive them.

• (2040)

Senator Lynch-Staunton: Mr. Chairman, I should like to ask the minister why it has taken the government so long to come up with this legislation. Not more than three years ago we were faced with a strike by grain handlers. At that time it took the government just five days to come forward with legislation. Why has it taken nearly two weeks in this case, when the government is well aware of the economic and social impact this strike is having, not to mention the impact it is having on the reputation of this country as an exporter of a key commodity? Why has the government waited nearly two weeks to come up with this legislation?

Mr. Axworthy: Mr. Chairman, we very much believe in the collective bargaining process. We think it is still a fundamental component of labour relations in this country. Any precipitate move by the government in this matter would mark the beginning of throwing the entire principle of collective bargaining off track.

When we gave notice of the withdrawal of the conciliation officer on January 19, the parties were only a small distance apart. Some of the complex issues had been resolved. What we were into was a simple dispute over money, with there being not much difference between them.

The parties indicated that they thought they could resolve their differences. We wanted to give them a full opportunity to do so. When the process began to bog down, we appointed a mediation officer who met with the parties on two different occasions. At that time, they came within a hair's breadth of reaching a settlement. However, as the honourable senator may well know, these things sometimes take on a life of their own and other things get involved rather than the simple, rational calculations and judgments that are required.

In trying to stay true to our belief in the private enterprise collective bargaining system under which we have operated for so long, we do not want to have the government rushing into the breach at every opportunity. We must use the power that we have in a careful, cautious and prudent way. We must not use it like a sledgehammer.

Senator Lynch-Staunton: Has the minister been able to assess the financial impact of the strike? I refer specifically to the demurrage fees that must be paid, as well as lost sales.

Mr. Axworthy: There have been some losses over the course of the past week, as there are in all labour disputes. What gave rise to the action I announced on Monday was the fact that there were some 26 grain-carrying ships in the Vancouver harbour. Another 38 are expected in the next few weeks, something which would expand the problem geometrically. It was only in the last few days that container ships were beginning to be diverted to American ports. Thus, we had reached a point where the time had come for some intervention by the government.

Up to that point in the process of labour-management conflicts, some pressures must be applied, and the parties need to be responsive to such pressures. Unless a full-scale arbitration system is set up, we must rely on the dynamics of this type of process to play up.

Senator, if the legislation is passed tonight, some major consequences will be avoided.

Senator Lynch-Staunton: This may resolve an immediate problem, though at what cost the minister does not care to say. How will we avoid such situations in the future? This is not the first time that we have been faced with this kind of legislation in this kind of situation. Surely, what we should be addressing in the long term is how to avoid interfering in a process in which we should not be involved.

Mr. Axworthy: I agree. This afternoon I indicated to my colleagues in the House of Commons that we may want to begin looking at some of the broader labour relations questions that are now arising. Certainly, as we face a different set of economic competitive challenges, it may be time to look at some of the options.

A few years ago in British Columbia, for example, I recall a very bitter strike involving B.C. Tel and others. Out of it came a new process to deal with technology changes. A panel now deals with these matters. It seems to be working. Labour problems have been avoided since then. It may be that we should start to look at some creative answers of that kind.

Keeping in mind that this chamber has spent some valuable time in the past looking at such measures, this could be an area in which the Senate might be of great help. It could begin to look at some of these new emerging labour relations issues. I would be glad to sit down with the Senate leadership and talk about how we might do that.

Senator Lynch-Staunton: We very much welcome that, Mr. Minister, since we do not have very much to do around here except assess emergency legislation. Your government not having sent us anything yet, we would be glad to give you some consultation and advice any time you wish.

Senator Perrault: Let's not get political, now.

Mr. Axworthy: God forbid you should get political while I'm here.

Senator Carney: Would the minister elaborate on his statement that this is the first time that the final-offer selection process has been used? I ask the question because I have a concern about it.

Mr. Axworthy: The provisions for a final-offer selection are part of the labour codes of both Ontario and Manitoba. It is the first time that that process has been used in emergency legislation at the federal level.

As I said earlier, the reason we chose this particular technique was that it will send a proper message to other parties involved in labour disputes in the transportation industry. The message is not to look for an easy way out by relying upon government intervention as a way of solving their problems. We may have to get them back to work, but we do not want to solve their problems. I hope this may give some proper influence and suggestion as we approach some pretty delicate and sensitive labour issues in the next year.

Senator Carney: I understand the reasoning behind it.

• (2050)

What I am concerned about is in relation to clause 11 where it states that:

> The arbitrator's decision constitutes a new collective agreement between the employers' association and the Union effective as of the day it is made until December 31, 1995...

and so on. If this is being used in an emergency situation, and since it does not impose a new collective agreement for a period of time which is almost two years, is there any escape clause or ultramediation clause in the legislation so that, if there is an aspect of this final-offer selection that does not work, there is some remedial process? If you are to use something in an emergency situation that is as arbitrary as this and it does not meet the circumstances, what is the fallback if the final-offer selection process does not work?

I am asking this question because I am sure that we are all agreed that the damage has already been done. The port has lost a lot of money; the farmers and the transportation workers have lost incalculable amounts of money. The damage to the port's image has been major. I am worried that some downstream problems might arise out of this imposition of a new collective agreement in an unusual circumstance. I would like some reassurance that, should this not work, some other action could be taken, short of a strike and lockout.

Mr. Axworthy: The problem that you raise is also the problem that arises when there is a simple arbitration clause, which has been the case in other emergency pieces of legislation. There still is a settlement that applies for a period of two or three years and it has all the effects of a binding agreement.

Clause 14, if I may read it, states:

> Nothing in this Act shall be construed so as to limit or restrict the rights of the employers' association and the Union to agree to amend any provision of the collective agreement extended by this Act, or any new collective agreement referred to in section 11...

In other words, if the parties themselves come to a new agreement on a mutually consensual basis, then they can amend it if they want.

Senator Lawson: The only comment I would add to that is that, as I understand it, under clause 11 the arbitrator will be largely imposing, with the exception of the money issues that are outstanding between the parties, a large number of clauses that have been agreed to by the parties. Approximately 95 per cent of the clauses that make up the collective agreement have been agreed to by the parties.

Mr. Axworthy: That is right.

Senator Lawson: Therefore 95 per cent of the agreement will be imposed on that basis. For those of us who have had some experience with final-offer selection, this is not new. It may be new in federal legislation but it is not new in collective bargaining. It is nothing more than an extension of partnership agreements whereby you make people very honest. It is a valid point to impose that process in order to bring the parties together. Once this is imposed, they have from now until 6:00 a.m. to make a settlement.

You can be sure that in final-offer selection both parties will make submissions, and those issues that they have agreed upon will go before the arbitrator. His options are somewhat limited. Although it appears to give him broad scope to impose anything, he has to impose what both parties submit. He has only those two choices. In my experience, 95 per cent of the matters have been agreed to, so it is a limited option.

Concerning clause 14, it is important, and I mentioned this earlier in speaking on it, that nothing stops the parties after arbitration, for example, next week, next month or six months from now, saying, "Hey, we do not like what was imposed on us. We do not like it. It is not workable. We" — that is, the parties — "will get together and work out a solution." That is one of the reasons why I supported the legislation. These are critical points. If you are to impose the legislation, they are important in this type of situation in collective bargaining.

Senator Molgat: I believe you indicated in your comments that at one stage the two parties were very close to agreement. That is one of the reasons why the government was hopeful that the dispute would be resolved. Can you give us an idea of how close they were?

Mr. Axworthy: The public expressions were about 25 cents, but it may have been substantially lower than that, more like two nickels. However, I do not want to diminish the importance of that because, in many cases when you are dealing with working people, 10 cents an hour is a significant amount. Nevertheless, they were that close.

Senator Molgat: That close. What starting rate of pay are we talking about here?

Mr. Axworthy: I think it is $21.41.

Senator Carney: For what?

Senator Molgat: For what?

Mr. Axworthy: That is per hour.

Senator Molgat: The rate was $21.41 per hour?

Mr. Axworthy: For longshoremen, yes.

Senator Molgat: And the difference was less than 25 cents?

Mr. Axworthy: Yes.

Senator Lawson: You cannot blame them for going on strike.

Senator Molgat: It is difficult to understand that this could not be resolved by mutual agreement, is it not?

Senator Jessiman: I do not know how clause 11(2) can be applied if you have final-offer arbitration. When they make their offer, will the parties themselves have to put something in, whether they say it is before or after, and then the arbitrator chooses? Or is it the arbitrator himself who can decide, after he chooses one of the offers, that he will make it effective before or after this date? I do not think that clause is applicable.

Mr. Axworthy: The procedure is that the parties have a certain period of time thereafter, within 90 days in which they can present their final offer. It is then up to the arbitrator to make a selection of which of the final offers he or she deems most effective and appropriate under the circumstances. That becomes, in effect, the collective agreement for the next two years.

Senator Jessiman: Are the parties being asked now to say that there are certain clauses that will become effective January 1, 1993, and others that will become effective at some other date? Is that what the government is telling the parties now?

Mr. Axworthy: The arbitrator in this case has the authority under the act to make whatever decision is arrived at retroactive to that date, because the parties are coming back to work without a new contract. If we had imposed a settlement as of tonight, that would be what their wage rates and working conditions would be, but we did not do that. We still want to retain the onus of responsibility on the parties to arrive at some proposals. Therefore they will not have an agreement until such time as the arbitrator decides which final offer he or she accepts, and then it becomes applicable on that basis.

• (2100)

Senator Jessiman: Surely, once the parties make a decision one way or the other, applying clause 11(2), that is it; there is nothing more the abritrator can do. Let us assume for the moment that one of the parties makes it effective January 1, 1993, and the other makes it effective the date that the arbitrator says that he will make a decision. Is that what they intend to do? Surely the idea was that both parties would come in and say, "This is what we want without this clause being put into

effect," and then it would be up to the arbitrator to have a choice as to when it should become effective. That is not the way it has been drafted as I read it.

Mr. Axworthy: Mr. Chairman, I think it is a little bit of a fine point, but the fact is that each party of the dispute has the right to make its best case, which may include retroactivity or may not. It is up to them to decide when or how they think they can get their argument accepted. It is up to the arbitrator then to decide on that best-case scenario, whatever he or she chooses, what is to be applied, what is to be brought forward or put back in this case.

We want to give the arbitrator some room for manoeuvering on this issue so that we can get a settlement that will meet most of the conditions. As you well know, senator, having seen lots of legislation over time, you cannot cross every "t" and dot every "i". When you give authority of this kind, you have to allow some degree of flexibility for them to make appropriate decisions as they see fit.

Senator Jessiman: But you are not giving the arbitrator the flexibility. You are handcuffing him. You are telling the arbitrator, "You have one choice; one or the other. It does not matter what they say." And he does not have the flexibility of that clause 11(2).

I thought clause 11(2) was for other kinds of arbitration, but when you have it in this kind of legislation, you do not give the arbitrator a choice. He has only two choices: take the union's contract or the employer's contract. He does not get the use of that flexibility that you thought you were putting in there. I should have thought that clause 11(2) would have been for the benefit of the arbitrator, to give him that flexibility.

Mr. Axworthy: I will try to respond, Mr. Chairman. The collective agreement expired well over a year ago. They have been without a contract since then. Any collective agreement maintains that right to move forward or backward as a starting point when new conditions come in. Therefore, the arbitrator has a right, under this clause, to draw back to a certain period of time or, if necessary, to set conditions for the following year of the collective agreement. He can take a look at the two offers and decide which one approximates it. If they want to set a somewhat different rate of return for the second year of the agreement, they can do that.

That is what happens under the form of arbitration. The difference here is that we are asking the parties to make the best case and not leaving it solely up to the arbitrator.

Senator Kinsella: Mr. Minister, the penultimate phrase of clause 14 says, "other than a provision relating to the term of the agreement." Would you help me in my understanding of that?

Mr. Axworthy: Which clause was that, senator?

Senator Kinsella: Clause 14, the second last phrase, which appears to be referring to the term of the agreement. It seems to obviate the parties changing the term of the agreement. If the parties want to stay with the agreement, which will be the agreement achieved through final-offer arbitration, clause 11(1) says that it is made until December 31, 1995. I am trying to understand whether that penultimate phrase of clause 14 prohibits them from having a contract with a longer term?

Mr. Axworthy: I think you will find, senator, that it is a pretty standard provision in the Canada Labour Code that you cannot affect the actual duration of the agreement; conditions within it, you can. If the parties came to a mutual agreement, they could decide to alter it, but not the duration. When the two-year period comes to an end, then a new contract negotiation will be required.

Senator Kinsella: If the parties were to choose, on December 31, 1995, to have a new contract in the same terms and conditions as are in the present one, that is the way in which they would extend that contract?

Mr. Axworthy: Mr. McDermid explains to me that it may be a semantic difference; that the expression "terms" in this case, really, in drafting language, refers to the duration.

Senator Carney: We do not understand.

Senator Lynch-Staunton: You will have to explain that one.

Mr. Axworthy: Mr. Chairman, I gave you the explanation in clause 14 that refers to the duration. That is the only article that cannot be amended by the two parties coming to a new agreement. Under the terms of the standard Canada Labour Code requirement, Part I, they cannot alter the actual term of duration. Under clause 11(22), which is the antecedent clause, "terms and conditions" refer to the actual circumstances within the agreement.

If you have a problem, we could take it up with the Department of Justice and I would be glad to present your case.

Senator Kinsella: Minister, my other question is a follow-up on the question about the final-offer arbitration that other honourable senators have raised already, this being probably the first time that we see this, particularly in emergency legislation.

In the labour relations literature, there are, as in everything, at least two schools of thought, the pros and the cons. My first question is: Did you canvass those different schools of thought, and how did you strike the balance in favour of final selection and arbitration as against the more traditional approach?

Mr. Axworthy: Primarily because the old traditional approach clearly was not working; it had simply become an ingrained habit to rely upon government intervention and have an arbitration settlement. It saved the parties the difficulty of actually sitting down and doing some serious bargaining amongst themselves and putting some of that kind of chemistry into the collective bargaining system.

As I said earlier, I am also conscious of the fact that there is on the near horizon a series of other potential disputes involving crucial services in this country. Proceeding with legislation of this kind, I hope, will provide a certain chastening, cold-water effect on some of the parties, who might assume that they could simply rely upon the government to bail them out again.

Senator Kinsella: Is it your government's view that final-offer arbitration is the preferred model of arbitration? Is this an approach that your new ministry will be advocating in the — I might add, excellent — labour relations training programs that your ministry puts on? Is there a bias, in the good sense of the term, in this direction?

Mr. Axworthy: I guess we will find out, will we not, if the bill passes. There is nothing like experience as a teacher. We will learn from this experience how effectively it can be applied. As I said earlier, it has not been used at the federal level. If it becomes a useful labour relations tool, I am sure the excellent teachers at the labour relations courses will pick up and herald this day as a turning point and a milestone of labour relations in Canada.

Senator Kinsella: Mr. Chairman, in clause 2, we find the definition of "minister," meaning the minister within the meaning of the Canada Labour Code.

• (2110)

This chamber has yet to see the machinery of government legislation come to it. In fact, we have not seen very much legislation coming to this chamber yet. We have not seen the machinery of government legislation creating a Ministry of Human Resources Development, of which you are the distinguished minister. Would you explain to this chamber the authority by which you are the minister within the meaning of the definition of "minister" under section 2(1)?

Mr. Axworthy: Mr. Chairman, as you know, the new Department of Human Resources Development is really an amalgamation of five other departments, bringing together a number of codes. In this case when I was sworn in as a minister, I was sworn in under the statutes of the older ministries, such as Labour, Employment and Immigration, and others. I exercise my authority under those statutes until such time as we have new human resources legislation.

As you say, I am wearing several hats at one time, and I can tell you honestly, senator, even after three and a half months I am still finding things in the department that I have to do that I did not know were there before. Every morning I get up, there is a new revelation of things for which I am responsible.

Senator Olson: Mr. Chairman, I intended to raise a number of matters when we got to clause 6, because that deals with the extension of the collective agreement, and what a new collective agreement would be under section 9, section 10, and section 11. Most of the questions I had have been dealt with in the discussions up to now, but there is one remaining.

I understand that the arbitrator can declare what is the new agreement after he has received a representation from the employers and the employees, and of course part of that is a list of the matters remaining in dispute on February 7 and any other matters that they want to put before him. He can then declare that that is the new agreement which will be in effect up till the end of the contractual arrangements, which I think is December 31, 1995.

However, section 14 provides, as the minister read a few minutes ago, that nothing in this act shall be construed so as to limit or restrict the rights of both sides to agree to amend any provision.

Is that the only way in which something other than what the arbitrator decides can be in the agreement? Does there have to be an agreement between both sides before it can be opened up, added to, or modified at all?

Mr. Axworthy: Mr. Chairman, in answer to the senator, the only other authority for making any changes in the agreement would be — and I cannot at this stage point to a circumstance where it would happen — the sovereign right of this Parliament to make an amendment, because Parliament can basically make laws about almost everything. However, under the normal terms and conditions, it would be the arbitrator's decision unless the parties themselves came to a mutually agreed-upon set of conditions.

Senator Olson: I understand Parliament's authority. Once the arbitrator declares what the new agreement is to be, the so-called collective agreement that will be in effect, there is no way you can go in and change some of that. I understand you cannot extend the provisions relating to the term of the agreement. However, a problem arises if they come to an agreement that there are some changes that they want other than what the arbitrator is forced to declare.

Mr. Axworthy: In effect, rather than having a collective agreement which normally would be signed off by both parties, in this case both parties put forward a final-offer selection, the arbitrator chooses the best case out of those, and that becomes the collective agreement until such time as it is amended by the mutual consent of the parties.

Senator Olson: That is the only way?

Mr. Axworthy: That is the only way.

Senator Gustafson: Honourable minister, in my mind there is some misunderstanding about the increase that was offered. You said that the longshoremen were receiving $21.65, and there was a difference of 25 cents or two nickels. I read somewhere that there was an offer made of up to $26 and some cents per hour. Can you enlighten us?

Mr. Axworthy: I did not read that report, senator. It may well have been the combination of both the wages and benefits as part of a package. I could suggest, though, as I said in the House this afternoon, that I do not think a parliamentary chamber is the place to start negotiating the dollars and cents of the agreement. That is why we are bringing in a process to let the parties come back and put that on the table. To the extent that we are able to refrain from making comments about which side has a better offer or does not have a better offer, the easier it will be to arrive at a proper judgment.

Senator Gustafson: I understand that position. However, I felt that the Senate was left with the impression that we were now here dealing with 25 cents. We are dealing with a bigger amount of money than that.

Mr. Axworthy: Senator, the Senate is not dealing with any number. It is now up to the parties to come forward with their best offer. The differential as reported was around 25 cents, but that may not have been the point of dispute. We were not at the bargaining table. We do not know what other things may have been happening there. That is why, in handling these matters, I try to stay outside the question of which conditions would be most appropriate. I think that is up to the parties themselves to decide.

Senator Bosa: Mr. Chairman, I should like to put a question to the minister concerning section 16, which reads as follows:

> Notwithstanding subsection 787(2) of the Criminal Code, a term of imprisonment may not be imposed in default of payment of a fine that is imposed under section 15.

Is this a standard clause in every piece of back-to-work legislation, and, if so, has it always been like that?

Mr. Axworthy: I am told, senator, that that is a pretty standard clause that has been incorporated in legislation over the past several years.

Senator Forrestall: Mr. Chairman, perhaps I might ask the minister, in as much as this is somewhat new, if he could direct his attention to recovery of costs by the Crown and give us the benefit of his thoughts. Certainly, the splitting of costs is a common and well understood practice in collective bargaining. However, the minister might want to tell us a little bit about his thoughts, because it is a little bit unusual in a case where the final offer has been made binding; in other words, where it is arbitrary and we are now arbitrarily assessing costs.

Mr. Axworthy: Senator, the notion of recovery of costs has been employed in cases where there are arbitration and grievances, so it is not the first time it has happened, nor is it unusual. I think in this circumstance it may well add to the disposition of the parties to come to an agreement because they realize that the longer things fool around, the more costs may be incurred. We would hope with some dispassion that we could get an arbitrator right away, that he or she might make a decision right away, and we could get on with the business. As you are well aware, senator, these are very frugal times. We feel increasingly that those who have incurred costs should bear those costs.

• (2120)

Senator Forrestall: In this case, Mr. Chairman, the minister will be aware that the union did not incur the costs, that we have imposed them upon it. I understand what the minister is saying, but I suggest, with all due respect, that it is not quite the same as the usual practice "of the past." I will simply leave it there.

However, on my other point, is this the approach that unions, not just in transportation but in all matters coming under the appropriate parts of the Canada Labour Code, can anticipate from government — in other words, this type of final-offer reward — or in fact are you pinning future decisions on the success or otherwise of this particular procedure? I can assure the minister that many of us who have been involved with unions for many years look forward to the outcome, but we will look particularly at the process to see whether indeed it does have merit. Is this the attitude or position the department has adopted? Have you decided to try this out from time to time in the next year?

Mr. Axworthy: As I said in my opening remarks, with passage of this legislation we hope to put labour relations on a somewhat different footing. We hope that we can provide some constructive signals to parties of future disputes, or disputes that are already under way, that there will be a somewhat different regime brought to bear, a regime that will put increasingly more emphasis on the parties settling disputes in a useful way as opposed to constantly using government intervention. If there is both a notion that they will have to continue, that they do not have an easy way out by having government simply legislate settlement, and at the same time a realization that there may be some costs involved in the settlement, it might help in the resolution of future disputes.

There are times when our labour management relations in this country, and I know the honourable senator has seen much of them, have tended to become a little lazy, or to leave one with the impression that there is this attitude that one does not have to bargain hard to come to a mutual solution or arrive at an agreement that is in the best interests of both parties, because the government will take them off the hook. We want to try to change that attitude a little.

Senator Forrestall: At the same time, we have not been overly sophisticated in the application of that principle. I wish you well with it.

The Chairman: Shall clause 2 carry?

Hon. Senators: Agreed.

The Chairman: Shall clause 3 carry?

Hon. Senators: Agreed.

The Chairman: Shall clause 4 carry?

Hon. Senators: Agreed.

The Chairman: Shall clause 5 carry?

Hon. Senators: Agreed.

The Chairman: Shall clause 6 carry?

Hon. Senators: Agreed.

The Chairman: Shall clause 7 carry?

Hon. Senators: Agreed.

The Chairman: Shall clause 8 carry?

Hon. Senators: Agreed.

The Chairman: Shall clause 9 carry?

Senator Lynch-Staunton: Mr. Chairman, are the items in (*a*) and (*b*) known at this time — the matters on which they are in agreement and the matters on which they are in disagreement?

Mr. Axworthy: Yes.

Senator Lynch-Staunton: They are known?

Mr. Axworthy: A mediator has been involved in the process over the past weekend, and they clearly have come to an agreement in certain areas. The area remaining is wages.

Senator Lynch-Staunton: Why is the arbitrator not given a specific time period within which to get these two items finalized? It simply says, "Within such time and in such manner as the arbitrator may specify..." which is pretty open-ended.

Mr. Axworthy: Again, senator, I go back to a point I made earlier: In this case we want to give the arbitrator a reasonably broad authority to make these kinds of decisions and have some flexibility in terms of timing. I do not think there are any hidden clauses. He or she will be able to have full access to that information. The key is that the parties themselves have to put down where they think there is agreement and disagreement. Remember, there is a principle at stake here: We still want the parties to the dispute to try to find an area of agreement that would be useful for that industry. We do not want to let them off the hook. That is why they have to come up with their best-case scenario.

Senator Lynch-Staunton: I find it a bit of a contradiction to force people back to work and then not hasten the settlement process.

Mr. Axworthy: We have set a timetable. The arbitrator has 90 days.

Senator Lynch-Staunton: I will not prolong this, but clause 9 says, "Within such time and such manner as the arbitrator may specify...". Theoretically, he could ask for a year to produce those two reports. I do not know why, once he gets to work, he does not move on.

Mr. Axworthy: He or she has 90 days, unless we decide to extend it.

Senator Lynch-Staunton: That is clause 10.

Mr. Axworthy: If, for some reason, the arbitrator waited until the eighty-ninth day to get information, he or she would not likely get a good settlement.

Senator Lynch-Staunton: You are talking about clause 10; I am talking about clause 9. Once they get the two lists, yes.

Mr. Axworthy: It says in clause 10, "Within 90 days after being appointed..."

Senator Lynch-Staunton: It says in clause 9, "Within such time and in such manner as the arbitrator may specify, the employers...shall each submit to the arbitrator..."; so he specifies a time frame within which he will get that information. Once he gets it, he has 90 days to do something.

Mr. Axworthy: Clause 10 says, "Within 90 days after being appointed..."

Senator Lynch-Staunton: It goes on to say, "...or within such greater period as may be specified by the Minister..."

Mr. Axworthy: Yes. I retain that authority to extend, but they would have to come back to me.

The Chairman: Shall clause 9 carry?

Hon. Senators: Agreed.

The Chairman: Shall clause 10 carry?

Senator Lynch-Staunton: What exactly does the phrase "determine the matters" mean?

Mr. Axworthy: The legal language is that they "resolve" or "decide." That is a judgment call, to put it in the vernacular.

Senator Lynch-Staunton: The list is submitted by both sides as to what they agree on and disagree on. Can the arbitrator, in determining, disagree with the list? I am wondering what it means.

Mr. Axworthy: All I can account for is the human faculty of judgment and, to the extent it is applied to a list that outlines agreements and disagreements, and to the extent that the rational part of that judgment applies, and I do not think that either party would appoint an irrational arbitrator, then I think the process is clear. "Determine" makes it clear that they are simply making a judgment as to what has been agreed on, or disagreed on.

The Chairman: Shall clause 10 carry?

Hon. Senators: Agreed.

The Chairman: Shall clause 11 carry?

Hon. Senators: Agreed.

The Chairman: Shall clause 12 carry?

Hon, Senators: Agreed.

The Chairman: Shall clause 13 carry?

Hon. Senators: Agreed.

The Chairman: Shall clause 14 carry?

Hon. Senators: Agreed.

The Chairman: Shall clause 15 carry?

Hon. Senators: Agreed.

The Chairman: Shall clause 16 carry?

Hon. Senators: Agreed.

The Chairman: Shall clause 17 carry.

Hon. Senators: Agreed.

The Chairman: Shall clause 18 carry?

Hon. Senators: Agreed.

The Chairman: Shall clause 19 carry?

Hon. Senators: Agreed.

The Chairman: Shall clause 20 carry?

Hon. Senators: Agreed.

The Chairman: Shall Schedule I carry?

Hon. Senators: Agreed.

The Chairman: Shall Schedule II carry?

Hon. Senators: Agreed.

The Chairman: Shall the short title carry?

Hon. Senators: Agreed.

The Chairman: Shall the title carry?

Hon. Senators: Agreed.

The Chairman: Shall I report the bill without amendment?

Hon. Senators: Agreed.

• (2130)

The Chairman: I thank the committee for its cooperation, and I extend special thanks to the honourable minister and his officials for answering senators' questions this evening.

The Hon. the Speaker: Honourable senators, the sitting of the Senate is resumed.

REPORT OF THE COMMITTEE OF THE WHOLE

Hon. Eymard G. Corbin: Honourable senators, the Committee of the Whole, to which was referred Bill C-10, to provide for the maintenance of West Coast ports operations, has examined the said bill and has directedc me to report the same to the Senate without amendment.

THIRD READING

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

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, in the absence of Senator Fairbairn, with leave of the Senate, and notwithstanding rule 59(1)(*b*), I move that the bill be read the third time now.

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

Hon. Senators: Agreed.

Motion agreed to and bill read third time and passed.

ROYAL ASSENT

NOTICE

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

RIDEAU HALL

February 8, 1994

Mr. Speaker,

I have the honour to inform you that the Honourable John Major, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 8th day of February, 1994, at 10 p.m., for the purpose of giving Royal Assent to a bill.

Yours sincerely,

Judith LaRocque
Secretary to the Governor General

The Honourable
The Speaker of the Senate
Ottawa

BUSINESS OF THE SENATE

ADJOURNMENT

Leave having been given to revert to Government Notices of Motions:

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, with leave, I move that when the Senate adjourns today, it do stand adjourned until tomorrow, Wednesday, February 9, 1994, at one thirty o'clock in the afternoon.

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

Hon. Senators: Agreed.

Motion agreed to.

The Hon. the Speaker: Pursuant to rule 136(4), the sitting is suspended until 9:55 p.m. Is it agreed, honourable senators?

Hon. Senators: Agreed.

The Senate adjourned during pleasure.

At 9:55 p.m. the sitting of the Senate was resumed.

The Senate adjourned during pleasure.

ROYAL ASSENT

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

An Act to provide for the maintenance of West Coast ports operations (*Bill C-10, Chapter 1, 1994*)

The House of Commons withdrew.

The Honourable the Deputy of His Excellency the Governor General was pleased to retire.

The sitting of the Senate was resumed.

The Senate adjourned until Wednesday, February 9, 1994 at 1:30 p.m.

THE SENATE

Wednesday, February 9, 1994

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

Prayers.

THE LATE HONOURABLE CHESLEY WILLIAM CARTER

TRIBUTES

Hon. Jack Marshall: Honourable senators, I rise to pay tribute to a former colleague, Newfoundland's Honourable Chesley Carter, who passed away last month while the Senate was not in session. As described by Mr. Roger Simmons, M.P., his successor in the other place, Ches Carter was one of the original Newfoundland members to enter Parliament after Confederation and was elected seven times until his appointment to the Senate in 1966.

While his impact on Parliament was wide and varied, as a veteran of World War I and World War II Ches made his mark in fighting for the veterans' cause and was instrumental in promoting legislation on behalf of not only Newfoundland veterans but also all Canadian veterans.

My fondest memory of comradeship with the good senator goes back to a proud moment in the early 1970s when I was privileged to stand with him to receive the distinguished Meritorious Service Award, the highest award of the Royal Canadian Legion.

The Honourable Ches Carter continued his interest in veterans affairs long after his retirement, and I enjoyed our frequent chats on matters of common interest on our beloved Newfoundland and our comrades. I salute a great parliamentarian and offer my condolences to his wife Elsie and family.

Hon. Gerald R. Ottenheimer: Honourable senators, briefly with respect to the remarks just made by my colleague, Senator Marshall knew the late Senator Carter much better than I did. My knowledge of him — and there is a fair age discrepancy — goes back mostly to the period before he was appointed to the Senate.

Senator Carter was a very civic-minded person and played an important role in the area of adult education in Newfoundland before his appointment to the Senate. That was at a time when adult education did not receive the recognition that it does today. In many ways he was one of the pioneers of adult education in Newfoundland. Much of it, but not all of it, was geared to the needs of returning servicemen; also included were the areas of remedial education for those thousands of Newfoundlanders who, because of the severe economic circumstances in that early period, were not able to receive what today, and even then, would have been regarded as an adequate education.

I wish to join with Senator Marshall in paying tribute to Senator Carter's memory, and I would also make reference to the important contribution he made to life in Newfoundland prior to his appointment to this chamber.

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, although I do not have the good fortune to be a Newfoundlander, as Senators Marshall and Ottenheimer are, or as Senator Carter was —

Senator Doody: That is Newfoundland's loss!

Senator Molgat: Thank you. I want to add my words and those of my group to the remembrance of Ches as we knew him. I do not believe that there are too many left now in this chamber who sat with Senator Carter, because he has been gone for some time, but we all recall him as a very pleasant gentlemen.

After his departure from the Senate, he assisted us on some occasions with Senate work; he was seconded to some of our committees for the purpose of giving special assistance, which he rendered in his usual capable way.

I remember Senator Carter for one particular organization with which I became involved through him, namely the Baltic Federation. I had never quite understood why it was that Ches was directly involved with the Baltic Federation, but it was one of those wide interests that he had. In any event, he involved some of us in the Senate in it, and we became very active in that group. I suppose, thanks to people like Senator Carter, the Baltic states eventually saw their freedom. It was one of those things that senators become involved in.

However, it was thanks to people like Ches, in the very early years when those areas were dominated by Russia, that there were Canadian senators who became interested in what was going on in that part of the world. There were others here in the Canadian Senate as well, such as Senator Yuzyk and Senator Haidasz, but Ches was one of the early ones.

ROUTINE PROCEEDINGS

FOREIGN AFFAIRS

FIRST REPORT OF COMMITTEE TABLED

Hon. John B. Stewart: Honourable senators, pursuant to rule 105 of the *Rules of the Senate*, I have the honour to table the first report of the Standing Senate Committee on Foreign Affairs. This report deals with the expenses incurred by the committee during the Third Session of the Thirty-fourth Parliament.

(For text of report, see today's Minutes of the Proceedings of the Senate.)

ENERGY, THE ENVIRONMENT AND NATURAL RESOURCES

FIRST REPORT OF COMMITTEE TABLED

Hon. Pat Carney: Honourable senators, pursuant to rule 105 of the *Rules of the Senate*, I have the honour to table the first report of the Standing Senate Committee on Energy, the Environment and Natural Resources, which deals with the expenses incurred by the committee during the Third Session of the Thirty-fourth Parliament.

(For text of report, see today's Minutes of the Proceedings of the Senate.)

[*Translation*]

PRIVATE BILL

GENERAL SECURITY INSURANCE COMPANY OF CANADA— FIRST READING

Hon. Normand Grimard presented Bill S-3, to authorize General Security Insurance Company of Canada to be continued as a corporation under the laws of the province of Quebec.

Bill read first time.

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

On motion of Senator Grimard, bill placed on the Orders of the Day for second reading on Tuesday next, February 15, 1994.

[*English*]

CANADA-JAPAN INTER-PARLIAMENTARY GROUP

REPORT OF SECOND ANNUAL MEETING OF THE ASIA PACIFIC PARLIAMENTARY FORUM TABLED

Hon. Donald H. Oliver: Honourable senators, I have the honour to table, in both official languages, the report of the Canadian delegation of the Canada-Japan Inter-Parliamentary Group to the Second Annual Meeting of the Asia Pacific Parliamentary Forum held in Manila, Philippines, on January 14 and 15, 1994.

• (1340)

TRANSPORT AND COMMUNICATIONS

NOTICE OF MOTION TO AUTHORIZE COMMITTEE TO STUDY IMPLICATIONS OF REDUCTION IN FUNDING OF RADIO CANADA INTERNATIONAL

Hon. Raymond J. Perrault: Honourable senators, I give notice that tomorrow, Thursday, February 10, I will move that the Standing Senate Committee on Transport and Communications be authorized to examine and report upon the mandate and funding of Radio Canada International, and that the committee present its report no later than October 19, 1994.

HEALTH

EXTENSION OF VETERANS INDEPENDENCE PROGRAM TO SENIOR CITIZENS—NOTICE OF INQUIRY

Hon. Jack Marshall: Honourable senators, I give notice that on Thursday next, February 10, 1994, I will call the attention of the Senate to the advisability of extending the Veterans Independence Program to all Canadian senior citizens.

BUSINESS OF THE SENATE

Hon. Gerald R. Ottenheimer: Honourable senators, I wish to address a question to the honourable —

Hon. Gildas L. Molgat (Deputy Leader of the Government): It had been my understanding that on Wednesdays, which are short days, we would not have a Question Period.

Senator Ottenheimer: If that is the case, I was unaware of that arrangement.

Hon. John Lynch-Staunton (Leader of the Opposition): You are both right. Unfortunately, Senator Ottenheimer was not present at our caucus meeting this morning and had not been alerted that, because of the short session, we would postpone Question Period until tomorrow.

Senator Ottenheimer: I stand my question till tomorrow.

Senator Molgat: Honourable senators, before Orders of the Day are called, I have a comment. A number of honourable senators have asked me about the sittings next week. I had hoped to be able to have an answer for them today. Unfortunately, however, I cannot get the full information that I require, but early tomorrow I will advise honourable senators what the situation will be.

ORDERS OF THE DAY

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

On the Order:

> Resuming the debate on the motion of the Honourable Senator Gigantès, seconded by the Honourable Senator Cools, for an Address to His Excellency the Governor General in reply to his speech at the Opening of the First Session of the Thirty-Fifth Parliament. — (*3rd day of resuming debate*)

Hon. Richard J. Stanbury: Honourable senators, first may I congratulate the Speaker on his preferment. I have known him for a good many years, back to 1968 at least, and I have learned to respect both his integrity and judgment. It is a great pleasure for us to have the opportunity to sit under his chairmanship.

I also congratulate Senators Fairbairn and Lynch-Staunton on their preferment. I know it will be a pleasure to work with them during the coming session.

Senators Gigantès and Cools did an excellent job of introducing and moving the adoption of the Speech from the Throne. It is a pleasure for me to continue to reply to this speech because it is one with which I am able to agree. At the beginning of each new Parliament over the last nine years, my colleagues and I have had to listen to Speeches from the Throne with whose philosophy we disagreed, and by whose legislative implementation we were appalled. The Canadian people have taken advantage of our electoral system to summarily reject the politicians who espoused that philosophy and who perpetrated those laws.

Today, after nine years of Conservative government, Canadians are facing hardship. There are 1.6 million Canadians unemployed, millions more on welfare, a million children living below the poverty line, and record numbers of bankruptcies and plant closings. We are confronted with a large budgetary deficit, a chronic current account deficit, and a huge federal debt. Despite repeated promises to reduce the deficit, the previous government continued to turn in deficits in the $30-billion range every year. The latest, as we all know, was over $40 billion. All this, honourable senators, at a time when real personal incomes have been declining.

At the beginning of this Parliament, we were treated to a concise Throne Speech, a commitment made by the new government to restore integrity to Parliament, to give faith and hope back to the Canadian people, and to rebuild our injured economy. The government has acted quickly to fulfil that promise, but there is much yet to be done.

First let me say that the government must deal with our economic situation in a comprehensive and balanced manner. The budget deficit, employment, economic growth, inflation, monetary policy, program expenditures, trade and taxation are all tightly integrated with one another and cannot be considered separately.

It is well accepted in most circles today that in order to address our economic woes we have to bring down our deficit and eventually address the accumulated debt. By and large, the avenue identified by the conservatives in this Parliament — Reformers in the other place and Tories here — is through cuts in government expenditures. A number of government programs and tax expenditures — some of which have been identified by the Auditor General — are inefficient, poorly managed, or driven by purely political reasons. The government has already demonstrated its resolve through cuts to the helicopter program and to ministerial staffs, for instance. There is, of course, much more to come — some of which will, no doubt, be painful to all of us as Canadians.

Expenditure reductions will be achieved by cancelling unnecessary programs, streamlining processes and eliminating unnecessary duplication. This effort must take place in partnership with the provincial governments. The December first ministers conference has already demonstrated to us that there is a willingness on their part to move.

However, the government should not reduce services simply to reduce expenditures. If the services are needed and can be provided more efficiently at the same cost, or less, than they can be provided by the individual for himself, then the government should continue to administer them. In many cases the government can provide a cheaper way of doing something as a result of economies of scale, and simultaneously achieve a national objective.

Take, for instance, health care. The Alberta government intends to cut $17.6 million from the province's health care budget. If that money is needed to continue an adequate level of care, then Albertans will pay in some way on an individual basis. This could include user fees, fees for yearly physicals, even parking fees, among other things. The point is that if the services are needed, it does not matter if they are paid out of provincial coffers or individual wallets. The money all comes from the same place. Cutting government expenses can be a shell game. The bottom line is how to get the most value for our dollar in this society.

Cutting spending, nevertheless, should be an important part of the government's upcoming budget. However, reducing government spending is not a panacea. Cuts undertaken should not be so radical, fast and reckless as to send the country into shock. Moreover, major reforms should not be implemented without adequate study of the consequences and without discussion with Canadians about priorities.

The utilization of cuts alone would have the net effect of shrinking the economy and creating tremendous hardship for Canadians. The proposals by both the Progressive Conservative Party and the Reform Party during the election campaign would have been too extreme and damaging, putting thousands of people out of work and forcing them to depend on unemployment insurance or local welfare; in other words, just shifting the burden.

We must balance cuts to government expenditures with investments in economic growth. One should not be neglected because of concentration on the other. Spending cuts and economic growth through job creation and innovation are not mutually exclusive. They can, and must, be simultaneous. Always the goal of Canada's economic policy should be the maintenance of a high standard of living for all Canadians because, honourable senators, this is not a business we are running; it is a nation of people with a common stake in its survival.

Growth is a proven means of building government revenues, paying down debt and revitalizing crippled economies. The United States government has significantly reduced its operating deficit this year, mostly as a result of economic growth. Growth fosters employment, and employment creates spending power and reduces the cumulative drain on social services. The best way to reduce spending is to make welfare unnecessary.

The economic and social costs of unemployment for both society and individuals are extremely high. Not only does unemployment represent a waste of economic resources, but government costs related to income support and social welfare rise and tax revenues decline in periods of high unemployment. Unemployment can also impose considerable financial and emotional hardships on individuals and their families. If high levels persist over time, there can also be important consequences in terms of polarization in the labour market and the distribution of income in society.

The government must undertake a comprehensive program of measures to aid the struggling economy both in the short and in the long term. I applaud the approach that has been announced in the Speech from the Throne. It includes short-term measures, such as renewing Canada's infrastructure and renovating our housing stock through the Residential Rehabilitation Assistance Program, and longer-term measures to create jobs and growth by focusing on small- and medium-sized businesses, setting the stage for an innovative economy, investing in people through training, apprenticeship programs, and a youth service corps, encouraging research and development through the Canadian Investment Fund, and fostering trade initiatives. Money spent in these ways is an investment in our future.

How did our forefathers build this country? They spent money on infrastructure. The infrastructure of this country exists; the railroads, the highways, the St. Lawrence Seaway, the massive dams and canals have been built and will not have to be built again. They have paid for themselves many times over in the opening up and development of the land and the enjoyment of the people. Our grandchildren will have the benefit of strong and durable infrastructure for years to come, as long as we maintain and renew it now. If we fail to maintain and build infrastructure today, the cost for future generations will be prohibitive.

Where does the money come from to pay for these investments? Much of it will come from cuts to existing government expenditures. However, that will not provide all the resources necessary to make the investments we need. Greater revenues will be required by the government. Eventually the economic growth that will be achieved through these investments will pay for itself and help reduce the deficit. In the interim, however, the government will have to find more tax dollars.

Reducing or terminating some tax expenditures, more commonly known as loopholes, is a legitimate method of increasing revenues, especially when those loopholes disproportionately benefit those who are best able to afford to pay their taxes.

Some of the suggested changes to the tax system include cancelling the $100,000 exemption on paying tax on capital gains, reducing the top limit on RRSP contributions, eliminating an exemption on the first $1,000 of pension income, taxing benefits such as employer health and dental plan contributions, getting rid of corporate tax write-offs for meals and entertainment, and taxing lottery winnings. Many of those things would be pretty painful.

I believe that the RRSP system is a good one, but we should be aware of its cost in terms of revenue. The tax deduction for RRSP contributions and the tax holiday on all income from investments held in RRSPs cost Ottawa and the provinces $8.6 billion in forgone revenue in 1991. By comparison, welfare cost the federal and provincial governments a total of $8.8 billion that same year. That is, $8.6 billion in lost revenue and $8.8 in welfare costs.

The Ontario government has calculated that tax-free contributions to RRSPs in 1990 cost the province $3 million for those earning less than $10,000, but $131 million for people with incomes of more than $150,000.

The tax burden in this country is high. However, it is vital to understand that this burden does not fall equally on all Canadians. It is not even close to equal; it is not even close to being fair.

The Leader of the Reform Party, and perhaps some of his intellectual fellow travellers in this chamber, denounce the concept of closing tax loopholes as a source of revenue to help pay down the much hated deficit. Mr. Manning has bragged that he has asked Canadians whether they wanted the government to deal with the deficit problem through spending cuts or tax increases. Of course they said spending cuts; spending cuts aimed at someone else, no doubt.

Mr. Manning fails to mention that this is not an either-or situation. The Finance Minister has stated that there would be a balance: somewhere in the range of two parts spending cuts to every one-part increase in revenue. This is a reasoned, balanced approach to a multifaceted problem.

We need spending cuts where they make sense and where they do not damage the ability of the government to do the job Canadians ask of it, and new spending on investments that will pay off in the form of jobs, heightened business activity and an enduring infrastructure.

Finally, in speaking of the importance of government economic policy, I want to mention the mood of the public as an important factor in the economic success of the country. An economy is not simply a series of numbers and statistics. It is, at its core, a psychological state. As I first recognized when I was a university student investigating the dubious "science" of economics, an economy will grow if people feel good about themselves and their country. If they have a positive feeling they will take risks; they will change jobs; they will start new enterprises; they will expand businesses; they will invest; they will buy homes; they will buy cars and appliances. Two weeks ago we received some simple evidence of this fact: the Conference Board of Canada noted the incredible boom in business and consumer confidence since the October 25 election. Business confidence had risen by 10 per cent; consumer confidence had risen by 13 per cent.

Therefore, it is critically important that this government use the levers at its disposal to maintain this mood of confidence. Certainly, the Prime Minister has used every opportunity in speaking to the public or the media to deliver a message of confidence. Mr. Chrétien recognizes that an optimistic mood will translate into economic growth and job creation.

Unemployment, poverty and depression are not the natural state of the Canadian economy or of the Canadian people. We are among the people in the world best equipped to enter into this new global economic maelstrom, provided that we get the kind of leadership this government is prepared to give.

In summary, honourable senators, to say that we are facing a difficult economic situation is to vastly understate the obvious. We need a balanced approach to deal with this situation. It is well accepted that in order to address it we have to accept spending cuts. However, too many cuts will, by themselves, shrink the economy and create tremendous hardship for Canadians. Therefore, we also need to encourage the economy to grow so that more people are contributing to it instead of draining from the economy.

The means to this growth is investment. New spending, such as that described in the Speech from the Throne, will provide that investment. The spending required will be financed to some extent through reductions in spending in other areas of the budget. However, that will not provide enough of the necessary resources. Greater revenues will be required. Closing some tax loopholes that benefit the privileged is a legitimate method of increasing revenues, but growth must be stimulated too.

Therefore, honourable senators, what we need now, and what the government seems prepared to provide, is a balanced approach to economic recovery.

We should not forget that the ultimate goal of all government economic policy is the maintaining or the raising of the standard of living of citizens. Debt and deficit, value of the dollar, expenditures and revenues, lending rates, redistribution to people and provinces — these are each important only in the context of what they mean for our standard of living.

Honourable senators, let us take bold but reasoned steps to build a more prosperous Canada. Let us be confident in decisions and proceed to implement them with determination.

Hon. Ron Ghitter: Honourable senators, I rise to participate in my first debate on the Speech from the Throne. I must be candid when I say at the outset that I would very much have preferred doing it from the other side of the chamber. However, the electorate dealt with that the last time around. Electorates have been known to be wrong from time to time and will determine that in due course.

To begin with, may I offer to Your Honour my congratulations on your appointment as Speaker of the Senate. Due to my newness in the Senate we have met only once. However, your reputation for fairness and good judgment precedes you, and I am comfortable in the knowledge that your role as Speaker of the Senate is one that you will undertake with dignity, wisdom and balance. I look forward to working with you in the years to come.

That means, Your Honour, that I hope you will recognize me from time to time in this spot.

While I am expressing congratulations, may I also do so to a fellow Albertan, Senator Fairbairn. I am pleased with her appointment. She is a highly regarded and respected parliamentarian who brings grace, commitment and dedication to her new position in the Senate, and an individual of whom all Albertans are justly proud. I wish Senator Fairbairn good luck in her undertaking. I know that she will acquit herself in a manner that will make all of us from Alberta proud, not to mention fellow senators, and I heartily congratulate her.

Honourable senators, I hope it will not be regarded as overly presumptuous or even naive of me as a new member to emphasize my feeling that this chamber will become more effective when it becomes less partisan. Frankly, I do not regard it as my responsibility to represent the Progressive Conservative Party of Canada when I am in the Senate. What I may do outside the Senate, of course, is another matter; we are all free to conduct ourselves as we wish in that regard.

In my view, my responsibility in the Senate is more to present the hopes, aspirations and attitudes of the region I represent in the country. It should never be forgotten, if I may say so, that, first and foremost, from the time of the very creation of this place, the purpose of senators has been to represent regional interests. If one examines the Confederation debates, it becomes clear that the Fathers of Confederation opted for an elected House of Commons with representation by population and an appointed Senate with representation by region.

In those debates Sir John A. Macdonald argued that local interests should be recognized and protected by a Senate equally representing the great sections of the country: Western Canada, Lower Canada and the maritime provinces. Although we have not succeeded in achieving an equality of regions — an opportunity which was lost, unfortunately, with the defeat of the Charlottetown Agreement — we certainly have the opportunity to represent our regions rather than merely being extensions of our political party loyalties.

Let me say that nothing will do more harm to the Senate than the overt interplay of political partisanship, which, to an outsider, can be so destructive when viewing the good work of the Senate. If we allow partisanship to take hold again, we will seriously undermine the work of the Senate, making it nothing but a rubber stamp for legislation emanating from the other place and rendering it a useless institution.

Frankly, and I say this with no disrespect, I was somewhat disappointed by the statements of Senator Cools in the honourable senator's debate in the Senate on January 19. I have no problem with a senator's lauding the good work and importance to this nation of great Liberals such as William Lyon Mackenzie King and Lester B. Pearson; I might argue a little about Mr. Trudeau, and Mr. Chrétien still has himself to prove, but these were all political leaders who have had or will have a great impact on our nation. For Senator Cools to laud these gentlemen is totally appropriate, whether or not I agree with her conclusions.

What I found to be out of keeping with the new spirit of cooperation and harmony that we wish to achieve in the Senate were comments suggesting that the past government had "deception" as its "hallmark"; that it "demonstrated repeatedly that the human psyche is an 'artful dodger' when prejudice paraded as conviction, greed paraded as political philosophy, spitefulness paraded as justice, and human weakness paraded as party discipline."

As a Progressive Conservative, and being partisan, if I may, for the first and I hope the last time in the Senate, may I also say that I find those comments out of keeping with the spirit of the Senate. As an Albertan and a member of the Senate, I am proud to have been associated with the work of the Mulroney government.

Some Hon. Senators: Hear, hear!

Senator Ghitter: I cannot sit idly by and hear the comments of Senator Cools suggesting that for nine years our Prime Minister and his associates, people such as the Honourable Mr. Mazankowski, Mr. Wilson, Mr. Beatty, Mr. Epp, Mrs. McDougall, Ms Carney and many others were, by implication, greedy, spiteful, deceitful, and had a disregard or even malice for many citizens, as Senator Cools has suggested.

Speaking substantively as an Albertan, I have to say that the Mulroney government, from an economic assessment and an assessment of courage, was the best federal government Alberta has ever had during the years that I have been involved in politics.

Some Hon. Senators: Hear, hear!

• (1410)

Senator Ghitter: It was a government that totally rid Alberta of the NEP and FIRA. It was a government that brought free trade and NAFTA to Alberta, and that had immense positive impacts on our province. It was a government that brought western diversification and far-reaching programs to the benefit of our rural communities. It was a government that totally deregulated the oil and gas industry and brought stability to that industry — a stability that had been long lost.

It will also be remembered for being in office at the time of the lowest interest rates and the lowest inflation that we have experienced in many years.

Senator Perrault: And the lowest popularity!

Senator Ghitter: There were many excellent and dedicated men and women of the Progressive Conservative Party who served this nation extremely well — men and women who each weekend went home to work for their constituents; men and women who were dedicated to the betterment of the human condition of this nation; men and women I was proud to call friends and colleagues as members of the Progressive Conservative Party of Canada.

You can question their judgment; you can question their decisions; you can question their philosophies. However, when we question their integrity or dedication to this nation, either directly or by implication, we unfairly degrade them when they are not here to protect their good names, and we demean the parliamentary process which we serve. We send out incorrect messages that political service is debased and corrupt, which it is not. We discourage good people from entering political life at a time when politicians are at their lowest point in public esteem, and when more than at any other time we need intelligent, wise parliamentarians to deal with the complex issues of our day.

If we as politicians personally demean our fellow politicians with generalities and incorrect statements or by innuendo, we demean the very institutions that we serve. I would hope that such comments as we heard the other day will be the last of this sort, and that we will henceforth treat each other and those in the other place respectfully.

We will question their judgments; we will question their decisions; we will analyze the implications of what they are doing, for that is our work. But we must never debase, degrade or belittle our fellow parliamentarians because we disagree with their approach in the fulfilment of their duties.

I do not think our parliamentarians are appreciated to anything near the extent that they deserve, given the difficulties of performing public service. It may be easy for the Reform Party to look under every rock for a barber, a manicurist, a pensioner or a subsidized lunch, but it leaves the impression among Canadians that parliamentarians are riding some form of gravy train, milking the public on their journey to fortune. Nothing could be further from the truth. Being a member of Parliament is a difficult, unsettling job that goes very much unappreciated by many Canadians.

I often think of the many parliamentarians I have known who have travelled, weekend after weekend, from Ottawa to their constituencies many miles away, in an endeavour to do their work. How many qualified people would be willing to give up their normal way of life in their communities, with their families and their secure jobs, to come to Ottawa to serve their country only to find, after four, six, eight, or twelve years or more, that their pension is inadequate and that it is the only thing keeping them alive. A number of our politicians are out of jobs today; politicians who fall very much into that category.

Yet, every time a Reformer or someone else gets on his feet and carries forward the false impression of unseemly perks and benefits in Ottawa, fewer and fewer people will come forward and be willing to take on the challenge of fulfilling our democratic needs in the governance of our nation.

As Senator Fairbairn and I well know from our experiences in the last election, it is not easy to persuade as many people as you would like to come forward to stand for federal public office. Honourable senators, the denigration of our political representatives is a fool's game played by the righteous to the benefit of no one, and to the detriment of our democratic process.

We are focusing on the wrong issues. We should be focusing on ways to get better people into political life; people of background, talent, wide experience and business acumen. Our parliamentarians are running the biggest enterprise in Canada. We have the challenge of dealing with a debt of half a trillion dollars. We must spend less time fighting each other on issues of little consequence or financial moment and more time building up our institutions and the people who serve them.

Wary as I might be of past Liberal governments and what they have done to my province, I am hopeful that the new government will be balanced and even-handed in assuming the very difficult task of governing this nation. I congratulate the Liberals for their overwhelming victory on October 25. I say that for the good of the nation I want them to succeed in bringing Canada together, for I see Ottawa today as a very uneasy place.

As Winston Churchill said, "History is just one damn thing after another." This nation's history is proof of that statement, as we examine the perplexing situation this nation faces in 1994 and the immense challenges it presents to its parliamentarians.

Let me read to honourable senators but a few paragraphs from the address of January 19, 1994, of the Honourable Lucien Bouchard, Leader of the Opposition, the leader of a party with 54 seats, all from Quebec where it received 2 million votes.

> More than 30 years ago Quebec awakened to the world and decided to catch up. The quiet revolution transformed Quebec. It did not take long before the spirit of reform in Quebec collided with the spirit of Canadian federalism in Ottawa. Thirty years ago the horns were locked. Thirty years later we are still at it, as if frozen in a time warp. We should learn from the past, and this we should have learned: The political problem with Canada is Quebec, and the problem of Quebec is Canada.

He continued:

> Some are willing to deny the obvious in order not to upset the status quo. They speak of one Canadian nation, whereas Quebec and English Canada are two different nations.

He went on to say:

> Let there be no mistake. Bloc members will not forget that their commitment to sovereignty constitutes the real reason for their presence in this House. One could say that as far as we are concerned, the pre-referendum campaign has begun.

Thus, we as Canadians find ourselves in the incredible, unprecedented position of paying millions and millions of dollars for research offices and support services to the official opposition of Parliament whose sole aim and purpose is to remove Quebec from this nation of 126 years, to dismember the Canada we know and to create political and economic chaos in this country for years to come with all of its attendant instability.

The political landscape in Ottawa today is one that will challenge the strongest and feed the most fervent cynic's appetite to the fullest. First, we have the Bloc already committed to the destruction of this nation and whose job will be finished when they pack their bags and go back to Quebec City with Quebec sovereignty assured. Second, with respect to the Reform Party, aside from the very cosmetic issues they have raised, one can only say that the fact remains that the Reform's position relative to Quebec is the antithesis of the Bloc's aspirations. There is no way Reform will accept or understand the "distinct society" view of Quebec. Ultimately, this will become evident as positions start to polarize in Parliament. No pancake breakfast in Ottawa will overcome the disparity in views of these two regional parties.

It will also become evident over time that the Reform Party can never become a national party as long as Quebec is part of Canada. It is therefore, we must understand, in the interests of the Reform Party that Quebec leave Canada, if Preston Manning ever wishes to become Prime Minister of this nation.

Maybe it will happen. All one need do is look around the world today to conclude that where regional and cultural differences are not recognized and are not allowed to develop within a larger federation, the inevitable desire to break away occurs. From Czechoslovakia to Yugoslavia to the former U.S.S.R., the very pressures that we are experiencing in Canada today are becoming evident.

If we do not allow ourselves as a nation to recognize the distinctiveness and the cultural aspirations of the people of Quebec, we stand the risk of losing that great province and ending up with a broken nation. It is in the interests of the Reform Party that this break-up should occur. We must not allow that to happen.

Some Hon. Senators: Hear, hear!

Senator Ghitter: Then there is the great Liberal Party with their majority, a party with a great tradition, a party national in scope and represented in all regions of this country. It does not have another national party to contend with in Parliament, so it is really the only true national party in Ottawa, for two seats do not a national party make for the Progressive Conservatives.

The Liberals have elected some excellent men and women. It will be their challenge to present a national agenda that will act as a foundation for this nation at the turn of the century. Whether they are able to do so, only time will tell.

The Speech from the Throne, for what speeches from the Throne are worth, gave little indication of that agenda. There were 36 paragraphs in the Speech from the Throne. Fourteen of them talked of spending; only one paragraph dealt with deficit and debt.

• (1420)

The other day the government committed 165 million extra dollars by way of equalization payments to seven provinces. Yesterday they committed hundreds of millions of dollars to dealing with the tobacco tax and the removal of it. We have heard of their infrastructure program; we have heard of the continuing support of the East Coast fisheries; we have heard of spending, spending, spending.

Honourable senators, we cannot have it both ways. If the taxpayer does not have any money, where will the revenue come from? We either believe in debt and deficit reduction, or we carry on until we hit the fiscal wall and the International Monetary Fund tells us how to run our country, as Canada's creditworthiness and reputation fall to rock bottom. Unless we do something about it, this is what will happen.

That is the Liberal's challenge: balancing their Red Book promises with the fiscal realities of 1994. It will not be an easy task.

There are then the other parties, such as the New Democratic Party, which I cannot speak for. For the moment, I want to speak about the Progressive Conservative Party.

It is often useful to look to history to be our guide. Although the players, the rhetoric and the technology may be different in 1994, there are lessons in the history of this nation that might act as a guide for all of us in the examination of what is happening today with reference to the Progressive Conservative Party.

The year is 1920, the decade that stood between the Great War and its aftermath of revolution and the Great Depression, with its sequel of disintegration. In describing the 1920s I could, to a degree, be describing the backdrop of 1993. The twenties have been defined as the years following the war and into the Depression. It was a time of deflation. It was a time of unemployment. It was a time of a nostalgia towards the past. It was a time of revolt. It was a time when the agrarian movement, the farmers, came together and determined that they were not being represented by what they considered to be only lawyers in Ottawa. As it turned out, the United Farmers of Ontario and Alberta captured their provincial governments. In Manitoba they reduced the government to a plurality.

A separate progressive group was formed, and in June of 1921 there was a by-election in Medicine Hat. The government candidate was overwhelmingly defeated by a farmers' representative. Prime Minister Meighen, who had in 1920 succeeded Robert Borden as Conservative leader, took note and called a general election in December of 1921. The result was that 65 Progressive members were elected from British Columbia to Ontario — 65 that could have easily been 75. The Liberal Party had the larger number of members of the two parties, but with 117 they were one short of control of the house. Only 50 Conservatives were returned. The Progressives had the balance of power and they started coming to Ottawa.

The new Liberal leader was William Lyon MacKenzie King. Shortly after that, he determined to call an election because the crops were good, unemployment was down, business was reviving and class and sectional distresses of post-war deflation were subsiding. In 1925, the Conservatives were returned to Parliament with 117 members in a house of 245. The Progressives were reduced to 24 from 65 members. The Liberals had 101 members, and half of them were from Quebec.

The Hon. the Speaker: Order! I apologize to the honourable senator but his time has elapsed. However, with leave, perhaps he might be allowed to finish.

Hon. Senators: Agreed.

The Hon. the Speaker: Leave is granted. Please proceed.

Senator Ghitter: Thank you for allowing me to continue. I will speak faster now so that I may finish quickly.

Honourable senators, that was an example of history. The other example is the honourable background and history of Sir Winston Churchill who, as we all remember, after World War II, after having lead his country through the war, immediately went to the polls and was knocked out as Prime Minister. But eight years later he was back again as Prime Minister.

Let me suggest to everyone, honourable senators, that you have not heard the last of the Progressive Conservative Party of Canada — not for one moment.

Some Hon. Senators: Hear, hear!

Senator Ghitter: There will come a time, honourable senators, when even those senators on the other side of the house will appreciate the fact that there is a need in this country for another national party, one that will represent the regions of this country; not merely regional parties like the Bloc Québécois and Reform Party. Canadians, I can assure you, will come to realize the importance and significance of a party that started this country 126 years ago with John A. Macdonald. Even Liberals will welcome the rebirth of the Conservative Party because I am sure that you much prefer to deal with us than with regional parties. I believe that in due course you will come to that realization.

In conclusion, honourable senators, as we assess the Speech from the Throne and the acts of the government, I submit that Canadians are willing to make sacrifices. Great opportunities were lost at Meech and Charlottetown. However, as I look at the situation in terms of what is happening in my province, if I examine what is occurring with the severe cut-backs, the deficit and debt reductions and the suffering with which we are confronted in the health care service and in the education field in our province, I feel that Albertans are willing to sacrifice a little if they feel that there is a future and that there is hope.

As legislators and parliamentarians, we must be aware that what Canadians want more than anything else is hope. They want to feel that the sacrifices they make today will bring better opportunities for their children and the country in later years. They are willing to take the short-term pain of cut-backs and reductions in government spending in order to achieve a better Canada.

I hope that the Liberal government has the courage to make those cut-backs. When I see spending programs and more spending programs, I question whether this Liberal government has the courage that we see manifested by the premier of the Province of Alberta; a premier who is taking tremendous abuse but is moving right along on course, because he recognizes that such things must be done. It seems to me that if we show courage and face the realities of the day, while at the same time giving hope to our people, then our country will be a proud place in which to live in years to come, and we will enter the twenty-first century with a sound foundation to meet the challenges of the times.

I thank you, honourable senators, for the additional time you have permitted me.

Hon. Raymond J. Perrault: Honourable senators, first I want to commend our new Speaker of the Senate, a distinguished parliamentarian with an outstanding record, a great Canadian of Acadian descent. It is good to have him in that chair. I think that, on behalf of all of us, he will act fairly and in an even-handed manner. I also want to congratulate our new Leader of the Government in the Senate, Senator Fairbairn, who is providing competent and able leadership for the government ranks in this chamber. Congratulations should also be extended to Senator Lynch-Staunton, who has had a distinguished career and now has the important responsibility of leading the majority in the Senate.

There was another time when we had more Liberals than we do now in the Senate. I was the opposition leader at that time when we had a majority, very much the position that Senator Lynch-Staunton enjoys today — or is "enjoys" the correct word?

One of my first actions as Leader of the Opposition in the Senate was to write a letter to Prime Minister Clark. The letter will be in the Conservative archives. I wrote in this vein:

> The Senate Liberal majority will work conscientiously to support the government's program if the measures proposed appear to be in the public interest. We will not use our numbers to impede the progress of government bills nor shall we impede unfairly the legislation as it comes before us. We shall reserve the right to attempt to improve those measures.

I hope that the present Leader of the Opposition will support that philosophy now that he is in the position which he occupies — which is a very important position.

Senator Lynch-Staunton: Did your successor get a copy of that letter?

Senator Perrault: I will diligently search my files to attempt to determine that.

I have read the Speech from the Throne conscientiously and I have come to the conclusion that I will not have any difficulty supporting the resolution which we hope to send to the Governor General. It is a good Speech from the Throne, and it is short. It always amazes me that, every time a Speech from the Throne is read, spokespersons for the opposition immediately say, "We are shocked. We have read this document in disbelief"; or, "We are shocked and angered." I do not think an opposition since the inception of Parliament has ever said a nice thing about a Speech from the Throne. That is part of the parliamentary ritual around here, and in other chambers.

Today I will not get immersed in all of the detail in the Speech from the Throne — I would not burden honourable senators with that — but one sentence of special interest emerges for a number of us who are interested in the forest industry in this country. The Speech from the Throne informs us that the government will assist Canadian companies to translate improved market access into greater export sales, and will pursue an activist trade policy so that Canadians may have improved access to expanding markets, particularly in the Pacific Rim and in Latin America.

As honourable senators are aware, the success of our export industries is of immense importance to the success of our economy. In this regard, recently the forest industry in Canada has been under concerted attack, particularly from Europeans who have lectured us consistently about how we are supposedly mismanaging our forests and how somehow we are endangering the environment, the ecology and the economy of the world. Next week we will have a number of Europeans visiting Canada, members of the Canada-European Group. Representatives of the main accuser nations will be in our midst. With your indulgence I want to put on record today some of the facts that we should bring to the attention of the delegates who appear at that conference, which will be held in Canada. This is something about our forest industry.

• (1430)

We have been described as the Brazil of the North. The accusation is made that Canada clear-cuts one hectare of forest every 30 seconds. Canada cannot be compared to Brazil. There are two main differences. Most of the rain forest of Brazil is converted to agricultural use after it is harvested. In Canadian boreal forests, harvested areas are required to be regenerated with tree species similar to the ones found in the original forest.

Yet, during the past decade, Canadian forests were harvested at a rate of one hectare every 33 seconds and regenerated at a rate of one hectare every 18 seconds. That sounds like a rather progressive Canada, doesn't it?

Furthermore, the boreal forest is composed of tree species adapted to and, indeed, dependent upon disturbances such as fires, insects and disease to regenerate. These forests also have the capacity to be renewed quickly after clear-cutting.

Incidentally, we will be taking some of these Europeans on a tour of some of our forests out in British Columbia when they are here. Perhaps some of them will go back better educated. I hope so.

I remember a visit that I made to Germany two years ago. I was shown sections of the Black Forest which are absolutely dead because of chemical pollution or some other problem. I visited an area near Wittenberg in Germany. There is a huge forest standing near Wittenberg which has been destroyed by chemical pollution. The trees stand like ghastly, ghostly monuments to someone's ineptitude, or the lack of concern or care by those responsible. Yet, we are being lectured by certain spokesmen of that nation that we in Canada are not observing high enough forestry standards.

The accusation is made: Why does Canada allow clear-cuts to be so large? That is, up to 2,500 square kilometres. The truth? In Canada, there are no clear-cuts that are 2,500 square kilometres in size, despite the propaganda that is flooding in upon us from Europe. The largest clear-cut was 490 square kilometres and was created to contain a widespread outbreak of spruce beetle and to restrict the fire hazard created by the damaged timber.

Traditionally, clear-cuts in Canada have ranged in size from 40 hectares to 200 hectares, not the 2,500 hectares referred to by Greenpeace and some of the other organizations.

In Canada, there has been a recent trend to reduce the size of clear-cuts. This has been in response to current concerns for the health and quality of the environment, and to recognize numerous non-timber values of the forest. The size and location of clear-cuts are based on a long-term, detailed management plan which is developed with public participation and is based on sustainable development. I am not talking just narrowly about British Columbia; I am talking about the industry from coast to coast. It is our number one export industry and is of great importance to New Brunswick, Quebec and Ontario, and to Newfoundland, Alberta, and many other parts of Canada.

The size and location of Canadian clear-cuts are based, as I said, on long-term, detailed management plans. These plans are designed to ensure that the harvesting methods and size of clear-cuts respect the sensitivity of forest ecosystems.

I come now to a question that has been bandied around on national news and in newspapers from coast to coast: Will Canada meet Greenpeace's demand that Clayoquot Sound be the core area of a United Nations biosphere reserve? This is not an easy matter for any government. It would not matter what the political orientation of the government of British Columbia was. If it were a Liberal or Conservative government, it would still be faced with the question.

The fact is that the government of British Columbia recognizes the potential benefits of a biosphere reserve designation and is exploring the extent of international obligations, as well as the funding and management responsibilities and implications. Concurrently, the B.C. Government is consulting local groups, including aboriginal associations, to pursue a formal application for a biosphere reserve designation.

Federal governments, including the most recent Conservative government, have been cooperating with the provinces and territories in initiatives to promote the sustainable development of our forests. Good for them. The sustainable development of our forests is important to us however we vote.

Does the decision to allow logging in Clayoquot Sound violate the international biodiversity convention which Canada signed? The B.C. management plan for Clayoquot Sound meets the terms and conditions of the convention on biodiversity. In fact, this decision has increased the area under protection by an additional 18 per cent. The result is that a total of 33 per cent of Clayoquot Sound is now under permanent protection. This decision, along with other planning processes, will ensure that the seven special ecosystems found in the sound will be protected.

This plan will also make this area one of the largest temperate, old-growth coastal forests on the west coast of North America under permanent protection. Again, this is the view of a majority of people not just in one political party in B.C. but in all of the parties.

The large, protected reserve will foster the maintenance of biological diversity in this area. The harvesting which will occur in the sound will be carried out in a sustainable manner using forest practices that are compatible with other forest values.

Another question has been bandied around on the international stage. I hope that we can get these forestry facts into the hands of all of the delegates to this forthcoming Canada-Europe meeting. The question is: Does Canada intend to enact legislation to protect endangered species in line with its commitments under the International Biodiversity Convention?

The Canada Wildlife Act already provides for the protection of wildlife, including endangered species. This act provides a framework within which the federal government has created a national program to identify and recover wildlife at risk. In addition, Environment Canada and World Wildlife Canada, a non-governmental organization, have jointly created the Endangered Species Recovery Fund to stimulate and fund recovery projects in Canada. A federal endangered species policy, which would reinforce the need to include endangered species in the environmental assessment review process, is being considered.

Among the leading seven questions is the following: Will Canada take steps to ensure that the use of all of its forests is ecologically sustainable?

In 1992, after a year-long public process, the Canada Forest Accord was signed by members of the forest community, including governments, organizations representing the interests of naturalists, wildlife, aboriginal people, labour, private-forest land owners, academics and forest industries. These organizations agreed on a common vision and a national forest strategy entitled, "Sustainable Forests — A Canadian Commitment." The strategy goal is to ensure that the management of Canada's forests includes a range of both timber and non-timber values such as recreation, wilderness, biodiversity and wildlife, while protecting the forests' integrity, health and diversity. The strategy identifies nine priorities and 96 commitments that will be acted upon over the next three or four years.

Some of these commitments include completing an ecological classification of our forest land; increasing our research to gain a better understanding of forest ecosystems; completing a network of protected areas by the year 2000. As part of the new national forest strategy initiated by the last government, Canada has established a unique network of ten model forests across the country. The goal of these model forests will be to test new, economically and ecologically sound approaches to forest management. Each model forest is managed by a partnership of organizations and individuals who have an interest in the forest and who must decide on the particular objectives for which it will be managed.

So much for all of the false propaganda that we have heard recently, and all the news reports about the commendable effect of the premier of British Columbia going to Europe and attempting to educate Europeans regarding the facts of Canadian forestry practices.

As I said at the outset, the Speech from the Throne talks in terms of greater export sales. If we lose this public relations battle regarding our forests and the world becomes convinced that we are irresponsibly destroying our old-growth forests, and as a result of these false charges they do not buy lumber and paper produced and manufactured in Canada, then we have a real economic problem.

Incidentally, the 12 per cent of land that British Columbia alone has targeted to set aside for parks and wilderness represents an area almost equal to one-third of the total size of Germany. That is the recombined Germany. Those are not just the old West German boundaries. Germany, proportionately, has not set aside for similar use nearly as much land as Canada. In Germany, they have set aside something like 1 per cent of their land.

Canadians can make their forestry arguments with confidence and with accuracy. I hope that the Europeans who visit Canada next week will be enlightened during their time here, and that they will learn a great deal.

• (1440)

I congratulate Senator Ghitter on his maiden speech in this Throne Speech debate. It is always an ordeal to rise for the first time and speak in this chamber. It can be a bit intimidating under certain circumstances. While I do not agree with all of his political statements, I do think that he may well make a very positive contribution to this assembly. As a matter of fact, early evidence indicates that this could be a productive house in the next few months and that we could do many great and constructive things for this nation.

May I share a thought with you? I think that we should be perhaps a less political house. I would hope that the majority here will understand the importance of cooperation and working together. Hopefully, there may be a new form of enlightenment that sweeps over the other side and elsewhere. In my usual non-partisan fashion, I will contribute to the utmost of my ability.

[*Translation*]

Hon. Normand Grimard: Honourable senators, first of all, I would like to take this opportunity to congratulate our new Prime Minister and wish him luck. Like me, he is from the Mauricie area and was educated at the seminary in Trois-Rivières. I also wish to congratulate our new and very dignified Speaker, Senator LeBlanc, and pay tribute to his predecessor, Senator Charbonneau. I also commend the mover and the seconder of the motion.

As the twentieth century draws to a close, one sees how difficult it is to govern in a world where the massacre of innocent peoples has taken the place of the old concerns of the Cold War. Instead of progressing, Canada's economy and that of a number of industrialized countries are caught in a recession similar to the Depression in the thirties. The government is being bombarded on all sides with demands for solutions, but the formerly all-powerful welfare state has proved to be an idol with feet of clay, because it does not have enough revenue and cannot further tax its citizens to get more.

On January 18, the Throne Speech promised the appointment of an ethics counsellor to advise ministers and government officials. New legislation on relations between government and lobbyists will soon appear on the Liberal Order Paper.

Although I am pleased, I would like to point out that the novelty lies in the form rather than the substance. Measures proposed by a Conservative government between 1984 and 1990 had already been announced or adopted. They generated good results. I am happy to see the Liberal government intends to continue along the same lines.

The Throne Speech did not contain any plans to legislate on conflicts of interest, except that the Liberal government did intend to address this issue with respect to lobbyists. For more than two years, during the two periods of its existence between 1991 and the spring of 1993, I sat on the former Special Joint Committee on Conflict of Interests, ably co-chaired by Senator Stanbury. Bill C-116, the successor to Bill C-43, died on the Order Paper. The special joint committee and the government could not agree on the proposed two-headed system that would prescribe one set of rules for senators and members of the House of Commons and another for ministers and parliamentary secretaries. The committee felt this parallel treatment was wrong, especially since it imposed stricter rules on senators and members of the House of Commons. Perhaps Senator Stanbury or the Government House Leader could inform us about the government's plans in this respect.

As you know, the issue is inextricably linked to politics. Today, it will be up to the two opposition parties in this new Parliament, the Bloc Québécois and the Reform Party, to reach a consensus and decide whether they want to take advantage of the momentum that has built up during the past five years or prefer to set them aside.

Prime Minister Brian Mulroney saw this legislation as a breath of fresh air for democracy, and, right up to the day he left, he pulled out all the stops in an attempt to get this legislation through Parliament.

[*English*]

A Canadian "Independent Foreign Policy" is promised on the other hand, more by the Red Book than by the Speech from the Throne. Senator MacEachen, a former external affairs minister, said in an address to the Canada-Germany Symposium held in Ottawa on November 20, 1993:

> Canada, under the previous government, was too much under the shadow of the United States when conducting its foreign policy.

However, to a great many Canadians, this whisper of change is definitely not felt in the quickness with which the new Prime Minister endorsed the signed NAFTA treaty after his constant opposition during the last electoral campaign.

Canadian allies in NATO and elsewhere in the world expect practical answers from Canada. The rapid cancellation of the contract for the 42 defence helicopters was an easy gesture; however, that very cancellation will promote the realization that Canada does not have a sound defence and foreign policy. It is simply make-believe.

[*Translation*]

In the Speech from the Throne, the government promises that it will enhance Parliament's credibility so as to provide members of Parliament, and I quote:

> ...a greater opportunity to contribute to the development of public policy and legislation.

We take this to mean that the government will be holding more free votes in the House of Commons.

Honourable senators, a number of other subjects warrant our consideration. The Minister of Finance, Paul Martin, has resigned himself to waiting two years before announcing a replacement for the 1990 Goods and Services Tax. Yet, in their Red Book, the Liberals stressed that replacing the tax was a matter of national urgency.

The same Minister of Finance will be tabling his budget this month. Prior to drafting it, he held four economic forums, in Halifax, Calgary, Montreal and Toronto, during which he allowed himself to be convinced by business people that the priorities were job creation and deficit reduction. One can but wonder how useful such consultations are. Few Canadians would deny, if asked, that jobs and the deficit are the priority concerns of the day. Had the Minister of Finance asked them, he would have got the information he wanted more quickly and more cheaply.

Honourable senators, the Minister of Human Resources Development, Lloyd Axworthy, has also announced that he will need two years to implement social program reform. Another two years. We have a government that seems to like even numbers. The provincial governments, for their part, are bracing to hear an announcement of new cuts to federal transfer payments.

I want to refer at this time to something Prime Minister Chrétien said in his book, *Straight From the Heart*, which he wrote in 1985 when he was a minister in the Trudeau government.

The Prime Minister wrote :

> It is sometimes said that our social security system undermines the desire to work and to confront challenges and that people abuse the system. Personally, I think that the system is a sign of progress, social justice and civilization. I do admit that in some cases, social assistance can encourage people to remain idle.

I hope that the Prime Minister continues to feel that social security is a delicate system, one that cannot be changed without affecting those members of society who are the most vulnerable. Consequently, the government will have to take special care to ensure that the changes made are equitable so that they can gain public acceptance.

Personally, I am lukewarm to the whole idea of lowering the ceiling on registered retirement savings plans or to any other initiative that would reduce the purchasing power of senior citizens.

In its January 31 editorial, *The Globe and Mail* was critical of this trial balloon floated by the Liberals in December. The daily newspaper felt that cutting contribution limits would be as counterproductive as eliminating the $100,000 capital gains exemption:

[*English*]

• (1450)

> A sensible society does not tax savings, since that amounts to a tax incentive for consumption. Income consumed now is taxed less heavily than if the same income were saved, invested, and consumed next year.

[*Translation*]

Honorable senators, the highly coveted economic recovery will not occur without a modicum of respect for its sponsors.

It seems to me that the mere creation of a Youth Service Corps to give jobs back to the young is a dream full of illusive promises. The Liberal government will have to consider that, unfortunately, computers eliminate many jobs for good. The American magazine *Time* was sadly stressing that a week ago. Canadians are worried, and rightly so, about their future, their jobs or their children's jobs, and about maintaining their standard of living. If there is anything for which they blame the Throne Speech, it is for not giving them any hope.

[*English*]

In closing, I cannot resist quoting Mr. Manning — not Preston, but his father, Ernest C., who was then the Social Credit premier of the province of Alberta — from a book entitled *Political Realignment* that he published in 1967. Premier Ernest C. Manning said then:

> There is one further alternative which I hope will not be necessary for the Canadian people to consider seriously, and that is the alternative of attempting to bring into being a totally new political party.

He added:

> Anyone who speaks or writes on the subject of political realignment is open to the common misinterpretation that he is advocating the formation of another political party altogether apart from those presently in existence. I wish to make it very clear that this is not what I am advocating by this thesis.

As you can see, honourable senators, this is another example where good and sound advice from the father has not been followed by the son.

Some Hon. Senators: Hear, hear!

Senator Grimard: Supporters of the Reform Party are members of our party who have wandered away. They will come back to the Conservative Party once they realize that the blink of light they thought they saw at the end of the tunnel was only the flash of a broken mirror.

The last Speech from the Throne by the Liberal government amounts, consequently, to a promising but very incomplete document when it states:

> The government will work vigorously to fulfil its responsibilities to ensure that federalism meets the needs of Canadians, recognizing that all Canadians share in the responsibility for making Canada work.

[*Translation*]

While it is often shining in the right direction, will the light from that lighthouse be bright enough to guide the rescuers? Will they manage to go through the rocks without sinking? Or will the Canadian Broadcasting Corporation have to change its now well-known message so that, instead of saying:

> An hour later in the maritimes,

it will say:

> Two years later in the country

if we take into account the Liberals' already expressed affection for the even number of two years?

On motion of Senator Bosa, debate adjourned.

[*English*]

INTERNAL ECONOMY, BUDGETS AND ADMINISTRATION

REPORT OF COMMITTEE—ORDER STANDS

On the Order:

> Resuming the debate on the motion of the Honourable Senator Molgat, seconded by the Honourable Senator Frith, for the adoption of the report of the Standing Committee on Internal Economy, Budgets and Administration (Senate budget 1994-95), presented in the Senate on January 19, 1994.— (*Honourable Senator Di Nino*)

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, perhaps I might ask a question in this regard, because we had an understanding that the mandate of the present committee would end when the budget was passed. I hope that this is not a delaying tactic. Can we expect this matter to be concluded tomorrow?

Hon. Consiglio Di Nino: Honourable senators, Senator Lavoie-Roux wishes to speak on this matter. I have taken the adjournment on her behalf since she was absent yesterday. She informed me today that she intends to speak on the matter tomorrow.

I wish to assure all of my colleagues that this is not an attempt to delay. I should state that if any other senator wishes to speak on this matter, I would be more than happy to cede the adjournment.

Order stands.

The Senate adjourned until tomorrow at 2 p.m.

THE SENATE

Thursday, February 10, 1994

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

Prayers.

SENATORS' STATEMENTS

HEALTH

EFFECT OF REDUCING CIGARETTE TAXES— RECLASSIFICATION OF TOBACCO AS HAZARDOUS PRODUCT

Hon. Mira Spivak: Honourable senators, yesterday, public health organizations and officials in Canada called the federal government's decision to cut cigarette taxes a disaster for public health. Dr. Stephen Corber of the Canadian Public Health Association said lowering tobacco taxes jeopardizes Canada's greatest public health achievement — the lowering of smoking rates in this country.

The Heart and Stroke Foundation predicted 250,000 tobacco-caused deaths from this government initiative, while others said the measure will lead to 800,000 additional smokers, including 175,000 new teenaged smokers. At the same time, provincial governments, especially Ontario, are faced with a Hobson's choice: either giving up sorely needed tobacco tax revenues by reducing provincial taxes on cigarettes to a level comparable to Quebec, or facing a smuggling problem across provincial borders. In addition, Canadian distillers, seeking a domino effect, are pressuring federal and provincial governments to cut liquor taxes to combat liquor smuggling into Canada.

The underground network for smuggling cigarettes is now being used for other goods. Tobacco companies are also warning that they may hike prices to counteract a surtax on profits. According to David Sweanor, legal counsel for the Non-Smokers' Rights Association, the net impact of this is that cheaters win, bad guys get rewarded, and good guys end up picking up the tab.

Honourable senators, some of the effects of this new policy initiative of the federal government can be mitigated if the government moves to place tobacco under the Hazardous Products Act so that it can regulate the sale of this very hazardous product and give itself more leverage in dealing with the tobacco companies.

The day before yesterday, the Leader of the Government in the Senate indicated that her colleague the Minister of Health is considering just such a move. I hope that her very considerable powers of persuasion will influence her colleague the Minister of Health to place tobacco under the Hazardous Products Act.

TOBACCO SMUGGLING—GOVERNMENT ACTION PLAN

Hon. Wilbert J. Keon: I should also like to comment on the government's action plan on smuggling, which was announced by the Prime Minister on February 8. Some of the elements of that action plan are truly commendable: the increased monetary and human resources to be devoted to enforcement of the law; renewal and extension of initiatives of the previous government to educate Canadians about the effects of tobacco consumption; the imposition of the export tax on cigarettes; and the surtax which will be imposed on the profit of tobacco manufacturing companies.

Like most Canadians, I sympathize with the government's desire to address what has become an enormous and tremendously complex problem, and I applaud these measures. I do hope that the government will follow through on its commitment to devote the new revenues from the export tax and corporate surtax to programs to discourage tobacco consumption.

On the other hand, I join the rest of the health care community, along with the vast majority of Canadians, including many tobacco consumers, in expressing my dismay at the tax cuts on tobacco which are included in the government's action plan. By this measure, the government has immediately undone the good that could have been achieved by the other elements of the plan without waiting to see what effect they might have on smuggling.

It is very clear that the government views tobacco sales and consumption as simply a smuggling issue and not as a health problem. This may be a slight exaggeration, but I believe their priorities are backwards. Health concerns have been lost in the rush to deal with the economic issues of illegal tobacco sales in the underground economy.

The dramatic lowering of retail tobacco prices, especially in the province of Quebec at the moment, but with other provinces under extreme pressure to follow suit, will inevitably encourage consumption, especially among young people who are most susceptible to adopting the habit of smoking and the most influenced by changes in cost.

This tax measure encourages our youth to experiment with the most toxic and addictive substance legally available in our society, and comes at a time when governments throughout Canada — municipal, territorial, provincial, and the previous federal administration — have been trying to discourage tobacco usage, especially by young people.

For now, the government should reinstitute the excise taxes to previous levels, then concentrate on ancillary measures to prevent manufacturers from supplying the contraband market from south of the border, thus avoiding the export tax.

MIDDLE EAST

PEACEMAKING EFFORTS

Hon. Heath Macquarrie: Honourable senators, the last time I presumed to rise under this heading was in the Thirty-fourth Parliament when, on September 22, 1992, I hailed the peacemaking efforts of the then new Prime Minister of Israel. I ventured to say that, thanks to him, there now existed hope where gloom and foreboding had long dwelt.

Late last summer, on the White House lawn, a milestone for peace was achieved. The handshake of Prime Minister Rabin and Chairman Arafat was something few would have predicted in their loftiest flights of fantasy. As important was the sight of the outstretched hands of the President of the United States, encouraging and perhaps impelling the great and historic gesture. Subsequent meetings, including yesterday's in Cairo, have furthered the progress which the momentous Arafat-Rabin handshake opened up.

There are those who say that things are moving too slowly and that many problems have yet to be solved. However, can we realistically expect that the fears, anxieties and hatreds of generations, indeed ages, could be dissipated in a matter of weeks? For the two leaders, there are manifold difficulties. The road may well be long and tortuous, but the direction has been set and the tone and temper changed, I believe, forever. They should both be sustained and encouraged by all people of goodwill as they lead the way to a better, nobler and more peaceful future in a region too long torn by strife and bloodshed.

[*Translation*]

THE HONOURABLE MARCEL PRUD'HOMME

FELICITATIONS ON THE OCCASION OF HIS THIRTIETH ANNIVERSARY IN PARLIAMENT

Hon. Fernand Roberge: Honourable senators, today marks 30 years of parliamentary service for one of our colleagues, Senator Prud'homme. I take this opportunity to wish him many more years among us.

[*English*]

HEALTH

SMOKING WITHIN THE PRECINCTS OF PARLIAMENT

Hon. Eymard G. Corbin: Honourable senators, a great deal has been said in past days about smoking, taxes, the health of youth in our country, and what have you. I think that legislators should be the first to set an example to the youth of the country.

We have established zones of toleration in this building for people who smoke, including some of our own honourable colleagues. I think that the time has come, not to tax those honourable senators but to declare as non-smoking areas places such as their offices, especially when their office doors are open, as smoke invades and permeates the honourable halls of this place quite easily. I think we ought to stop smoking in the Senate reading room. One can walk in there any day and cut the haze with a knife, it is so thick.

Before setting ourselves up as proponents of good health, we ought to practice what we are attempting to preach and cut off smoking altogether within the precincts of Parliament.

DISTINGUISHED VISITOR IN GALLERY

HONOURABLE EFSTATHIOS W. BAROOTES

The Hon. the Speaker: Before we pass on to the next item, I would advise honourable senators that sitting in the gallery above the clock is one of our old colleagues, Senator Barootes, to whom we offer our greetings and our words of welcome.

Senator Hastings: Is he smoking?

THE LATE HONOURABLE CHESLEY WILLIAM CARTER

TRIBUTE

Hon. M. Lorne Bonnell: Honourable senators, while extending greetings to my good friend the doctor and former senator, I should like to remind you, particularly senior senators who have been here for some time, that we have lost one of our retired senators from Newfoundland. Ches Carter has passed away. Despite the fact that there will not be anything formal, as he was no longer a senator, there are many who would like to remember Ches, who was an active senator here for many years.

ROUTINE PROCEEDINGS

SOCIAL AFFAIRS, SCIENCE AND TECHNOLOGY

FIRST REPORT OF COMMITTEE TABLED

Hon. B. Alasdair Graham: Honourable senators, pursuant to rule 105 of the *Rules of the Senate*, I have the honour to table the first report of the Standing Senate Committee on Social Affairs, Science and Technology, which deals with the expenses incurred by the committee during the Third Session of the Thirty-fourth Parliament.

(*For text of report, see today's* Minutes of the Proceedings of the Senate.)

TRANSPORT AND COMMUNICATIONS

FIRST REPORT OF COMMITTEE TABLED

Hon. Donald H. Oliver: Honourable senators, pursuant to rule 105 of the *Rules of the Senate*, I have the honour to table the first report of the Standing Senate Committee on Transport and Communications. This report deals with the expenses incurred by the committee during the Third Session of the Thirty-fourth Parliament.

(*For text of report, see today's* Minutes of the Proceedings of the Senate.)

[*Translation*]

LEGAL AND CONSTITUTIONAL AFFAIRS

FIRST REPORT OF COMMITTEE TABLED

Hon. Gérald-A. Beaudoin: Honourable senators, pursuant to rule 105 of the *Rules of the Senate*, I have the honour to table the first report of the Standing Senate Committee on Legal and Constitutional Affairs on expenses incurred during the Third Session of the Thirty-fourth Parliament.

(*For text of report, see today's* Minutes of the Proceedings of the Senate.)

[*English*]

AGRICULTURE AND FORESTRY

FIRST REPORT OF COMMITTEE TABLED

Hon. Dan Hays: Honourable senators, pursuant to rule 105 of the *Rules of the Senate*, I have the honour to table the first report of the Standing Senate Committee on Agriculture and Forestry, which deals with the expenses incurred by it during the Third Session of the Thirty-fourth Parliament.

(*For text of report, see today's* Minutes of the Proceedings of the Senate.)

NATIONAL FINANCE

FIRST REPORT OF COMMITTEE TABLED

Hon. C. William Doody: Honourable senators, pursuant to rule 105 of the *Rules of the Senate*, I have the honour to table the first report of the Standing Senate Committee on National Finance, which deals with the expenses incurred by the committee during the Third Session of the Thirty-fourth Parliament.

(*For text of report, see today's* Minutes of the Proceedings of the Senate.)

MERCHANT NAVY VETERAN AND CIVILIAN WAR-RELATED BENEFITS ACT

BILL TO AMEND—FIRST READING

Hon. Jack Marshall presented Bill S-4, to amend the Merchant Navy Veteran and Civilian War-Related Benefits Act.

Bill read first time.

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

On motion of Senator Marshall, bill placed on the Orders of the Day for second reading on Tuesday next, February 15, 1994.

NORDIC COUNCIL'S PARLIAMENTARY CONFERENCE ON THE ARCTIC

REPORT OF OFFICIAL PARLIAMENTARY DELEGATION TABLED

Hon. A. Raynell Andreychuk: Honourable senators, I have the honour to table the report from the Joint Parliamentary Delegation which attended the Nordic Council's Parliamentary Conference on the Arctic in Reykjavik, Iceland, on August 16-17, 1993.

NATIONAL FINANCE

NOTICE OF MOTION TO AUTHORIZE COMMITTEE TO ENGAGE SERVICES

Hon. C. William Doody: Honourable senators, I move:

> That the Standing Senate Committee on National Finance have the power to engage the services of such counsel and technical, clerical, and other personnel as may be necessary for the purpose of its examination and consideration of such bills, subject-matter of bills and Estimates as are referred to it.

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

Hon. Gildas L. Molgat (Deputy Leader of the Government): Is there some urgency?

Senator Doody: I do not think so. I have not asked for leave to proceed, Your Honour. This can very well stand until the next sitting.

I do not agree with dispensing with the house rules when it is not necessary. I realize that my honourable friend opposite has been, from time to time, forced to bend what have been considered to be firm rules, but I am quite prepared to stand by the rules of the house and wait until the next sitting of the chamber.

The Hon. the Speaker: Until the next sitting of the Senate, then.

HUMAN RIGHTS

ESTABLISHMENT OF STANDING COMMITTEE— NOTICE OF INQUIRY

Hon. A. Raynell Andreychuk: Honourable senators, I give notice that on Tuesday next, February 15, 1994, I will call the attention of the Senate to the desirability of establishing a Standing Senate Committee on Human Rights.

QUESTION PERIOD

BOSNIA

CANADA'S COMMITMENT TO NATO AIR STRIKES—GOVERNMENT POSITION

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, I wish to direct my question to the Leader of the Government in the Senate. That question is with respect to the government's support of air strikes in Bosnia, and I would ask the Leader of the Government very bluntly whether that commitment will be honoured as spelled out in the NATO communiqué issued yesterday. The reason I ask that question is that, over the last month, we have witnessed some extraordinarily contradictory positions being taken by the government, particularly by the Prime Minister and the Minister of Foreign Affairs — stands which have been confusing, contradictory, and certainly completely out of keeping with this country's pioneering dedication to peace-keeping.

I will spare colleagues a recital of the embarrassing opposite positions taken by senior government ministers, particularly in Brussels last month, except to say that unfortunately they were the subject of ridicule, not only in this country but with many of our NATO partners.

Yesterday, Canada formally agreed to NATO air strikes after a given time period, if the warring factions do not meet certain conditions.

My question to the Leader of the Government in the Senate is straightforward: Can she assure us that Canada will honour the NATO commitment unconditionally, should it have to be fulfilled?

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, in response to Senator Lynch-Staunton's question, the answer is yes.

I am conscious of this not being an "Answer Period" but a Question Period. However, the question raised by the honourable senator is an important one, and perhaps I could expound and elaborate on that issue.

The position of the Canadian government has been very clear —

Senator Lynch-Staunton: Clearly confusing.

Senator Hastings: You are the only one who is confused!

Senator Lynch-Staunton: Just like during the Gulf War.

Senator Fairbairn: It has not been confusing. It has been very much an effort to obtain support and maintain security for United Nations' forces on the ground in that troubled area. That has been the underpinning of the Canadian position.

• (14:20)

On the weekend, as we all know, a horrific action took place in Sarajevo. At this point in time there must be, as Canada realized, a firm warning and response demonstrating that such acts will not be tolerated and must not be repeated.

In the hours and days since the mortar shelling in Sarajevo, there have been very intensive discussions in Brussels. There have been discussions between leaders; discussions between our Prime Minister and the President of the United States. The Canadian position that has been argued, and indeed has had an impact on the outcome of the decision in Brussels, is comprised of three points: The first point is that, in the event of any action, the United Nations will be in the position of coordinating and controlling that response. That was a very important consideration for the Canadian government.

The second consideration is that the proposals that have been made, and that we hope will hold, for the ceasefire and the declaring of a 20-kilometre demilitarized zone for heavy weaponry around Sarajevo, will be carried out in complement with increased efforts on the peace process in Geneva. That is also very much part of this package. Part of that increased activity is a greater determination on the part of the United States to be very involved and persuasive in those talks.

Finally, security of personnel has been another underpinning of the Canadian concern. That, too, is part of the council's resolution. That is not, honourable senators, just for Canadians in that troubled area. It is for all United Nations personnel.

I apologize for the length of my answer, but I think it is important to put the Canadian position in that context.

Senator Lynch-Staunton: It is interesting that, despite the Liberal Party's criticism of Prime Minister Mulroney during the recent election campaign for his close association with the President of the United States, it took the President of the United States to convince the Prime Minister of Canada yesterday to change his stand once more, but I will leave that for another time.

In yesterday's Hansard, Prime Minister Chrétien is quoted as saying during Question Period:

> According to the news I heard a few minutes ago, the Serbs have agreed to accept the ultimatum...so there will be no need for a strike.

Since all previous ceasefire agreements have failed, can the Leader of the Government explain how the Prime Minister can guarantee unequivocally that "the Serbs have agreed to accept the ultimatum...so there will be no need for a strike"?

Senator Fairbairn: Honourable senators, I think everyone in this house would wish to echo the Prime Minister's words. One of the critical parts of the ceasefire arrangement is that it is not just on one side, it is on both sides. That arrangement would involve both the Serbs and the Muslims in Sarajevo.

The ceasefire arrangements are moving forward, and both sides have indicated they will support it. Of course, it is the hope of every leader involved in this situation that within ten days there will be no necessity to have air strikes in that war-torn city and its surroundings. There is not a single person on the NATO council who would wish otherwise.

On the question of the President of the United States and the Prime Minister, they have had very candid talks with each other, and I think the Prime Minister of Canada also persuaded the President of the United States of the importance of two or three of the issues that I mentioned earlier.

• (1430)

USE OF AIR STRIKES—CANADA'S ROLE—GOVERNMENT POSITION

Hon. John Lynch-Staunton (Leader of the Opposition): My last question, honourable senators, is the following: Since the leader has answered affirmatively that Canada will stand by its commitment made yesterday, should NATO proceed with the air strikes, what is our role in them? What is our participation in them, if any? Are we to devote planes and equipment and whatever manpower is needed to engage in these air strikes? Are we presently consulting with our NATO allies to see that we, as part of NATO taken collectively, fulfill our obligations? Or are we to be mere spectators — signing an agreement but finding a way not to be part of it?

Hon. Joyce Fairbairn (Leader of the Government): To the Leader of the Opposition, the Canadian Armed Forces have not at any time been standing by during this conflict. We have been more engaged than most countries in the world.

I cannot answer specifically in terms of the hypothetical situation of the air strike and exactly who, operationally, would have what responsibilities. However, I will be glad to make further inquiries on behalf of the Leader of the Opposition to see what information I can come up with.

The Canadian position, as put forward through our ambassador in Brussels, is very much in concert with that of all of our allies in NATO, and I am sure that Canada will play the part and the role it has always played in these situations.

Senator Lynch-Staunton: Let me be clear that this is not a hypothetical question. Having troops in the former Yugoslavia is one thing, but my question is: If asked, will Canada participate in the air strikes?

Senator Fairbairn: Again, that is a hypothetical situation.

Senator Lynch-Staunton: No, it is not. We have signed an agreement.

Senator Fairbairn: In my answer to the Leader of the Opposition I will be absolutely candid. I will put directly the questions he has asked and I will provide him with the answers.

Senator Lynch-Staunton: Within nine days, I hope.

Senator Fairbairn: Very definitely, I will. Canada will take its responsibilities, as always, very seriously.

THE BUDGET

EFFECT OF CARBON TAX ON COST OF AGRICULTURAL PRODUCTION

Hon. Leonard J. Gustafson: Honourable senators, given the fact that in the Throne Speech there was no mention of agriculture, I am looking forward to the budget.

There is a great deal of nervousness in the farm community about various aspects of the budget, but particularly about the carbon tax. Farmers have faced a great many problems within the last few years, as all senators know. A carbon tax would add tremendous expense to the cost side of the production of agricultural products. Consequently, as I have said, there is a great deal of nervousness.

Another area on which I would seek some response is the $500,000 capital gains tax exemption. It is rumoured that that might be removed. Still another area is the GST. Farmers receive back the GST under application; they do not like having to apply, but they get the tax back.

There is a great deal of nervousness in the agricultural community in these three areas.

Would the honourable leader give us some direction? I realize that there is some secrecy involved here, but would she use her good offices to communicate to the Minister of Finance and the government this nervousness in the agricultural community, because it is very serious.

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I am not sure how large these "good offices" are that the honourable senator wishes me to use. I will be delighted to convey his concerns on his own behalf, and on behalf of the people he represents.

I gave an answer to my colleague from Calgary the other day and I am afraid I will have to give the same answer to Senator Gustafson, namely, that I cannot speak on behalf of the Minister of Finance on anything concerning taxes. Wait for the budget. However, I will certainly pass on the concerns of the honourable senator this afternoon.

FISHERIES AND OCEANS

EXTENSION OF JURISDICTION BEYOND 200-MILE LIMIT—GOVERNMENT POLICY

Hon. Gerald R. Ottenheimer: Honourable senators, I should like to ask a question of the Government Leader in the Senate concerning the unilateral extension of jurisdiction beyond the present 200-mile limit to the limit of the continental shelf; in other words covering areas frequently called the Nose and Tail of the Grand Banks.

It will be recalled that the government has stated that in the absence of an international agreement with respect to Canadian jurisdiction on fisheries in those areas of the continental shelf that are beyond 200 miles, the government would introduce legislation that would unilaterally declare Canadian jurisdiction.

Does that remain the intention of the government? Is international agreement still lacking and is it, therefore, the intention of the government to introduce such legislation?

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, as I understand the question, the Government of Canada continues to try to reach consensus in this area. I believe the Minister of Fisheries has indicated that he would be prepared to bring forward legislation to establish authority for conservation and enforcement beyond the 200-mile limit.

Obviously, the consensus route is the preferable one. I will seek further elaboration from him on this, and perhaps leave it at that for the moment.

Senator Ottenheimer: I appreciate the reply of the Honourable Leader of the Government in the Senate. Everyone is agreed that if there can be international agreement, obviously that is the way to go. However, as everyone is aware, there has not been international agreement, and there has been a quite firm commitment that, in the absence of international agreement, unilateral action will be taken by the Government of Canada.

I am not looking for an answer now, because the honourable leader stated she would look into the matter. To be more specific, the information I hope the honourable Government Leader in the Senate will be able to supply is: Is it still the government's firm intention to act unilaterally? Is there some reasonable time frame within which this would be done, in the lack of international agreement?

Senator Fairbairn: I will be delighted to consult with your friend from Newfoundland on that question.

FEDERAL-PROVINCIAL RELATIONS

ADMINISTRATION OF INFRASTRUCTURE PROGRAM—GOVERNMENT POLICY

Hon. David Tkachuk: Honourable senators, the public confusion concerning the government's cigarette policy and foreign policy is only exceeded by the confusion and bitterness currently felt by municipalities in Saskatchewan concerning the administration of the infrastructure program.

• (1440)

Municipalities in Saskatchewan feel cheated and misled by the government. They had been told the program would be cost-shared, with each level of government paying one-third of the cost. I wish to read from the Red Book, the one that was waved during the federal election: "A Liberal government will join with the provinces and municipalities in a shared-cost, two-year $6-billion infrastructure program to upgrade transportation and local services."

It seems that the mathematicians in Ottawa and Saskatchewan have mangled this program so badly that not only will the money not be spent on what the Prime Minister said it would be spent on, but urban municipalities are being asked to contribute up to two-thirds of that money.

Will the Leader of the Government in the Senate explain to this chamber how it is that this government has lost control of this program? What steps will they take to remedy what is obviously a very confusing program for the people who were supposed to be the benefactors but who now feel they are being punished?

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I do not accept the notion that the government has lost control of the program.

Senator Berntson: Only in Saskatchewan.

Senator Fairbairn: The program will be beneficial to Canadians in communities all across this country. As I understand it, the government has negotiated with the provincial government of Saskatchewan. They have an agreement on how they intend to operate. In view of the honourable senator's concern on behalf of those municipalities, I will be pleased to look into the agreement to see what further comment I can usefully make.

Senator Tkachuk: Honourable senators, if everything is on track with this program and under control, as the leader says it is, then why is it that the Saskatchewan Urban Municipalities Association passed an emergency resolution on February 2, which reads:

> WHEREAS the original intent of the national infrastructure program as proposed by Federation of Canadian Municipalities (FCM) was to fund municipal infrastructure programs only; and
>
> WHEREAS the original intent of the FCM infrastructure program was that it be cost shared equally by all three levels of government;
>
> THEREFORE BE IT RESOLVED that SUMA take the following position with respect to the current Canada-Saskatchewan Infrastructure Works program:
>
> 1) that the infrastructure program follow the original intent as proposed by the FCM;
>
> 2) that urban municipal infrastructure projects be cost shared equally by all three levels of governments; and
>
> 3) that municipal representatives be included directly as full and equal members of the federal-provincial infrastructure management committee for Saskatchewan.

If everything is under control, then why has the Saskatchewan Urban Municipalities Association seen fit to pass this resolution?

Senator Berntson: It looks to me like you are out of control.

Senator Fairbairn: Honourable senators, clearly there is some difference between the municipal and the provincial level of understanding on this agreement.

Senator Berntson: Agreed to by the feds, by the way.

Senator Fairbairn: Yes, indeed. I would be pleased to take the representation made here and attempt to obtain some information for the honourable senator by next week.

THE BUDGET

CHANGES TO RULES GOVERNING RRSP CONTRIBUTIONS—POSITION OF GOVERNMENT

Hon. Terry Stratton: Honourable senators, I should like to ask a question of the Leader of the Government in the Senate.

As honourable senators are aware, reforms to RRSP and pension plan rules brought about by the Mulroney government improved opportunities to build retirement income. A key goal was to put those who saved through RRSPs on an equal footing with pension plan members. The changes also sought to put those in less generous pension plans on an equal footing with those in more generous pension plans.

My question to the honourable leader is this: Regarding the upcoming budget, could the honourable senator indicate if the government is aware that any cuts to RRSP contributions will cause a major gap between those who save through RRSPs and those who are part of a pension plan at their place of work? Further, could the honourable senator indicate whether or not such a gap would be acceptable to this government?

Hon. Joyce Fairbairn (Leader of the Government): I regret that I will have to give the honourable senator a similar answer to that which I gave to Senator Gustafson. I cannot comment on what might or might not be in the budget, or on the views of the Minister of Finance. One can say that on this issue he has probably heard as lively a comment as any from across the country during the pre-budget consultations. We will have to await the budget.

HUMAN RESOURCES DEVELOPMENT

SOCIAL POLICY WHITE PAPER—GOVERNMENT POSITION

Hon. Thérèse Lavoie-Roux: Honourable senators, I should like to ask a question of the Leader of the Government in the Senate. The Minister of Human Resources Development has stated on many occasions that the Liberal government is ready to deal with the new realities facing social policy in Canada, and is calling for a public review. When the minister took office, he found a social policy white paper prepared by departmental officials. Is it the minister's intention to use this document for consultation?

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I will ask that specific question of my colleague the minister. As honourable senators are aware, he is engaging in a wide-ranging and action-oriented plan to review and, perhaps, to restructure the social security system in this country with a view to having something concrete before Parliament by the end of this year. I am sure that he will be taking into consideration all of the very useful and important proposals that are already on the table, as well as ones that will come forward during the consultations. However, I will specifically inquire about the one referred to by the honourable senator.

Senator Lavoie-Roux: Honourable senators, if it is the minister's intention to make use of this document, I should like the Leader of the Government to ask him if he will make it public prior to the consultation, so that Canadians can prepare themselves for what is to come. The merit in this would be to reduce the lengthy period that has been foreseen for a final report.

This is a most urgent situation, something which was recognized by the previous government. We should act on it as soon as possible. Unless there are serious reasons that I do not know about, a period of two years seems to me to be very lengthy to try to improve unemployment insurance, social reform and all the other problems related to those two issues, including manpower training. There might be some merit in making public papers that he intends to use, if that is the case, so that people can begin to reflect on these proposals.

Senator Fairbairn: I will be happy to draw the matter to his attention, honourable senators.

[*Translation*]

INDIAN AFFAIRS

CONTRABAND ALCOHOL ON RESERVES

Hon. Pierre Claude Nolin: Honourable senators, my question is for the Leader of the Government in the Senate and it concerns contraband.

As its documentation attests, your government is aware of the serious problem of contraband alcohol. Your documentation refers to Canadian production at 25 per cent, which represents roughly $4.5 billion per year. Therefore, this is a very serious problem.

Can the leader assure us that her government will do as much to curb the growing scourge of contraband alcohol in Canada as it does to combat cigarette smuggling?

[*English*]

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I was conscious the other day of Senator Nolin's concern with regard to this issue. I can only reiterate what I said to him at that time. The critical difficulty in this whole problem is the existence of a network of contraband activity, one of the most visible of which, as we know, involves cigarettes. It also includes alcohol, drugs, firearms, and other commodities. As I said the other day, the careful but determined efforts that the government is making in a major way on this

issue will result in cracking those networks. In so doing, the same effect will reflect on the movement of contraband alcohol as on the movement of contraband cigarettes.

• (1450)

Senator Nolin: I appreciate your answer on that point and the answer that was given the other day, but my main concern is with respect to jobs. With contraband alcohol there is a net loss of jobs because the alcohol that is illegally imported from the U.S. is not produced in Canada; it is produced in the U.S. However, approximately 80 per cent of the cigarettes smuggled from the U.S. are made in Canada. That is why I am concerned by this occurrence.

In Montreal, as in any other area of the country where we have distilleries, we will lose those jobs. The industry is already telling your government that there is a decline in our production, and definitely a decline in jobs. That is why I am so concerned. This is a different situation from the contraband cigarette issue. The government must be very decisive and very effective in fighting the importation of contraband alcohol.

Senator Fairbairn: I will take your last comment to heart, and perhaps have a future discussion with you on this matter.

TRANSPORT

CONDITION OF ST. LAWRENCE SEAWAY— GOVERNMENT POLICY

Hon. W. David Angus: Honourable senators, my question is to the Honourable Leader of the Government in the Senate, and concerns the St. Lawrence Seaway.

The recent work stoppage on the West Coast that we dealt with in this chamber the other evening emphasized once again the importance of the seaway and the Great Lakes system as one of our two major routes for the export of our grain from the prairies, and for our other foreign trade.

In listening to Senator Stanbury's speech yesterday, I was very pleased to hear him talk about the infrastructure of this country, the massive dams and canals, the St. Lawrence Seaway and the other major structures that have been built up by our forefathers. He stated that:

> Our grandchildren will have the benefit of strong and durable infrastructure for years to come, as long as we maintain and renew it now. If we fail to maintain and build infrastructure today, the cost for future generations will be prohibitive.

The St. Lawrence Seaway, it is well known, is presently in need of substantial sums of money to upgrade it. My question for the Honourable Leader of the Government in the Senate is: Does this government intend to include in the $6-billion infrastructure program the needed repairs and maintenance to the St. Lawrence Seaway? If not, what plans does the government have for maintenance of the St. Lawrence Seaway?

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, the agreements with the provinces concerning infrastructure have within them the flexibility for these projects to come up via the provinces from the municipalities, or sometimes through other methods. The final selections are then made by a joint board. I cannot say whether or not this particular project will be one of them, but I appreciate the depth of your concern and the magnitude of that waterway. I will make enquiries concerning your question.

However, with respect to your question relating to the infrastructure program itself, you might also want to apply a little pressure on your friends in Quebec as to whether or not they might like to bring it forward as one of their projects.

Senator Angus: Perhaps you would be so kind on another day as to let us know whether or not the St. Lawrence Seaway maintenance and upgrading is included in the infrastructure program that we are now referring to as "the infrastructure program." In other words, I should like to know if the kind of maintenance and repair of infrastructure referred to by Senator Stanbury yesterday might include the St. Lawrence Seaway. More specifically, I should like to know if your government has any plans at the moment for repairs and maintenance of the St. Lawrence Seaway. If so, which part of the seaway would be involved, and how much money is being allocated?

Senator Fairbairn: I will do my best to obtain some answers to those questions.

REPAIRS TO PORTS OF HALIFAX AND SAINT JOHN— GOVERNMENT POSITION

Hon. John B. Stewart: May I ask a supporting question?

The Hon. the Speaker: Honourable senators, I apologize, but we are already a couple of minutes beyond the 30-minute limit. However, I do not like to interrupt an honourable senator in the middle of a questioning sequence.

Senator Lynch-Staunton: This will be the last question.

The Hon. the Speaker: For that reason, I allowed Senator Angus to continue.

Since there were no questions recognized on the government side, perhaps the house would accept two brief questions from that side, and then we will call for the next item. Is it agreed?

Hon. Senators: Agreed.

Senator Stewart: My question is short. If perchance it is found that improvements or repairs to the St. Lawrence Seaway are eligible for inclusion under the infrastructure program — that is, the shared program between Canada, the provinces, and the municipalities — will the minister undertake to assure this house that the appropriate authorities at the Ports of Halifax and Saint John are made aware that money is available from this source for comparable work at those ports?

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I will give the honourable senator's question the same very serious attention as I am giving to that of Senator Angus.

THE ECONOMY

UNDERGROUND LABOUR MARKET— LOSS OF TAX DOLLARS—GOVERNMENT POLICY

Hon. Eymard G. Corbin: Honourable senators, it is a well-known fact that the GST has driven a lot of things underground in this country.

Senator Doody: Let's repeal it!

Senator Corbin: One of the results of the GST is the underground labour market. That is a fact which the National Finance Committee managed to bring to light last year during its studies. Officials of the government had to acquiesce to our view that there was a lot of underground labour occurring, which means that the government is being deprived of an important tax source.

• (1500)

Notwithstanding the fact that the government and the committees in the other place are beginning to examine the possibility of replacing the GST with something else, in the meantime has the government taken any action to recuperate lost revenue from the underground labour market?

I respect the fact that they want to recuperate their cigarette taxes, their liquor taxes and what have you. However, they are also suffering a very great revenue loss because of the underground labour market. Those Canadians who pay their income tax expect others to do the same. Therefore, what is being done with respect to that problem currently?

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I cannot answer that question specifically. Certainly, the objective of this government is to create an atmosphere in which Canadians once again will be in a position to obey the laws of this country and contribute through their efforts to the well-being of this country.

Senator Lynch-Staunton: So we should get rid of the speed limits?

Senator Fairbairn: I would be pleased to look further into the issue raised by Senator Corbin. Perhaps this house at some point would like to look into it.

ORDERS OF THE DAY

INCOME TAX CONVENTIONS BILL

SECOND READING

Hon. H.A. Olson moved the second reading of Bill S-2, to implement a convention between Canada and the Republic of Hungary, an agreement between Canada and the Federal Republic of Nigeria, an agreement between Canada and the Republic of Zimbabwe, a convention between Canada and the Argentine Republic and a protocol between Canada and the Kingdom of the Netherlands for the avoidance of double taxation and the prevention of fiscal evasion with respect to income taxes and to make related amendments to other Acts.

He said: Honourable senators, I have a few comments to make about this bill. The purpose of the bill, honourable senators will be pleased to know, is to implement conventions between Canada and Hungary, Canada and Nigeria, Canada and Argentina, Canada and Zimbabwe, for the avoidance of double taxation with respect to income tax, and also to implement a protocol to revise the current convention between Canada and the Kingdom of the Netherlands. Before discussing the details of this particular bill, I would like to say a few words about the desirability and the role of tax treaties.

Tax treaties are important to promote international trade and facilitate international investment. In particular, the existence of a tax treaty enshrining the basis, as well as the rate, of the applicable taxes generates certainty and provides a general air of tax stability that can only be reassuring to investors and traders. In short, a treaty rate of tax cannot be increased unless the treaty itself is modified or terminated; termination is a rare event, while revision is a lengthy process requiring the concurrence of the two governments and, in both cases, taxpayers will normally get advance notice of the impending changes.

Tax treaties also reduce the annoyance in the operation of the tax system by eliminating the necessity of paying tax on business profits in the source country if there is no permanent establishment in that country, and by providing a mechanism to settle problems encountered by taxpayers. More important, tax treaties eliminate or alleviate double taxation in the instances where international transactions are involved that may give rise to the same income being taxable in the hands of the same person by more than one state.

The international "juridical" double taxation may generally arise in three cases: a) where each contracting state subjects the same person to tax on his world-wide income; b) where a person is a resident of a contracting state and derives income from the other contracting state, and both states impose tax on that income; c) where each contracting state subjects the same person, not being a resident of either contracting state, to tax on income derived from a contracting state. This may result, for instance, in the case where a non-resident person has a permanent establishment in one contracting state through which he derives income from the other contracting state.

For the purpose of eliminating double taxation, the tax treaties establish two categories of rules: First, in the case of a number of items of income, an exclusive right to tax is conferred on only one of the contracting states. In this way, the other contracting state is prevented from taxing, and double taxation is thus absolutely avoided.

Second, for other items of income, the right to tax is not an exclusive one. These provisions confer on the state of source, or situs, a full or limited right to tax, and the state of residence must allow relief so as to avoid double taxation.

The major reform of Canada's income tax legislation in 1971 required Canada to expand its network of double taxation conventions — tax treaties, if you like — with other countries. Since that time, negotiations for the conclusion of new treaties or the revision of existing ones have been entered into with 75 countries, according to my notes.

In this bill, the four tax conventions under review follow the general pattern of the conventions previously approved by Parliament, and I am advised that the number of Canadian tax treaties in force presently is 52.

Honourable senators, I should like now to briefly indicate the main elements of these tax treaties, the ones which I mentioned at the beginning of my comments and which are specifically identified in the bill. I will deal with the protocol of the Netherlands convention at the end of my comments.

These treaties provide generally that dividends may be taxed in the source country at a maximum rate of 15 per cent. However, in the case of dividends paid to a company that is a resident of a contracting state, a 10-per-cent rate, or 12.5 per cent in the case of Nigeria, will apply if the company receiving the dividends holds a certain equity interest in the company paying the dividends.

In the case of interest paid by a resident of one country to a resident of the other country, a general rate of 12.5 per cent will apply. There are, of course, always exceptions: 15 per cent in the case of Zimbabwe and 10 per cent in the case of Hungary. There are a number of other exceptions and I will not go into the details.

Interest paid in respect of a bond or a similar obligation of the government, a political subdivision or local authority thereof is exempt in the country in which it arises. Also, except in the case of Zimbabwe, these treaties contain a provision that would allow that interest paid in respect of a loan made, guaranteed or insured, or a credit extended, guaranteed or insured by certain state entities — for example, in Canada, the Export Development Corporation — be taxable only in the state in which the recipient of such interest resides.

• (1510)

With respect to royalties, the conventions provide for a general rate of 10 per cent in the source country — 12.5 per cent in the case of Nigeria, and from 3 to 15 per cent in the case of Argentina, depending on the nature of the royalty. Copyright royalties are exempt under treaty with Hungary.

Some of the other matters also dealt with in these tax treaties include:

Capital gains: The treaty provisions dealing with capital gains reflect the standard Canadian position enabling the source country to tax gains arising on the sale of real property, business assets and shares in real estate companies.

Non-discrimination: Under the conventions, discrimination on the basis of nationality is prohibited, thereby ensuring the nationals of one country equal treatment with nationals of the other country in the same circumstances. However, this does not prevent a country from providing fiscal incentives — for example, the small business deduction — on the basis of the residence of the taxpayer.

Pensions: Canada has preserved its right to tax pensions paid to residents of Argentina, Zimbabwe, Nigeria and Hungary. In the case of Argentina, Zimbabwe and Hungary, the maximum rate of tax applicable by a contracting state to periodic pension and annuity payments to residents of the other state is 15 per cent. In the case of Nigeria, there is no stated maximum rate of tax applicable to periodic pension payments. Finally, war veterans' pensions are generally exempt from tax under the four treaties.

Double taxation relief: The treaties provide that, in Canada, double taxation of foreign source income of Canadian residents is alleviated by way of a foreign tax credit, in accordance with the limitations provided for in the Canadian legislation. In addition, dividends received by a company resident in Canada from the exempt surplus of its foreign affiliate resident in a treaty country are exempt from tax in Canada. Reciprocally, relief from double taxation is granted in the other treaty country in accordance with the method recognized by that country.

As I said a moment ago, I want to deal separately with the amendment to the protocol with the Kingdom of the Netherlands. The protocol to the tax convention signed by Canada and the Netherlands updated the 1986 treaty to take into consideration the changes made to the respective laws and policies of the two countries. The Netherlands is the first country with which the offer extended by the Minister of Finance in his budget of 1992 to reduce the withholding rates on direct dividends will be implemented. The rate of withholding on dividends where the recipient holds 25 per cent of the capital of the paying corporation are reduced over a period of five years to 5 per cent, which is a change from the current 10 per cent. The protocol also introduces a reduction of the rate of withholding tax to 10 per cent from the existing 15 per cent and eliminates the withholding tax on interest paid to pension funds and on royalties of computer software. The latter issue was referred to in the April, 1993, budget.

In conclusion, honourable senators, on balance the terms of the four tax conventions and the protocol provide some equitable solutions to the various problems of double taxation existing between Canada and these countries. Each of these countries hopes to implement the bilateral convention as soon as possible, and consequently I would therefore commend this bill to the most favourable consideration by this house.

Hon. Noël A. Kinsella: Honourable senators, we wish to thank Senator Olson for his analysis of Bill S-2. I should like to make a few comments at this time and, if there is no further discussion from honourable senators, perhaps we could agree to have the bill referred today to the agreed-upon committee.

As this is my first opportunity to speak in this chamber since the elections, I should like to make a few preliminary remarks. Those preliminary remarks begin with congratulating you, Your Honour, on your appointment to the position of Speaker of the Senate.

Honourable senators, the appointment of Senator LeBlanc to the position of Speaker is a clear indication of the confidence that the government, and indeed, I suggest, all of his colleague have in his ability to discharge his duties with fairmindedness, grace and good humour. His Honour's appointment is also a tribute to his and to my province of New Brunswick. In that sense, His Honour is following in the footsteps of other distinguished New Brunswickers in becoming the presiding officer of the Upper House of Canada. For example, the Honourable Amos Edwin Botsford, the Honourable Robert Duncan Wilmot, the Honourable Walter Edward Foster, the Honourable James Horace King, and the Honourable Muriel McQueen Fergusson were New Brunswickers in whose footsteps Senator LeBlanc follows.

New Brunswickers are certainly aware of His Honour's important contributions to our province and to Canada throughout his remarkable career, and we take special pride as well in his appointment as the first Acadian to preside over this chamber. I congratulate him, and bring him special good wishes from the people of my province and, in particular, the people of Petitcodiac and Saint-Joseph, where he is affectionately known as Roméo du cove.

Honourable senators, as Senator Olson has pointed out, Bill S-2 deals with the matter of tax conventions and the principle of these kinds of treaties. The former government, as you know, dealt with the principle that tax treaties are useful in promoting international trade and facilitating international investment. With that foundation, we are very comfortable with this particular bill, and we underscore that the existence of tax treaties enshrining the basis as well as the rate of the applicable taxes generates certainty and provides a general air of tax stability that can only be reassuring to investors and to traders.

This bill, as I have read it and as Senator Olson has outlined for us, is dealing with tax treaties with Hungary, Nigeria, Argentina, and Zimbabwe, and also allowing the government to amend the existing treaty with the Netherlands. Through this bill, these treaties will be possible and will set out the framework for taxes on investment income flowing between Canada and Hungary, Nigeria, Argentina, Zimbabwe and the Netherlands. Furthermore, they will provide the mechanism to avoid double taxation and prevent tax evasion. Tax treaties such as the ones that we are dealing with in Bill S-2 were negotiated by the previous government and the bill, as Senator Olson has pointed out, will bring the number of tax treaties to 56.

• (1520)

These agreements deal with problems that arise when residents of one nation earn income in another. International double taxation occurs when the same person pays comparable taxes in two or more states on the same taxable income for the same period of time. For example, double taxation would arise if a resident of Japan were taxed in both Canada and Japan on dividend income received from a Canadian company. This type of treaty prevents double taxation and therefore is an important economic development instrument, since it facilitates investment.

The principle is clear, and while there is some complexity to the content, that is something that the committee to which it will be referred will be able to examine in its specificity. Therefore we would be happy to see the bill receive second reading today and referred to the appropriate committee.

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 Olson, bill referred to the Standing Senate Committee on Banking, Trade and Commerce.

INTERNAL ECONOMY, BUDGETS AND ADMINISTRATION

REPORT OF COMMITTEE ADOPTED

Leave having been given to proceed to Order No. 1 under Reports of Committees:

On the Order:

> Resuming the debate on the motion of the Honourable Senator Molgat, seconded by the Honourable Senator Frith, for the adoption of the Report of the Standing Committee on Internal Economy, Budgets and Administration (Senate budget 1994-95), presented in the Senate on January 19, 1994.

Hon. Thérèse Lavoie-Roux: Honourable senators, I did not want Senator Molgat to become worried about his budget, and that is why I think we should complete the matter this afternoon.

Before proceeding with the adoption of the budget for the year 1994-95, I would like to thank all members of the Standing Committee on Internal Economy, Budgets and Administration for their collaboration over the past two and a half years. Quite often we had heated discussions but it was through these, as we say in French, le choc des idées, that we most often found the best solution. This, in turn, has permitted the committee to adopt policies that have improved the administrative functions of the Senate. If one reviews the recommendations of the Auditor General for 1991, which was requested by the previous committee, they will see that the recommendations pertaining to the administration of the Senate have been largely carried out. However, the ones pertaining to the senators will certainly require further scrutiny by the new committee.

There are many people I would like to thank, but I shall limit myself to the most assiduous without any reflection on the others: Senator LeBlanc, Senator Kenny, Senator Molgat and Senator Hébert. People will understand if I address a very special

thanks to Senator Doyle, Senator Lynch-Staunton, Senator Di Nino and Senator Doody, who have given me a great deal of support. I must say I have learned a lot from these people who have much more experience than I have. They shared their experience with me, and I thank them for it.

[*Translation*]

I would also like to thank the branch staff and directors as well as the clerk of the committee, Mr. Paul Bélisle, and all the employees who always make themselves available to us and respond very patiently to our constant demands, at least in front of us. I do not know if they show signs of impatience behind our backs sometimes. I must say that their dedication, their commitment is steadfast and I want to give them special thanks.

[*English*]

Being a member of the Internal Economy Committee requires a great deal of time. Although it is one of the most demanding committees, it receives little recognition. Be that as it may, I should like to suggest to any of my colleagues who want to learn quickly about the Senate culture, administration, habits and functions, that they serve for a trial period on the Standing Committee on Internal Economy, Budgets and Administration, at least for six months if not a year. They might not get much recognition but they will certainly not have a dull time. Furthermore, through our discussions we developed friendships, and I think that, in the end, real trust developed among most of the members.

Though we have had many policies adopted and administrative modifications introduced, there are still matters requiring attention. One dossier we did not have time to complete is equity of employment, which certainly deserves immediate attention on the part of the Senate. The next committee will also have to focus attention on the East Block renovation plan. That is a $20-million project. No final decision on the project was reached because there was a lot of hesitation about going ahead with the committee room in the Centre Block, which would entail an expenditure of between $5 million to $6 million and, in the end, may not be essential.

These are times of economic hardship, and restraint is certainly in order. Those who assume the responsibility of the Internal Economy, Budgets and Administration Committee in the future will want to look at that project very carefully.

• (1530)

As Senator Doyle reminded us last Tuesday, and I quote from page 60 of the *Debates of the Senate*:

> While initial work will require no money from the Senate, we will have started down a road that in this decade will require from the Senate millions of dollars to pay for furnishings, finishings and services to the offices for eight or 18 new senators — none of which is necessary to fill an immediate need. We will be required to commit ourselves to abandon our Centre Block post office and accept at the same time the conversion of an abandoned, windowless vault as a workplace for Senate postal staff.

In this regard, I remember that we moved people from Debates Branch to a room that proved to be inadequate. Six months to a year later, we had to move them somewhere else. We must be careful where we move people who work much longer hours than we do.

Senator Doyle added:

> ...this is the kind of project that cannot be dealt with by approving or denying a committee recommendation. It is the very kind of thing that I said in the Internal Economy Committee "should be properly decided in the chamber." In this instance the word "properly" should imply "after full and public debate."

I believe Senator Doyle gave us food for further reflection.

In this particular case, as in many other situations, a policy of transparency is the best means to avoid unfounded, harsh criticism from the public. You will recall what happened with respect to the renovation of the entrance hall at the Victoria Building, which was entirely the initiative of Public Works. Nevertheless, we had to bear the bulk of the criticism, and this is very recent.

It has to be clear what our real involvement and responsibilities are in those projects. The renovation of the East Block is a project of the same nature. However, I want to make clear that I believe the whole committee was very sensitive to the issues of the protection of heritage and security of buildings.

Honourable senators, I wish to thank the Standing Senate Committee on Privileges, Standing Rules and Orders for proposing to make public the meetings of the Standing Committee on Internal Economy, Budgets and Administration, as opposed to the situation that still prevails in the House of Commons. I know that among some of my colleagues on both sides, this decision still meets with resistance, but I strongly feel that this is the best protection for the Senate, which is too often the object of unfair statements.

[*Translation*]

In concluding, I would like to thank my colleagues for their trust in giving me the chair of the Standing Committee on Internal Economy, Budgets and Administration. I wish to tell them that, even if it was not always an easy mandate, it was a very interesting experience.

I would also like to remind you that the two major principles, among others, that always motivated my actions and my decisions were, first, to ensure that everyone, whether it was a staff member or a senator, was treated with all the fairness possible and, second, to manage the public funds as responsibly as possible.

[*English*]

Honourable senators, I move the adoption of the report.

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, before voting on this motion, on behalf of my colleagues — and I am sure I speak for many on the other side of the chamber — I wish to thank Senator Lavoie-Roux for undertaking the chairmanship of the Standing Committee on Internal Economy, Budgets and Administration for the period that she did. Those of us who have attended meetings of that committee will realize that it is probably the most difficult committee, not only of which to be a member but particularly to chair, since the interests of each senator are involved. Senator Lavoie-Roux carried out her duties with tremendous patience, distinction, and exemplary devotion to the Senate and to each of its members.

Along the way, it was inevitable that Senator Lavoie-Roux would not please everyone, but that is not the purpose of public life; the purpose of public life is to do what one thinks is best for everyone. Certainly, in her case, she did that.

I should like to thank Senator Lavoie-Roux for the many hours she spent working in the interests of this body. I can only hope that her successor will use her example as he or she takes over the reins of that committee.

Hon. Senators: Hear, hear!

[*Translation*]

Hon. Eymard G. Corbin: Honourable senators, I would like to make a few comments on the report with which we are being ask to concur.

I watched the proceedings of the Standing Committee on Internal Economy, Budgets and Administration, sometimes in person, at other times from a distance. It has tried, and justly so, to reduce some of the operating expenses of the Senate. This is normal. I believe that any good organisation has to look for opportunities to reduce spending.

However, I believe that we could have thought a bit more about the role and the future of the Senate. I think that too many parliamentarians — faced with criticism from the public, and the media in particular — forget that they are only passing through the parliamentary institutions that are the House of Commons and the Senate. Many of our colleagues have left, and we will go too some day, but the institution will stay.

The buildings where we work are from another era. I am not just talking about the neo-gothic style, I am also referring to the facilities which are not always the best, and do not always allow us to perform in the best possible way. Our committee rooms are antiquated. The air-conditioning — when present — leaves much to be desired. Air quality is poor. Water fountains in the hallways are rusty, but we want to save. I believe that we must, first and foremost, provide parliamentarians with the best means to perform their duties in reasonable comfort. It seems to me that there is nothing wrong with wanting to be comfortable while performing our senatorial duties!

I would venture to say that a person performs better when he or she is comfortable. Our committee rooms are horrible, really horrible! At one point, whips from the previous government even refused to change some chairs, although they were broken. It is not surprising that some of our colleagues have back problems and must leave after half an hour to an hour! I have back problems too, and I like a firm seat when I have to stay seated for any length of time.

It is high time we stopped penny-pinching in the area of parliamentary accommodations. Law-makers are expected to perform efficiently; for that, we require a minimum of tools and a minimum of comfort. Personally, I think that additional meeting rooms are urgently needed. Occasionally, on certain days of the week, committees are lined up at the door, waiting to meet. They are literally queuing up.

This morning, I took part in the setting up of the standing committees of this house; you could already feel the intense pressure to book meeting rooms at reasonable working hours.

Personally, I will confess that I have had it up to here with sitting on committees at mealtime. I am human, just like my father, who used to work with a pick and a shovel for the railway. Human nature does not fundamentally change. When mealtimes approach, we like to relax and eat in peace. One does not work too well on cold sandwiches, if there are any!

Committees have to meet at mealtimes, noon and night; sometimes, even for a breakfast of doughnuts and croissants! Such a diet does not make any sense! I refuse to be subjected to it.

As much as possible, I have deliberately chosen to sit on committees that meet during regular working hours. At night, I like to eat with my family. This situation is largely due to the lack of committee rooms.

I know there are plans for the setting up of new committee rooms, at least one in any case. One new room could possibly be enough to meet the demand, but it remains to be seen. I certainly hope the new committee and its new chairman will make this issue a priority so that we may solve, once and for all, the problem of committee room availability. This is what we need the most now.

I hear no one complaining about the comfort in his or her office or the quality of the secretary's office. Of course, when there are better and larger offices, there is a waiting list, so I think the facilities are probably suitable for all. However, when it comes to the most important part of the senators' task, committee work, we lack the basic necessities. We need new facilities. The existing ones have to be renovated. The air-conditioning system should be adequate, since our noses sometimes object to going into a room where two other meetings have already taken place. The air in that room is polluted, corrupt. It is unacceptable!

No self-respecting unionist in the world outside this chamber would accept such working conditions! Who do we think we are? Let us at least give ourselves the basic facilities we need to do our job well.

We might even see a few more senators doing committee work.

Hon. Philippe Deane Gigantès: Honourable senators, I should like to tell Senator Lavoie-Roux that, on the one or two occasions that I substituted on her committee, she gave me a warm welcome and treated me well, and I thank her for it.

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, in her speech, Senator Lavoie-Roux thoughtfully mentioned all senators who sat on the committee as well as our staff. I would like to join in her comments.

There is no doubt that we often ask a lot from our staff. I am thinking, for example, about how often we change our minds! We start to move in one direction, and then switch to another! That must be quite unsettling at times. However, they always take it with a smile, and we continue with our work.

Therefore, I particularly want to join in her comments and those made by all senators who sat on the committee. It is certainly not an easy committee as it sits very long hours, and very often. Being chairperson is no piece of cake!

I especially want to tell Senator Lavoie-Roux that, although we did not always agree, and despite some of my colleagues' frequent reservations, I never thought that either side was acting in bad faith. I always appreciated that she was acting out of conviction. I want to thank her for all her work.

COMMITTEE OF SELECTION

THIRD REPORT OF COMMITTEE—PRESENTED AND ADOPTED

Leave having being given to revert to Reports of Committees:

Hon. Jacques Hébert, Chairman of the Committee of Selection, presented the following report:

Thursday, February 10, 1994

The Committee of Selection has the honour to present its

THIRD REPORT

Pursuant to Rule 86(1)(*b*), your committee hereby submits the list of senators it has nominated to serve on the following select committee:

INTERNAL ECONOMY, BUDGETS AND ADMINISTRATION

Honourable Senators Andreychuck, Cohen, Comeau, Davey, Desmarais, Di Nino, *Fairbairn (or Molgat), Forrestall, Ghitter, Gigantès, Hastings, LeBreton, *Lynch–Staunton (or Berntson), Petten, St. Germain, Stollery and Wood.

*Ex Officio Member

Respectfully submitted,

JACQUES HÉBERT
Chairman

The Hon. the Speaker: When shall this report be taken into consideration?

Senator Hébert: Honourable senators, with leave of the Senate and notwithstanding rule 59(1)(*g*), I move that this report be now adopted.

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

Hon. Senators: Agreed.

Motion agreed to and report adopted.

[*English*]

• (1540)

BUSINESS OF THE SENATE

ADJOURNMENT

Leave having been given to revert to Notices of Motions:

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, I am sorry I was not in a position to finalize this earlier. I do not know what kind of crystal ball my honourable friend who is now the Leader of the Opposition had when he was over here, but I find that my crystal ball gets very hazy at times, and it is extremely difficult to make predictions.

We are faced with an inevitable problem. Quite frankly, I do not want to suggest that the Senate should come back if there is no precise work to do, because it is very costly to be here. There is the cost of bringing the senators here as well as the cost of functioning. We have to balance those costs against what work we have before us. With the best of intentions, therefore, I have tried to make my predictions.

At the moment, there are nine bills in the other place. Three of them have received second reading and are in committee. The others are in process and will be referred to committee shortly. I cannot guarantee exactly when they will come out, but it does appear that we will have some of them at least before the end of the month, but not next week.

Similarly, we have just given a bill second reading and sent it to committee. It will presumably be in committee next week, but I do not suppose it will be reported back to us then.

I should like to suggest that we not sit next week, but return the following week. Therefore, with leave of the Senate and notwithstanding rule 59(1)(*h*), I move:

That when the Senate adjourns today, it do stand adjourned until Tuesday, February 22, 1994, at two o'clock in the afternoon.

• (1550)

Hon. Eric Arthur Berntson (Deputy Leader of the Opposition): Honourable senators, we have no objection to not being here if there is no work to challenge us. In fact, if there is no work generated between now and next week, or the end of next week, perhaps the government could make us aware of that and we could take another week off. However, we are looking

forward to the government getting the legislation through the House and passing the challenge along to the Senate.

Senator Molgat: I certainly appreciate the comments of the Deputy Leader of the Opposition and I will take that into consideration. If, by the end of next week, it appears that we would not have a meaningful workload before us, I will certainly contact him then. I think we have to attempt to find the best way in which the Senate can work, and that is my objective.

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

Hon. Senators: Agreed.

Motion agreed to.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

On the Order:

> Resuming the debate on the motion of the Honourable Senator Gigantès, seconded by the Honourable Senator Cools, for an Address to His Excellency the Governor General in reply to his speech at the Opening of the First Session of the Thirty-fifth Parliament.—(*4th day of resuming debate*)

Hon. Peter Bosa: Honourable senators, I am pleased to take part in the Address in Reply to the Speech from the Throne. However, before I do so I would like to congratulate Senator Gigantès and Senator Cools, the mover and seconder of the motion, for setting the tone of the very vigorous debate to follow.

I want to take this opportunity to speak on the policy of multiculturalism; how it is perceived by some segments of our society and how misleading that perception is. Like our colleague, the Minister of Canadian Heritage, the Honourable Michel Dupuy, I believe the history of our country and our national identity is closely linked to successive waves of immigrants and to the interaction between newcomers and the existing society. Our challenge is how to integrate, not assimilate, these new Canadians and how to promote a Canadian identity that will serve as a rallying point for our diverse population.

Multiculturalism was declared an official policy of the Trudeau government in 1971, some two years after the Official Languages Act was promulgated in 1969. Canadian multiculturalism has always emphasized the positive aspects of ethnic and cultural diversity, and in particular those aspects related to mutual enrichment. Since its inception, multicultural policy has focused on eliminating the barriers to the successful integration of ethnic minorities: barriers such as interethnic and intercultural misunderstanding and conflict, discrimination and racism.

Without the adoption of a policy of multiculturalism, adoption of a policy of official bilingualism would have been interpreted as a rejection of the contribution made by those Canadians whose ancestors are neither French nor British toward building our country.

The Canadian Multiculturalism Act, adopted in 1988, sets out the ten aims of our multicultural policy. Without reciting verbatim the ten points, let me just highlight some of the aspects of the policy.

The policy aims at recognizing and understanding cultural and racial diversity of Canadian society, that it is a fundamental character of the Canadian heritage, and that it provides an invaluable resource in the shaping of Canada's future. It recognizes the existence of communities whose members share a common origin, and their historic contribution to Canadian society. It encourages Canadian institutions to be both respectful and inclusive of Canada's multicultural character. It promotes multiculturalism throughout Canada in harmony with the national commitment to the official languages of Canada.

Nothing in these aims can be considered injurious to national unity. On the contrary, some are absolutely essential to it, such as the promotion of the full and equitable participation of all individuals and communities in Canadian society, the elimination of barriers to such participation, and the assurance that all individuals shall receive equal treatment and protection under the law.

Attacks on multiculturalism appear to be based on misinformation or lack of understanding of policy objectives. There is the frequent assumption that multiculturalism is a luxury that we cannot afford. In reality, the estimates for the current year show that the multiculturalism budget is approximately $35 million in a government budget of $160 billion. Of the $35-million multiculturalism budget, approximately $7 million is used by the department for salaries and operating costs and the balance is spread over four programs. Much of this money is paid out in grants and contributions to individuals, community and service organizations and mainstream institutions.

I believe it is significant to note that practically the entire budget is devoted to salaries and wages, whether it be in the department or through community activities that are funded through the programs, so there is a significant economic aspect to these expenditures that cannot be overlooked. Bringing the cost of funding to the lowest denominator, it works out to approximately one dollar a head for the Canadian people.

So much for the policy of multiculturalism, its objectives and costs, but what is the perception of the critics of the policy?

Some Canadians attribute to the policy all the negatives that irk our society: the illegal entry into Canada of bogus refugees, abuses of the welfare system, the swelling numbers of unemployed and increases in the crime rate. The policy of multiculturalism and the policy of immigration are often intermingled with, and are frequently used as scapegoats for, everything that ails us. Some believe that the policy is designed to ghettoize minority groups by encouraging them to keep apart from the rest of society, and that large sums of money are spent to promote folklore — meaning songs, dances and ethnic foods. This is absolutely not true. Its focus is on integration of first generation Canadians and on promoting societal cohesion.

It is unfortunate that some misperceptions permeate not only the minds of ordinary Canadians but also of members of Parliament, like Ms Diane Ablonczy of the Reform Party. She is reported in *The Toronto Star* of February 8 as wanting to abolish the Department of Multiculturalism. Multiculturalism is not a department; it is administered within the Department of Canadian Heritage. She proposes that multiculturalism funds be used to integrate immigrants and fight racism. It would take her only a few moments to acquaint herself with the policy and the good work that is carried out, in partnership with mainstream institutions and ethnocultural communities, precisely to integrate immigrants and to fight racism.

• (1600)

Perhaps we should look outside the borders of Canada to appreciate how lucky we are in a country with a population of 27 million people made up of some 100 different ethnic groups. While nobody can deny that bigotry and discrimination do exist in Canada, they are not rampant and have not resulted in violent acts which would tear apart our society. One need only look at what is happening in Northern Ireland, in the Middle East, in the former Yugoslavia, in South Africa and in several other parts of the world to appreciate that, notwithstanding some imperfections, we live in an ideal society.

Multiculturalism has given many first-generation Canadians, as well as those who are second-, third- and fourth-generation Canadians, a feeling of really belonging to this country, a feeling of pride that they are part and parcel of this country. It is a feeling of real comfort to know that one is accepted for what one is rather than for what others would want one to be. It is obvious that we have not done a very good job of selling the concept. It is one that deserves the support of all Canadians. It is an instrument that promotes harmony and cohesion.

A policy of multiculturalism can speed the integration of first-generation Canadians into the social, cultural and economic fabric of our society. However, we cannot overlook the reality that, over the generations, the attraction of the heritage language and culture becomes weak. Language fluency, particularly fluency in the written language, begins to decline with the second generation. I can speak from experience because my two children, who are both fluently bilingual in English and French, have a somewhat limited knowledge of Italian. Nevertheless, they are aware and proud of their heritage and, at the same time, are proud to be true Canadians.

Let us support a policy that has such noble aims, a policy that can be so beneficial in promoting harmony, in promoting good will and in strengthening the sinews of our society, not only for ourselves but also for future generations.

Hon. Senators: Hear, hear!

Hon. Donald H. Oliver: Honourable senators, I rise today to participate in the debate on the Speech from the Throne. Before launching my comments on Senate renewal, I should first like to congratulate His Honour the Speaker on his appointment. I should like to say about him, in his absence from the chamber at this moment, that he brings a number of important personal characteristics to this position. Not the least of these characteristics are his sense of humour, and the even more important fact that he is from that great part of our country, Atlantic Canada.

He also brings to the Senate a knowledge of Parliament and how Parliament functions. This has developed through his time in government in the other place and through his work in the Senate. His understanding of the purpose and the work of Parliament will be very useful as our country faces some difficult times ahead.

I would also congratulate Senator Fairbairn, who is also absent from the chamber at this time, on her appointment as Leader of the Government in the Senate and upon her assuming additional cabinet responsibilities for literacy among Canadians. I have known her for only a short period of years, but I am aware that she is deeply committed to the future of Canada.

Honourable senators, I am concerned about the role the Senate has to play in the governing of Canada, both in this Parliament and in the long term. I say this because I am deeply troubled about the future of the country.

I believed that, with the signing of the Charlottetown agreement in August of 1992, we had set out on a path for renewal. As a lawyer, I certainly recognized many of the technical faults in that agreement, but I believed in the compromise, as did most of the senators in this chamber, I understand. It provided a framework for people and legislators to work within in future years. It is my belief that its defeat led directly to the rise of regional-interest political parties, one of which, the Bloc Québécois, is committed to the destruction of the country.

As a result of this rise in regionalism, the other place, demonstrated in the results of the most recent federal election, is divided as never before. The official opposition is dedicated almost exclusively to the issues of Quebec independence, while the Reform Party represents an ideology that runs contrary to the basic tenets of the caring, compassionate and open nation we believe Canada to be.

Honourable senators, I ask you: What role can the Senate play in a Parliament that has the potential to be destructive?

In the 15 minutes that I have at my disposal, I want to concentrate the rest of my comments on those parts of the Speech from the Throne that deal with parliamentary renewal and reform, which may provide an answer to my question as to the future role of the Senate.

I am in every sense of the word a new boy on the block. I have been in the Senate for barely three years. However, after being here for only one week, I quietly observed to myself that the Senate of Canada was sadly in need of a good shot of renewal. That is what the Canadian people have been saying about us as well. Now is the time to act.

It was encouraging, therefore, for me to hear our Governor General say in this chamber on January 18, "The government is committed to enhancing the credibility of Parliament." I remind honourable senators that Parliament includes *inter alia* the House of Commons and the Senate of Canada.

I have watched carefully the committees that have been struck by the new government, and am chagrined by the dearth of Senate involvement. We are an integral part of the Parliament of Canada but have been expressly excluded by the Government of Canada.

It is distressing that the Senate has been omitted from this government's parliamentary renewal. The Senate has a fundamentally vital role to play. We as senators can show Canadians — all Canadians — that regional desires and aspirations can be achieved within a unifying force. I believe the Senate can be that unifying force.

The Senate can play a leading role in emphasizing the importance of the regions of Canada so that Canadians will realize that the regional spokespersons are in the Senate, where they are supposed to be according to the Confederation debates. This can be a chamber of unity, where regional differences and similarities are discussed and debated by the representatives of two political parties committed to the continuation of Canada as one Canada, with a grand Quebec. However, in order for us to have credibility in our discussions, changes will have to be made in the manner in which this chamber functions. I refer not to constitutional changes, but to internal changes which can be implemented under the title of "Senate renewal."

In congratulating Senator Fairbairn on her appointment as Leader of the Government in the Senate I want to say how encouraged I am that she seems interested in Senate renewal. I note, for instance, that the February 3 edition of *The Hill Times* reports her as saying that there is a new mood in the Senate which gives us "a real opportunity" to get things done now, perhaps more than ever. She went on to say, "I think senators on both sides are prepared to work hard on the legislative part of the job." The article concludes by saying that she wants to promote the Senate.

In this very chamber when we met on January 20, she said that our whole system of government and Parliament have been viewed with increased cynicism. Senator Fairbairn also said that her government is committed to regaining the respect of Canadians in their Parliament. She emphasized some of the good work of Senate committees. She then concluded her specific comments on the Senate by saying that investigative committee work is "...the kind of work that the Senate is very good at. The government looks forward to this chamber continuing in this important role."

Honourable senators, the Senate has been effective, but I believe it can be more effective and play a more meaningful role in the leadership of this country. I want to say to the Leader of the Government that many of us on this side have been studying ways in which the Senate of Canada can be more effective without the requirement of a constitutional amendment. We have made considerable progress in our work.

Honourable senators will know that we have recently had a two-day special caucus to study renewal, which I had the privilege to chair. Our senators took the process so seriously that we had nearly a 94-per-cent turnout and excellent participation in all the seminars. We have produced documents which contain substantive recommendations for renewal. Now is the time for united action.

I call upon the Leader of the Government, in consultation with my leader, the Honourable John Lynch-Staunton, to appoint a "Senate renewal" working group, comprised of senators from both sides, with a mandate to put some teeth in those sections of the Speech from the Throne that adapt themselves readily to renewal and reform. After all, in that very speech it stated, "The government is committed to enhancing the credibility of Parliament."

We, the Progressive Conservative caucus, have already done substantive work on renewal. We invite you to join us, because there are a great number of initiatives that must be proceeded with.

• (1610)

Permit me to be more specific. Senator Fairbairn spoke of the important role of Senate committees. A great deal can be done to make committee work in the Senate much more productive and effective. Senator Everett, perhaps, put it best in his farewell speech on Thursday, January 20, 1994 when he said:

> ...the committee system of this chamber is its heart and soul, both in its legislative capacity and its investigative capacity.

I encourage Senator Fairbairn to engage the Senate in more special joint committees. In my short time here I have been involved in the work of two special joint committees: One dealt with conflicts of interest and the other with constitutional renewal.

I like this approach to policy development. Special joint committees seem to combine the best elements of both chambers. As they are established by a specific reference from the government, there is a feeling that the Senate, through its membership, is contributing in a meaningful way to the development of the political agenda.

Senators bring to the task at hand their varied backgrounds, and the fact that they do not have to seek re-election can add a more imaginative flavour to the committee reports. Those from the other place bring a sense of immediacy — the need to solve the problem quickly.

Professor C.E.S. Franks said of Senate-directed studies that:

> These investigations are usually of a higher standard than those by committees of the House of Commons. Reasons for the differences include: First, many extremely able and experienced Canadians sit in the Senate and contribute to this investigative work; second, investigations by the Senate are usually non-partisan; third, Senate investigations do not suffer from excessive exposure in the media; fourth, senators have the time and the leisure to conduct diligent

> research and exhaustive analysis; and fifth, investigators can work on for many years, immune from the vagaries and demands of the electoral process. The work procedures of the Senate committees are far better than those in the House, and ensure that witnesses are given the time to present their case and are questioned carefully. Competence, freedom from competing demands on energy, low partisanship and an absence of fresh pressures of time and fears about re-election are the keys to successful Senate investigations.

I believe that there is a spirit of renewal in this place. Perhaps a small indication of this spirit at work is the fact that the Progressive Conservative Senate caucus elected its own leader by secret ballot. We are fortunate, and proud, to have Senator John Lynch-Staunton as our leader, and I believe that we will be able to work with senators opposite to make meaningful changes in this place. In short, the time has come to move on internal reform.

I want to outline for you some of the topics that this new Senate working group on renewal, that would be drawn up by Senator Lynch-Staunton and the Leader of the Government in the Senate, could canvass during its study. These topics include improving the legislative timeline and a consideration of whether pre-study should become a more regular part of the legislative process. Also, the working group could study improvement of the method for selecting subjects of investigation by a committee. When an investigative committee is struck, it should immediately develop and adopt a work plan and a communication plan for the study.

The Senate should also take the lead in government program evaluation. A procedure should be developed for selecting those programs which are to be studied each year. Consideration should be given to having the Auditor General or Comptroller General make recommendations as to appropriate methodology. The Senate, through its committees, should undertake at least three specific program evaluations a year.

Another area for the working group is the establishment of a Standing Senate Committee on Official Languages to which the annual report of the Commissioner of Official Languages would automatically be referred for study and analysis.

The Senate should institute a disallowance procedure for statutory instruments, as recommended by the Standing Joint Committee of the Senate and the House of Commons on the Scrutiny of Regulations. A regulation disallowed through this procedure could not again be advanced until six months had passed from the time of disallowance.

The Senate, through its legislative and investigative work, could act to ensure the enrichment of Canadian values of bilingualism and multiculturalism.

A standing committee on Human Rights should be established to which the annual reports of the Human Rights Commission, the Status of Women Minister and the minister's report on senior citizens could automatically be referred for careful study and analysis.

There should also be the establishment of cross-party regional caucuses inclusive of independent senators. This would provide an opportunity for the Senate to work at its best.

In conclusion, honourable senators, I strongly urge the Leader of the Government in the Senate to establish immediately, in conjunction with the Leader of the Opposition, the Honourable John Lynch-Staunton, a special committee on Senate renewal made up of members from both sides, which I referred to above. It could, for example, have a four- or five-month mandate to produce significant recommendations on renewal that could be debated by the Senate in Committee of the Whole. The Honourable Leader of the Government in the Senate can be assured of our cooperation and of the willing support of our caucus for such an endeavour.

On motion of Senator Hastings, debate adjourned.

SOCIAL AFFAIRS, SCIENCE AND TECHNOLOGY

MOTION TO AUTHORIZE COMMITTEE TO EXAMINE VETERANS HEALTH CARE REGULATIONS—ORDER WITHDRAWN

Hon. Jack Marshall: Honourable senators, before I move the motion, I want to make an amendment pursuant to rule 31 to modify the motion to add on the record the following:

> That the committee report no later than October 31, 1994.

When I originally presented my motion, I did not include the date for reporting.

The Hon. the Speaker: Honourable senators is Senator Marshall's addition accepted? Is it agreed?

Hon. Senators: Agreed.

Hon. Earl A. Hastings: Might I have the amendment again, please?

The Hon. the Speaker: I have received it.

Senator Marshall: I do not know the wording, but I did not include in my motion a date for reporting by the committee. I simply want to add that, namely that the committee present the report no later than October 31, 1994.

Senator Hastings: Honourable senators, I would just point out to Senator Marshall that the amendment puts a time limit of October 31, 1994, while the second paragraph reads:

> ...on all other matters concerning veterans affairs which may arise from time to time.

From what times to what times?

• (1620)

Senator Marshall: From when the committee is struck until October 31, 1994.

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, this is really for my edification. We see a number of these motions which ask a committee to target a specific topic, but then the words are added: "...and on all other matters," et cetera, which is, in effect, a very wide open authorization.

Can we not limit this mandate, particularly if there is a target date, to the health care regulations, whatever they may be? The committee can report by a certain date, and then they will not be under pressure to say that, since they are entitled to go into other aspects of veterans affairs, they cannot report by the specified date.

I would urge Senator Marshall to amend his motion to restrict the special study to veterans health care regulations, and to report by October 31, 1994.

Some Hon. Senators: Agreed.

Senator Marshall: Honourable senators, if it is agreed, I will do it. However, it is obvious, as I have learned over the years, that emergencies arise from time to time, especially with veterans as they are aging. Changes are made in the legislation. This is very flexible wording which gives the committee an opportunity to look at a current problem without the necessity of going back to the Senate and waiting perhaps three or four weeks before the matter is dealt with. If you wish, I can detail, in a very long list, the things that I want to review and deal with in the committee.

On second thought, perhaps I should withdraw my motion and present a different one at a later date.

The Hon. the Speaker: Honourable senators, is it agreed that we take a little more time to find an accommodation for everyone?

Hon. Senators: Agreed.

Order withdrawn.

The Senate adjourned until Tuesday, February 22, 1994, at 2 p.m.

THE SENATE

Tuesday, February 22, 1994

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

Prayers.

[*Later*]

SENATOR'S STATEMENT

THE ECONOMY

EFFECT OF TAXATION ON STANDARD OF LIVING

Hon. Gerry St. Germain: Honourable senators, my statement today is as a result of a message I received from Mr. Gary Herman of British Columbia. Mr. Herman is part of the employee relations group of a major forestry operation in the Province of British Columbia. Since it is budget day, I think it appropriate that his message be on the record:

> These are most difficult times. Years ago when we negotiated a raise, we saw full benefit and gained on our standard of living. Nowadays, we seem to receive more money, but are falling further behind. With more taxes, higher tax brackets, hidden taxes, G.S.T., federal, municipal and provincial taxes, it almost seems we would be further ahead to refuse the raise.
>
> We are trying a new system at our operation. It is called — "Working Together." We are working with management to create a more productive, efficient, safer, recovery oriented, profitable, harmonious atmosphere.
>
> With co-operation from both union and management, it is our belief that if we share our ideas and become the best operation in our industry, our jobs will be secure and management will gain the reputation in the marketplace for a quality, dependable product.
>
> Perhaps, there is a valuable lesson to be learned here. If we, as Canadians, would work together to make Canada the best country in the world, to have our products recognized as of the highest standard, to have our name "Canada" stand for quality, we could create full circle employment.
>
> As individual Canadians, (taxpayers) we are accountable to pay our bills and taxes — unfortunately, we are one of the highest taxed countries in the world. As a result, our standard of living has been reduced. It is high time for the government to restrain its spending, reduce taxes so we can gain back the standard of living which we once enjoyed. The individual taxpayer can spend dollars much more efficiently than the government. The amount of waste generated by the government is a tragedy to the individual taxpayer, never mind what it does to the country and the future of our children. In short, we need lower taxes. The government is making hard-working people into tax evaders. Enough is enough!
>
> In order for us to believe in our country, we must all work together to save this most beautiful, free, wonderful nation called "Canada." We have to trust in our governments. We have to share our ideas. We have to make our operations successful and profitable not only for our security, but for Canada's!

ROUTINE PROCEEDINGS

FISHERIES

FIRST REPORT OF COMMITTEE TABLED

Hon. Eileen Rossiter: Honourable senators, pursuant to rule 105 of the *Rules of the Senate*, I have the honour to table the first report of the Standing Senate Committee on Fisheries, which deals with the expenses incurred by the committee during the Third Session of the Thirty-fourth Parliament.

(*For text of report, see today's* Minutes of the Proceedings of the Senate.)

PRINCE EDWARD ISLAND

FIXED LINK—NOTICE OF MOTION TO AMEND CONSTITUTION OF CANADA

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, I give notice that on Thursday next, February 24, 1994, I will move:

> An amendment to the Constitution of Canada respecting the Schedule to the Prince Edward Island Terms of Union concerning a fixed crossing joining the Island to the mainland.

SOCIAL AFFAIRS, SCIENCE AND TECHNOLOGY

NOTICE OF MOTION TO AUTHORIZE COMMITTEE TO EXAMINE FUTURE OF DEPARTMENT OF VETERANS AFFAIRS

Hon. Jack Marshall: Honourable senators, I give notice that on Thursday next, February 24, 1994, I will move that the Standing Senate Committee on Social Affairs, Science and Technology be authorized to examine and report upon the future of the Department of Veterans Affairs, and that the committee present its report no later than October 31, 1994.

VETERANS AFFAIRS

CANADIAN VIETNAM VETERANS MEMORIAL— NOTICE OF INQUIRY

Hon. Jack Marshall: Honourable senators, I give notice that on Thursday next, February 24, 1994, I will call the attention of

the Senate to an appeal from the Canadian Vietnam veterans to the federal government to provide national capital lands for the site of the Canadian Vietnam veterans national memorial.

[*Later*]

ENERGY, THE ENVIRONMENT AND NATURAL RESOURCES

NOTICE OF MOTION TO AUTHORIZE COMMITTEE TO MONITOR MATTERS RELATED TO THE FEDERAL ENVIRONMENT ASSESSMENT PROCESS

Hon. Pat Carney: Honourable senators, I give notice that tomorrow, Wednesday, February 23, 1994, I will move:

> That the Standing Senate Committee on Energy, the Environment and Natural Resources be authorized to monitor all matters related to the implementation and application of the Act to establish a Federal Environment Assessment Process (previously Bill C-13); and
>
> That the committee report to the Senate no later than June 30, 1995.

QUESTION PERIOD

INTERNATIONAL TRADE

STATUS AND ACCEPTANCE OF NAFTA— GOVERNMENT POSITION

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, my question to the Leader of the Government is as a result of an address given by the Minister for International Trade, the Honourable Roy MacLaren, in Davos, Switzerland, on January 29, in which he discussed Canada, the global economy, and particularly our country's position with respect to international trade.

The purpose of my question is to try to reconcile the minister's statement with what we heard during the last election campaign, what we read in the Red Book, what we went through in 1988, and what was repeated to us recently regarding the Liberal government's approach to NAFTA. In other words, what we have been hearing over the past few years — adamant Liberal opposition to free trade — appears to have been totally contradicted by the minister.

Some Hon. Senators: Oh! Oh!

Senator Lynch-Staunton: If honourable senators on the other side were to read what they said during the debates on the FTA and NAFTA, they would have to admit that I am not far from the truth regarding their approach to free trade.

The minister said in his speech that the recently proclaimed North American Free Trade Agreement, which Liberals in this chamber voted against, can also provide a complementary tool for expanding opportunities for Canadian exports. Therefore, honourable senators, despite the vote by Liberals against the enabling legislation on NAFTA, a minister of the Crown, a member of the Liberal Party, comes out with a most constructive interpretation by saying, and I quote, "NAFTA can provide a complementary tool for expanding opportunities for Canadian exports."

My question to the Leader of the Government is: Does this mean that the government is now trying to dispel the fears displayed in the past in this country by the Liberal Party? Does the Liberal government today finally see reason?

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I would first of all take issue with an initial statement made by Senator Lynch-Staunton to the effect that the Liberal Party has an adamant opposition to free trade. That, as all my colleagues around me will attest, is not the case. It is true that we carried on vigorous debate on two occasions on the propositions that were put forward by the former government.

I have not seen the speech given by the minister in Davos. I would be interested in reading it. Mr. MacLaren is a vigorous advocate for the trading interests of this country all around the world.

The Prime Minister himself, shortly after the election campaign, entered into discussions with the President of the United States on this and other matters; a number of agreements were made between the two countries involving the final position of our government on NAFTA. We will be working on trade arrangements that will produce the best possible results for this country, both in the United States and in Mexico.

Indeed, yesterday morning I was meeting with officials from Mexico to support the further activity that we will be pursuing there. There will be a ministerial visit next week, and the Prime Minister himself will be going to Mexico in March to take up the opportunities that this country will find mutually beneficial in that arrangement.

Senator Olson: It is better than it was.

Senator Lynch-Staunton: No, it is not. There has been absolutely no change in the North American Free Trade Agreement and absolutely no change in the NAFTA legislation. This government signed exactly what the Conservative government had been promoting over the years, and that includes the FTA.

Senator Olson: The problem lies in the interpretation.

Senator Lynch-Staunton: It is not a matter of interpretation; it is a matter of fact.

When the minister says she has not read the statement, it makes me wonder whether she is trying to detach herself from her colleague's comments.

Senator Fairbairn: Not at all.

Senator Lynch-Staunton: I will read further from this statement, since the Leader of the Government has not had a chance to read it herself.

This was a major policy statement on Canada's position on international trade. It was not just a passing comment. This was a well-prepared, thoughtful statement made in front of a prestigious international audience.

After Mr. MacLaren said that NAFTA was not the only tool available to Canada to expand our trade relations, he added:

> Another approach could be to explore the prospects for negotiating bilateral free-trade arrangements with selected Pacific Rim countries. In this respect, Canada's role in the FTA...and now NAFTA can be translated into a major competitive advantage...

This is from the same party which, for at least six years, condemned absolutely and constantly all our efforts to develop FTA and NAFTA. Now they say:

> ... NAFTA can be translated into a major competitive advantage on an international scale by encouraging greater economies of scale, greater specialization and greater productive efficiency.

•(1410)

A member of that same party, the Honourable Roy MacLaren, Minister for International Trade, went on to say:

> To do this, however, it is essential that we view our North American base not as a buffer against international competition, but as a springboard into a rapidly expanding global economy.

Senator Frith: You are making a silk purse out of a sow's ear.

Senator Lynch-Staunton: The question is simple: If that is not firm and enthusiastic support and commitment for NAFTA and the FTA, as developed by the Conservative government, what is it?

Senator Doody: Another trip down the road to Damascus!

Senator Fairbairn: Honourable senators, I repeat again that considerable efforts were made to clarify NAFTA prior to the decision of this government to proclaim it. That was made clear last fall. Having listened to the comments on the speech by my colleague Mr. MacLaren, I am anxious to get a copy of it, because it does set out a forward-looking pathway that goes well beyond North America.

Senator Lynch-Staunton: Conservative policy! I could not agree with you more.

Senator Fairbairn: I must say to my honourable friend that the thrust of Canadian interest in the Far East and the Asian markets has been ongoing for many years, long before the government which my honourable friend supports came to power. Indeed, some of the movements that have taken place in the countries of Asia, particularly Japan, China and various other Pacific Rim nations, were vigorously promoted well over ten years ago. This is the same thrust in which my friend Senator Carney has been very much involved in her career.

There is absolutely nothing wrong in the people of Canada, who support the development of this nation, joining in an activity that will take our trading arrangements far beyond the borders of North America, into other productive markets in Latin America, South America and the Far East. Certainly, it is a tremendous opportunity that is before us in the Far East.

QUEBEC

IMPENDING ELECTION AND REFERENDUM—ACTION FOR NATIONAL UNITY—GOVERNMENT POSITION

Hon. Duncan J. Jessiman: Honourable senators, bearing in mind yesterday's results in the provincial riding of Bonaventure, Quebec, where a separatist Parti Québécois member was elected in a riding that has been a long-time Liberal riding; and that Stephen Block, a political scientist at Concordia University, has said that, as things stand right now, the Liberals will be massacred in the provincial election that will be held this year; and that the Parti Québécois has promised to hold a referendum on sovereignty within ten months following an election; my question to the Honourable Leader of the Government in this chamber is: What is the Canadian government doing now, in preparation, to try to convince Quebecers, before any referendum, that they are much better off within Canada than choosing to operate as a separate, sovereign state?

Senator Berntson: Well, they have endorsed the North American Free Trade Agreement.

Hon. Joyce Fairbairn (Leader of the Government): I thank my honourable friend for his question. First, I would, as I am sure he would, dispute the comments quoted in describing the situation in Quebec with regard to the Liberal Party of Quebec. We strongly support the future of the Liberal government in the province of Quebec. Federally, we fought vigorously in that province — as did the party represented by my honourable friend — to put the whole question of national unity within Canada before the people of Quebec. We will continue to do this.

Personally, I say take heart; there will be a vigorous provincial campaign in Quebec, and federal support for that vigorous campaign. I have every confidence that the people of Quebec will respond to that national call, and to the support of the country for their aims.

Senator Jessiman: By way of supplementary, is the Leader of the Government in the Senate saying that the government will wait for a referendum and then do the work?

Senator Fairbairn: Honourable senators, work is being done every day, day by day, on the ground throughout that province. With respect to the people with whom I am associated in our party and government, every single day is a fight for Canada, and for Quebec as a part of Canada. That fight will continue. We will not wait upon these events; we will be active participants in them day by day.

BOSNIA

COHERENCE OF NATO STRATEGY—GOVERNMENT POLICY

Hon. Gerald R. Ottenheimer: Honourable senators, I was pleased to learn that Bosnian Serb forces appear to have honoured the agreement to withdraw their heavy weapons from the 20-mile exclusion zone around Sarajevo. However, one matter concerns me, and that is the apparent lack of coherent strategy by NATO in Bosnia.

Honourable senators, it will be remembered that in August the North Atlantic Council decided to draft plans to end the siege of Sarajevo with the use of air strikes. Five months later, nothing

had happened. In January, NATO met again and issued another order to allow air strikes in order to achieve specific goals: One, to stop the bombardment of Sarajevo by Serbian forces, and two, to allow the replacement of Canadian peace-keepers at Srebrenica and the airport at Tuzla. Then, on February 5, after a Serb mortar exploded killing 68 people in Sarajevo, an ultimatum was issued regarding Sarajevo only.

My question to the Leader of the Government in the Senate is this: Does NATO have a coherent policy with respect to the situation in Bosnia, and is the government aware of that coherent policy? If the answer is "yes" on both counts, would the Honourable Leader of the Government in the Senate explain the main thrust of that policy, including how, if at all, that policy affects the situation at Srebrenica and the airport at Tuzla?

Hon. Joyce Fairbairn (Leader of the Government): I thank the honourable senator for his question. By way of response, I wish to say that Canada and its allies take great encouragement from what has transpired in the past days in the former Yugoslavia with respect to Sarajevo.

This is a situation that has held; it is holding now. Indeed, talks are continuing between United Nations' authorities, the Croats and the Muslims on the possibility of extending the type of ceasefire operation undertaken around Sarajevo to other parts of the area, including Mostar and Tuzla.

•(1420)

Further to the honourable senator's question, a conference was held recently in Bonn, called by the German government, which brought together the countries of the European Union, the United States, Russia and Canada. The purpose of that conference was to review the ongoing policy in that area, and to take stock of exactly where we stand and the direction in which the effort is going. The purpose of that meeting was exactly what the honourable senator seems to have in mind, that is, to maintain an international coherence in the activity in that area.

As far as Srebrenica is concerned, as you know there is an expectation that Canadians will be relieved of their duties in that area within the next few months by the Dutch armed forces. They are now moving into place, and we would hope to see a withdrawal of Canadian forces from that area in fairly short order.

Senator Ottenheimer: I thank the Honourable Leader of the Government in the Senate for her reply. I have one supplementary question.

I understand that, as a multilateral organization, NATO must balance national interests to a certain extent, I suppose, in an attempt to find a consensus. However, perhaps the honourable minister would be in a position to identify the policy of Canada as a member of NATO, as distinct from the policy of NATO itself.

Senator Fairbairn: Honourable senators, the policy of Canada in this particular situation has been quite clear from the beginning. Our policy has been to undertake our responsibilities as a member of NATO, as a member of the United Nations, and as a leader in the field of peace-keeping, and to maintain a very sizeable contribution in terms of almost every activity that has taken place in this distressing situation for some considerable period of time. In concert with the United Nations, Canada will be assessing its position on the Canadian contingent in that area as the United Nations prepares a comprehensive status report on where we are now and where the operations will go. Canada will be very much a part of that review, and will be looking to its conclusions for direction in making our own decisions.

Senator Ottenheimer: I have a very brief, final, supplementary question. I realize, of course, that Canada, as a participant in a multilateral organization, plays a role in discussing, assessing, weighing and, presumably, attempting to find a consensus on what NATO's official position should be. However, does the Government of Canada have a specific, identifiable policy to put forward to NATO, or are we in a position of having to wait and see what everyone else has to say, and then going along with the best solution under the circumstances?

Senator Fairbairn: I will be very pleased to speak to my colleague Mr. Ouellet for a more specific response to your direct question. However, I would underline that Canada is not on the sidelines waiting for any one country or any particular discussion on this matter. Canada has been at the heart of discussions that have taken place on the progress and on the very difficult decisions of recent days. Our country has played an extremely active, positive and strengthening role in what has turned out to be, so far, a success, but still a very fragile undertaking in that area. In other words, we are engaged; we are not standing on the sidelines.

•(1430)

NOVA SCOTIA

STATUS OF PEACE-KEEPING TRAINING CENTRE AT CFB CORNWALLIS—GOVERNMENT POSITION

Hon. Gerald J. Comeau: Honourable senators, my question is also to the Honourable Leader of the Government in the Senate. A few minutes ago she mentioned the magic words on the question of peace-keeping, and Canada's leadership role in that area.

During the recent election, the Prime Minister promised, in writing, that he would establish a peace-keeping training centre at CFB Cornwallis in Nova Scotia, in return for the people of that region voting for his party in the election. Needless to say, his offer was taken up, and thousands of people who received this letter did, in fact, vote for his party. That support was given. Now we hear rumours that there may be cut-backs. I will not touch that subject.

However, I will touch upon the subject of peace-keeping. Since they have been in Ottawa, members of Parliament from that region seem to have neglected the whole idea. Perhaps they have forgotten it.

Nevertheless, I would ask the Leader of the Government in the Senate if she would undertake to remind the Prime Minister of the promise he made to the people of southwestern Nova Scotia, and see to it that a peace-keeping training centre is established at Cornwallis.

Hon. Joyce Fairbairn (Leader of the Government): Like my honourable friend, I too will move quickly away from any precise comment on what might or might not evolve later in the day. However, I certainly will take his representations to the Prime Minister and my colleagues on the general topic that he has raised.

The honourable senator will also be aware that the government is in the process of engaging in a vigorous defence policy review, and members of this house will be asked to participate in a joint committee to that effect, something which will be dealt with in this chamber in the next few days. I am certain that the question of peace-keeping will be a very integral part of that review.

NECESSITY OF PEACE-KEEPING TRAINING— GOVERNMENT POSITION

Hon. Gerald J. Comeau: Honourable senators, recent events are now unfolding with respect to what happened in Somalia and the military's continued reticence in that regard — and they have been very reticent. The military keeps stating that a Canadian-trained troop receives the best training in the world. In light of what has happened in Somalia, perhaps the military's thinking should be revisited.

Would the Honourable Leader of the Government in the Senate undertake to remind military leaders that peace-keeping training is no longer a luxury; it is a necessity, and it is something that we must provide now for our Canadian troops serving overseas.

Hon. Joyce Fairbairn (Leader of the Government): I would be delighted to do that.

[*Translation*]

THE CONSTITUTION

GOVERNMENT EFFORTS TO KEEP QUEBEC WITHIN CONFEDERATION

Hon. Jean Claude Rivest: Honourable senators, I would ask, first of all, what this government intends to do to keep Quebec in Canada and convince Quebecers to remain part of Confederation.

If the government's intentions are as genuine as we have just heard in this house, why did the Speech from the Throne fail to mention that, as a result of the actions of the Liberal government in 1982, Quebec was unable to become part of the Canadian Constitution?

Second, because of this Liberal government and Liberal critics, the efforts of all Canadian first ministers leading up to the Meech Lake accord failed, in the final instance. If the government really wants to convince Quebecers that they should remain in Confederation, who in Canada's present government will be able to speak to Quebecers with a minimum of credibility? Why did the Speech from the Throne fail to mention the problem of Quebec in Confederation?

[*English*]

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I appreciate the question from my honourable friend. The commitment of the Prime Minister to a productive and profitable future for the province of Quebec within Canada is probably the greatest motivation the Prime Minister has to continue in public life.

There is no question that that is at the heart of —

Senator Lynch-Staunton: That is why the Bloc got 52 seats.

Senator Fairbairn: This motivation is at the heart of the government's efforts to improve the economy of this nation and the economy of Quebec, to create jobs for the people of Quebec, and to imprint in the minds and hearts of the people of Quebec the understanding of how important they are to this country, and the importance the rest of Canada places on their partnership within this country. There is absolutely nothing more fundamental to the work of this government than to keep this nation together.

Hon. Orville H. Phillips: Honourable senators —

The Hon. the Speaker: Honourable senators, I note the time for Question Period is running out, and that is why I asked for brief supplementary questions. However, I think I should not deprive Senator Rivest of the opportunity to ask a supplementary question. Then perhaps we will attempt to accommodate Senator Phillips and Senator Forrestall as quickly as we can.

There are days when we run out of questions; there are days when we run out of time.

Senator Thériault: It's their rules.

[*Translation*]

Senator Rivest: Honourable senators, I would simply like to come back to my question. If indeed everyone is thoroughly convinced that Quebec should be a part of Canada, why then, in the Speech from the Throne, which is supposed to reflect the government's commitments, is there no mention whatsoever of the major constitutional problem created by the previous Liberal government?

[*English*]

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I will simply repeat to my honourable friend what I just said. However, I will add that the notion is absolutely without foundation that the leader of this government, or the activities of that leader throughout his career in any way have been of a nature to pull this country apart and isolate Quebec.

Senator Rivest: Not true! Not true!

Senator Fairbairn: That notion is absolutely without foundation. The efforts that he will make personally, and that colleagues in the government — particularly those from Quebec — will continue to make will be very much directed at creating an atmosphere for Quebecers to thrive within this country. That is the commitment of the Right Honourable Jean Chrétien and his government.

•(1440)

NATIONAL DEFENCE

PROPOSED CUT-BACKS TO DEFENCE EXPENDITURES— GOVERNMENT POSITION

Hon. Orville H. Phillips: Honourable senators, I should like to address a question to the Leader of the Government in the Senate. Last week, the Minister of National Defence, speaking in the other place, mentioned the necessity of cut-backs in defence expenditures. In particular, he mentioned surplus infrastructure. He then went on to say that there would be no more Summersides, that the government could not afford to be that generous.

For the benefit of honourable senators, I point out that, with the cooperation of former Prime Minister Mulroney, of the former Leader of the Government in the Senate, and of Barbara McDougall and Elmer MacKay —

Senator Thériault: Where are they now?

Senator Phillips: Fortunately, they are at home and not here with you.

Senator Lynch-Staunton: Listen to the question!

Senator Phillips: As a result of their cooperation, we have the GST centre as well as the aerospace centre. Between the two, some 1,000 jobs have been created.

Will the government follow the example set by the previous government, which established a cabinet committee to work with those who are interested in finding replacements for the bases that are to be closed? Perhaps the minister will be kind enough to volunteer to serve on such a committee. I am sure all honourable senators on both sides take an interest in the future development of bases that are to be closed.

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I thank the honourable senator for his most thoughtful question.

First, I am pleased to take the honourable senator's recommendation to the Prime Minister. We will have to wait and see what today's announcements bring. There is no doubt that these kinds of situations must be handled with great sensitivity.

As the honourable senator knows, this is a difficult time economically for our country. Some tough decisions have to be made. I think my colleague the Minister of National Defence, Mr. Collenette, was looking at the province of Prince Edward Island and the situation that has occurred there in past years with a sense of nostalgia, because the situation we find ourselves in today may not make it possible to do the same thing to the same extent in other parts of the country.

However, it is the intention of the government to take the responsibilities it has and to deal as sensitively as possible with the communities affected. I would be pleased to be part of any operation that would make that possible.

TRANSPORT

PROPOSED SALE OF HALIFAX SHIPYARDS— GOVERNMENT POSITION

Hon. J. Michael Forrestall: Honourable senators, I should like to direct a question to the Leader of the Government in the Senate. We learned this morning that, yesterday, Irving interests in the Saint John dry dock entered into an arrangement with Halifax Industries to purchase the Halifax shipyards. The Halifax shipyards are presently gearing up for the construction of ships under our country's new minesweeping program.

My concern is twofold: First, the Irvings have said that the contract which is held for these new vessels will be completed in Halifax. The government has not yet confirmed that. I would appreciate very much if the minister could give us that kind of affirmation.

Second — and if she does not have this information now, then at a later date I may ask her the question again — if this purchase has been sanctioned by the government, has it been done under the aegis of the East Coast shipyard rationalization discussions that have been going on in recent years? If such is the case, would she address herself to the future of the Halifax shipyards, and give some assurance that the remaining waterfront property involved will not be turned into a condominium construction site by the interests of K.C. Irving?

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I thank the honourable senator for his question. I will take it as he, in very detailed form, enunciated it. He knows that I will do my best to obtain the information he seeks as quickly as possible.

[Later]

DELAYED ANSWERS TO ORAL QUESTIONS

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, I have two delayed answers to questions. One was asked on February 8 by Senator Di Nino regarding Business Class Immigrants, and the second was asked by Senator John Lynch-Staunton, the Leader of the Opposition, on February 10, regarding air strikes.

IMMIGRATION

REDUCTION OF BUSINESS CLASS COMPONENT— GOVERNMENT POSITION

(*Response to question raised by Hon. Consiglio Di Nino on February 8, 1994.*)

> The level set for business applicants reflects a declining number of applications, attributable in part to economic conditions in Canada, as well as the economic boom in south east Asia.

Independent immigrants, including skilled workers and business immigrants, are a priority for this government. The 1994 plan announced by my colleague, the Minister of Citizenship and Immigration, increases levels for applicants with labour market skills by more than 10,000.

To support the priority given to independent immigrants, we want to do focused promotion and recruitment abroad to position Canada in the independent skilled worker and business immigrant market.

BOSNIA

USE OF AIR STRIKES—CANADA'S ROLE—GOVERNMENT POSITION

(Response to a question raised by Hon. John Lynch-Staunton on February 10, 1994.)

Canada is encouraged by recent developments regarding the situation in Sarajevo. Both sides have placed some of their heavy weapons under UN control and we hope that progress will continue.

Canada would not be participating in the strikes; aircraft from the USA, the UK, France and the Netherlands are in place and have the capability to conduct air strikes should they be necessary.

In addition to contributing a presence of approximately 2000 troops in the former Yugoslavia, Canada also has two ships and two maritime patrol aircraft helping to enforce the UN embargo. Canadian crews are also serving on a rotational basis aboard NATO Airborne Early Warning and Control aircraft in support of enforcement of the No-Fly Zone in Bosnia-Hercegovina. Twelve Canadian Forces personnel are serving in the European Community Monitoring Mission.

Our continuing contribution to the ongoing peace process and humanitarian relief effort must not be overlooked. Canadian aircraft are participating in the humanitarian airlift to Sarajevo. Canadian Forces officers are also participating in the UN Commission of Experts and have conducted war crimes investigations in theatre.

It would be an injustice to suggest that Canada is doing anything less than its fair share in working to alleviate suffering and to bring about a peaceful resolution to the current conflict in the former Yugoslavia.

ORDERS OF THE DAY

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

On the Order:

Resuming the debate on the motion of the Honourable Senator Gigantès, seconded by the Honourable Senator Cools, for an Address to His Excellency the Governor General in reply to his speech at the Opening of the First Session of the Thirty-fifth Parliament.—(*5th day of resuming debate*)

Hon. B. Alasdair Graham: Honourable senators, may I begin by offering very sincere congratulations to the Speaker, the Honourable Senator Roméo LeBlanc, who brings to this very important position a wealth of experience and a sense of integrity and fairness which I am confident will serve us well in this place.

I should also like to offer best wishes to the new leadership on both sides of the chamber. While I anticipate vigorous, spirited and forceful debate on all matters of importance, I detect a desire for understanding and cooperation in advancing those issues which are in the best interests of all Canadians.

Yesterday's mail brought a most timely reminder from the Secretary of State for Veterans, the Honourable Lawrence MacAulay, that Canada will be remembering major events of World War II in 1994 and 1995.

I have also been reminded frequently in the last two or three weeks by that most distinguished champion of veterans affairs in this place, Senator Jack Marshall, that 50 years ago this June, Canadian infantry divisions took heavy casualties on the beaches of Normandy. The battle honours on our regiments' colours will tell that tale in perpetuity, a tale in which Canadian divisions were the solid core of a multinational effort to free Nazi-occupied Europe. On June 6, 1944, that sacrifice drove a shaft of light across the continent.

Now, as we gather in a new Parliament, we do so in the flickering shadows of that light, and hopefully in the dawn of a new age and a new day full of promise and prosperity. We must never forget those sacrifices as we contemplate the unprecedented domestic and global problems which face the world today. For as Canadians hit the beaches of the past with courage as their sustenance and freedom as their guide, so too must we, in turn, assault the beaches of the new age.

The enemy arsenal is obviously vast and diversified. Just ask Canadian peace-keepers now in Bosnia to explain some of its global dimensions. Fuelled by famine, demagoguery and despair, by civil war and disease, the weapons concealed in the cliffs of the future appear particularly horrifying. The pictures of burning villages and mutilated bodies in the Somalias and Bosnias of this world frighten all of us who live in what might be called gentler places.

We search for sanctuary in this peaceable kingdom. Yet we know deep in our hearts there is none. There is no place to hide in our shrinking world. There are no barricades in this global

village. We know that we cannot afford to fail in coming up with formulas for fairness in our dealings with the developing world. Yet the facts remain immutable.

The developed world retains its corner on wealth and power. Disparities between north and south are worsening. Formulas for fair sharing of resources elude us. Promises about equality in trade remain hollow.

The world is really in a race against time. It must produce the resources to sustain a population which has more than doubled in the past 40 years and will reach a staggering eight billion, perhaps even 10 billion, early in the twenty-first century.

Here at home, doomsday scenarios proliferate. Some even project a 30-per-cent permanently unemployed class. Others point to the agony of an already engulfed middle class. Yet others speak of a potentially insolvent pension system, a rich tradition of social systems in crisis, and all of this along with the deceleration of world economies across the board as they undergo what Lester Thurow recently referred to as global economic saturation, or GES. Add to that the "D" word — where the deficit is another vital component of the enemy arsenal — and the beaches of the new age appear to be even more formidable and more impenetrable.

Yet over the last few months we have heard a man of experience, a man of common sense, speak to us of a very simple truth. That man is the Prime Minister of our country. The truth is about the restoration of hope to individuals in our society. Individual dignity, Prime Minister Chrétien has said tirelessly, is the engine of all we will do together and all we will accomplish together. That simple truth is the basic assumption upon which this government will enact reform and renewal.

•(1500)

No government can call for sacrifice from people who do not believe in their own worth. We cannot make a national effort to win the beaches of the new age, honourable senators, without people strong in the conviction that we can do better. It will be individuals of conviction, of will and of courage who will do this.

I believe the Prime Minister has history on his side. Look around the planet. There is cause for celebration in the global reach of education, in the dynamic spread of new ideas advancing across traditional borders of sovereign states with impunity — all this caused by information technology and by the parallel burgeoning of citizen participation.

In our present chaotic world there are a number of powerful forces at work. Globalization is one; disintegration is another. But what is of particular interest, in my opinion, is that "people power", through the new social movements revolution, has become a force to be reckoned with, as the present Mexican government knows only too well. I refer here to the rich proliferation of groups prepared to push doors open all over the world. Ecological groups are doing this; aboriginal peoples are going further. Anti-nuclear, feminist and human rights groups, all of these are springing up all over the planet.

We see movements struggling for urban renewal, alternate forms of economic organization, land reform, racial justice, cooperative production and liberation from various forms of foreign domination. They are voices demanding change from the bottom up, and they signify the determination of ordinary people to have a voice in their own affairs.

All this means that something very significant is happening. It means that one of the most important forces of our time is people. In fact, it seems to me that people, ordinary people, are going much further than their governments; much further, in some cases, than their leaders.

I have to tell you that my heart is really on board this "people power" train. As an international election observer who has been part of many missions abroad over the years — to Africa, South America, Eastern Europe and Asia — I can only tell you that I have watched firsthand the process of the empowerment of people and the growth of a marvellous devotion to democracy in terrain often noted for repression and fear.

I have seen people go much further — much further than their governments, much further than their leaders, because, of course, the real transition was rooted in their hearts and in their minds, rooted in a conviction that ordinary people have the right to shape the foundations of a fair society. Therefore I believe that, as the Prime Minister speaks of the empowerment of the individual, he is very much in tune with one of the most important forces now sweeping the planet.

Just last month, I spoke to a model United Nations forum at St. Francis Xavier University. I told those assembled that the future is not a gift; it is an achievement. They understood this. I said that there were no limits to the power of ordinary people to make change happen. I told them that they could make a difference. I spoke to them of little people in far-off places whose spirit and will alone was what forced sorghum to grow from the dust, and was what forced the seeds of freedom as well to spring from barren soil. They savoured the thought, but wondered at the staggering obstacles that lie ahead.

Our nation, Canada, is becoming increasingly underemployed. Today, only 48 per cent of the adult Canadian population have full-time jobs. The majority of the population is employed on a part-time basis, or underemployed, or unemployed.

Arthur Kroeger, one of Canada's most distinguished public servants and now Chairman of the Public Policy Forum, recently pointed out in an address in Toronto that:

> ...one of the failures of Canadian labour markets has been, and is, the co-existence of skill shortages and high unemployment.

He said that in 1989, 39 per cent of auto parts manufacturers reported that they had to curtail operations due to shortages of trained personnel. As well, he pointed out that the Quebec Department of Education last month listed 30 vocational programs in which there is a severe shortage of students relative to job market requirements.

Just think about it: Fifty-two per cent of the adult population in Canada is employed on a part-time basis, underemployed or unemployed — and still there are jobs available for which we lack the commensurate skills.

As far as I am concerned, the new Minister of Education in Nova Scotia, John MacEachern, has it right in this respect. A former high school physics teacher himself, he has set out to

correct the awful problem of skills shortages. An employer warranty program for community college graduates is now on the drawing board in my home province. It is really a simple idea in that those same colleges guarantee skills and training for technology-related jobs. If the employer is dissatisfied, the college takes the worker back for retraining.

As Mr. MacEachern said in a recent *Globe and Mail* interview of, I believe, February 3, 1994, education has "to start with an analysis of what it's doing — and demonstrate that it's done it."

I believe that most people would agree that it is in our educational institutions where the future will be shaped and moulded. Our young people are, indeed, the stars in our constellation. It is they who will sketch out the future. We must give full scope to their talents and to their potential. As public figures, we must give them hope. We must communicate the message because, as the Prime Minister has so well understood, we cannot make the national effort needed to win the future without the fullest commitment of all Canadians who are strong in their conviction that we can do this.

•(1510)

Yet in the Canada of 1994, we see so much demoralization around us, a demoralization which I believe is cloaked in indifference. Too many of us have lost heart. Too many of us say, "Why, Canada? What is in it for me?" I believe the time has come to look back, to think back, to revive our collective memory, to reflect upon our ancestors, upon those who understood that to grasp the diversity of Canada, piece by piece, one had to challenge every mountain, every forest, every river.

Our ancestors sought peace, they sought prosperity and, above all, they sought freedom. Purposefully, and with great determination, they created something new. They built the country with responsible foundations and endowed it with a radical heart.

Today, if you look around, you will see the marauding forces of intolerance that are so clearly evident right across the planet. We must remember that these forces are unleashed in free societies when the citizens say, too often and too easily, "What's in it for me?"

As a new world evolves around us, honourable senators, we will be asked as Canadians to reject indifference and embrace commitment. We will be asked to reject old certitudes and embrace adventure. We will be asked many times to be late for dinner in the service of the future, as we have been many times in the service of the past.

Finally, honourable senators, I want to say something very briefly about our work here. If this chamber is to continue in its present form, we must be convinced, and we must convince Canadians, that this special place, this institution, has an important and useful role to play in the day-to-day workings of Parliament and of our country. Today we must take up the path of the Raoul Dandurands, the Arthur Meighens, the John Connollys — of the great Canadians of the past who sat here, who preceded us, who made it their business to communicate the message about the very worthwhile functions of this place, and about the men and the women who worked so hard in its service.

As I said earlier, we gather in a new Parliament when the national effort must be unprecedented. The sacrifices we must all make will be of great magnitude. All of us know that the path will not be easy, and that conventional wisdom no longer serves us very well. The times are uncertain; they are perilous, but the change will come, and the world will be different.

In the declining years of this twentieth century, there are many analysts who are predicting a renewal of spiritual life and the idea of communion with others for the sake of the common good of all the citizens on our planet. In fact, I believe the uncertainties of the present have led most of us to start concentrating more on the permanent things in life. Some of you may recall that the early Christians asked Paul for answers to some of these perennial questions, and I am not sure the meaning of this is any different today. Paul did not speak of material things. He said the permanent things are the things that you cannot see. Of course he meant things like truth and compassion and justice, and maybe even love. We must all remember this because, as the world changes, as our young people change the world, such invisible components will be indispensable to them in the future. Honourable senators, these, indeed, are the permanent things.

Hon. David Tkachuk: This being my maiden speech, and my first speech arising from the Throne Speech, I find myself with unexpected freedom and the inclination to say too much, forgetting as I wrote this that, God willing, I have 26 years to say what I have to say.

I would first like to congratulate our new Speaker, the Honourable Roméo LeBlanc, on his appointment. I am sure he will guide this place with the same skill he brought to the other place when, as a minister, he re-established the Department of Fisheries and Oceans as a full department, and established a 200-mile limit on our fishery zone in 1977.

I want to extend the warmest wishes for success to the Honourable Senator Fairbairn, someone from my region who is involved in the cause of literacy, a cause I share with her. I became involved in the committee to promote literacy in Saskatchewan because of my good friend Senator Berntson who, with his wife Joan, founded the organization in our province. They have been responsible for raising over $300,000 dollars in the last four years, and founded and designed the awards of merit awarded each year in our province to those who have distinguished themselves as learners and professionals and volunteers. I know Senator Berntson and our new Leader of the Opposition, Senator John Lynch-Staunton, will prove to be extraordinary in their new leadership role, and I wish them well.

I have been involved in the political process in this country all of my adult life. I have canvassed for my party from Prince Edward Island to Vancouver Island. My appointment to the Senate was to me a great honour. As a second generation Ukrainian Canadian, the Tkachuk and Berezowski clans

marvelled at a country where a Prime Minister from Baie Comeau could reach across the country and extend his hand to someone who came from a small town in Saskatchewan. We all celebrated Canada on the evening of June 9, 1993 and, with the help of Alexander Graham Bell, we were able to communicate our joy at this honour and responsibility.

I grew up in the village of Weirdale, Saskatchewan, just a few miles northeast of Prince Albert. That area was settled in the 1930s by those escaping the ravages of drought. We named our town after the Honourable Robert Weir, a Conservative who was elected to the Melfort constituency in 1930 and was appointed Minister of Agriculture.

I was introduced to politics at the age of 11 when I was fortunate to witness the Right Honourable John George Diefenbaker speak, while standing on a flatbed truck on Main Street, as part of an election caravan wending its way across our constituency of Prince Albert. Here was a man who would be Prime Minister. He had a profound effect on me and many others in the prairies and across this country. What he represented for many of us was the idea that by work, vision and the propagation of ideas, one could go far and do much. One could change society, and one could change one's community.

Today I would like to continue with the theme so well addressed by the Honourable Senator Ghitter. I am perhaps even more fearful with respect to some of the things Senator Ghitter talked about than he is. Our institutions are indeed under attack; we know that. The success of the Bloc is our evidence. However, the phenomenon is even more far-reaching. Political parties and those who participate in them are under extreme scrutiny. While that is healthy, it is not so when it becomes hysteria.

I would like to quote the Right Honourable Joe Clark from a speech given to the Calgary Southwest PC Association on November 12, 1992, when he spoke about this issue. He said:

> Yet, those people are painted with a poison brush, because they happen to wear the label of politician.
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> It is not much comfort to know that this is an international phenomenon.

•(1520)

> And it is not all new. Winston Churchill was despised by millions of Britons through the war, and turfed out directly afterwards. Sir John A. Macdonald, Sir Wilfrid Laurier, Lester B. Pearson, John G. Diefenbaker — people we now look back on as icons — all lost elections, all lost favour, all faced the opposition of millions.
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> But today, we seem to have gone beyond that, to embrace a brooding hostility that is more abiding, much deeper, more disturbing. And it is something we must both fear and fight — not simply as Progressive Conservatives, but as Canadians. If we don't, something far more serious than elections are at stake. The country is.

We know as parliamentarians that our system benefits from having strong national parties, and that they are necessary for our particular system to operate, especially in a country as large and as diverse as ours. We also require the best of the brightest to be involved, for it is within broad-based parties that people learn the skills necessary to govern, to debate, to campaign, to raise money, to sell ideas and to compromise — to give a little to your neighbour and, as Jesse Jackson so aptly put it, to find common ground.

Totalitarian personalities find it difficult to succeed within our system. They are weeded out because they have neither the skill, the patience nor the inclination to succeed amongst people of strong, differing views. It is in narrow interest groups that the authoritarians flourish. Everyone thinks the same; people who think differently are excluded, and everyone is wrong but the group. It is happening in Canada today. We are left with one national party in the other place and two in Parliament.

Honourable senators, I want to turn my attention now to the Reform Party. The Reformers have built their momentum on some basic premises; on a foundation that used exaggerations and misinformation to take advantage of what Joe Clark described as a world-wide phenomenon. They said such things as, "The deficit is the fault of free-spending politicians who are more interested in spending on themselves than on the national interest" or "The politicians themselves are not pure of heart. Therefore, we must be governed by the people who are." This leap of logic excludes elected members from being "the people."

The Reformers talk of a more direct democracy. On February 20 on *Newsworld*, I heard Preston Manning say that even though he is against euthanasia because it is morally wrong, if his constituents wanted it, then he would support it. Honourable senators know that MPs have argued and debated this premise since 1867. Do I vote for what I think the constituency wants, even though I do not agree? Do I vote for what I think is the national interest, or for the narrow interests of the riding? I think most members vote their conscience, and when they face the electorate in the next election they defend their position, because an elected member is elected for his record through the four years, not on one particular issue over which he can be recalled, according to the Reform Party. We tell our children, "Do not succumb to peer pressure; do what is right, even if you stand alone" — but not Manning.

He stands in sharp contrast to my former member of Parliament who is now our Governor General. He was an abolitionist while 80 per cent of his riding favoured capital punishment, but the people elected him four times consecutively because he stood up for what he believed in. Now, if you are in trouble and the world is against you, surely you would want to know who would be by your side.

Frankly, the Reform Party has been getting a free ride. Like all extremist parties, they practise the politics of envy — the reason you, the voters, do not have is because others do. We have heard this before, whether it be the rich, the Jews, the multinationals; history is full of examples. Find someone to blame. The Reform Party painted politicians with the broad brush of envy, those who were there, and deftly used the propaganda tactics so exceptionally described by Hitler in *Mein Kampf* in his chapter on propaganda. The sins were opulence, sumptuous offices, gluttony practised in subsidized restaurants, vanity, barber shops turned into beauty salons and health clubs; all were mentioned —

and, of course, greed by way of pensions that were huge windfalls to defeated members of Parliament. Politicians were fiddling while taxpayers burned. The media got on board, and all parking and travel became perks. No one examined what Reform was saying, and few had the courage to take them on and confront their moral crusade based on few facts and little examination. All that was wrong with politics was the benefits that elected members received, which is a premise based on falsehood.

The charade continued when 51 Reformers were elected — a 10 per cent pay cut, voluntary of course, led by Preston Manning who had been paid $90,000 per year plus pension deposits as leader of the Reform Party — no wonder his backbenchers balked. There was a press conference at which Manning gave back a 1987 Buick. I think if someone gave me a 1987 Buick, I would have given it back, too. They attempted a boycott of the Parliamentary Restaurant — except for a few of their number who found the prices to be not as inexpensive as they had months before promulgated — and a boycott of other so-called perks of office.

Let us look at the reality. Voluntary pay cuts by the leader of 10 per cent — but not really. It was a 5 per cent cut of net pay after taxes, but he keeps the leader's pay and money from the Reform Party. They argued over office space: not as opulent as they had told everyone, and as a matter of fact quite plain. Meal prices were not as low as they had thought, and some Reformers actually use the Parliamentary Restaurant, although I am sure under fear of being "outed." While they are accepting the pension plan, no one has raised the fact that others like the RCMP, the military and the public service also have very generous pension plans. No one wants to debate the issues; they just want to use the paintbrush of greed on only elected members, regardless of the facts.

It continues. The leader of the Reform Party was not up to paying respects to the Governor General on the evening that Parliament opened. The opening of Parliament is a democratic function and, therefore, to celebrate it is to celebrate democracy. A new government has been elected and, without guns and without violence, it read its vision for the country. Surely our mothers and fathers would have thrown open their homes, given the opportunity, and put out their finest china and baked their favourite dishes, just as the Governor General did. By acting in the way he did, Preston Manning was making a statement that the Governor General Ramon Hnatyshyn and his wife Gerda were somehow doing something not worthy of the Mannings. Surely the Hnatyshyns are a couple with simple but dignified taste. They proudly occupy this country's residence today on behalf of all the people of Canada. In any event, Manning stayed home.

Shortly thereafter, there were articles in *The Toronto Star* and *The Ottawa Citizen* about how frugal the Reformers were. I bring to the attention of honourable senators an article in *The Toronto Star* of February 5, 1994 by Derek Ferguson of the Ottawa Bureau — and I will try my best not to break up here. The heading is "Frugal Reformers are proving they know how to save a loonie" and the suheading is "Fast-food dinners, humble lodgings, help MPs practise what they preach." It reads in part:

> Reform MP Sharon Hayes had just finished another 14-hour day and was about to return to her brother-in-law's home for her nightly bowl of soup.

That is not all, since fellow Reform MP Deborah Grey saved her from the soup, no doubt, with an invitation to go out for dinner.

The article goes on:

> 'We went to the Swiss Chalet' said Hayes, the rookie M.P. for Port Moody-Coquitlam.

Now isn't that a ground-breaking event? There is more, of course.

> The Toronto-born homemaker and mother of two doesn't give all her business to the chicken franchise, however.
>
> 'My staff and I have gone to McDonald's a couple of times,' said Hayes, 46...

Remember, honourable senators, that in the past, parliamentarians had to impose wage and price controls, pass the War Measures Act, or bring in a National Energy Plan to get a favorable headline in *The Toronto Star*, and we Conservatives must have been doing it all wrong. There is more in this article from the Reform communications specialist, Ron Wood:

> I said, 'Basically, look at yourselves as 52 Gandhis'...

He was referring, of course, to his members. He went on to say:

> 'But you have to understand, these people are like that. They'd just as soon go to McDonald's'.

Now for the supreme sacrifice. In the article the journalist introduces the fact that, at the Travelodge, the Reformers are able to get a large discount adding up to one half of what Mr. Manning had to pay of $80 per night. Therefore, I assume this means he is only paying $40 a night.

•(1530)

The article goes on to say:

> Where Manning goes, Reformers are sure to follow. On any given night, there are more than 20 staying at the Travelodge.
>
> And, on any given night, they crowd into a nearby bistro... The attraction for the Reformers is a standard, nightly feature: a rib-eye steak for $9.95.

Now, I have been reading these articles since the Reformers came into the House of Commons in the fall.

Senator Gigantès: Masochist!

Senator Tkachuk: I raise this matter because it is all so foolish and ridiculous. I find these interesting tidbits charming, but it hardly proves that Reformers are frugal. Senators, it just proves they are cheap. And this is all becoming news because the public misunderstands the issue.

The Reformers receive their $20,000 and their $6,000, whether they live at the Travelodge or at the Chateau Laurier. They are pocketing all that extra money, and good for them. But saving the taxpayers' money? Hardly! They are hypocrites, fellow senators.

Hon. Senators: Hear, hear!

Senator Tkachuk: In Matthew, Christ chastises those who pray so that all will see; that's the Reformers: "Look at us, how frugal we are," while they keep the money. The politics of envy, fellow senators.

Honourable senators, I wish to say that this well-orchestrated PR campaign — and that is all it is, a PR campaign — has succeeded because most of us live our lives within our own means and think nothing of it, while Reformers think they are alone in trying to get by. They will be eating gruel soon, I think. It is also a contrast of style, and the media seems to buy into it. They do not understand that everything is not necessarily what it seems.

For example, I will be sharing an apartment here with my fellow senator, Senator Gustafson. We have a nice, two-bedroom apartment.

Senator Gigantès: Two?

Senator Tkachuk: A two-bedroom. We have two bathrooms, a kitchen, and a view of the city of Ottawa.

Senator Perrault: Luxury.

Senator Tkachuk: Our apartment is within walking distance, just like the Travelodge, but it is a much shorter walk than from the Travelodge.

Oh, I forgot to mention that we have perks, too; we have access to a swimming pool, a health club and a nice restaurant.

Hon. Senators: Shame!

Senator Tkachuk: Perks! Meanwhile, those Reformers pay $40 a night, about $640 a month, plus taxes, if they only stay four nights per week, four weeks per month. Meanwhile, I have access to my accommodations every day while Parliament is in session, for $20 a night, or based on four nights a week, for $37.50 a day.

I might add that I am a pretty good cook. Senator Gustafson does not know that, but I hope he likes household chores, because I think we will make a fine couple. Perhaps we will even go to the Governor General's together. I enjoy cooking, so I can put a little sweat equity into a meal, which the Reformers are obviously not able to do at the Travelodge. I can broil a T-bone steak or a sirloin, and do baked potatoes, mushrooms, apple pie and coffee for well under the $9.95 it costs for the old rib-eye at the bistro.

Senator Perrault: Is humble pie served?

Senator Tkachuk: I want to ask you, honourable senators, who lives better and spends less? And Reformers claim they should be running the country!

The point I wish to make, honourable senators, is that we are confronted by many serious issues in the country, and we must attack wasteful spending at all levels of government. However, I think we should do it in the trenches of Parliament and in committees.

Honourable senators, let us move forward to attack the deficit as a nation. Let us focus on the issue of jobs and the economy, and let us be honest with the people. Let us not be afraid to attack the money changers in this temple of democracy. I predict that, in the future, many people will see that the Reformers do not represent the Conservative values of Macdonald, Diefenbaker, Borden, Stanfield, Clark or Mulroney, but rather the values of authoritarianism, pretentiousness, propaganda and irresponsibility.

In the next few years, I pray for the success of the Liberal Party. I never thought I would say that, and probably never will again.

Senator Gigantès: We will hold you to it.

Senator Tkachuk: I congratulate their victory while I weep for our party's failure. I pray that they succeed in holding the country together, while I hope we will be of assistance as we rebuild our broken party. I know that we will be sympathetic with their attempts to control the deficit while we argue our point of view as to how the tasks should be done.

Finally, honourable senators, I thank many of you for your kindness and assistance on my arrival here, those from my party especially. I thank you for your patience on the occasion of my first speech in this place. As well, I should like to thank the politicians I have known, respected and loved — Grant Devine, Brian Mulroney, Robert Stanfield and Joe Clark, whom I have served under, and Senators Barootes, Buckwold and Steuart, and Senator Hnatyshyn, the father of the Governor General — those who have come before me — for giving me an example of excellence and devotion to our country.

Hon. Senators: Hear, hear!

Hon. Gerry St. Germain: Honourable senators, it is a distinct honour and a real privilege to stand and deliver my first speech in this place. First of all, I wish to congratulate you, Your Honour, on your appointment. I watched with due diligence and waited with bated breath for the appointment of the Speaker, and I do not think that the Prime Minister of this country could have picked any better.

I should also like to congratulate Senator Fairbairn and Senator Lynch-Staunton. These are very difficult times we are living in, and their leadership will be called upon time and time again. I look forward to working with both of them in cooperation in building this great nation.

My maiden speech in Parliament was delivered some 10 years ago in the other place, where, as a rookie in politics, I was chosen to serve the people of Mission—Port Moody in British Columbia. For five years, I undertook very seriously the responsibility bestowed upon me by my fellow citizens.

Like some other honourable senators in this chamber, I have served Canadians in both houses. This duty I have always taken seriously, and the opportunity to serve I have always cherished with considerable honour.

Like many who have served before me and many who will serve in Parliament in the future, I have experienced both the tremendous satisfaction of victory and the stinging disappointment of defeat. What is most important, though, is that I am one of a minority of Canadians who can say that they have experienced the results of our democracy in action. We must never forget that we are in Parliament to serve our fellow Canadians as their representatives, whether we serve in this place or the other place.

Honourable senators, when I was elected to the House of Commons, the partisan politics of the day constantly reminded me that the voters held us all accountable. In this chamber, we often cherish the luxury of not having to submit to voters. However, this, at the very least, is a false sense of security and truly an abdication of our responsibility to the people we represent, for we must always remember that we are here to represent our fellow citizens.

The Senate of Canada is a vital part of a representative democracy, where our federal governing system is a bicameral Parliament consisting of both houses.

For 127 years, tradition has served our country well. Our vast land, consisting of very diverse regions, populated by people of many cultures, has functioned as one nation, achieving true greatness simply by its unity and earning the envy of nations throughout the world. In a world where technological advances are dictating rapid change, traditions should not be dismissed too rapidly.

•(1540)

Over the last century, many have argued that this chamber should consist of elected members. Debate has ensued in many forums about the relevancy of the Senate, as was pointed out by the distinguished speaker before me. Proposals for reform have been cast in various forms, but not one method has yet been accepted by Canadians to replace the system that has been established through convention and tradition.

I am of the belief that a democracy functions best when people can participate to the greatest degree. Representative democracies promote participation, and I am, therefore, an advocate of an elected Senate. However, when Prime Minister Mulroney called on me to serve in that chamber, I did not hesitate to once again accept the call of duty. Under his great leadership, in two major reform proposals, Canadians considered changes that would have resulted in a much more representative second chamber. Both proposals failed to gain the full support necessary for implementation of this change.

Honourable senators, I would have preferred to have entered this chamber at the will of the people I represent. Nonetheless, let me state today: I am here to serve those whom I represent, regardless of whether I am elected or appointed. I am proud to say that I represent the people of British Columbia and I am honoured to be referred to as the Senator from Langley—Pemberton—Whistler.

I am one of a majority of British Columbians who choose to call this tremendous province their home. For nearly 40 years, beautiful British Columbia has provided me and my family with tremendous opportunity; an opportunity to experience a lifestyle unmatched, I believe, anywhere in Canada; an opportunity to raise a family in a rural and also a suburban environment, tolerant of the diversity of its citizens; an opportunity to harness the great riches of the land and to create wealth; an opportunity to participate in an enterprising economy where, until recently, rewards came to those who chose the risks.

British Columbia has changed in so many ways since I first moved to that province from the great province of Manitoba in the late fifties. That change has brought many benefits to the people of British Columbia and created new opportunity. Waves of immigrants from other provinces and from other nations throughout the world have flocked to the West Coast of Canada to take advantage of those opportunities of which I speak. In many ways, though, British Columbia is really still a pioneering province, where the traditions that built British Columbia continue to create new opportunities today.

However, as we focus on the considerable change that is engulfing the urban lower mainland of British Columbia with new population settlement and unprecedented urban growth, we tend to forget that British Columbia is a vast territory stretching from the U.S. border in the south to the Yukon in the far north, and from Vancouver Island on the Pacific Rim to the Rocky Mountain divide. The interior landscape is as diverse as that of many entire nations, from dense rain forests on the coasts to arid scrub land on the interior plateaus. British Columbia's geography, like that of most of our country, is truly rugged and uncompromising.

Nonetheless, for more than 150 years, men and women have faced the challenges of climate and geography. They have harnessed the power of our raging rivers, cultivated the rich soil of our narrow valleys, harvested the lumber and the wood fibre of its lush forests, and mined the base minerals of the earth. These resource-based activities have opened up the vastness of the land and literally put British Columbia on the world map. More important, though, resource-based industries have created a tremendous wealth that not only built one of the most cherished cities in the world, Vancouver, but also contributed to the economic diversity of Canada.

We have shared this great wealth, with great enthusiasm, with all Canadians from the coasts of Newfoundland right to the western borders of the Yukon. Men and women throughout British Columbia continue to toil at resource-based industries, contributing to our provincial and national wealth in a proportion that often goes unmeasured, yet measures significantly. We tend to pay considerable attention today to the new pioneers of science and technology, or the champions of modern commerce in our urban centres, but how often do we consider the achievements of people who carry on the traditions that built Canada, and especially British Columbia? When do we ever point to the loggers and mill workers, or the farmers or miners and say that our future is also dependent on these people? It is true that in a world overwhelmed by technology, advanced education is important to our competitive survival. Keeping pace with innovation means keeping pace with global change, but promoting and protecting what we do best also means surviving today.

Let me tell you about some of the quiet heroes who, in their own small way, are contributing to our survival by continuing the traditions of the past simply by carrying on their way of life. In small towns of British Columbia, from where the lifeblood of our resource-based economy flows, these special people persevere amid a changing world where outside influences challenge their values and question their activities. Let me tell you about some of the people, for instance, in the Pemberton valley, a part of British Columbia I know well, a place I have adopted as a second home, the home of my working cattle ranch, McLeod Creek Wilderness Ranch.

The rather narrow Pemberton Valley lies approximately 125 miles northwest of Vancouver, just beyond the resort of Whistler. The picturesque Lillooet River cuts through this valley, flowing from the Pemberton ice cap high in the coast mountains that surround that valley. The narrow strip of land that borders this river is a fertile oasis amid a rugged coastal forest.

For nearly a century, pioneering people have tilled the rich soils, growing the world-renowned Pemberton Nuclear Stock seed potato. Others have raised herds of cattle. A majority of the local population, while not farming, has traditionally worked in the woods, harvesting timber from steep mountainsides. These people have not developed a metropolis, or even a large town. Yet, pioneering, hard-working, innovative people have toiled day in and day out through harsh winters and short summers, sustaining themselves in a valley that, until recent years, has been rather isolated from the rest of the province.

Great personal wealth has not been accumulated by those of the Pemberton Valley, but the forestry and agricultural activities of these people have contributed significantly to the wealth of British Columbia. The people of Pemberton, aboriginal people of the Mount Currie reserve and non-natives of the valley, have lived side by side, raising families, living a good life based on the land, and enjoying the natural splendour of the environment. These people are the true environmentalists. They respect our natural environment and have always looked upon our renewable resources as sustainable only if renewed and managed. They work in the local forests and play in the rugged back country. Respect for the environment is not a new, learned catch phrase for them; it is a part of their worldly values.

Let me tell you about one young man up there by the name of Al Bush, the owner of a small business, Valley Recreation and Chain Saws, in the Pemberton Valley. Al Bush is a young man who came to the valley as a youngster and built a business for himself in the village of Pemberton. Al sells, rents and services chain saws. His main customers are the logging companies that work in the Pemberton forestry district. When you walk into Valley Recreation in Pemberton, you begin to see what makes the area that which it is. Loggers and snowmobilers gather in Al Bush's shop in the winter to talk about their experiences in the back country. They talk about rugged mountain trails the way that many city dwellers refer to city streets. Their landmarks are not skyscrapers but mountain peaks or logging bridges across ranging rivers.

•(1550)

Al Bush shares with me his concerns over what is happening with our forest industry in B.C. He, like many British Columbians, feels the misplaced wrath of urban environmentalists who are irresponsibly launching an attack on a resource industry that built British Columbia and built Canada.

Al Bush is an environmentalist. He understands our natural environment, revealed in all its splendour in the back country of B.C., like many of us understand our neighbourhoods. The wilderness is his business. The wilderness is the main focus of his leisure activities. The rugged wilderness valley is his home. His children are being raised to respect the wilderness environment in the same way as he was raised.

Al Bush, I repeat, is an environmentalist. He is more of an environmentalist than Robert Kennedy Jr., Paul Watson, or Vicki Husband. He is one of many British Columbians who understand the value of our environment, who respect the vastness of our land and who know the intricacies of our ecosystem through firsthand experience.

It is Al Bush, and the Al Bushes of British Columbia, who will sustain our environment, protect our resource-based economy, promote the beauty of our land, and pass those values on to others. It is the Al Bushes who will promote positive environmentalism, much more than the thousands who support the urban international activities of Greenpeace, the Sierra Club, or the Western Wilderness Committee.

I have singled out Al Bush here today, but there are many Al Bushes in the Pemberton Valley. There are thousands of principled, hard working, knowledgeable people like him throughout British Columbia. They live in places like Prince Rupert, Port Hardy, Burns Lake, Creston, Kitwanga, Cowichan Bay, Mission, Merritt, Williams Lake and Chilliwack.

Senator Perrault: And Whisky Creek.

Senator St. Germain: Whisky Creek is an important place, Senator Perrault.

They work in forests every day, logging trees, thinning stands and planting seedlings. They work in coffee shops and in places like the Pemberton Hotel. They run equipment companies, gas stations and barber shops. They work for B.C. Rail and B.C. Ferries. They plough steep logging roads during midnight winter blizzards. They teach our children in the schools in small towns throughout the province.

These are the people whose livelihoods depend on our resource-based activities, especially our threatened forest industry. They know how fragile our environment is, and they know how to preserve it for future generations. They can withstand the assault of the weather. They persevere in rugged conditions and preserve the environment. They can conquer many natural challenges. However, they are having a very tough time battling invisible guerrilla enemies who pretend to be friends of the environment.

These self-proclaimed crusaders for our environment, the guerrilla warriors of the modern urban environmental movement, emerge in many forms and in various forums. Whether they are radical members of the European Parliament, well-meaning yet uninformed university students blockading roads — and logging roads as well — or grandstanding socialist members of our own Parliament who flaunt our own laws, they do not understand the real issues or appreciate the effect of their protests.

More important, they do not understand or appreciate how vital forestry, as one renewable resource industry, is to our current economic survival and our future economic growth. They do not know the Al Bushes of British Columbia. They have never attempted to understand what makes British Columbia's small towns work. They place little value on the real values of people who have developed traditions that have created wealth and sustained lifestyles.

I have focused on this important topic in my first address in this chamber because today we are spending so much time in the Western World focusing on our environment, and rightly so. With the narrow spotlight on issues concerning environmental preservation and conservation, we have lost sight of what we should be focusing on here in our own backyard. We should be looking at how to create jobs, sustain employment, and create new opportunities for our young people and our aboriginal people, while protecting our environment and renewing our resources.

The war on forestry must stop. We cannot allow this misguided assault to continue, insidiously influencing our basic values, turning urban people against rural people. We should not be sitting down to divide up our land, allocating one portion for preservation and another for development. We must all work together. We must study what has made us strong and devise new ways to continue to renew our renewable resources more efficiently and more effectively.

These must be our priorities. To accomplish these tasks we need not look to the European Parliament or to the United Nations. We do not need to hear from radical, self-proclaimed experts like Paul Watson or Robert Kennedy Jr. We need to listen to our own citizens, the people I am here to represent.

It was in 1984, when I was re-elected to the House of Commons, that I, along with members of Parliament Lorne Greenaway, Bob Brisco, Frank Oberle and the entire B.C. caucus, approached the government and requested that our ERDA, which was the Economic Regional Development Agreement, be focused solely on reforestation. We insisted that over $300 million be directed for the sole purpose of reforestation, with emphasis on the NSR lands of the North. It was under the leadership of Prime Minister Brian Mulroney that we received the necessary support to begin the massive environmental project of which I speak. Forests were replanted and silviculture became a byword of the government of the day.

Yes, we are cognizant of the wealth and the beauty that God has bestowed upon us in British Columbia. We will guard it religiously so that future generations will be in a position to benefit from those renewable resources as past generations have.

Thank you, honourable senators, for having allowed me to run a little over my time. I thank all fellow senators for their patience. I wish senators on both sides of the house well as we meet the challenges that are before us, and I look forward to working with all honourable senators in this place.

On motion of Senator Rivest, debate adjourned.

[*Translation*]

PRIVATE BILL

GENERAL SECURITY INSURANCE COMPANY OF CANADA—SECOND READING—DEBATE ADJOURNED

Hon. Normand Grimard moved the second reading of Bill S-3, to authorize General Security Insurance Company of Canada to be continued as a corporation under the laws of the province of Quebec.

He said: Honourable senators, Bill S-3 does not seem to be controversial. In fact, the bill would authorize General Security Insurance Company of Canada to continue as a corporation under the laws of the province of Quebec as if it had been incorporated under those laws.

General Security is part of the Mouvement des caisses populaires et d'économie Desjardins, almost all components of which are governed by the laws of the province of Quebec.

All shares of General Security issued and in circulation are held by the holding company Groupe Desjardins assurance générale inc., a wholly-owned subsidiary of Société financière des caisses Desjardins inc., which in turn is a wholly-owned subsidiary of the Confederation of caisses populaires et d'économie Desjardins du Québec.

General Security was incorporated on January 1, 1981 under federal legislation governing insurance companies, when it did not do business exclusively in the province of Quebec.

Today, General Security has no operations outside of the province of Quebec.

The holding company, Groupe Desjardins assurance générale inc., which controls another insurance company, wants General Security, its subsidiary, to become a corporation under the laws of the province of Quebec, so that all components of the Mouvement des caisses populaires et d'économie Desjardins will be governed solely by the laws of the province of Quebec.

There is no existing statutory authority to enable an insurance company governed by the laws of Canada to be continued as a corporation under the laws of a province.

Consequently, General Security asks in this bill for the enactment of the following: that it be continued as a corporation under the laws of the province of Quebec as if General Security had been incorporated under those laws; second, that from the day on which it is continued under the laws of the province of Quebec, General Security shall cease to be governed by the Insurance Companies Act.

Furthermore, and I think this is an important point, the Insurance Sector of the Office of the Superintendent of Financial Institutions in Ottawa was informed of this bill, and I have received confirmation that the Superintendent of Financial Institutions has no objection to this procedure.

Finally, and I think this is the most important point of all, this bill does not create a precedent, since similar legislation was passed here in the Senate for the Safeguard Life Assurance

Company, S.C. 1989, c. 29, and also for l'Assurance-vie Desjardins, S.C. 1990, c. 53.

Honourable senators, I respectfully submit that Bill S-3 constitutes legal recognition of a situation that already exists, and that consequently it should be submitted as soon as possible to the Committee on Legal and Constitutional Affairs for approval.

On motion of Senator Molgat, debate adjourned.

[*English*]

•(1600)

HEALTH

ESTABLISHMENT OF SPECIAL COMMITTEE ON EUTHANASIA

Hon. Joan Neiman rose pursuant to notice of Thursday, January 20, 1994:

> That she will call the attention of the Senate to the desirability of establishing a Special Committee of the Senate to inquire into and report upon the legal, social and ethical issues relating to euthanasia and assisted death.

She said: Honourable senators, on January 20, I gave notice that I would launch an inquiry asking the Senate to consider the possibility of setting up a special committee to consider the ethical, legal and social implications of euthanasia and assisted death. I did so because the gallant and ultimately unsuccessful struggle of the late Sue Rodriguez to be permitted to realize her final wish ignited a fire under my smouldering interest in the subject, which I am today asking the Senate to consider studying.

Sue Rodriguez believed she had the right to die with dignity at a moment in time of her own choosing, and to be able to ask for and receive help if she were no longer physically able to do what was necessary to achieve her purpose. She lost her legal battle and some of her final hopes were frustrated, but at least she had the satisfaction of knowing that she had generated an enormous public interest in, and support for, having Parliament again review and, if found necessary, revise the present laws relating to euthanasia and assisted suicide. I believe the Senate is the ideal forum in which to undertake this study.

The subject is emotionally charged and complex, but there is now an enormous amount of literature and innumerable people and organizations whose experience and expertise would be of great assistance to a committee in understanding the problems and preparing recommendations to correct them. This is not the time to summarize the opinions of either supporters or opponents of change, but I should like to do a brief historical review and bring honourable senators up to date on the current situation in Canada and elsewhere.

Before doing so, I must confess to an inadvertent error when I gave the Notice of Inquiry on January 20 when I said that the study would relate to euthanasia and assisted death. I should have used the more precise expression, "assisted suicide," as that is legally and conceptually distinct from euthanasia. As the Canadian Medical Association pointed out in one of its recent articles, "assisted death" is a term which could include both euthanasia and assisted suicide. Honourable senators, if you approve the setting up of a special committee then, with your permission, I shall propose amending its terms of reference to be a study of euthanasia and assisted suicide.

Proposals to legalize voluntary euthanasia for the incurably ill began to be debated publicly in many countries in the Western World late in the nineteenth century. In 1906, a bill to that effect was introduced in the Ohio legislature and, amid heated controversy, was eventually defeated.

In 1920, the German public debated and eventually put aside a very controversial joint publication by a psychiatry professor and a law professor entitled, *The Permission to Destroy Life Unworthy of Life* which advocated allowing physicians to perform euthanasia under certain guidelines. Many people considered some of their views totally unacceptable, if not actually dangerous. No action was taken with respect to their suggestions until about 13 years later when the Nazis came to power and distorted them in such a grotesque manner as to justify laws authorizing compulsory sterilization. The Nazis then went on to legalize wholesale euthanasia, in which both the medical and nursing professions played a significant role and, finally, to the horror that was the Holocaust. When people everywhere became aware of the full extent of the heinous crimes which had been committed under the guise of lawful acts, there was, understandably, little desire for discussion of euthanasia or even of the right to die with dignity for more than 20 years.

The expression "death with dignity" probably gained currency and revived public interest in the question of the quality of life, and of death, with the case of 21-year old Karen Ann Quinlan. Karen Ann had lapsed into a coma after consuming a quantity of alcohol and drugs. Even though the doctors decided that she had suffered irreversible brain damage, they and the hospital authorities refused the request of her parents, supported by their priest, that she be removed from a respirator. The parents eventually applied to the New Jersey Supreme Court for an order, citing in their arguments that their profound desire was that their daughter be allowed to die with grace and dignity, and they were successful. The case undoubtedly had a significant effect on public opinion, medical practice and legislative developments with respect to the withholding and withdrawal of treatment of incurable and terminally ill people.

•(1610)

In another much publicized case in 1990, *Cruzan v. Missouri*, the United States Supreme Court held that a person whose wishes were clearly known had a constitutional right to refuse life-sustaining medical treatment. That decision sparked a renewed interest in what are known as "living wills."

In Britain, the Voluntary Euthanasia Society was founded in 1935, attracting a significant number of adherents and a large number of opponents. That society is still active today and the number of supporters has increased considerably.

A select committee of the British House of Lords has just completed studying and issuing its Report on Medical Ethics. Its first term of reference was to "consider the ethical, legal and clinical implications of a person's right to withhold consent to life-prolonging treatment, and the position of persons who are no longer able to give or withhold consent." That is somewhat narrower than what I have suggested for our Senate committee.

However, its other two terms of reference cover much of the same social and ethical ground as would our committee.

I have not yet had time to read the full report that we received two days ago, but I do know it recommends that there should be no change in the law permitting euthanasia. In considering the withdrawal of life-prolonging treatment, the Lords concluded that inappropriate treatment — that is, treatment that "will add nothing to the patient's wellbeing as a person" — need not be given. There are a number of other conclusions and recommendations, such as for more and better palliative care, which would be of great interest to our committee.

As the Hemlock Society U.S.A. stated in its introduction for a booklet entitled: "Aid in Dying":

> The early 1990s saw a surge of activity in the introduction of assisted suicide and active euthanasia bills in state legislatures. While most of the bills that proposed to legalize physician aid-in-dying were brought by legislators responding to the requests of their constituents, those bills that sought to make assisted suicide a crime were in direct reaction to the activities of Dr. Kevorkian, who assisted 15 people in their suicides before the state of Michigan made it a crime.

I am sure honourable senators are aware of Dr. Kevorkian's activities and his zeal in promoting changes in the laws of his country to legalize physician-assisted suicide. However, I have the impression that many supporters of his cause are, at the same time, not comfortable with how he has sometimes demonstrated his own commitment to it.

Although at least two major polls in the United States have indicated that over 60 per cent of the people would approve physician-aided suicide, no bill attempting to legalize that procedure has yet passed, although eight have been introduced in various states. In spite of their setbacks, proponents of change in some of the states — notably Washington and Oregon, where the defeats were narrow — are already preparing new initiatives to place before the public.

The situation in the Netherlands is unique and will require careful study and analysis by the committee. Euthanasia is, and always has been, a crime in that country, but since 1973, a physician will not be deemed to have performed euthanasia provided he follows the very strict procedures formulated by the Royal Netherlands Medical Association in conjunction with the Chief Coroner, including, after the death of the patient, a full report to the coroner of the province in which he practices. Incidentally, those guidelines are remarkably similar to some suggested by other medical associations, proponents of change and drafters of bills in some of the American state legislatures.

Since there has been quite a bit of criticism and misunderstanding of what was actually happening in the Netherlands, in 1991, at the request of the Dutch government, its medical association undertook three very comprehensive reviews and a compilation of statistical evidence with respect to what it terms medical decisions concerning the end of life, the results of which are contained in the report of the Remmelink Commission. That report provides a great deal of useful information and should clarify a lot of the questions that have been raised. Last November, after the release of the report, both houses of the Dutch Parliament voted to retain the criminalization of euthanasia, even when explicitly requested by a patient.

Euthanasia remains illegal in Germany, while suicide has been decriminalized since 1751. Moreover, assisting someone to do it, providing that person is competent and has made a "freely responsible choice," is legal. The practice is rooted in German culture, tradition and adherence to the concept of "Freitod," an idealistic form of voluntary self-deliverance which for them has no negative connotation. Apparently for that reason, people contemplating suicide normally turn to their friends and relatives for help, and rarely to physicians.

As to the current situation in Canada, there is an excellent article by Jocelyn Downie in a recent publication, *Health Law in Canada*, entitled: "Voluntary Euthanasia in Canada." The author analyzes the present state of our law within the context of existing criminal sanctions bearing on five distinct components of voluntary euthanasia, from withholding treatment to intentional killing, all with the consent of, or at the direction of, the person asking for death. Her conclusion is that, because of the differing judicial decisions in different jurisdictions in Canada bearing on apparently similar violations or provisions of the law, many of our laws are now inconsistent and unclear. This makes the role of health care givers far more difficult, the advice of their legal counsel less reassuring, and it adds an additional burden of uncertainty to patients, their families and friends.

The only case where there has been clarification of one aspect of the law affecting voluntary euthanasia is the fairly recent case of Nancy B. in Quebec, where the presiding judge concluded that the withdrawal of treatment in accordance with a competent patient's request was legally permissible. That decision applies, of course, only in Quebec, which means that until a final ruling is made in the Supreme Court of Canada, applications for similar relief will have to be made separately in each of the other provinces.

•(1620)

Hon. Royce Frith: Was it a criminal case? Why would it apply only in Quebec?

Senator Lavoie-Roux: Because it was never appealed.

Senator Neiman: The case of Nancy B. was not a criminal case.

The author also carefully reviews the present social and medical situation in Canada, and gives very cogent illustrations and arguments as to why changes in our existing laws need to be made.

In the meantime, because of the well-publicized struggle of Sue Rodriguez, and because she lost her fight in the Supreme Court of Canada by the narrowest possible margin, there has been mounting public pressure in the media and by individuals and organizations to re-examine the issues that have been raised.

Some time ago, the Board of Directors of the Canadian Medical Association decided that, because of the mounting pressure on it and increasing queries from the public, it was necessary to formulate a policy on euthanasia and assisted suicide with which the profession could live, and which the public could understand. In order to get the project under way

and to stimulate discussion and debate among physicians both before and during its annual meeting in the following August, its Committee on Ethics published a series of five papers in the *Canadian Medical Association Journal*, beginning in April, 1993. These papers contain a thoughtful and comprehensive review of the issues as they concern and affect physicians.

In approaching the issues, they lay out the various options that physicians should consider. They attempt to qualify the multifarious definitions and some distinctions that attach to the terms of "euthanasia" and "assisted suicide," and the arguments and beliefs which lead some patients and physicians to support the concept of "assisted death" and others to oppose it. The series contains a review of the practices in ancient times, as well as the current practices in some Asian and European countries. Finally, it explains various policy options which the CMA might adopt after the necessary consideration and debate.

There is an interesting discussion on the relation between ethics and policy, and the recognition that it is the legislators who must decide ultimately whether, based on the consensus they perceive in the public, changes in existing laws are warranted.

The CMA did have its first debate last August and is encouraging further discussions between, and recommendations from, its members. It would be an essential witness before our committee.

Honourable senators, if undertaken as carefully and thoughtfully by my colleagues as I know it will be, the proposed study can create a far greater awareness and understanding by the general public and provide a solid base of information which could justify, if so warranted, recommendations to the government for changes in existing legislation. I am happy to say that the Minister of Justice, the Honourable Allan Rock, has given me his full support and has offered his cooperation and that of his department. I should very much appreciate the support of honourable senators for the formation of a special committee to undertake a very important and timely study.

Honourable senators, if this debate is concluded today, I intend to ask leave tomorrow to proceed later that day with consideration of a motion to set up a special committee of which I shall give notice.

[*Translation*]

Hon. Thérèse Lavoie-Roux: Honourable senators, the issue of euthanasia and assisted suicide is one that I have considered for quite some time, ever since I was Quebec Minister for Health and Social Services. When we were preparing our policy on health and social services, I recommended that, in view of the state of modern technology, we should be addressing the use of excessive measures to extend a person's life, because this had become a very critical issue. This was in 1989.

The controversy around euthanasia is very complex. It has legal, social and moral implications and challenges traditional medical ethics. It is also an issue that raises strong emotions in all of us because we are dealing here with what is literally a matter of life and death.

This is the kind of subject the legislator must approach with an open mind, without hurrying the process and without giving in to

sometimes contradictory pressures from various interest groups. And if tomorrow Senator Neiman presents her motion to appoint a special committee of the Senate, I will certainly support the creation of such a special committee to consider this matter. The committee would be ideally suited to assembling the elements of a national position and to provide the basis for appropriate legislation, when the time is right.

Progress made in medical technology, especially in pharmacology and medical equipment, has allowed people to live longer and more productive lives. However, merely postponing death leads to an intolerable deterioration of the quality of life. Nowadays, many people die of incurable and degenerative diseases like cancer, AIDS and Alzheimer's. Many want their suffering shortened, and they want to be more involved in decisions concerning their death. Since the Criminal Code dates back to a time when technology was not as advanced, I think certain provisions of the Code that concern euthanasia should be reviewed.

This view is supported by Canadians who are in favour of euthanasia practised by a physician, in the case of the terminally ill. Groups and private citizens would like to see changes in sections of the Criminal Code that, according to them, infringe on their civil rights. This will probably mean looking at the implications of the Charter of Rights and Freedoms.

In response to these demands, several provisions of the Criminal Code will have to be examined to determine whether they should be revised. I will mention only two sections: 241 and 14, which deal directly with euthanasia. Section 241 says, and I quote:

> Everyone who
>
> (*a*) counsels or procures a person to commit suicide or
>
> (*b*) aids or abets a person to commit suicide, whether suicide ensues or not, is guilty of an indictable offence and liable to imprisonment for a term not exceeding fourteen years.

Section 14 provides that no person is entitled to consent to have death inflicted on him. To escape criminal responsibility under either provision, it is not enough to say that the deceased gave his consent. There are also sections that deal with the legal responsibilities of a physician to his patients. Section 215, for instance, provides that those who have persons under their care must provide the necessaries of life, including medical care. However, this provision may conflict with the patient's right to refuse or interrupt medical treatment.

[*English*]

•(1630)

While physicians are divided over the euthanasia debate, a recent survey of the Canadian Medical Association revealed that 60 per cent of Canadian doctors support the need to review current legislation. I would not be surprised if that figure has changed, now that the issue has come even more to the fore. I met with some doctors last Friday night, and I was quite astonished at their reluctance that we should go ahead with modification of the Criminal Code. However, we will have a chance to review this if the committee is created.

Traditionally, the Hippocratic oath serves as a model for the ethical practice of medicine. It is based on the principle that the physician's first duty is to preserve and enhance life, not to destroy it. However, the growing proportion of terminal illnesses, combined with new technology, has made it difficult for the physician to determine how long he should sustain life and when it should be allowed to end.

Quoting from the report I made to the Quebec government:

> Ethical questions raised as a result of technological development arise particularly during the last moments of a person's life. Often, what is perceived as technologically possible quickly becomes the norm: all available means must be deployed to save or even simply prolong a life. Furthermore, it is far from certain that the widespread use of technologies always corresponds to the wishes of the individual. Ethical dilemmas multiply as technological development pushes back the frontiers of the possible. Today, traditional ethics, especially those based on the great ethical principles, are insufficient to guide choices, for instance when it is a matter of resuscitating a dying person, or even of undertaking or ceasing treatment.

These dilemmas will only be further heightened in the years to come as the Canadian population increasingly becomes an older population. Moreover, the increasing costs of health care will make the delicate balance between sustaining life or ending it an even more difficult one for those who want to contain health care expenses. This, in turn, creates many concerns about whether there would be abuse of new legislation that permitted euthanasia.

I would like the Senate to create this committee because of my interest in this matter. However, before we actually do anything, we all need some clarification. We need to hear from people from various sources so that we know, as we say in French "les tenants et les aboutissants" of such a complex question before the House of Commons decides to act.

Given the complexity of the matters surrounding euthanasia, it is necessary to look at some definitions. The first definition originates from the Greek language and means "good" or "easy death." The more modern definition of euthanasia is "the death of a seriously suffering person brought about by another person, whose intention is to end the suffering painlessly and whose motive is mercy." This can be broken down into three more components: voluntary, non-voluntary, and involuntary euthanasia. Where voluntary euthanasia is concerned, a person is mentally competent, properly informed, and freely chooses to die. Involuntary euthanasia is performed contrary to the person's will, while non-voluntary euthanasia is used on a person who is unable to express their will.

There is also a further distinction between active and passive euthanasia. A patient's refusal of treatment which leads to death is an example of passive euthanasia. Active euthanasia, on the other hand, hastens death, such as the administration of a lethal injection. These definitions, however, also vary according to who is using them. Some use terms such as active euthanasia, physician-assisted suicide or mercy killing interchangeably, while others use the terms for self-serving purposes.

[*Translation*]

In these last few years, two famous cases have thrust euthanasia into the news. First, there was the case in Quebec of Nancy B. who suffered from Guillain-Barré Syndrome, a neurological disorder that attacks the nervous system and paralyzes a person's muscles to the point where he cannot breathe without a respirator. Twenty-five-year-old Nancy B, who was paralysed from the neck down, asked that her respirator be disconnected. She had been bedridden for two and a half years when she decided that she did not want to remain hooked up to a machine for the rest of her life. She knew that her respirator was not helping her get well, but merely keeping her alive.

A Quebec Superior Court judge ruled in her favour. He found that she had the right to refuse treatment and that her decision did not violate the Criminal Code. The judge also had to decide whether the doctor would be held criminally responsible for his actions. He ruled that the doctor's actions would not be unreasonable or reckless since the patient herself had requested that treatment be discontinued. He did not feel that the doctor would be assisting in a suicide since Nancy B. was going to die anyway from her illness.

Following the ruling of the court, Nancy B. had her wishes carried out. In actual fact, her doctor helped her end her life.

[*English*]

The other case which has been scrutinized by the media is that of Sue Rodriguez. She suffered from amyotrophic lateral sclerosis, or Lou Gehrig's disease, a disease that destroys muscle function, leaving its victims immobile and eventually unable to breathe or swallow unassisted. Ms Rodriguez wanted section 241 of the Criminal Code struck down so that a terminally ill person could have the right to physician-assisted suicide. She felt that everyone had a right to make decisions concerning their own death. The British Columbia Supreme Court ruled against her, and the British Columbia Court of Appeal dismissed the appeal. The dissenting justices felt that it was a matter to be dealt with in Parliament and not in the courts.

The Supreme Court also dismissed the appeal in a five-to-four decision. The court ruled that section 241 does not violate the constitutional rights guaranteed under the Charter of Rights and Freedoms. The majority felt that the law was needed to protect vulnerable people who might decide to commit suicide in a moment of weakness. They were afraid that if the law were changed it could be abused, and they felt it would be difficult to create safeguards that would prevent abuse. Furthermore, they did not want to give the idea that the state approved of suicide.

The dissenting judges, however, felt that it was unfair that a patient who could not commit suicide by themselves could be prevented from doing so, while able-bodied people were free to commit suicide. One of the dissenting judges felt that the ruling deprived Ms Rodriguez "of the security of her person" because

she could not make decisions concerning her own body. She was being made the "scapegoat" for those who might abuse the law. Despite the decision of the Supreme Court of Canada, on February 12, Sue Rodriguez took her life with the help of an unidentified physician. The doctor had agreed right after the court's decision to assist Ms Rodriguez in her suicide, regardless of the legal consequences.

Rodriguez's death has highlighted the need for Parliament to study and debate this issue. If it is the wish of the House of Commons to have a free vote on the issue of doctor-assisted suicide for the terminally ill, we may have a free vote here before we send our report to the other side.

•(1640)

Sue Rodriguez was evidently not alone in her battle to have certain rights concerning her own death. A study from the University of Toronto Centre for Bioethics determined that many people are interested in having a say in their treatment and want to have the option of having a living will. Although living wills have not yet been recognized as law in Canada, Quebec and Nova Scotia have legislation allowing a surrogate to make decisions on the patient's behalf. Furthermore, Alberta, Manitoba and Ontario have proposed laws which would allow a patient to select a proxy as well as a method to make pre-illness decisions through health-care directives.

The United States, Britain and the Netherlands have also seen the need to review their legislation. In the U.S., euthanasia is still illegal, but in some instances the courts have allowed voluntary euthanasia. Furthermore, 45 U.S. states have legislation that recognizes the drafting of living wills and 30 states have laws that authorize the appointment of a person to act as the surrogate of a patient who has become unfit to make his or her own decisions. Living wills, however, are not always followed by physicians, because they have been criticized as being too general.

Contrary to some statements that have been made, although not in this chamber, euthanasia has not been legalized in the Netherlands, but physicians have been given legal protection so long as they follow strict regulations. The guidelines specify that euthanasia can be used only in cases where the patient suffers a "perpetual, unbearable and hopeless condition" and requests it only while lucid. The patient does not have to be terminally ill, but a second medical opinion is required. If the rules are not complied with, an offense is committed and is punishable by 12 years in prison.

England presently has a medical ethics committee which is studying the ethical, legal and clinical implications of euthanasia. Their report has just been released, but up until now euthanasia has not been a common practice in England. Instead, their focus has been to improve their system of palliative care, using it in such a way as to keep a dying patient comfortable and free of pain.

[*Translation*]

These examples clearly show that there are several approaches to the issue of euthanasia. I would like us to address together all aspects of this question. To this end, we must put aside our personal positions and biases in order to welcome with a totally open mind the groups and individuals who will appear before this committee if it ever comes into being. As I was saying earlier:

[*English*]

It will be with conviction that I shall support Senator Neiman's proposal, because I believe that I will be doing something useful.

[*Translation*]

Hon. Marcel Prud'homme: Honourable senators, sharp observers will find in the chambers of the Speaker of the Senate a wall inscription in Latin by Seneca saying *Nihil ordinatum est quod praecipitatur et properat.*

This translates into "Nothing is well ordered that is hasty and precipitate." These very wise words are found in your chambers, Your Honour.

[*English*]

I will translate that into English. Nothing is well ordered that is hasty and precipitate.

[*Translation*]

Among the big issues that will always drive humankind, three stand out. Whenever I speak to youth groups across Canada, the three big issues are capital punishment — on which all generations must make a decision — abortion and euthanasia. That is why I think that the Minister of Justice was very wise to accept the Senate's invitation to study this question in the calm and tranquillity that should reflect the Senate's qualities. We hear so many demagogic arguments on this issue that, in a fit of anger or in the grip of a poorly expressed and hasty public opinion, we could make the wrong decision.

I remember, honourable senators, that around 1972, I raised a question concerning attempted suicide. I raised this question in the House of Commons because events close to me had prompted people, for reasons we should not judge, to attempt suicide. As I said in the House of Commons at the time, if a suicide attempt was successful, people had a lot of sympathy for the family, but if it was not, it was considered a criminal act. I remember interceding with the then Minister of Justice, Otto Lang — I eventually became his parliamentary secretary. I explained to him the whole moral aspect, perhaps the whole human aspect of having this question of attempted suicide in the Criminal Code. While I was listening to my esteemed colleague Senator Neiman, and the no less esteemed Senator Lavoie-Roux, I asked the page — and I thank him — to quickly find me a copy of the Criminal Code, to be absolutely sure of what I am telling you today. The argument heard at the time was that we could take the question of attempted suicide out of the Criminal Code. *Martin's Annual Criminal Code 1994* explains:

[*English*]

> At one time, attempting suicide was an offence, but this section has been repealed so that the person who attempts to commit suicide does not commit an offence: Only the person who counsels or assists is guilty of a crime.

[*Translation*]

At that time, I must say with regret, I had to put up with all kinds of gibes in very poor taste in the House of Commons and even in public opinion because people wondered if I was suicidal. That is always the tragedy when you talk about such terribly difficult issues in life.

Senator Neiman, together with several others and with the consent of the Minister of Justice, you very wisely asked that this whole issue be referred to the Senate. I do not yet know how I will participate in the debate, but I can assure you, Senator Neiman, that I will follow this great question of euthanasia more seriously than anything else that could come before us in the Senate.

I already see that some members of the other place are getting excited. You know that people can engage in quite a bit of demagogy with this amazing issue. I am an advocate of the abolition of the death penalty. Why? Because I have always said that where there is life, there is hope. Even for the worst of criminals, I wanted us to be severe — not an admission of weakness, here — while also demonstrating a respect for life.

I had to go through all these crises several times, in the debate on abortion, in the debate on capital punishment and now in the debate on euthanasia.

It is good that we can have such debates occasionally. It is a fundamental debate that must be conducted with all the seriousness that should be granted to human life, the human person and respect for human beings. Whether this will lead to a new law allowing or forbidding euthanasia, we shall see in due course.

[*English*]

•(1650)

Honourable senators, it is a privilege and an immense responsibility to sit on a committee authorized to study euthanasia, and I know that the debate will be in extremely good hands. I will not prolong the debate today, but we must begin this debate in a serious atmosphere. This important proposal may eventually come to be submitted to the House of Commons.

If this debate were to take place in the House of Commons, the press would be outside the chamber and protesters pro and con would be on the front lawn. However, here we have the Senate quietly discussing a very essential, very modern, and very difficult issue. If I can offer any aid, I would be more than honoured to participate in this debate because I do not yet know, in my conscience, how I feel about this subject.

Honourable senators, the Senate is ready to deal with this serious issue and to duly consider the views that are yet to be expressed in committee.

Hon. Senators: Hear, hear!

Hon. Noël A. Kinsella: Honourable senators, in my experience in this chamber, this inquiry is the most serious subject-matter that we have been called to reflect upon. I would have preferred a packed gallery and full benches as we have this debate on Senator Neiman's inquiry, because the debate at this stage will no doubt help us as we debate the motion of which Senator Neiman has given us notice.

The inquiry states that the senator wishes to have a committee inquire into and report upon three elements relating to euthanasia and assisted suicide: the legal, the social and the ethical. Just one of those elements, in my judgment, would constitute an enormous undertaking, given the fact that the subject-matter speaks to our values as Canadians and our civility as a democratic society.

Let me reflect for a moment, honourable senators, on the legal element, which is so complex. We have the recently adjudicated five-to-four decision of the Supreme Court of Canada in the application brought on behalf of the late Sue Rodriguez. The relationship of section 241(*b*) of the Criminal Code and our Charter was canvassed and measured by their lordships. That, in itself, leads us to the need for a very special inquiry on that element — the legal and the constitutional.

As we know, honourable senators, assisted suicide, outlawed under the common law, has been prohibited by Parliament since the very adoption of Canada's first Criminal Code. This is, therefore, an area of the law dealing with a subject-matter that has a long, long history.

I thank Senator Neiman for identifying ethical issues as well. This is another area on which to concentrate. If the committee is set up and is to examine the legal dimension, it will be required to call witnesses who are constitutional lawyers, experts on the Charter, experts on the criminal law and on other areas of the law. However, it will also be important to canvass the whole spectrum of ethical issues. It will be important to hear from witnesses who have appeared before parliamentary committees in the past, such as Margaret Summerville of McGill University and Joseph Boyle of St. Michael's College, University of Toronto, and many others across the land.

I wish at this time to place on the record some of the ethical principles involved in this issue of assisted suicide. First, it is sometimes claimed that individuals have the right to die. In discussing rights, however, two points are commonly made: First, rights are correlative to duties; that is, my claim to a right is identical to, and concomitant with, a recognition of a duty on the part of another. The question that presents itself, then, is this: Does a right to die then imply a duty to kill?

Second, rights are commonly distinguished as either negative — that is, never to be interfered with — or positive — that is, to be positively provided for. The ethical question that presents itself is this: Is the right to die a negative right? That is, "No one can prevent me." Or is it a positive right? That is, "Another must provide this for me?" It would be a unique right indeed if it were claimed that it is both a negative and a positive right.

•(1700)

Assisted suicide is not passive euthanasia; assisted suicide is active euthanasia. One might want to reflect upon whether or not it would be wise to limit the study to one or the other, given the complexity and difficulty of the issue and the terms of reference given to the committee. Should we limit the inquiry to consideration of active euthanasia or assisted suicide, being specific to the issue now proscribed by the Criminal Code in section 241(*b*)?

In terms of assisted suicide, is active euthanasia an especial situation? This raises two issues: First, is it ever permissible to directly intend the death of another, even in the case of justifiable killing, such as self-defence, where the justification rests on the contention that the death of the other is not directly intended? Second, the call for assisted suicide implies a change from the absolute value of life to a more conditioned value of life. However, the value of life is no longer an intrinsic one. Are there other considerations or situations which might be seen to justify this direct termination? These are the kinds of questions that one would want to put to ethicists to draw other testimony on the ethical dimensions of this issue.

Third, is it ever permissible to choose a moral evil in order to avoid a physical evil? That is, may I lie in order to avoid punishment? If not, may I choose killing to avoid pain? These are the kinds of questions that the ethicists ask, and the committee, in my judgment, would do well to put before ethicists or moralists who ought to be invited to the committee should the study go forward.

Finally, there is another ethical principle involved in the issue that, it seems to me, should be canvassed. The issue here raises a question regarding the purpose of medical intervention. Perhaps this is under the rubric of "social" that is used in the terms of the inquiry, if the social dimensions encompass the medical dimensions. However, there are questions other than the medical-ethical questions as to the purpose of medical intervention. Is medical intervention justified on grounds of objective benefit to the patient, or by the fulfilment of the patient's subjective preferences? May not the term "benefit" itself be subject to equivocation?

Therefore, honourable senators, it seems to me that we have to consider whether we wish to focus on assisted suicide or active euthanasia. The subject-matter which is currently proscribed by section 241(*b*) of the Criminal Code can deal with that. Or do we wish also to examine passive euthanasia? Do we wish to look at both of those things in a tremendously elaborate study?

It seems to me it might be much more helpful, and much more direct, if we were to limit the study to assisted suicide or active euthanasia and to recognize, at the beginning, that we would have to canvass, as Senator Neiman has pointed out, the legal and the social, which is inclusive, I take it, of the medical as well as the ethical.

Consequently, honourable senators, I hope that the motion of which we have been given notice will come forward, will be carefully drafted and will give a fair degree of specificity as to what the mandate would be for the committee that is envisaged.

The Hon. the Speaker: Honourable senators, if no other senator wishes to speak, this inquiry is considered debated.

NATIONAL FINANCE

COMMITTEE AUTHORIZED TO ENGAGE SERVICES

Hon. C. William Doody, pursuant to notice of February 10, 1994, moved:

> That the Standing Senate Committee on National Finance have the power to engage the services of such counsel and technical, clerical, and other personnel as may be necessary for the purpose of its examination and consideration of such bills, subject-matter of bills and Estimates as are referred to it.

He said: Honourable senators, this is just a standard motion to facilitate the operation of the committee. In this case, it is respecting the Standing Senate Committee on National Finance. Obviously, the committee's budget will have to be considered by the Internal Economy Committee and then by the Senate, for specific approval. In the meantime, this motion gives us the authority to proceed with the work that the committee may be called upon to consider.

Motion agreed to.

The Senate adjourned until tomorrow at 2:00 p.m.

THE SENATE

Wednesday, February 23, 1994

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

[*Translation*]

SENATORS' STATEMENTS

OLYMPIC WINTER GAMES

CONGRATULATIONS TO MYRIAM BÉDARD

Hon. Philippe Deane Gigantès: Honourable senators, I would draw your attention to the dazzling victories of Miss Myriam Bédard, the pride of Quebec, who just won her second gold medal at the Olympic Games. Canada should be proud of this young lady who has an iron will and extraordinary talents.

NATIONAL DEFENCE

CLOSURE OF ST-JEAN MILITARY COLLEGE

Hon. Solange Chaput-Rolland: Honourable senators, I would have liked Senator Fairbairn to be here, because I am not looking to question or criticize anyone —

[*English*]

I would ask the Leader of the Government in the Senate to ask the Prime Minister and the Minister of Finance to keep —

[*Translation*]

— the Collège militaire de St-Jean open at all costs. I do not mean to criticize the budget; I am far from qualified to do so. However, coming from a military family, there is one thing I know. The college at St-Jean still attracts our young people even at a time when so many young kids lose themselves in alcohol, drugs, and whatever you want. I think this college is necessary not only for —

[*English*]

— the sense of what it will do to the community of St-Jean. That is not my business. My business, as a Quebec woman who has grandsons and whose brothers were in the army, is to beg the Leader of the Government in the Senate to tell the Minister of Finance and the Prime Minister that this college is an essential part of our Quebec culture; it is essential for our dignity of being, and for the military education and training of our young people.

Last week I was in Kingston. I was invited to give a lecture to the Royal Military College. If anyone wishes to tell me that that college will become bilingual overnight, he or she had better go there and stay there for a while.

If our young people can be trained in Quebec, in their language and in their environment, we may see a little less violence in our province, and a little more desire on the part of our youth to serve their country.

INTERNATIONAL TRADE

SALE IN RUSSIA OF UNITED STATES PHARMACEUTICALS

Hon. Stanley Haidasz: Honourable senators, I would bring to the attention of this chamber an article entitled "Russia Allows Sale of Drugs made in U.S." The article, which appeared in the *New York Times* on February 17, described an eight-page memorandum of understanding signed by the Food and Drug Administration of the United States and the Government of Russia, which also signed on behalf of the Russian Federation participants.

This is a coup for the U.S. trade commissioner and the American government. It is the first time in history that any country has allowed drugs manufactured in another country to be sold without any clinical testing or other type of bureaucratic requirements.

This agreement is also a great boon for the American pharmaceutical manufacturers and exporters. It gives them a great advantage over manufacturing companies and exporters of other countries that might want to sell their drugs in Russia. I am afraid that the Canadian manufacturing companies and exporters of pharmaceutical products will be at a serious disadvantage because of this agreement.

I hope the Minister for International Trade will take note of both this agreement and my representations here this afternoon.

Some Canadian pharmaceutical companies are already doing business in Russia and others are planning to do so. They require the support of our government, just as the American manufacturers had the support of their government, to penetrate the Russian market and to have such easy access.

[*Translation*]

ROUTINE PROCEEDINGS

INTERNATIONAL ASSEMBLY OF FRENCH-SPEAKING PARLIAMENTARIANS

TENTH SESSION OF REGIONAL ASSEMBLY— REPORT TABLED

Hon. Jean-Maurice Simard: Honourable senators, I have the honour to table the report of the tenth session of the assembly of the American Region of the AIPLF, which was held in Lafayette, Louisiana, from September 15 to 19, 1993.

BANKING, TRADE AND COMMERCE

EXPORT DEVELOPMENT ACT REGULATIONS— NOTICE OF MOTION TO EXTEND DATE OF PRESENTATION OF FINAL REPORT OF COMMITTEE

Hon. John Sylvain: Honourable senators, I give notice that on February 24, I will move that, contrary to the order made in the Senate on January 20, 1994, the Standing Senate Committee on Banking, Trade and Commerce, authorized to examine regulations proposed to the Export Development Act, be authorized to table its final report no later than March 28, 1994.

NOTICE OF MOTION TO AUTHORIZE COMMITTEE TO STUDY STATE OF CANADIAN FINANCIAL SYSTEM

Hon. John Sylvain: Honourable senators, I give notice that on February 24, I will move that the Standing Senate Committee on Banking, Trade and Commerce be authorized to examine the condition of the Canadian financial system in light of the major legislative and regulatory reform undertaken two years ago; and that the committee report to the Senate no later than December 22, 1994.

[*English*]

HEALTH

NOTICE OF MOTION TO ESTABLISH SPECIAL COMMITTEE ON EUTHANASIA AND ASSISTED SUICIDE

Hon. Joan Neiman: Honourable senators, I give notice that, with leave of the Senate, I will move later this day:

> That a special committee of the Senate be appointed to examine and report upon the legal, social and ethical issues relating to euthanasia and assisted suicide;
>
> That notwithstanding rule 86(1)(*b*), the Honourable Senators Beaudoin, DeWare, Gigantès, Keon, Lavoie-Roux, Neiman and Perrault act as members of the special committee, and that three members constitute a quorum;
>
> That the committee have power to send for persons, papers and records, to examine witnesses, to report from time to time and to print such papers and evidence from day to day as may be ordered by the committee; and
>
> That the committee present its final report to the Senate no later than December 15, 1994.

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

Hon. Senators: Agreed.

THE BUDGET

STATEMENT OF MINISTER OF FINANCE—NOTICE OF INQUIRY

Hon. Orville H. Phillips: Honourable senators, I give notice that on Tuesday next, March 1, 1994, I will call the attention of the Senate to the Budget Statement made by the Minister of Finance on Tuesday, February 22, 1994.

•(1410)

QUESTION PERIOD

THE BUDGET

EXTENSION OF WAGE FREEZE FOR PUBLIC SERVANTS—GOVERNMENT POSITION

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, last evening's budget is odious because of things it does not contain, which my colleagues and I on this side will develop in greater detail at the appropriate time. However, it is most odious because many of the things that it does contain go completely against what the Liberal Party has stood for over a period of many years, including what it again pledged during the election campaign, but now has completely forgotten. It is a betrayal of the supporters who saw hope — obviously false hope — in the promises of the Liberals before October 25. However, I will not now go into any particular details on that. We will have plenty of time later for discussing the budget when we begin our inquiry on it, but I wish to ask two questions arising from that budget.

When we were here in October of 1991 to discuss the bill returning the public service to work following their strike, Senator Olson, who was then speaking for the Liberal Party, said:

> In labour-management relations, honourable senators, one should at least discuss one's intentions with the other party before making an announcement; but this government did not do that.

And here the honourable senator is talking about the Conservative government. He goes on to state:

> It did not even go to the Public Service Alliance and discuss with them what its policy would be.

In his budget speech, Mr. Martin said:

> ...the government is announcing a two-year legislated extension of the existing salary freeze, and a two-year suspension of pay increments within grade.

My question to the minister is: Was there consultation with the Public Service Alliance on this issue — as urged on us by the Liberal Party on a similar occasion some three years ago — before it was announced?

Senator Olson: They already knew about it from you!

Senator Di Nino: Senator Olson has already answered the question, I guess.

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, there certainly have been conversations over a period of time between the government and spokesmen within the public service union. As for the degree of precision about which the honourable senator has asked, I will make inquiries of the President of the Treasury Board.

Senator Lynch-Staunton: This is not a nitpicking question. I am reminding Canadians that the Liberal Party has let them down on fundamental issues: First, on collective bargaining and negotiations with its own employees, it has completely neglected to take its own advice and do what it urged us to do.

Senator Bonnell: You are not even waiting for the answer!

Senator Lynch-Staunton: I have the answer. It is, "We will get at it another time." The answer is in the budget, if you read the budget speech: "Now we will consult."

Senator Hébert was speaking for the Liberal Party in 1993 when we extended the wage freeze. His was a very forceful speech; I remember it well. Concerning our bill freezing wages, he said:

> ...this bill continues the assault against federal employees which began with the 1991 budget. As honourable senators will recall, the salaries of public servants, MPs and senators were frozen by legislation in 1991. At that time, the average earnings of government employees were only $30,000 a year.

Senator Hébert continues to speak for the Liberal Party in this house and, I assume, the Liberal Party across Canada. He goes on to state:

> The earnings of civil servants had been below those in the private sector for over five years, and they had not kept pace with inflation over the same period.
>
> Civil servants have already been penalized by the government, and the legislation will pour salt onto the wound by extending the 1991 wage freeze through 1994.

I suppose they have enough doses of salt to go ahead and make the wound even worse by not only extending the wage freeze for two years but also halting any incremental increases within salary ranges. Therefore, you are compounding a problem which you saw and for which you criticized us, and I would like to know why that is.

Senator Frith: I thought a dose of salt had a beneficial function.

Senator Lynch-Staunton: That shows your age, Senator Frith.

I want to know how the Liberal Party of Canada can justify this complete change of face, which is shameful and a betrayal to the Canadian people.

Senator Fairbairn: Honourable senators, in preface I will say, and I think everyone in this house will agree, that at this point in time we are in the position of having to freeze public service salaries and of having to deal massively with the defence establishment, to the detriment of all of us. Senator Solange Chaput-Rolland has already movingly described that situation.

Our need to take that kind of action across this country, in every province and every region, and —

Senator Simard: You should cut the fat.

Senator Fairbairn: — the need for some other painful cuts that had to be made last night speaks to another issue. That issue is our fight against a $45.7-billion deficit.

Senator Lynch-Staunton: Accounting gimmickry, as you well know.

Senator Fairbairn: Oh, no, senator.

Senator Frith: That is their defence now, accounting gimmickry?

Senator Olson: They will not even admit to that.

Senator Fairbairn: Honourable senators, if you want to cast your minds back to a few years ago —

Senator Lynch-Staunton: Form another task force. You only have 15 in the budget.

Senator Fairbairn: Honourable senators, we may think of "a few years ago" as being in the mists of time, but I should like to remind honourable senators that, under the projections and assumptions of my friends opposite, we were supposed to be looking at a deficit this year of $14 billion. Put that in juxtaposition with the reality of $45.7 billion.

Senator Phillips: You sure made a mess of things.

Senator Lynch-Staunton: What about the wage freeze?

Senator Fairbairn: Quite clearly, figures like that make it absolutely imperative that this new government take action, and very tough action, that involves a freeze of the public service salaries.

It involves, as I am sure all of you will remind me and draw to my attention, a great many other difficult and unpleasant actions that we had to take. We had to take those actions in order to do two things: We must get a hold on the deficit and bring it down; at the same time, while not stifling economic growth, we must take into consideration the major message in this country, which is the creation of jobs in every corner of Canada. Those items are also contained in this budget.

Senator Lynch-Staunton: You were against the wage freeze.

NOVA SCOTIA

EFFECT OF BUDGET ON CORNWALLIS PEACE-KEEPING TRAINING CENTRE—GOVERNMENT POSITION

Senator Gerald J. Comeau: Honourable senators, I also will be reminding the government of the kinds of promises it made during the election period. One promise was to establish a peace-keeping training centre at Cornwallis, Nova Scotia.

I would like to quote a vote-seeking letter from the Prime Minister to thousands of voters in southwestern Nova Scotia:

> We also feel that peace-keeping should rank higher on the list of Canada's defence priorities in terms of budget, personnel and infrastructure. Cornwallis not only has impressive training facilities, it is ideally suited to serve as a staging area for international peace-keeping troops.

•(1420)

He goes on to say that they adopted a resolution for the training of troops at Cornwallis.

What we are getting from the new government is a private group of retired military people who organize conferences and seminars, and conduct research into peace-keeping. Where are the jobs in that? Where is the consultation with the people of southern Nova Scotia? We do not know when the contract was awarded. We do know that the announcement for the closure was made yesterday, and somehow the contract has already been awarded for the think tank. At a time when 2,200 Canadians troops are training in California — which I assume has better weather than southwestern Nova Scotia at this time of the year — the Canadian government is throwing Canadians out of jobs.

What will you tell the people of Atlantic Canada? Where will the jobs be coming from? Is this what we can expect from a Liberal government: Think tanks, seminars and conferences?

Hon. Joyce Fairbairn (Leader of the Government): The honourable senator has obviously read the portion of the budget papers that indicates there will be support for a training centre at Cornwallis. However, it is not the kind of training centre that was originally spoken of.

The question asked was: Will this government be working only on studies and research and not on jobs? I would make the point to my colleagues in the Senate that jobs remain the underpinning of the government's programs, and in order —

Senator Lynch-Staunton: They're celebrating in Chatham tonight.

Senator Fairbairn: Honourable senators, I know that there is unhappiness in Calgary today as well, and —

Senator Lynch-Staunton: And Toronto.

Senator Fairbairn: And Toronto, and in many other places across the country. However, we have taken the initiative and are moving to create job opportunities in this country. We have had to find money to go ahead with an infrastructure program. We have had to find room in the budget to put together a job creation scheme through small business by guaranteeing the lowering of the premiums for unemployment insurance —

Senator Lynch-Staunton: That's next year, not this year.

Senator Fairbairn: — which will create a great number of jobs in this country. We are also creating an $800-million fund to —

Senator Lynch-Staunton: Stick to the facts. You raised the premiums.

Senator Fairbairn: I am sticking to the facts. We will now be able to lower considerably unemployment insurance premiums for businesses and individuals over a two-year period, which may well create 40,000 new jobs.

Senator Lynch-Staunton: Everything is two years down the road.

Senator Fairbairn: We have also been required to find money for the $800-million fund that will go towards funding the kinds of joint projects with the provinces that will create job opportunities all across this country.

As you know, we are starting in this house today a review of a major policy area that will change the way we do business in the military in this country, aiming at a more effective and efficient operational force.

•(1430)

We are also undertaking probably the biggest challenge in recent memory in changing the social programs of this country to make them efficient, affordable and effective for Canadians: action that senators on both sides of this house will find painful. It is something to which this government is committed, and it is something we believe will affect the lives of Canadians in areas where they need the most help, encouragement and support to work, rather than being on social assistance or unemployment insurance.

THE BUDGET

MILITARY AND FUNDING CUT-BACKS— EFFECT ON EMPLOYMENT

Hon. Pat Carney: Honourable senators, I should like to direct some questions to the Leader of the Government in the Senate. If in fact, as the leader has said, jobs remain the underpinning of the Liberal program, why then is the government eliminating 16,000 jobs on military bases? That was an option open to us which we did not take up. Second, why is the government eliminating infrastructure in the maritimes without putting in place offsetting programs, which is something our government did not do. Further, why is it that, if the government is relying on small business to create new jobs, they are cutting the very funds from the Western Diversification Program that have been instrumental in the successful creation of new jobs in the west?

Senator Simard: And ACOA.

Senator Carney: I will leave it to our maritimes senators to point out the problems with regard to ACOA.

However, indications are that the government is cutting hundreds of millions of dollars out of a program for small business that has created new jobs in Western Canada.

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, it is quite true, as Senator Carney has said, that the former government did not take the action that would result in the reduction of 16,000 jobs in the military. That is one of the reasons why this government is currently faced with extensive clean-up and restructuring of the military, and the Minister of National Defence has taken on that responsibility. No previous governments, including former Liberal governments, took the responsibility of progressively changing the structure of the military infrastructure in this country to meet the changing needs in the world. We in this country are operating on an infrastructure that dates back to the Cold War, and even to World War II.

Senator Lynch-Staunton: We closed Lahr and we got out of Cyprus. Come on, now!

Senator Fairbairn: Certainly we will have reductions in employment because of these cuts, there is no question about it. Every possible effort will be made, through the military establishment as well as the public service, to treat these people with the utmost sensitivity in terms of their future.

As far as the Western Diversification Program is concerned —

Senator Berntson: An excellent program.

Senator Fairbairn: It is an excellent program, but it will have to be readjusted to meet new needs.

Senator Berntson: It doesn't have any money.

Senator Fairbairn: It will have money to devote strategic financing to projects in Western Canada, as will ACOA in the maritimes.

Senator Carney: Honourable senators, I would not mind the objective of cutting the deficit if we did not have the hypocrisy that goes with it. You cannot cut jobs in the military and cut jobs in the Western Diversification Program, and then talk about strategically creating jobs elsewhere.

R&D CUT-BACKS—EFFECT ON BRITISH COLUMBIA

Hon. Pat Carney: Another issue I would raise at this time is the issue of fairness. British Columbia has taken an especially heavy hit in this budget. This government has cancelled the KAON project, which is the largest single scientific project ever conceived in Canada, and has left B.C., the fastest growing province with 12 per cent of the population, with a mere 3 per cent of R&D grants distributed by Ottawa. How does the government intend to address this issue of fairness in terms of offsetting R&D programs in British Columbia?

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I know that the former minister strongly supports that program in Vancouver, as do my colleagues from British Columbia on this side of the house. Again, that was one of the incredibly tough decisions that had to be taken. The decision of the Minister of Finance in the case of the KAON project was based, in part, first, on the fact that there has not been the international financial support for that project that might have been wished for, and second, the government in the current circumstances simply cannot afford to fund a project of that magnitude.

In terms of scientific research and development, and given the fiscal situation, the commitment of this government is to strongly support scientific development and research in this country.

Senator Carney: But not in British Columbia.

Senator Olson: I would not say that.

Senator Fairbairn: I would suggest to Senator Carney that the program of this government will be strongly influenced by senators, by members of the other house and by ministers from every part of Canada, and I would hope that there will be support for scientific research and development in the province of British Columbia.

Senator Carney: Not in this budget.

THE ENVIRONMENT

INTERNATIONAL JOINT COMMISSION—RECOMMENDATIONS ON TOXICITY REDUCTION IN GREAT LAKES—GOVERNMENT POSITION

Hon. Mira Spivak: Honourable senators, last week in its seventh bi-annual report, the International Joint Commission stated once again that the Great Lakes and the life forms that depend upon them remain at an unacceptable level of risk from persistent toxic substances. These risks include not only cancer but also neurological, reproductive, developmental and immunological adverse effects. There is emerging evidence to that effect. Among other things, the commission has called for the development of:

> ...sunset timetables on the use of chlorine and compounds containing chlorine in industrial feed stocks, and an examination of means for reducing and eliminating other uses.

In view of the fact that the Clinton administration recommended that, as of January 28, 1994, their Clean Water Act be amended to restrict or prohibit the discharge of the most highly toxic pollutants — and they are specifically dealing with chlorine and chlorinated compounds as well — can the Leader of the Government answer a question which puzzles me because of the answer given by the Minister of the Environment to the same question when it was asked in the House? The question is: Does the Government of Canada recognize in principle the need for the virtual elimination of these chemicals, or for taking the country towards a zero-discharge goal? If so, will the Leader of the Government inquire of her colleague the Minister of the Environment in what time frame the Government of Canada will move to implement this vital recommendation of the International Joint Commission?

Hon. Joyce Fairbairn (Leader of the Government): I thank the honourable senator for her question. I know that my colleague in the other place, Ms Copps, has been following this issue closely, and that she spoke about it both inside and outside the house just last week. I will send the honourable senator's question to her and bring back a full answer.

HEALTH

CENTRE OF EXCELLENCE FOR WOMEN'S HEALTH—NATURE AND FUNDING—GOVERNMENT POSITION

Hon. Janis Johnson: Honourable senators, my question is for the Leader of the Government. In August of 1993, the previous government announced the establishment of a women's health bureau within the Department of Health, a department with full representation in cabinet, to ensure that women's health issues were a priority in our health system.

•(1440)

Given that the Centre of Excellence for Women's Health, as announced in the Throne Speech and reiterated again yesterday in the budget, is the responsibility of the Secretary of State for the Status of Women, a non-Health Ministry, can the Leader of the Government in the Senate please tell us when the government will begin work on the centre?

Perhaps the Leader could answer these specific questions: First, how will the proposed Centre of Excellence for Women's Health and the Department of Health interact in terms of the functioning and funding of the centre to ensure that women's health issues receive priority?

Second, what are the health issues to be targeted by this centre, and how will these decisions be made?

Third, given the lack of research funding for women's health problems to date — for example, the Women's Health Research Foundation of Canada located in Winnipeg estimated that in 1991-92 only 3 per cent of all medical research funds in Canada went directly to women's health research — what portion of the centre's resources will be dedicated to funding such research, and how will this be determined?

Honourable senators, I can appreciate that the Leader of the Government in the Senate may not have that information today; however, if she could seek this information and table it in the Senate as a delayed answer as quickly as possible, that would be appreciated.

Hon. Joyce Fairbairn (Leader of the Government): I would be pleased to do so, senator. The Centre of Excellence for Women's Health is an important issue, particularly to the Prime Minister. I will endeavour to find out for you, in as much detail as possible, the timing and guidelines that might pertain to this issue.

I can assure you that the Minister of National Health and Welfare has and will continue to have a strong interest and involvement in this issue.

[*Translation*]

NATIONAL DEFENCE

EFFECTS OF CLOSURE OF ST-JEAN MILITARY COLLEGE

Hon. Thérèse Lavoie-Roux: Honourable senators, my question is for the Leader of the Government. As mentioned before, we have just learned that the Collège militaire de St-Jean is to be closed. I suppose the government came to that decision after a thorough evaluation of the economic impact of this establishment on the area. Could the Leader of the Government tell the Senate how much money will be saved and how many direct and indirect jobs will be lost? I acknowledge that the number of indirect jobs will be more difficult to assess.

My second question is as follows: Is this the government's final decision? If such is the case, it will mean the closure of the only French language military college in the country.

Moreover, the Collège militaire de St-Jean plays an important role as a link between French-speaking and English-speaking military personnel, not to mention the fact that the Canadian Armed Forces are now recognized throughout the world as an institution where one can serve in either official language. It is a very strong element that sets Canada apart.

[*English*]

Hon. Joyce Fairbairn (Leader of the Government): I thank the honourable senator for the question, and I thank Senator Chaput-Rolland for her statement.

I will take these representations to the Prime Minister, the Minister of Finance and the Minister of National Defence. I can assure you that the actions taken during the process leading up to the budget were taken with a great deal of thought and, I think it is fair to say, a great deal of anguish. The emotion and the feelings you express over the college at St-Jean are quite in keeping with the feelings expressed by the strong supporters of Royal Roads Military College in Victoria.

I will undertake, honourable senators, to obtain a breakdown on the job question. I have no comfort for you today, but I shall pass on your representations, and I certainly share your anguish.

[*Translation*]

Senator Lavoie-Roux: Honourable senators, I have a short supplementary. I agree with the Leader of the Government that British Columbians have the same feelings over the college in Victoria. However, I would like the Leader of the Government to take into special consideration the totally French environment maintained at the college at St-Jean, which has a long tradition, and which has been of great assistance not only to the Canadian Forces but also to some members of this assembly.

[*English*]

THE BUDGET

REMOVAL OF TAX CREDIT—EFFECT ON SENIORS

Hon. Consiglio Di Nino: Honourable colleagues, prior to asking my question, I wish to state that I find it difficult to believe that Senator Fairbairn participated in the meetings leading to the decisions that were preliminary to yesterday's budget. She has always shown such caring and compassion, and yet she and her colleagues, honourable senators, decided to establish a means test for the tax credit for those Canadians 65 years and older, the impact of which will result in some 800,000 seniors paying more taxes, of which 200,000 will be paying in the neighbourhood of $950 or more in taxes.

I should like to ask the Honourable Senator Fairbairn to explain why her government decided to establish such an unfair and discriminatory means test?

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, the proposal in the budget is, again, a proposal one certainly would have preferred not to make. However, the government is seeking extra revenue to support job creation and development in all parts of the country.

It is not fair to describe this measure as punitive. Twenty-five per cent of the seniors of Canada will be affected in some degree by this measure. It is an effort to preserve and protect those at the lower end of the income scale and ask those at the upper end ultimately to contribute a bit more through the removal of the tax credit.

Senator Di Nino: May I ask a supplementary, Your Honour?

The Hon. the Speaker: Honourable senators, I have been lenient in allowing questions and answers to exceed the 30-minute time limit. However, yesterday, I found that when we passed the 30-minute mark, the questions and answers were rather lengthy. We went well beyond the limit.

If the senator wishes to put his supplementary briefly, we might get a brief answer.

Senator Di Nino: Thank you, Your honour. I appreciate the opportunity to place a supplementary.

Would the honourable senator please explain to Canadians, and in particular to seniors, why her government believes that seniors with a net income of over $25,921 are considered wealthy and therefore subject to a higher level of taxation? Does the honourable senator really believe that a senior making a net income of over $25,921 can afford to pay more in taxes?

Senator Fairbairn: Honourable senators, with the elimination of the tax credit at a certain level, all of the seniors of Canada are not being asked to pay a higher level of taxation. We are not attacking the seniors of Canada and saying that those who earn $26,000 are wealthy people. Of course they are not. The elimination of the tax credit occurs at the level where an individual would be earning close to $50,000. Eliminating the tax credit at that level is not something one would want to do, but it does not represent an enormous sum of money at that level.

The other point I would make is that we have been urged by others, with great enthusiasm, to cut and slash programs that are the underpinning of our social security net and extremely important to the seniors of Canada, whether the cuts be in the field of health, insurance, or even RRSPs. The government did what it could in the least intrusive way, and held on tight to the rest of the social safety net until we can determine, after public consultation and working with seniors and with every sector of our society, how we can have a strong and secure Canadian social safety net that will provide protection to Canadians in a more affordable and efficient way. That is the project for the next few months. It is a project that will produce legislation, we are told, by the end of this year, and which will be debated into the next.

I assure you that the segments of Canadian society which are the most worthy of the greatest consideration are, on the one end, our seniors, and on the other end, our young people. Tremendous efforts are being made to put young people into a job situation and a training situation that will enable them to make a contribution and to participate in our economy.

DELAYED ANSWERS TO ORAL QUESTIONS

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, it is my pleasure to give two delayed answers to questions. The first is to a question asked on February 10 by Senator Gerald Ottenheimer on the extension of jurisdiction beyond the 200-mile limit. The second was also asked on February 10, by Senator David Tkachuk on the Saskatchewan infrastructure program.

FISHERIES AND OCEANS

EXTENSION OF JURISDICTION BEYOND 200-MILE LIMIT— GOVERNMENT POLICY

(Response to question raised by Hon. Gerald Ottenheimer on February 10, 1994)

In the recent Speech from the Throne, the government indicated it would take measures to end foreign overfishing outside Canada's 200-mile zone with respect to straddling stocks on the Nose and the Tail of the Grand Banks. A review of options is under way. Internationally, the government is vigorously pursuing all legal and diplomatic measures. However, if these initiatives do not solve the problem, the government has also made clear that it is prepared to take unilateral action.

Canada scored an important conservation victory last week in Brussels. On February 17, the Northwest Atlantic Fisheries Organization (NAFO) agreed on a moratorium on fishing for cod off the southern Grand Banks (area 3N0). We fully expect that every NAFO member, including the three who abstained (Norway, Denmark for Greenland and Faroe Islands, and the European Union) during the NAFO vote last week, will comply with the moratorium, which will apply to all members just as it applies to Canada.

Another recent achievement is the negotiation of an agreement in the U.N. Food & Agricultural Organization (FAO) to promote compliance by fishing vessels with international conservation rules on the high seas. It requires 25 countries to formally adopt the agreement before it can enter into force. Canada hopes to become party before the end of 1994 and will encourage key states to do so. In practice, this new agreement means that NAFO conservation decisions will apply to any country that accepts the FAO Agreement, whether they are NAFO members or not.

Joint diplomatic approaches, during the week of February 21, will be made by senior officials from Canada, the European Union, Japan and Russia to NAFO non-member states whose vessels are fishing in the NAFO Regulatory Area, namely, Panama and Honduras (Belize and Sierra Leone will be visited later). The message from all NAFO members to these countries is that they must

immediately withdraw their vessels from the NAFO Regulatory Area.

At the United Nations, as a result of Canadian initiative, a conference on high seas fisheries problems is under way. Canada is seeking the recognition of enhanced rights for coastal states and would like to see these entrenched in a binding legal instrument as the outcome of the conference. The conference resumes in March 1994 to complete its work in time for the 1994 Fall UN General Assembly.

A successful conclusion of the conference, combined with other diplomatic and legal initiatives, represents Canada's best hope for a lasting solution to high seas overfishing in the Northwest Atlantic.

FEDERAL-PROVINCIAL RELATIONS

ADMINISTRATION OF INFRASTRUCTURE PROGRAM— GOVERNMENT POLICY

(Response to question raised by Hon. David Tkachuk on February 10, 1994)

The Canada Works infrastructure program in Saskatchewan, as elsewhere, is being implemented quickly and effectively to provide a much-needed boost to employment and to basic infrastructure across Canada. This is the commitment we gave in the election campaign. This is the commitment we are fulfilling.

The Government of Canada has met its federal responsibility to make available funds to each province in accordance with a national formula. In Saskatchewan, the province has proposed a distribution of funds which allocates significant funds directly to municipalities. It also proposes to set aside funds for communities whose capacity to finance infrastructure is limited, for projects which will benefit a number of communities or which will introduce innovative technology.

We have been prepared, in the spirit of cooperation with which we entered these negotiations with the province, to consider the distribution proposal. That proposal will soon be considered by the management committee.

The most important requirement for us in implementing this program is that jobs are created and infrastructure is built or repaired, and that this be done soon. We are sensitive to the views of municipalities and to the fair distribution of the benefits of the program

ANSWER TO ORDER PAPER QUESTION TABLED

NATIONAL DEFENCE—CONSULTATIVE COMMITTEE ON SOCIAL CHANGE

Hon. Gildas L. Molgat (Deputy Leader of the Government) tabled the answer to Question No. 1 appearing on the Order Paper — *(Honourable Senator Marshall)*.

BUSINESS OF THE SENATE

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, before we proceed to Orders of the Day, this might be a good time for me to tell senators the results of my discussions with my colleagues opposite on the business of the week.

We expect that later today we will get a message from the House of Commons regarding the appointment of a Special Joint Committee on National Defence. The House of Commons is expected to vote this afternoon, and after that happens we will get the message here. In my consultations with my friends opposite, there was agreement that we would revert to that order at that time, and proceed to establish that committee today. There is some urgency in this matter, because in the other place the committee has been formed, and we should be prepared to participate as quickly as we can.

We have also agreed that we will revert later today to the motion by the Honourable Senator Neiman on the question of a committee on euthanasia.

I expect that tomorrow we will receive the required constitutional resolution on the fixed link to Prince Edward Island. It is not essential that we complete that item this week. It was completed in the other place in one day, and if we can complete that tomorrow, that would be convenient, but it is not essential.

On the basis that we will complete the other two matters this week, we will then have nothing remaining on our legislative calendar. The House of Commons will not be sitting next week, therefore there will be nothing processed in that place. That having been said, and considering the costs of assembling us, it is my recommendation, and my honourable friends have agreed, that we would adjourn tomorrow until March 15. That is a long recess, I realize, but I do not think there is any point in having senators here if we have no business before us with which to deal.

However, a number of our committees do have work before them. The Standing Senate Committee on Aboriginal Peoples has an order of reference regarding aboriginal veterans. Presumably today we will establish the committee on euthanasia. The Special Joint Committee on National Defence will be organized later today, we hope, and it is my expectation that in that second week the committees will be meeting actively and will thereby get a great start to their work, since they will be able to hold full day meetings without having Senate sessions in between.

Hon. C. William Doody: Could my honourable friend enlighten the National Finance Committee as to the status of the interim supply bill, the supplementary supply bill, the Estimates and other matters? I imagine that the government will want them, or at least some of them, before the end of March. Can you indicate when we will receive such bills and other items, in order that the National Finance Committee can plan its work?

Senator Molgat: My honourable friend is correct. There will be two supply bills forthcoming, and those will be needed before the end of March. I do not expect that we will receive those here in the Senate before March 22. That is my expectation at this time. If we can dispose of those bills during that week, we would again be well ahead in our calendar.

I expect another bill will be required before the end of March: that is Bill C-3, involving equalization payments. That one will also be required before the end of the month.

Senator Doody: Therefore it is pretty safe to assume that the more things change, the more they remain the same. These bills will come up in the last week of March, and the government will want them back before the end of the month.

Senator Molgat: Yes. My honourable friend has been involved in this process for as long as I have, and he knows that that seems to be the standard system. However, if we do get those bills here in the Senate on March 22, which is a Tuesday, I think it is an advance on what we have had in the past, since we have normally received them over here on a Thursday.

Senator Doody: I will take my friend's word for it.

Hon. Jack Marshall: I have a question for Senator Molgat. Does the line-up you have announced for tomorrow's Orders of the Day restrict us from completing the Orders of the Day? I have an inquiry on which I would like to speak tomorrow.

Senator Molgat: Not a bit. I see no reason why we should restrict any debate. In fact, if we do not conclude our work, we can sit on Friday and we can sit next week. There is no attempt to restrict in any way.

In fact, Senator Phillips made reference to the budget debate today. If there is a desire to proceed with the budget debate at an earlier date, we could certainly accommodate honourable senators by meeting next week or the following week. I am certainly very open in that regard.

Senator Marshall: I just do not want the people who will be attending to listen to this debate to be disappointed.

Senator Molgat: Let me assure honourable senators that there is no attempt to curtail debate in any way. We will have all the debate that we want, and we will explore every subject in depth.

[*Translation*]

•(1530)

ORDERS OF THE DAY

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

On the order:

> Resuming the debate on the motion of the Honourable Senator Gigantès, seconded by the Honourable Senator Cools, for an Address to His Excellency the Governor General in reply to his speech at the Opening of the First Session of the Thirty-fifth Parliament. — (*6th day of resuming debate*)

Hon. Jean-Claude Rivest: Honourable senators, first of all I would like to offer the usual congratulations to the Speaker of the Senate and say that I look forward to working with him and all honourable senators in a spirit of harmony and cooperation.

It has now been almost one year since I first took part in the proceedings of this institution, and it has been a pleasure to work with all honourable senators.

Honourable senators, the challenges facing Canada today are impressive. On the international scene, it is clear that the restructuring that has taken place in Eastern Europe will create new responsibilities for Canada and a need for new approaches. We are all very proud of our country. Canada, as a middle power with impeccable credentials internationally, can and indeed must make its own specific contribution. The international situation demands this, as it has during the past ten or fifteen years.

As far as the economy is concerned, Canadians are experiencing some very serious problems, but we can say that under the leadership of the former Prime Minister, the Right Honourable Brian Mulroney, some very important decisions for the future were made when both houses passed the free trade agreement with the United States and the North American Free Trade Agreement with the United States and Mexico. With these guarantees, our country will be able to play a remarkable role in the international economy, and Canadians across the country will benefit.

When we think of the prospects of our country's youth, if these decisions had not been made and this perspective had been ignored, I think our young people would have had no future at all. I am convinced that, thanks to these decisions, they can look forward to a better future.

Unfortunately, despite all of these efforts in the international sphere and elsewhere, we still face a very serious crisis within Canadian society. There is a crisis in individual values and family values, and this is something both federal and provincial governments must understand. It is causing a host of new problems. All levels of government must change their perspective in order to recognize the importance of human values, amid their political and administrative concerns. This is indeed an area where a change in policy is necessary.

We have just been considering some very serious problems such as euthanasia, but there is also the problem of violence against women and young people, and the breakup of family structures. All these problems should be at the centre of political debates and concerns.

Naturally, there are some urgent questions such as job creation. All politicians in the country are talking about it, because this is what people expect of them. Everywhere in Canada, this is the number one priority. In the short term, it should be our main objective.

The other important objective, once again highlighted by the budget, is the fight against the deficit. On this side of the house, honourable senators, we always said that the Canadian deficit was compromising the initiatives that the government should take regarding job creation and changes in the living conditions of individuals. I do not want to talk about the budget at this time, but perhaps the only merit of the budget that was tabled yesterday by the Minister of Finance is that the Liberal government became concerned, and finally understood that there was indeed a deficit problem. We did not hear much about that

during the election campaign, but nevertheless, the action that the government took and the way in which it was done — and we will talk about that later — shows that the problem is very serious.

We must address those issues of the challenges facing Canada on the international and domestic levels, the value crisis, the public finance crisis, and the needs in terms of employment. I would simply bring to the attention of honourable senators that, in order to be able to face all of those challenges that are common to all Canadians, Canada must avoid falling once again into a political crisis following what could happen to the Quebec government.

If the party now in office in Quebec, the Liberal Party, were defeated, there would be a major crisis not only in Quebec, but also throughout Canada. This dimension of the political scene in Canada cannot be ignored, otherwise all of the nice ambitions that we may have in Ottawa, be they of the government or of the opposition, might be seriously compromised.

Yesterday I mentioned, by way of a question, that my greatest disappointment with the present government's discourse was that it has completely ignored, not only in the Throne Speech but also since it came to office, this extremely important aspect not only of the Quebec situation but also of the Canadian one. The government is acting as if this problem did not exist.

However, this problem does and will exist. As far as I am concerned, I will do my best, as will many other honourable senators from Quebec on both sides of the Senate. I trust that the Quebec Liberal Party, under the leadership of the new premier, Daniel Johnson, will be a winner. We Quebecers who believe that Quebec's future lies within Canada will succeed in convincing our fellow Quebecers that it is the way of the future.

This presupposes that the Canadian government acknowledges, is open to and aware of the seriousness of the problem that Quebecers will be facing and — although I hope it does not come to this — that the whole of Canada will be facing.

Senator Jessiman asked what could be done to convince Quebecers to stay within the Canadian federation. We must first of all acknowledge and accept — and I wish it could be made clear by the current government — Quebec's historical, sociological and political reality, its valour and its contribution to the Canadian federation and to Canada as a whole.

You know that in many respects Quebecers are exactly like other Canadians. Why do we, as Quebecers, share with other Canadians the goal of participating in the building of Canada and of continuing the Canadian experience? Because we fundamentally share the same values as Canadians in general, in terms of individual freedoms and democratic rights. We share a similar vision about the building of the economy, and about the way jobs and the market economy generate prosperity. We share with all Canadians this ambition to spread and distribute our collective wealth among all classes of society. This very strong ambition of Canadians and Quebecers is proof of their commitment to social programs.

I could also say as a French-speaking Quebecer that Quebec is the main anchor of French culture in Canada. Quebec never said it was French Canada by itself, since all provinces have citizens of French descent as deeply committed to preserving their French language and culture as are Quebecers.

There is, therefore, an array of fundamental characteristics which confirm that Quebecers, French- or English-speaking, want Quebec to remain in the Canadian federation. We could say to our fellow citizens that we share our basic values as citizens and individuals with all Canadians. It is on that basis that we can and should continue to build and consolidate a country such as Canada, which holds at both the national and international levels an enviable position of prestige and authority, a source of pride for both Canadians and Quebecers as a whole.

Some Hon. Senators: Hear, hear!

Senator Rivest: However, there are a number of conditions to that, honourable senators. Historically, what is this specificity, this ever more particular interest that Quebec is generating in the Canadian debate? By the way, this issue is so constantly at the forefront of Canadian news that, as Quebecers, we sometimes have the feeling that we are getting a little on our fellow citizens' nerves.

I understand much of the reactions of our fellow citizens, but this is a historical reality, for which Quebecers — and to some extent our compatriots of French language and culture living outside Quebec — have fought since the Quebec Act.

Quebec's participation in the Canadian federation presupposes that Quebecers feel that they exert some kind of influence, and not only at the federal level. Heaven knows they have influence, power and responsibilities at the federal level, but they must have their own government, on their own territory; a government to which they can turn.

Of course, the strongest and most far-reaching expression of that feeling is the independence sought by members of the Bloc Québécois; they want the Quebec government to have full powers. However, in spite of the extremely important election results that we have seen, the majority of Quebecers do not think that sovereignty is absolutely necessary.

However, we still need some guarantees with respect to the powers of the National Assembly. This is not an issue that has just arisen because of the Parti Québécois or the Bloc Québécois. This is something that goes all the way back to 1774, to the Quebec Act; this concern was recognized when a specific territory was given to people sharing a common language, a ommon culture and a common religion, for at that time religion was a very important consideration.

In 1867, the country was founded, and one of the main reasons why we have a federal as opposed to a unitary system of government is that we fully realized that, to preserve Canada's integrity, we had to give Quebecers special jurisdictions, allow them to have their own government, their own national assembly which would deal in its own way with education, health, local issues, land use management, and natural resources ownership. Thus, all Canadians, the ones from the first four provinces and those from provinces which joined later, have benefited from the federal system that we created.

Economic, social and cultural problems have evolved in such a way that everything now seems to concern both levels of government. This is why we have such a hard time selling federalism to Quebecers and to convince them that federalism is still a valid option.

In my view, Quebecers have one great fear, which may explain why they voted so overwhelmingly for the Bloc Québécois and why the polls show that they tend to support the Parti Québécois. Basically, Quebecers are worried that the powers and authority they require to manage their own society at the national assembly level are slowly eroding. Quebecers — and myself among them — are not demanding that all powers be handed over to them. As Quebecers, we want to define our own society and keep certain powers, while remaining a part of the entity that is Canada, with which we share the same values.

This is why the Meech Lake agreement mentioned the distinct character of the various components. What, in essence, will be the substance of what federalists will be saying to Quebecers, in the upcoming crucial elections? What will they have to say about independence which, by force of circumstance, will be the focal point of the political debate?

Not only must the authority of the Quebec National Assembly in the area of education be recognized and accepted, it must be extended in a modern context. That is why we are asking and pressing for job training to be recognized, and for project management to be fully recognized as coming under the jurisdiction of the Quebec government.

It is quite simple: This debate is about the quality of our resources. When I hear the current Prime Minister of Canada has to say about education issues, about the whole analysis, this becomes clear. I remember a document from the Economic Council of Canada wherein the council questioned why the federal government was involved in all of these areas.

There are loads of documents and analyses from the Quebec Ministry of Education, which clearly show the shortcomings of our education system. What the people of Quebec fear is that the federal government, and particularly the federal bureaucracy, will somehow manage to standardize curriculums across Canada, using changes in modern economic conditions as an excuse. It is probably just as true for other regions of Canada. Quebecers are just as intelligent and able to understand the basic facts behind the evolution of the global economy and, as a result, to adapt their own education system without the need for standards unilaterally set through the spending power of the federal government.

The Hon. the Speaker: I am sorry to interrupt, Senator Rivest, but I must tell you that your allocated time has expired.

Honourable senators, does the honourable senator have your permission to continue?

Hon. Senators: Agreed.

Senator Rivest: The same thing could be said about health, about social services, about every issue that seems to be emerging.

Some could call this basic concern of Quebec a somewhat nationalist vision, if you will, of Canadian federalism.

With regard to the nationalist vision, I just want to say that I found Senator Grafstein's speech very sad, in many respects, because he only talked about the extremes in that area.

I am sorry, but essentially Quebecers have never and will never agree to be part of a Canada which is unable to recognize that Quebec is a distinct national community within this country, and which is unwilling to recognize that strengthening the Quebec community within Canada does not mean and will never mean that we wish to abandon Canada. Quite the opposite; it will give Quebec the opportunity to assert itself, to become more dynamic and to enhance the Canadian identity. In that sense, all of us Quebecers are nationalists. I, for one, am a Quebec nationalist and a federalist.

Given these circumstances, I am interested in working to establish the specific and distinct character of Quebec, which would help us to define a society where I can feel at ease, a society which encompasses the French language and culture, and which is open to other communities. At the same time, I feel as though I am making the unique and exceptional contribution that only Quebec can make to the definition of the Canadian identity at the international level. This is what our goal and our plans are all about.

Hon. L. Norbert Thériault: Would Senator Rivest entertain a question?

Senator Rivest: Very well.

Senator Thériault: I listened carefully, as I always do when Quebec nationalists describe their position. I find this intriguing and disturbing. We are often under the impression that there are quite a lot of people in your province who think that they are the only ones who are French, and that the others do not count. However, my question is not on that subject. My question is: Is Senator Rivest's "Quebecer-Canadian" definition reflected in this famous Allaire report?

Senator Rivest: Not at all. The Allaire report is, in fact, a vision. I think Senator Thériault is very sensitive about that. I know he is as concerned about this as I am.

The way I see it is very simple: I said that Quebec was the main centre of the French fact in Canada, but not the only one. I underlined the contribution and existence of the French-speaking community, and the bilingualism policy. But the fundamental problem with the Allaire report, as will be seen in the debate that is about to take place in Quebec, is that it gives up on French-speaking communities outside Quebec. That is the intent of the Allaire report and of the Bloc Québécois. They are giving up on the French-speaking communities outside Quebec.

In our view of federalism, which all federalist premiers since Mr. Lesage have upheld in Quebec, we think that if Quebec grows stronger with its French language and culture, it will help and support efforts that the Canadian government must make to foster the Canadian linguistic duality.

In the Meech Lake accord and in the Charlottetown agreement, the nationalists in the Government of Quebec, those whom you call Quebec "nationalists" — and I sense you mean to use it in a derogatory way — accepted to defend and promote the linguistic duality of Canada, and that answers the question. This means that in Quebec we consider that both the Government of Canada and the government of Quebec have a responsibility. We also have linguistic duality in Quebec. We have responsibilities towards our English-speaking citizens and we intend to assume them without any second thought. This is the Canadian duality.

Senator Thériault: Honourable senators, I would like the senator to explain to me — and therefore to the million French-speaking Canadians outside Quebec — how we should feel, as non-Quebecers, who were here in Canada before you and who consider ourselves at home in Canada, but who fear the consequences of a split in this beautiful country of ours. What would happen to us, a million Francophones scattered here and there, without the French base that Quebec is?

Can you explain why the Allaire report, two or three years ago, became the policy of the Quebec Liberal Party? You can shake your head as much as you like; I saw the convention on television. People such as Claude Ryan and other federalists were not even allowed to challenge that report.

That report also gained the support of the Liberal Party at its annual meeting, in the presence of Premier Bourassa. How do you explain that to Canadians outside of Quebec?

Senator Rivest: First, the Allaire report is no longer the Liberal Party's official policy. I do not know if your television set stayed on long enough — You saw one convention, but another convention was held after that one. I did not mention it because I do not wish to take up too much of the Senate's time.

One must not forget, however, that there was this element of rejection, and I understand the senator's concerns. Among other things, the rejection of the Meech Lake accord was not without its repercussions on the federalist cause in Quebec. Those who, in Canada, worked against the Meech Lake accord, in good faith no doubt, could not have avoided thinking about certain consequences.

The first consequence is the fact that there are about 50 members from the Bloc in the House of Commons. The second consequence is that, since the rejection of the Meech Lake accord in Quebec, the federalist vote has declined and the vote in favour of sovereignty has become what can be read in the polls. That all started with the Meech Lake accord. Prime Minister Mulroney and Premier Bourassa, as Quebecers, tried with their heart and soul to convince all Canadians that the Quebec input into the Canadian federation implied the recognition of the distinctiveness of Quebec society, and when again some other Canadians viewed federalism differently, they did not care about the consequences their action would have. Therefore, if there were consequences, do not blame us: blame those who rejected the Meech Lake accord.

Senator Thériault: There is confusion again. Senator Rivest, long before the Meech Lake accord, a separatist government was elected in Quebec. That government refused to sign the 1982 agreement when all the polls showed that 75 per cent of Quebecers were for it. There were some nationalists in the National Assembly, and the separatists refused because you wanted to play petty politics.

Senator Rivest: Honourable senators, I do not want to continue this debate because this kind of talk is likely to show complete ignorance of the Quebec political reality and of Quebec's concerns. My honourable friend again returns to 1982. Together with two colleagues here today, I was a member of the National Assembly then. We never voted for the Parti Québécois. We are not for Quebec separation; we are not for Quebec sovereignty. We want a Quebec that asserts itself within Canada.

However, in the National Assembly we voted against the unilateral repatriation of the Constitution, and in that we shared the concerns of Jean Lesage at the time of the Fulton-Favreau formula; we shared the concerns of Daniel Johnson, senior, who was a federalist, and of Jean-Jacques Bertrand, who was a federalist, and of Claude Ryan, whom you just quoted, and who led our fight for Canada at that time.

Hon. Pierre De Bané: Honourable senators, would my honourable colleague allow me to ask him a question? I listened to Senator Rivest's remarkable contribution. He reflected with tremendous eloquence this feeling which is widely shared by Quebecers who want their National Assembly to have real powers affecting their own identity. I agree with everything that Senator Rivest has said. Federalism is the dividing up of internal sovereignty. The provincial legislatures must be sovereign in the fields that affect them. What I would like to say frankly, is that since 1867, Quebec, because of its specific identity, has never expressed as clearly as now what contribution it wants to make in order to contribute to this country's political process.

I agree with my honourable friend that Quebec must have jurisdiction over specific areas but Quebecers, Albertans and Canadians from all of the other provinces must one day start telling each other what they will do to deserve to belong to this country.

Let us forget Quebec for a moment. During the Charlottetown negotiations, the central government put on the table a proposal calling for a lowering of interprovincial non-tariff barriers. It was known that 95 per cent of the Canadian population was in favour of this proposal. The ten provincial premiers each thought about their own position, then rejected the proposal, arguing that it would prevent them from passing legislation in certain areas. In other words, when push comes to shove, regional interests always win out over national interests.

In my view, the real test of a country's political maturity is when a person, whether he resides in the Gaspé region, the Saguenay-Lac-St-Jean region, the Abitibi region or northeastern New Brunswick, can stand up and admit that while he feels a deep sense of attachment to his province, the good of the country must come first.

Senator Rivest has said that Quebec should be sovereign in the area of health. I agree, but at the same time I figure that I am a part of this country. I am in favour of the free movement of people among provinces. While having our own Ministry of Health in Quebec, which has a big say in the program format, is it not also in order for us to think of ourselves as part of a larger group, and thus for social benefits to be portable.

Much as I agree with Senator Rivest on the need to have a national assembly in Quebec which would have the power to shape and reflect our distinctiveness, I cannot help but think that the time will come when we must say what we are prepared to do as a part of this larger group.

Senator Rivest: We have done a lot. On the subject of job training for instance, the first thing Senator De Bané mentioned was non-tariff barriers. Recently, the Minister of Industry and Commerce in this government signed an agreement with New Brunswick and with Ontario which included the use of non-tariff barriers. With respect to health insurance, the honourable senator talked about the history of the creation of the Canadian health system. At that time, Quebec agreed with all of its partners that this system would be universal, free and portable.

In the Meech Lake accord we agreed to minimum — and obvious — standards that any modern society must set for itself in the area of job training. Again, Quebec can agree freely, as can the other provinces, because the problem is the same everywhere.

I am delighted to see that my speech has sparked so much discussion. Basically, when it comes to areas which are essential to Quebec society as a minority group — which is why we opted for a federal system in the first place — with respect to programs and other things that must be shared, and increasingly so, due to the realities of our times, we do not want those things to be imposed upon us unilaterally by the federal bureaucracy, just because it has the spending power.

We want mature government, and I am speaking not only as a Quebecer here. Why do you think the Reform Party won so many seats in the Parliament of Canada at the last election? It was because decisions were being made in Central Canada that were not compatible with the best interest of the people of Alberta.

Quebec is not asking for anything different. This is the reality of a federal state. If we take the reasoning of Senator De Bané to the limit — and I will end on that note by saying that what he is saying bothers me, just as much as what I am saying bothers him — why not just have a unitarian state, where everyone could share the same ambitions? I exaggerate, of course, because I know this is not what you want. However, if we are to have a federal system the power must be shared, and we would have means and mechanisms to ensure that interdependent and complementary activities are managed more efficiently than in the past, so that Canada can function more effectively.

Senator De Bané: If you will allow me a last comment, honourable senators, I would say, let us get to the bottom of this. In the past, when I heard Mr. Duplessis talking about going to Ottawa to get the loot, or Mr. Bourassa argue for profitable federalism, it made me feel uncomfortable.

If someone from the Mauricie area, the Outaouais, the Gaspé, the Bois-Francs, Saguenay-Lac-St-Jean or the North Shore were to say, "I belong to Quebec because I represent 6 per cent of the population but the Government of Quebec buys 10 per cent of what it needs from us," I hardly think you would approve.

That is how a country operates. We belong to Canada, not because we will bring home the loot or pick up our cheques, or because of the benefits, but because this country represents certain values in which we believe. If I loved this country only for what it could do for me, that would be akin to what some psychologists call "parasitic love" such as when a child loves his parents because they give him more than do the people next door. It is time we thought about what we can do, not just as Quebecers but as citizens of each and every province, to be worthy of a country that is the envy of the entire world.

Senator Rivest: Honourable senators, the Canadian Charter of Rights and Freedoms applies to Quebec and is accepted by all Quebecers. It expresses the Canadian values which Quebecers support wholeheartedly.

The Hon. the Speaker: Honourable senators, I am starting to think that we are getting into another debate altogether. However, there are times when, unless there is a request for interrupting the debate, I am inclined to let some very stimulating discussions take their course. I am sorry the press was not here to listen to the debate. In any case, I have the impression that we will get back to this question, because I saw too many heads either nodding assent, or otherwise, to interpret this as a request for silence. I am inclined to think that there was a desire to participate in the debate. That being said, I assume that Senator Rivest has finished what he had to say, and that there will be no more questions, so we will go on to the next speaker.

[*English*]

Hon. John Buchanan: Honourable senators, I do not believe my comments will bring forth any debate from anyone, because they will be very mild and benign.

Your Honour, I want first of all to congratulate you. You have had, and continue to have, a very long and distinguished parliamentary career, being a veteran of 22 years in the House of Commons and 10 years in this chamber.

•(1540)

For six of the twelve years that I was the Premier of Nova Scotia, I knew firsthand of your very positive contributions to this country and to your area in your portfolios of Fisheries, the Environment and Public Works. On many occasions I did not entirely agree with you on policy statements, but I suggest that, overall, we did have agreements of many kinds in your various portfolios. I, with other members of the Senate, look forward to your impartial judgments and decisions as Speaker of this upper chamber.

May I also congratulate the Leader of the Government in the Senate, Senator Fairbairn, whom I met for the first time about 16 years ago when she was a young girl working in the offices of the then Prime Minister, the Right Honourable Pierre Elliott Trudeau. I met Senator Fairbairn at the first federal-provincial conference that I attended as Premier of Nova Scotia in 1978. I wish her well as she takes on the various and onerous responsibilities of the Leader of the Government in the Senate.

I also congratulate the Leader of the Opposition in the Senate, Senator John Lynch-Staunton, who brings to this chamber a vast experience in municipal politics, business, and community affairs, not to mention his experience latterly as Deputy Leader of the Government in the Senate.

As I look around this Senate, I am struck by the fact that there is a vast amount of experience in this chamber. Many of us forget that from time to time, but some of our senators were formerly members of the House of Commons or of other legislatures, and their parliamentary experience ranges from four years to over 30 years. That is a lot of legislative experience to draw on. I sometimes wonder if we really are using that legislative experience to the best of our ability as we look at the problems of this country.

We also have in this Senate people experienced in business, labour, agriculture, the professions, and the fishing industry. You name the field, and there is experience in it here. I believe over the next number of years we can utilize that experience in the interests of this country, and in the interests of ensuring that the Senate plays an important role in the constitutional and economic life of this country.

I also congratulate the new Government of Canada and Prime Minister Jean Chrétien on their election victory. However, I will not congratulate the new government for that budget yesterday; I will have something to say about that on another day. That budget did very little for Atlantic Canada. In fact, as someone said this morning, it is a good thing the Prime Minister gave the Minister of Finance a pair of boots, because Atlantic Canada really did get a boot in that budget yesterday. However, that is for another day.

I do want to say a few words about the mandate given to the Prime Minister, the government and his party. It was a strong mandate; but the government must have a strong mandate from the people of Canada, because the future of this country will be determined by the government's actions, together with the actions of the other members of Parliament and the actions, yes, of the members of the Senate, over the next four years. The years ahead will not be easy for this country. In fact, the years ahead will determine the course that this country will be taking in the future.

Honourable senators, I have a few words to say about the constitutional dilemma in which this country finds itself at the present time. This is not from the perspective of members who have spoken here this afternoon from Quebec, but it will be, I believe, the perspective of people in Nova Scotia and generally in Atlantic Canada.

Having been involved in public life for 27 years and having participated in every federal-provincial conference from 1978 to 1990, I want to speak this afternoon about the future of this country and how that future will affect Atlantic Canada. The Atlantic provinces will be very much affected by what happens vis-à-vis Quebec and the Constitution. This country today is at a crossroads: we can either stay still, go ahead, or break up. We can either become stronger or much weaker.

If this country becomes fractured as a result of a Quebec separation, I believe that Atlantic Canada is the part of Canada that will suffer the most. About five years ago I was asked what would happen to Atlantic Canada in the event of a constitutional separation of Quebec. I repeated something that had been said back in 1970 as well as back in the early 1960s by Atlantic Canadian politicians. First, we could continue to be part of this country, fractured as it might be; second, we in the Atlantic provinces could form our own country; or, third, we could become part of the United States.

Of course that latter comment of mine was the one that hit the headlines, and it was said that I advocated that the Atlantic provinces join the United States. I did not say any such thing. I said that was one of the three options. Those are the only three options open to Atlantic Canada. You can see that both the historic debate and the present debate about the Constitution and Quebec's place in the Constitution are very important to Atlantic Canada.

Being an optimist, I do not believe that there will be a breakup of this country; however, we cannot blithely sit back and just allow it to happen. We must make sure that it does not happen. For the next two years we must ensure to the best of our ability that Canada does not break up.

From 1978 to 1981, the Right Honourable Pierre Elliott Trudeau, as Prime Minister, and the ten premiers of Canada worked tirelessly to set up a new direction for this country. We had as our goal at that time the patriation of the Constitution, the addition of a charter of rights, and methods of amending the Constitution of Canada. I was very proud to have been a part of those negotiations.

Many Canadians think that the process and its result, the Queen signing the new Constitution in 1982, was a total success. Unfortunately, it was not a total success. The Prime Minister signed and nine premiers signed, but Quebec, which is comprised of some seven million people within this country, was not part of that constitutional accord. I do not intend to get into a discussion about that now, but I was there. I can tell you that there were many reasons why Quebec did not sign. I shall leave that for another day. History will record the reasons why that signing did not occur.

However, from that time to the present, we have had continual discussions about the Constitution vis-à-vis Quebec. There are those who say the reason for the failure of the 1981 accord was the fact that a separatist government was in power in Quebec. There are others who say that different approaches could have been taken to bring Quebec into the fold, even though René Lévesque and the Parti Québécois were in power. History will determine why that did not occur.

•(1550)

We find ourselves again in the situation that we have had in this country for so many years. From 1981 to 1985, there was very little activity vis-à-vis Quebec and the Constitution.

In 1984, Premier Robert Bourrassa brought his five points to the premiers' conference in Edmonton. We were pleasantly surprised. Those five requests, not demands but five requests, for changes in the Constitution were reasonable and well thought out, and immediately the nine other premiers and the Prime Minister indicated tentative approval of those requests.

There are those who say that the negotiations to finalize the so-called Meech Lake accord were carried out under pressure and time restraints. That is absolutely incorrect; not true at all. For over one year there were discussions between the Prime Minister and the premiers. Many meetings with officials were held during the period from 1986 to 1987, culminating in the historic initialling of the document at Meech Lake called the Meech Lake accord. Quebec was at that time a partner with all the provinces and the federal government.

Further negotiations on the so-called legal text continued until late spring of 1987, when we concluded the accord. Unfortunately, and I stress the word "unfortunately," there was a three-year waiting period before it could be finalized on June 23, 1990.

I want to set something else straight. There are many who say that the three-year lag was a result of the Meech Lake accord. That is not true at all. The three-year lag was included in the Constitutional Accord of 1982, not 1987 or 1990. During that three-year period, there were changes in governments in Canada, primarily in Newfoundland and in New Brunswick. It is partly as a result of those changes that the Meech Lake accord failed. What happened on June 23, 1990, is now history. The judgment of history in years to come will record why the Meech Lake accord failed on that date. It was certainly not because of the week-long negotiations.

There are many who say that the Meech Lake accord failed because of pressures, time constraints and the fact that ten premiers and the Prime Minister were enclosed in a room for 10 to 12 hours a day for a whole week and, under that pressure, decided to sign the documents. That is completely untrue; that is not correct at all. I was there, and there was no such pressure.

In fact, if one wants to talk about pressure, we can look back to 1980 and 1981. In that same room in the Conference Centre and in another room in the Langevin Block, we were with Prime Minister Trudeau for 10 and 12 hours a day for four or five days, including one period over a weekend. I recall that well, because on the Sunday of that weekend we took a break, and the Nova Scotia delegation, along with some delegates from New Brunswick, went for a delightful boat ride on the Canal. Therefore the same thing occurred in 1980-81 as occurred in 1990; that is, intense negotiations for many hours for almost a whole week. I believed then, as I do now, that the Meech Lake accord was good for Canada, was good for Quebec and good for the whole country. If it had been approved in 1990, we would not be facing the tragic dilemma in which this country finds itself today.

The accord at that time stated in very simple terms that Quebec represents a distinct society within Canada. Certainly, other sections of the accord — for example, changes in some of our institutions, such as our immigration laws — were important but the focus was on the distinct society clause; much misunderstood by many people but certainly not misunderstood by the premiers, the negotiators and the members of our legislatures who approved it.

If you break the expression down to its lowest common denominator, "distinct society" simply means that Quebec is distinct within Canadian society. We all know that. The rule of law there is different from the rest of the country — the Civil Code versus the common law, and the rule of law is the basis of our society. No one will dispute that the language of Quebec is distinct as compared to that of the rest of the country, as is Quebec culture.

A vast majority of the people of Nova Scotia responded at that time "Yes, Quebec does represent a distinct society within Canada." As honourable senators know, Quebec has been considered a distinct society in this country since it was founded, and beyond that before 1867. All we were doing was putting into the written Constitution that which we had practised for years in this country. In the words of then premier David Peterson, "Every schoolgirl and every schoolboy in the country understood that, and had understood it for years."

Honourable senators, here we are again. The Meech Lake accord failed for various reasons. The Charlottetown agreement failed because, in my opinion, it was too broad. There was too much within that accord. Now, and for the next two years, the pressure will be stronger in Quebec. I am not from Quebec but I know people there, and people in this chamber and in the House of Commons from Quebec.

There is no question that the pressure will be stronger than it was in the 1970s, the 1980s and the early 1990s. It is because we may soon have a separatist provincial government in Quebec, as well as the party that is now the official opposition in the House of Commons, consisting of 54 members who are separatists. In other words, we have a double "whammy" facing us at the present time. In 1980 we had René Lévesque and the Parti Québécois. Today we have Lucien Bouchard and Jacques Parizeau. I do not know what the outcome of the provincial election will be, but it appears at the present time that we will end up with a Parti Québécois government. The pressure will, therefore, be extremely great over the next number of years.

This unique and strange situation in which this country finds itself, where the Leader of the Official Opposition in the Parliament of Canada wants to break the country up, is something that people from outside our country do not understand. I have a friend in New Hampshire who is a senator, and he has asked me if it is true that the Canadian government and the Canadian people are paying people to break up the country. The simple answer is "Yes, that is exactly what is happening." That is a strange and unique situation, but there are people who say that this is a strange and unique country. We failed in 1981, 1990 and 1992 with all of these accords to bring this country together and to settle the constitutional issues relating to Quebec and its place in Confederation.

Honourable colleagues —

Senator Frith: That is better.

Senator Buchanan: I knew you would like that.

— I believe I speak for everyone in this chamber when I say that we must do our part in assisting the Government of Canada and the ten provincial and territorial governments to ensure that when and if the referendum comes in Quebec, there will be a resounding "no" to separation by the people of the province of Quebec. Our job is to assist the nationalists — the federalists in the province of Quebec to make sure that happens.

•(1600)

Senator Frith: You had better be careful, senator. A nationalist in Quebec does not mean a federalist.

Senator Buchanan: I am sorry; I meant federalist.

Senator Lynch-Staunton: You can be a Quebec nationalist and a federalist.

Senator Frith: I say the word in general currency. I agree with you. I do not know why, but it seems that the word in general currency means a separatist.

Senator Lynch-Staunton: Senator Grafstein's definition does not fit.

The Hon. the Speaker: Honourable senators, I wish to inform the honourable senator that he may want to conclude his remarks.

Senator Buchanan: I shall, but there have been a few interventions. That gives me more time.

I wish to say that this may be our last opportunity. We may have spent the course on this situation. I urge everyone in this chamber to work as hard as they can to ensure that the federalist cause is championed in Quebec.

Honourable senators, I should like to say a few words about free trade and NAFTA. I supported free trade; I consented to it on behalf of the people of Nova Scotia. I have heard comments in this chamber over the last number of weeks about free trade and its effect on Canada. However, I should like to say this: If it had not been for former Prime Minister Mulroney bringing forth the free trade agreement with the United States, we would be in much worse shape economically in the Atlantic provinces than we are today.

Some Hon. Senators: Hear, hear!

Senator Buchanan: Seventy-five per cent of everything produced and manufactured in Nova Scotia, for instance, is exported. Over 60 per cent of that is exported to the United States.

Senator Frith: And was before the agreement.

Senator Buchanan: We would have to be foolish not to agree with free trade, and that is why I consented to it back in 1988.

Senator Perrault: Including the export of jobs!

Senator Buchanan: No, not the export of jobs at all; rather, the saving of jobs during a recession. That is what free trade did: It saved jobs in Nova Scotia. We are now on the threshold of creating new jobs with NAFTA.

I am pleased to say, honourable senators, and I know you are as well, that the present Prime Minister, Jean Chrétien, agreed with the NAFTA agreement because NAFTA will also open up new opportunities for Nova Scotia in the fishing industry, the pulp and paper industry, the car industry, the steel industry, and the coal industry as tariffs come down. Opportunities are present for people to create new jobs and preserve existing jobs.

By way of conclusion, I wish to thank former Prime Minister Brian Mulroney for bringing those two agreements to Canada; agreements which will preserve jobs, create new jobs and put Canada in the forefront of new opportunities in job creation.

Some Hon. Senators: Hear, hear!

[*Translation*]

Hon. Noël A. Kinsella: Honourable senators, I want to congratulate the sponsors of the motion for an Address in reply to his Excellency the Governor General's speech. Their speeches strongly launched our debate, a sign that this session will be most positive.

[*English*]

If I might build upon what my colleague has just said, Prime Minister Brian Mulroney made a promise to the people of Chatham that CFB Chatham would never be closed. He kept his promise. We note the promise made by the present Prime Minister with reference to CFB Cornwallis.

Some Hon. Senators: Shame!

Senator Kinsella: Honourable senators, nevertheless we recognize that on October 25, 1993, the Liberal Party won a splendid victory. Canadians living in all regions of our nation voted for change. Canadians in Atlantic Canada voted for change.

Senator Comeau: They got it!

Senator Kinsella: I would hope the boot that Atlantic Canadians received yesterday in the speech from the Minister of Finance is not reflective of the fact that only one Progressive Conservative member of the House of Commons comes from Atlantic Canada and all the others members of Parliament from that region are members of the Liberal Party.

Surely, it is incumbent upon the Liberal Party and the new government to pursue its agenda. That is the agenda that was presented to the people of Canada, an agenda which, according to its election program, is premised on an integrated and coherent approach to economic policy, social policy, environmental policy, and foreign policy.

Honourable senators, much has been said about the desire to make Parliament work better. Part of Parliament, of course, is this chamber. Many of us here in the Senate share the view that we need a Senate that works because the country needs a Senate

that works. The country needs institutions to bring us together, to help build a common sense of citizenship. The type of assault such as that levelled at this chamber not too long ago by the recently seated deputy speaker of the other place should no longer go unchallenged. Perhaps His Honour may wish to enlighten those in the other chamber. The time has come for this chamber and the work we do in this chamber to challenge the mistruths, the abuse, and the mythology that has been allowed to go unchallenged about this institution.

Honourable senators, I have argued before that the practice of freedom in Canada has been a grand success. It is my hypothesis that our success and freedom is directly related to the institution of parliamentary democracy that has grown here and for the past 126 years has worked well, notwithstanding the problems that any democracy has.

The burden rests on those who wish to change or to mock the institutions of Parliament: the three parts of Parliament: the Crown, the Senate and the House of Commons. I believe that our system has a proven record, and the time has come for us to stand up and challenge those who mock this institution.

Honourable senators, we shall be open to creative ideas. We should also be open to creative ideas for the renewal of the Senate from within. I wish to suggest that we go forward with some of the very good ideas about Senate renewal that have been circulating over the past several months, some of which our colleague Senator Oliver outlined in his speech. He specifically recommended that the Leader of the Government in the Senate review and reply to the idea of an all-chamber committee on renewal — a renewal which does not entail constitutional amendment, but a renewal from within. Perhaps changes to our rules would be appropriate or, if need be, amendments to the Parliament of Canada Act.

Honourable senators, our responsibilities on this side are weighty. Our purpose is to respect the will of the majority in the elected body of Parliament. Our purpose is to make government possible, and obstructing the will of the people as reflected in the membership of the House of Commons is no solution to anything. We need government that works, and works better; not government that cannot work at all.

Our leader, Senator John Lynch-Staunton, has said that we have a job to do in the overall effort to make our institutions as responsible and credible in the eyes of Canadians as we can. I agree with Senator Lynch-Staunton, and as I begin my tenure as the Conservative whip, I pledge to all honourable senators my full cooperation and, in particular, my collaborative cooperation with Senator Hébert. From time to time we will make a special effort to ensure that he has a quorum when a quorum is needed.

Honourable senators, the Speech from the Throne was read in this chamber. The Prime Minister delivered a more detailed blueprint of the government's agenda during the debate in the House of Commons. Yesterday, we had the blueprint brought forward by the Minister of Finance.

As far as the statement from the Prime Minister and the outline in the Speech from the Throne is concerned, I wish to congratulate the government. However, I must reserve judgment on yesterday's speech for another time. The intentions as set out in the Speech from the Throne and in what the Prime Minister said in the House were noble. Certainly, there were measures that I can support; measures to stimulate economic growth through an innovative economy; measures to encourage skills development and knowledge to meet the demands of the new job market; measures to help sustain people through difficult times; and measures to enhance the confidence of Canadians in their public institutions and in the political process. Although hardly new ideas, they are worthy of serious consideration, and should command the support of all honourable senators.

•(1610)

For example, reference was made to proposing measures to combat racism and hate crime. I am sure, honourable senators, that the new government does not wish to ignore the progress achieved over the past few years in combating racism and creating understanding of cultural and ethnic differences in Canada. We all will recall that, under Prime Minister Mulroney, in 1988 the government initiated the Race Relations and Cross-Cultural Understanding Program. Through the International Day for the Elimination of Racial Discrimination, every March 21 Canadians are educated about the nature, scope and impact of discrimination.

In 1990, under Prime Minister Mulroney's leadership, the government established the Excellence in Race Relations Awards, which are presented to individuals and organizations who have shown exemplary leadership in their pursuit of greater equality and understanding among Canada's diverse peoples.

In 1992, Prime Minister Mulroney provided leadership for the establishment of the Canadian Police Race Relations Centre to help police forces across the country with special training initiatives.

Honourable senators, we all must work together to eliminate racism in Canada. Every individual, every community group, and every level of government must do its part to improve relations among Canadians of different colours and creeds. This is why I am pleased that Prime Minister Chrétien's government not only will proclaim the Canadian Race Relations Foundations Act, which was passed by Parliament during the second term of the Conservative administration, but also that yesterday, during his speech, Mr. Martin said that funds will be sought for that centre. The Canadian Race Relations Foundation's role is to conduct research and raise public awareness, and includes helping business, labour, government, and public and private institutions to be more responsive to Canada's multicultural nature.

With reference to the government's announced intention to propose amendments to the Canadian Human Rights Act, this, honourable senators, in my view, is a welcome commitment. I trust, however, that when it drafts these proposed amendments to the Human Rights Act, the government will take guidance from Bill S-15 which, as you will recall, was passed by the Senate during the last Parliament.

Honourable senators, the Speech from the Throne proposes measures to improve the literacy skills of Canadians. I am proud of the foundation established by the previous government in recognizing the importance of literacy in Canada. In 1987, we became the first federal government to recognize literacy as a national concern by creating the National Literacy Secretariat. I am delighted that the new government's commitment to improving literacy is firm, and I will certainly support the measures to improve the literacy of Canadians and will lend cooperation to the honourable minister with responsibility who sits in this chamber.

It occurs to me that the themes in the Throne Speech are, to paraphrase a newspaper headline at the time on another subject, "lots of round bits but no substance about where Canada is heading...". This is regrettable. At least, it is regrettable if that is the perception. It must be a major disappointment to millions of Canadians.

The government's blueprint essentially tinkers around the edges and scarcely addresses the fundamental issues affecting our country's future. The government appears not to have a plan for real and lasting economic growth. Nowhere does the government set out an integrated and coherent approach to tax policy, trade policy, and to creating real, lasting, quality jobs and economic opportunities.

During the election campaign, the government party's central message was "creating opportunity." This message was taken at face value by Canadians, particularly by Canadians living in Atlantic Canada, a region where the challenges are more acute and the need for action is critical. This, honourable senators, is why what happened yesterday is so tragic in many ways for Atlantic Canada.

Atlantic Canada is experiencing major, wrenching change. We are living in a place, and in a time, characterized by painful crises in the fisheries and restructuring in our traditional resource industries of forestry, mining and agriculture. Atlantic Canadians know better than anyone the harsh reality of unemployment, the pain it brings to families and communities. It seems to me, honourable senators, without being partisan and political, that there was a vast misunderstanding of this dynamic of social life in Atlantic Canada when one considers the impact of the government's budget proposals affecting unemployment upon Atlantic Canadians. I know that many of my colleagues opposite from Atlantic Canada will have to struggle with that measure in order to be able to support it.

If the challenge Atlantic Canada presents was urgent the day before yesterday, is certainly is more urgent today. The level of unemployment in that region is 50 per cent higher than that of the rest of the country. Their level of income is 30 per cent lower than the Canadian average. Performance on research and development there is 29 per cent lower than the national average. They have a declining share of Canadian exports, and a trade deficit with the rest of Canada which stands at $5.6 billion a year.

The government will have to come to grips with the embracing on the one hand — and I believe rightly so — of NAFTA and, on the other, the decision which is on hold and which the cabinet will have to deal with, affecting the abandonment of the CP rail line from Saint John, New Brunswick, through the State of Maine to Sherbrooke and Montreal.

In terms of infrastructure, if Atlantic Canada is to participate in NAFTA and the free trade agreement, the trade is north-south. The line that carries our goods north-south is the line CP manages which goes from Saint John to Vanceboro, Maine. This is not the kind of infrastructure that should be abandoned if we are to participate in north-south trade.

Honourable senators, this is the context for the government's new approach to regional development; an approach which, according to its election program, will be based on developing forms for economic cooperation, joint action and integrated development, whatever that may mean. What the government's approach does not set out, in my view, is a coherent action plan. What it does not do is provide hope and opportunity for putting Atlantic Canadians back to work.

The people of Chatham, New Brunswick, only see 1,000 jobs being lost, and one would want to see a very quick and clear response to new initiatives, if indeed there are new initiatives for that region of Atlantic Canada. Atlantic Canadians are developing, surely, a strong consensus as to what can work in the future and what does not work today. The government must reach beyond the rhetoric of its blueprint and adopt the dynamic approach to economic development in our region.

•(1620)

The Atlantic premiers — and I salute the premier of my own province of New Brunswick — have gone a long way in their efforts to address the region's challenges. They have embarked upon a dynamic approach to economic cooperation —

The Hon. the Speaker: Honourable senators, I regret to interrupt the honourable senator, but his time has elapsed. Perhaps, with the permission of honourable senators, he may have consent to conclude.

Senator Stewart: Why don't we just change the rule and stop this foolish nonsense of having to waive it every time?

Hon. Royce Frith: Honourable senators, perhaps I could make a suggestion for unanimous approval that, with respect to the rule that limits interventions to 15 minutes, Your Honour not interrupt. Then if any senator wishes to call time on a colleague, he or she may rise and call time, and then Your Honour can intervene.

The Hon. the Speaker: Honourable senators, I am in your hands with respect to the rules and how they are applied at the moment. I have no difficulty with the idea that changes might be made. I always hesitate to interrupt an honourable senator when he or she is speaking. I usually look to see if the senator has a page or a page and a half to complete, and then try to be a little permissive. I am, of course, in the hands of honourable senators, and I always interrupt with great hesitation.

Senator Kinsella: I shall attempt to sum up, honourable senators.

Indeed, on the basis of the Speech from the Throne, there are many elements that I support, and I know that my colleague Senator Beaudoin will join me in expressing some pleasure at the restoration of the Court Challenges Program.

In terms of the focus that I was attempting to give to Atlantic Canada and the economic challenges facing our region, the Speech from the Throne, the Prime Minister's speech, and certainly Mr. Martin's speech, does not provide a great deal of guidance as to an action plan or proposals for a specific action to confront the Atlantic region's overall challenges. The federal government is, and must be, a major player and a major contributor to the Atlantic economy. Atlantic Canadians expect no less and, as a right of citizenship, deserve no less.

Honourable senators, I wish to comment briefly on the government's infrastructure program, but I will limit myself to saying that if swift agreement could be reached over the next few weeks, on the twinning of the Trans-Canada Highway through the province of New Brunswick, it would receive a great deal of support from those people living in the province of New Brunswick.

Hon. Eymard G. Corbin: Honourable senators, perhaps I might pose a question to the honourable senator.

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

Hon. Senators: Agreed.

Senator Corbin: I do not want to touch on the Trans-Canada Highway issue.

Senator Murray: Why not?

Senator Corbin: Why not? I did not seem to get much support in the previous Parliament. Every time I raised questions, I got delayed answer upon delayed answer. I am sure my government will do something about it.

Senator Lynch-Staunton: Form a task force?

Senator Corbin: In that sense, we may join our efforts.

My question deals with the following, and I would like to pick Senator Kinsella's brain for a minute, while reserving the right to debate the matter in a more formal way at some later date.

In the course of his speech, Senator Kinsella used the expression "Atlantic Canada" — the people from "Atlantic Canada". He spoke of "Atlantic premiers" and so forth. Under the Constitution, I do not recognize an entity which is referred to by just about everybody else in this place as "Atlantic Canada." Is there an Atlantic Quebec? I do not think so.

Under the Constitution, the provinces of New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland are distinct entities. In some echelons of our federal bureaucracy there has been a trend to always refer to the easternmost provinces as "Atlantic Canada." I do not buy that. I do not know under what rationale my colleague Senator Kinsella expressed that. I like to identify myself as a senator for New Brunswick, which is my proper title.

I wonder if Senator Kinsella intends to continue using that expression. When referring to the Chatham Air Base, he locates it in Atlantic Canada; it is very much in New Brunswick. I would not want to be the only one to rise in this house and defend the rights and the history of New Brunswick, so I am picking his brain and I would like a reaction.

Senator Kinsella: I thank you, honourable senator. The research that I did in preparing my remarks was based on data provided by the Atlantic Canada Economic Council, which covers the provinces of Newfoundland, Prince Edward Island, Nova Scotia and New Brunswick, and from the Association of Atlantic Universities, which represents the universities in those four provinces. The data that is available from Statistics Canada is presented in such a fashion that one can draw together the data that is identifying those four provinces.

Senator Corbin: Would my honourable colleague suggest, then, that we should bring forth and support an amendment to get rid of the provinces of New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and create a new province called Atlantic Canada? Is that what we are heading into? I am not buying it.

Senator Kinsella: Honourable senators, in reply to that question, no, I would not advocate that.

On motion of Senator Hébert, debate adjourned.

NATIONAL DEFENCE POLICY

PROPOSED SPECIAL JOINT COMMITTEE—MESSAGE FROM COMMONS

The Hon. the Speaker: Honourable senators, I have the honour to inform the Senate that a message has been received from the House of Commons requesting that a Special Joint Committee of the Senate and the House of Commons be appointed to consider Canada's defence policy.

APPOINTMENT OF SPECIAL JOINT COMMITTEE

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, with leave of the Senate, and notwithstanding rule 58(1)(*d*), I move, seconded by the Honourable Senator Molgat:

> That the Senate do unite with the House of Commons in the appointment of a Special Joint Committee of the Senate and the House of Commons to consider Canada's Defence Policy;
>
> That the document entitled: "Review of Canadian Defence Policy, Minister of National Defence Guidance Document," be referred to the committee;
>
> That the committee be directed to consult broadly and to analyze the issues discussed in the above-mentioned document, and to make recommendations in their report concerning the objectives and conduct of Canada's defence policy;

That the committee be composed of eleven members of the House of Commons and five members of the Senate;

That, notwithstanding Rule 86(1)(*b*), the members to act on behalf of the Senate on the committee be the Honourable Senators De Bané, Forrestall, Kenny, Meighen and Sylvain;

That the committee have the power to sit during sittings and adjournments of the Senate;

That the committee have the power to report from time to time, to send for persons, papers and records, and to print such papers and evidence as may be ordered by the committee;

That the committee have the power to retain the services of expert, professional, technical and clerical staff;

That the committee have the power to adjourn from place to place inside Canada and abroad and that, when deemed necessary, the required staff accompany the committee;

That a quorum of the committee be nine members, whenever a vote, resolution or other decision is taken, so long as both houses are represented and that the Joint Chairmen be authorized to hold meetings, to receive evidence and authorize the printing thereof, whenever six members are present, so long as both houses are represented;

That the committee or its representatives meet on occasions it deems fitting with the parliamentary committee or its representatives charged with reviewing Canada's foreign policy;

That notwithstanding the usual practices of this house, if the Senate is not sitting when an interim or final report of the committee is completed, the committee shall report to the Clerk of the Senate and that it shall thereupon be deemed to have been laid upon the Table;

That the committee present its final report no later than September 30, 1994; and

That a message be sent to the House of Commons to acquaint that House accordingly.

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

Hon. Senators: Agreed.

[*Translation*]

Hon. Marcel Prud'homme: I will stand firm concerning the initiative proposed by the Speaker.

The Hon. the Speaker: Is the honourable senator rising to take part in the debate on this issue?

Senator Prud'homme: On this issue, on the proposal that you have just put forward in the Senate.

The Hon. the Speaker: The Leader of the Government.

[*English*]

⊕(1630)

Senator Fairbairn: Honourable senators, I am pleased to rise today to speak on this motion. It is the first stage of this chamber's involvement in what I am sure we all agree is an overdue and timely review of Canada's defence policy. The special joint committee created with this motion will be one of the major means by which Canadians in every part of the country will have the opportunity to be consulted and to have their say on defence matters. The committee will hold hearings in different parts of Canada. It is hoped that it will report no later than September 30 of this year.

While the government will be monitoring the hearings of that committee, we intend to study the report and the recommendations very closely. As the Minister of National Defence indicated in the House of Commons last week, the report will play a major role in preparing the government's response to the discussion. That response will be in the form of a white paper on defence issues, which we anticipate should be completed a few months after the committee report, possibly by the end of this year, which I believe is the objective of the minister.

Honourable senators, we need to review and rethink defence policy now for many reasons, not the least of which is the fact that the world has changed dramatically in the past few years. It has, perhaps, become less dangerous in terms of the nuclear threat we lived under for the 40 years of the Cold War, but the world has also grown more complex. There seems to be tentative hope, but nonetheless hope, for peace in certain traditional trouble spots such as the Middle East and some parts of Central America. However, new areas of conflict and confrontation continue to leap out at us from the television screen almost every night — Bosnia, Somalia, the former Soviet Union, Liberia, Sudan and other places. As developments in Iraq, Iran and North Korea suggest, the threat of weapons proliferation still exists.

These new realities compel us to come up with the most helpful and realistic response. Reviewing the goals of our defence policy and the role of our armed forces at home and abroad is clearly a first step. The most basic of those roles is, of course, to defend Canada and to affirm our sovereignty. That is a constant and unchanging mission which has taken on a different dimension with the ending of the Cold War.

Defence policy must also take account of other vital domestic roles. Our armed forces provide search and rescue services off our coasts. They are also a line of defence against illegal drug shipments and illegal fishing, and respond to natural disasters and other emergencies. We also cooperate closely with the United States in the defence of North America, going back to 1940 to the Ogdensburg Agreement which was signed by Prime Minister Mackenzie King and then President Roosevelt.

Since 1958, with the NORAD agreement, we have cooperated in defending the air approaches to this continent. We are also linked by a tradition of bilateral cooperation in such areas as intelligence sharing, defence production and research and development. These arrangements met the requirements of the time, and they have evolved since then. However, like every other aspect of our policy, they need to be reviewed where necessary, and to be adapted to current needs.

Our defence involvement also extends beyond North America to the collective defence of the North Atlantic community. As a founding member of NATO, we have always played an active role in its affairs, and continue very much to do so in these troubling days. As NATO evolves and changes, we need to consider how Canada's role within that organization may alter in the coming years. We must also consider Canada's role in the wider world beyond this continent, and beyond the North Atlantic Alliance.

Since 1945, our support for the United Nations has been a pillar of Canadian foreign policy. We have always viewed the United Nations as the world's best hope for peace. Our contribution to that organization has been concrete and significant. In the past 45 years, more than 100,000 Canadians have served as peace-keepers at various trouble spots around the globe — a record with respect to which every one of us has a right to be proud.

As we see a rise in regional conflicts, there is every reason to believe that the demand for new peace-keeping missions will increase. As that demand increases, so does the complexity of the mission.

•(1640)

For example, in the 1950s the typical peace-keeping mission was the monitoring of a cease-fire. Today, no mission is typical. Today's peace-keeping missions are likely to involve the delivery of humanitarian aid, the establishment of safe havens for refugees, the monitoring of an election, or the shifting and difficult demands we see every day in the conflict in the former Yugoslavia. We need to look at the nature and responsibilities involved in peace-keeping as it is today and as it is likely to be in the future. We must decide upon our role in that process, examine the ground rules for involvement and decide what our forces need in order to be effective.

Last, but certainly not least, we must examine our priorities in terms of what we can and cannot afford. We do not have the money to do everything. As we look at expenditures on equipment, training and other items, we must avoid both being excessive and running short. It can be a somewhat precarious balancing act, and the choices are always difficult and complicated. The process that we are about to undertake will help greatly in determining how we can target our resources most effectively.

While we are discussing a review of our defence operations, we must also bear in mind other immediate demands that require tough decisions. Here, I am referring to the reductions in defence spending made by the Minister of Finance in his budget yesterday. As he outlined, there are compelling fiscal and structural reasons for the announcements made yesterday. Honourable senators know that we were committed in our election program to significant cuts in defence spending. But as the Minister of Defence has said, there is an equally compelling reason for proceeding with those commitments now. We have in place an infrastructure for a military of about 130,000 personnel, yet today we have just over half that number in our armed forces. There is no doubt that the budget announcement will have important and difficult consequences in regions all across the country.

The government is acutely aware of the need to manage these changes in the most sensitive way possible for the communities and the individual citizens involved. We must also recognize that we owe it to Canadians to try to operate the military in the most efficient and cost effective way possible.

As we are rethinking assumptions, roles and objectives in our defence policy and relating these to our national priorities and our economic limitations, the members of this chamber have an enormous contribution to make. The appointment of the joint committee is in keeping with the best traditions of the parliamentary system. There is a long history of useful cooperation between the two Houses of Parliament on this issue. Between 1982 and 1989, the Subcommittee on National Defence examined and reported on no fewer than six major issues: "Manpower in Canada's Armed Forces," "Maritime Defence," "Canada's Territorial Air Defence," "Military Air Transport," "Canada's Land Forces" and, most recently, "Peace-keeping."

I mention the history of this place on these issues only by way of saying that I think we have shown clearly and convincingly in the past that we are more than up to this task. I have no doubt whatever that the Senate members of the joint committee will serve it well and will again demonstrate, as Senator Buchanan said this afternoon, that the depth, knowledge and expertise available in this chamber are second to none. Indeed, it is because of that knowledge and that expertise that the Minister of National Defence considers the active participation on the committee of representatives of the Senate to be essential to its success. I look forward to those discussions.

Honourable senators, I also wish to table in both official languages the guidance document that was prepared for the joint committee by the government and was tabled last week in the other place by the Minister of National Defence, Mr. Collenette.

Hon. Jack Marshall: I wish to ask the Leader of the Government a question concerning the decision that has been made to close or reduce some base depots in Canada.

When the policy review takes place, will it not be tantamount to putting the cart before the horse? Should a policy review not be done before decisions are made on the closing of bases? I am not trying to look for a confrontation, but it seems to me that the proper procedure would be to get an appreciation of the whole defence effort before making a decision. The defence review may result in the conclusion that a couple of those base depots are needed. Could the Leader of the Government in the Senate clarify that point?

Senator Fairbairn: Senator Marshall, not in recent weeks or months, but over the last couple of years and perhaps even before that, a fairly detailed study was done of the structural needs of the armed forces. It is the view of the government and the minister that these studies are quite separate from the review that he will undertake. Furthermore, while there was an urgency to commence these studies, they will in no way impede or infringe upon the work of the committee.

Hon. John B. Stewart: Honourable senators, I wish to ask one or two questions. I notice in the motion that "the committee or its representatives are to be authorized to meet on occasions it deems fitting with the parliamentary committee or its representatives charged with reviewing Canada's foreign policy." I repeat: "with the parliamentary committee." Does that mean the committee in the other place? Does it mean the Standing Senate Committee on Foreign Affairs? To what is the reference there?

That leads me to what I find a more difficult question, namely, what line is being used to distinguish between defence policy on the one hand and foreign policy on the other hand? Superficially, one would have thought that we would have determined our foreign policy and then followed up by discussing the ways and means of achieving those goals. Senator Fairbairn helped me a bit when she talked about some specific functions that the defence forces perform, which could be included under foreign policy in a broad interpretation of that expression, but which would not normally be thought of as foreign policy — for example, search and rescue, the arrest of illegal drug traders, and so on. That would hardly be foreign policy.

•(1650)

Just for the sake of knowing what this committee intends to do — or what any other committee intends to do — could we get some idea where the line will fall? I am not asking for a precise line. I am asking for at least a fuzzy line to distinguish between the functions of this committee and the other committee to which reference has been made.

Senator Fairbairn: Thank you, Senator Stewart. You never ask easy questions.

In answer to the first question, the language in this motion is really presaging the setting up of a further joint committee. This would be a study and review of our foreign affairs policy. This is expected to take place in the not too distant future. The guidance paper which is available here will perhaps be of some help. Perhaps in every day and age — but particularly so today — there is a tremendous crossover between the two areas. That is one reason why there will be a desire to have the two entities meet from time to time when those areas come particularly close.

The defence review, perhaps, will be a more definable piece than the foreign policy review. That committee will have before it, as I have indicated, very specific decisions on the role of our defence forces, just as much at home in their domestic capacity as in their capacity abroad. However, when the capacity abroad is brought into the equation, it falls very much into that fuzzy area of foreign policy. We know that more than ever today by the dilemma of the pressures on our system caused by the conflicts which have been taking up the attention of our armed forces.

Senator Stewart: Perhaps I could follow up with two short questions. The minister has referred to a special joint committee on foreign policy. What will be left for the Standing Senate Committee on Foreign Affairs? It does not necessarily follow that the special joint committee will pre-empt the whole field. However, will the foreign policy committee study, for example, matters of trade? Are those matters being left aside?

That is one question. The other question is one which the minister will appreciate on the day after the budget. The committee is to have power to adjourn from place to place inside Canada and abroad. My question is: Who decides where the money comes from to pay for that travel, particularly the travel abroad?

Senator Fairbairn: In answer to the first question, honourable senators, I do not believe that the work of the special joint committee will in any way leave the Foreign Affairs Committee in the Senate short of a heavy agenda. I do not think there is a committee on either side of Parliament that has taken as precise and intensive a responsibility on the issues of international trade as has the Standing Senate Committee on Foreign Affairs. This has been true throughout all of the discussion on North American trade.

However, there is another vista out there about which senators from other parts of the country feel just as strongly. That is the necessity for Canada to move beyond North America and into the areas of Asia and the Far East and, indeed, Latin and South America.

I cannot speak for the Minister of Foreign Affairs nor offer the guidelines for his particular study. However, the Senate committee has a very important role to play, and perhaps a role which will not be played so definitively by any other committee of Parliament.

You asked a good question about travelling abroad. Your point is well taken. I will definitely draw your question to the attention of the Minister of National Defence. From conversations with him, my impression is that any forays outside the country would be very narrowly defined for specific visits.

Senator Stewart: The minister will not decide that. He gives the reference: the committee will decide.

Senator Fairbairn: The committee will decide. The areas in which travel was contemplated — might I say that? — would be in the nature of a visit to NORAD, or perhaps a visit to NATO headquarters.

Hon. Orville H. Phillips: Honourable senators, I was greatly impressed by the remarks of the honourable minister, and I congratulate her on the excellent case she made for increasing the armed forces. Did she express those views to the Minister of National Defence before the budget was presented?

Senator Simard: You win some, you lose some.

Senator Fairbairn: I think I will let that one go, Senator Phillips.

Hon. J. Michael Forrestall: Senator Stewart's question is important in the sense that we need even a fuzzy description of where we begin to draw the line before we start. Has any thought been given to an examination by this joint committee of the approximately 48 agreements, pacts, protocols, letters of understanding or telephone conversations which govern and control the military relationships between Canada and the United States in the long term, in the short term, on a day-to-day, hour-to-hour, need-to-know basis? Or should that more properly be in the hands of a companion joint committee, which you suggest may follow later?

These documents and agreements, protocols and papers, have been built up over a long period of years and have not had the benefit of public scrutiny by any committee, at least not over the past 28 or 30 years during which I have been trying to get the matter out on the table. I would like to ask the leader whether we might contemplate such a study, since the minister, in his guidance to the committee, does refer to our traditional commitment to North American defence and our relationship with the United States. He then deals with whether there ought to be increased or decreased defence arrangements between our two countries, and whether we should re-think the NORAD agreement. That agreement comes up in about two years' time. Should we look at perhaps backing out of it?

•(1700)

It is important that we have some demarcation as we get into this discussion, because it will be rather hollow for us to build a paper for Canada dealing with defence matters and, at the same time, not have a clear understanding of where we stand with respect to our closest neighbour and greatest protector.

Senator Fairbairn: Senator Forrestall, I appreciate your point. I would suggest that this is an issue that will be for the committee itself to build on. The signal has been fairly clear in recent weeks. This came up most recently during the discussion in the other place on the question of the cruise missile, which brought in the whole question of the position of NORAD and what the Canadian defence future is. The intention and the desire of the minister is to have this review take a very close look at that whole issue. I would think this would be something within the discussion that the committee will have in setting out its business; something that would be a useful point to discuss.

[*Translation*]

Senator Prud'homme: I would like to make two points. Honourable senators, I would like to speak about the permission that was granted, notwithstanding rule 58(1)(*d*), but I will do so later. Now, if I understood correctly, in order to do things in an orderly way, you would like us to ask questions or wait until later. In that case I would have a few questions for the Leader of the Government in the Senate.

I must admit the more I listen to their explanations, the more I get confused. I would like to make a very practical suggestion to the Leader of the Government in the Senate, because it may be time for her to ask all of her colleagues to get together on this matter. Honourable senators, I can see the risk of great confusion.

In the past, the House of Commons had a committee called the Standing Committee on External Affairs and National Defence, and there was no possible confusion. That committee had a chairman, a deputy chairman and members, among whom were Senator Forrestall and myself, and we knew we were free to organize our business in the way we wished. However, in the present case, it is already obvious that the more questions the Leader of the Government answers, the more difficult it becomes to follow the debate on this item.

As I understand it, Senator Stewart is to be the new chairman of the Standing Senate Committee on Foreign Affairs, and we are to have a subcommittee on national defence. In addition, yesterday the Leader of the Government in the Senate informed me that today she would be proposing the setting up of a joint committee of the Senate and the House of Commons on Canada's defence polilcy — and it is with pleasure that I readily agree to set aside the rules with respect to that motion. However, in one of her answers, the government leader talked about the probability of setting up a joint committee on foreign affairs. Since we already have a Standing Senate Committee on Foreign Affairs and a proposed subcommittee on national defence, I can already visualize the reaction of my friend Jean-Robert Gauthier, chairman of the Standing Committee on Foreign Affairs and International Trade, and that of Mr. Rompkey, chairman of the Standing Committee on National Defence and Veterans Affairs, who is rather sensitive about his authority as chairman,

Perhaps the Leader of the Government in the Senate would permit me to make a suggestion: Let all of these chairpersons sit down together and decide who is to do what. Would the government leader be prepared to relay my suggestion to cabinet?

I am not a stubborn man. I am not one of the so-called "stubborn senators" who refuses to change his mind. I would happily let an intelligent explanation win me over but I am in total confusion as to who will do what.

As far as I am concerned, the committees on foreign affairs decide how the nation's affairs should be conducted, while the committees on national defence must comply with the objectives set by the Minister of Foreign Affairs and by the cabinet. If the Government of Canada, through its Minister of Foreign Affairs, decided to stop participating in peace-keeping or peacemaking missions, it would need to consult the Minister of National Defence whether we are in a position to do so, since that is the current policy of Canada.

Senator Fairbairn, I am asking you this question without making any assertions, which I will do later in my speech, and I fervently hope, as a concrete suggestion from an old man who has spent 30 years of his life studying these questions, that the great danger —

I can see the reaction of your neighbour, Senator MacEachern, who chaired a subcommittee on national defence and who is very knowledgable on the subject. With all these committees, I can tell you right now, Senator Fairbairn, that with his experience, with Senator Stewart's experience and with the experience of several other senators, who as MPs sat on the External Affairs Committee, the confusion will be complete with respect to the goals we will want to meet. If each one of us has a different goal, it will cost a lot of money.

Therefore, will the Leader of the Government in the Senate agree to my suggestion and humbly ask the cabinet to consider this problem, and thus bring some order as to who will do what? I believe that Senator Stewart and myself, as well as Senator Forrestall, who sat on the House of Commons Standing Committee on External Affairs and National Defence, will know exactly where we should be heading.

Of course, everyone knows that I am not on any committee. That will be the subject of a later debate. For the time being, I would like to have some clarification as to our objective, which is to determine how great Canada will be, or as I learned in France what the "puissance canadienne" will be; that is to say, what Canada's overall policy will be. We must have order. We must have only one goal. Normally, it is the Minister of Foreign Affairs who determines our foreign policy and the objectives of our defence policy.

[*English*]

Senator Fairbairn: Honourable senators, I salute Senator Prud'homme, who has done a great deal of work for many years in this area. I would be pleased to convey his suggestions to my colleagues. I would hope that that would not preclude the house from moving ahead with the passage of this motion so that the committee can be formed. However, I will be pleased to convey the substance of what you are saying, because it is relevant.

Hon. Noël A. Kinsella: Honourable senators, I have a question for the Honourable Leader of the Government in the Senate for clarification. I certainly support the motion that we have before us. However, it raises in my mind the question of resourcing of these committees. In the past, the Standing Senate Committee on Foreign Affairs has had a subcommittee on defence. Do you see the establishment of this joint committee as somehow preventing our standing committee from setting up a subcommittee on defence? I thought Senator Stewart's question was leading into that. I realize this point does not speak directly to the motion, but it would be helpful for clarification purposes if we could address that issue.

•(1710)

Senator Fairbairn: Senator Kinsella, obviously the joint committee that we are trying to establish today will have its mandate. Certainly, I believe it would be within the scope of Senator Stewart's committee, if it were to so choose, to consider forming its subcommittee to take a special look at individual subjects. That is something for Senator Stewart and his committee to decide as these two bodies are set up and their workload becomes obvious.

Hon. Gerald R. Ottenheimer: Honourable senators, it is not my wish to prolong this discussion. I welcome the fact that the Parliament of Canada, through both houses, will have an opportunity to review Canada's defence policy and Canada's foreign affairs policy. It may be overly simplistic, in which case I am open to correction, but I have always viewed Canada's defence policy as the military aspect or military expression of its foreign policy, at least to a very large extent. It would appear that the national defence policy that Canada has now was based largely on our military alliances. NORAD and NATO were historically born out of the circumstances of the Cold War, the Atlantic Alliance and continental defence of North America, and so on. Obviously, all of that foreign affairs or geopolitical background has changed and it is therefore absolutely appropriate, indeed necessary, to look at Canada's foreign policy in the light of changing world circumstances, perhaps in the light of changing Canadian priorities and perhaps changing Canadian abilities.

I am just not sure to what extent a committee will, with any specificity, be able to make recommendations with respect to national defence policy, unless that is done against a backdrop of foreign policy.

Perhaps I am splitting hairs. Obviously, the two committees are committees of the same Parliament. They both have steering committees. Presumably, they can divide subjects between the committees. I suppose they could have some joint hearings and do some things together. The only point I wish to make is one of caution: If one accepts that, to a very large extent but not totally, defence policy is a military expression of foreign policy — and surely that has to be the case, because the obverse to that is very dangerous — then the priorities with respect to foreign policy should be quite clearly defined in order for policy with respect to national defence to be coherent and consistent. As I say, I do not want to push it too far.

Senator Fairbairn: Honourable senators, I thank Senator Ottenheimer for his observations. He has described the process and he is right about the process that is being envisaged. I should like to take all the suggestions that have been made, and the questions that have been asked today, to make sure that the ministers are aware of them as we proceed along these two pathways, which will not be parallel but will cross over as the studies proceed.

[*Translation*]

Senator Prud'homme: I must say that the comments I am about to make will be very different from the ones I would have made, if we had not had this question period.

However, after listening to Senators Kinsella, Stewart and Ottenheimer, I am still much afraid — and I see that Senator Bosa, who has been carefully following the proceedings of the Foreign Affairs Committee, seems very interested in the matter — that for us, for me anyway, national defence policy is an extension of foreign policy which supports the Canadian power, the "puissance canadienne" as I have always called it in French. This is what determines the goals of that policy at the national and international levels. Then, it must make sure that the various departments are ready to reach those goals, and if not, it must prepare them accordingly. I think that, at that point, the Department of National Defence is always asked by the minister to help the Department of Foreign Affairs to reach the goals he has set.

I think it would be wrong not to force them to cooperate. First of all, there are all the personalities of all those key figures to be taken into consideration. Several of them have been asked to chair parliamentary committees. They will want to pursue certain objectives. We already have Senator Stewart and a deputy

chairman. In the House of Commons, we have Jean-Robert Gauthier and Mr. Rompkey, both of whom have already set goals. Now we see that there will be a new chairperson and a new co-chairperson, I gather, who will need to set goals for their committee.

Again, I do not want to directly address the issue of our foreign policy, because as you know, honourable senators, I would then have to tell you the story of my life, since my whole life revolves around that issue.

[*English*]

I would even go as far as to say that I got into federal politics solely because of my international preoccupation. I may have been diverted from my interest in that field since first displaying that interest, but I will die with a great interest in foreign affairs. That is why I am a federalist; that is why I came to federal politics. Perhaps I was naive, but I am still naive enough to repeat it today.

I passionately believe that because I have this international preoccupation I got into federal politics. That is why I defend the parliamentary associations against the press. People are afraid and they duck their questions. I will go directly to the press and explain how the issues are interrelated and how they all involve foreign affairs. Therefore, the objective must be, first, foreign affairs and then national defence. The master is foreign affairs.

•(1720)

Do we want to be peace-keepers or peacemakers? If we want to play a peace-keeping role, that is fine. However, if we want to play a peacemaking role, defence will have to be totally different. It will cost more to make peace than to keep the peace.

The committee on defence studying that matter will say that we should create an international school. An ex-parliamentarian, very popular in the Liberal ranks, sent me a long letter. Mr. Danson, a former minister of national defence, is of the opinion that the time has come to send messages to countries in the Middle East and to send students from Canada to work together in peacemaking and peace-keeping. This objective would be extremely difficult for a defence committee to put forward — as prominent as it may be, coming from the House and the Senate — if the committee does not first receive some direction from the Department of Foreign Affairs as to the ultimate role of Canadians in this field.

What will all of this cost? What do we want to achieve in the world? We all believe that Canada is one of the last lights of hope on a troubled planet; not the United States. Therefore, certain objectives must be taken into consideration.

Honourable senators, I suggest that if these committees start their programs of action, there will be much negotiating between the various chairmen of the various committees. They might well say, "Do not touch upon this issue because the following committee will tackle it."

Honourable senators, I believe that in the month of March or April, as we see fit, we should have a general day of debate on foreign affairs, as they have had in the House of Commons. We in this chamber respect order. That is why I came to the Senate from the House of Commons, where I was told I had a good chance of being re-elected. I chose to move to the upper chamber because I believe I can contribute.

Honourable senators, the Senate can be an element of great stability in these troubled times if we talk to each other openly and directly. Foreign affairs goals will be extremely interesting. Everyone has something to offer. Knowing Senators Fairbairn and Molgat as I do, I am sure they will consider having a free debate in the house prior to these various committees developing their own goals. They will have to react to what senators think of the world today.

Honourable senators, what does the phrase "human rights" entail? It is a much abused phrase. My father once said that when you talk about human rights, do not pick and choose. When you talk about peace and justice, you must talk about peace and justice for all, and "all" means "all"!

Honourable senators, I am a junior member in this place. I am the latest addition to the Senate, and I will behave as such. However, I have much to offer. I would say to Senator Fairbairn that a multiplicity of committees may lead to confusion. Human nature being what it is, conflicts between chairmen and co-chairmen could easily arise, sending the committees in different directions.

I note as well that there are no women from the Senate represented on this particular committee. Women have a different approach to national defence. I trust that there will be female representation from the House of Commons.

If there is to be a committee on foreign affairs, women should be on that committee. Women see elements that may be totally disregarded by men. They have a different approach to human rights, military matters, and international relationships. This should be looked into.

Honourable senators, I know that Senator Fairbairn will deliver our messages in a timely fashion and return to us with the answers.

Hon. John Lynch-Staunton (Leader of the Opposiiton): Honourable senators, I move adjournment of the debate.

Hon. Gildas L. Molgat (Deputy leader of the Government): I understood that we would proceed with this matter today.

Senator Lynch-Staunton: We are proceeding, but we wish time to reply tomorrow. We are sitting tomorrow, are we not?

Senator Molgat: I realize that we are, but it was my understanding in discussions with my colleague opposite that we would pass this matter today because the committee plans to meet tomorrow morning. It was felt that the committee should meet now in order to lay out its plans so that, during the recess, matters can take their course. That was clearly the understanding I had with my colleague opposite.

Senator Lynch-Staunton: Honourable senators, I am in an embarrassing position. I certainly do not want to contradict whatever has been agreed upon.

Senator Molgat: To accommodate my friend, we could proceed now to discussion of the other motion and come back at eight o'clock tonight.

Senator Lynch-Staunton: No, we will not do that simply to hear what I have to say. If the commitment was made to pass the motion before the end of this day, let us do so. I will find another occasion on which to make my remarks. I had wanted to reflect on Senator Fairbairn's presentation. This is not a secondary issue that we are discussing. We know what we are talking about. However, if a commitment has been made, I will certainly honour it. I had not heard about this agreement, frankly. It was conveyed to me, perhaps, and I forgot about it. I am not passing the blame, except to myself. Let us carry on and face the question.

[*Translation*]

Senator Molgat: Honourable senators, I can assure my colleague that that is what we agreed upon. However, I want to comment on what my old friend Senator Prud'homme said earlier. I think that what he said made a lot of sense. There can be some problems between our Foreign Affairs Committee and the committee in the other place plus the Defence Committee also in the other place.

It would be appropriate for the chairpersons of these committees to agree on the subject-matters that they wish to consider. We must recognize that there are a lot of very important issues each committee can study on an individual basis. For example, our committee can easily examine the issue of our relations with the Caribbean and with Cuba, two countries with a very particular status. My colleague is very familiar with this issue, since we both went to Cuba a few years ago with the Inter-Parliamentary Union. I think Canada can play a very specific role in this area, given the relations between Cuba and the United States.

This is something which the Senate could examine. Our committee has a role to play. I agree that we must be careful not to step on each other's toes and look at the same issues at the same time. However, I think that this joint committee could do some work.

I want to congratulate my leader, Senator Fairbairn, who made every effort to ensure that the Senate is part of that Special Committee on National Defence set up by the House of Commons. She felt, and I agree with her, that it was important for the Senate to be part of that committee. I think that we can play a greater role on that committee and be listened to a little more since the committee will have a very important mandate. Indeed, it could determine the future of our armed forces for quite a long time.

We all know that the international scene has changed drastically. What we had to look at five or six years ago when the Soviet threat was still very real was very different from the current issues. Consequently, we must be prepared to make adjustments. The committee will have a very important role to play. In the meantime, we must ensure that the other committees, namely the Senate Committee on Foreign Affairs and the House of Commons committee, do not look at exactly the same issues.

[*English*]

•(1730)

Senator Lynch-Staunton: I would like to request that, should a similar situation arise again, the government not be so presumptuous as to call a meeting of a committee which has yet to be created. I find that somewhat presumptuous. Any member here who was unaware of that agreement could have moved the adjournment, and would not be bound by it. For the Senate's sake, the government's sake, and everyone's sake, let us give reasonable time for the debate, and call the meeting afterwards. Let us not arrange everything ahead of time.

Senator Molgat: I accept that comment fully. If I said that they had called a meeting, I was in error. They had hoped to be able to call a meeting if we passed the motion. They wanted to call the meeting because, as I indicated, the House of Commons will not be in session next week and we will not be in session next week. If the committee could meet at least once before the recess, they could decide what they want to do regarding staff, make preliminary decisions on witnesses, and get a full week ahead or, as far as we are concerned, two weeks ahead in view of the fact that we will not be here for the next two weeks.

Motion agreed to.

MERCHANT NAVY VETERAN AND CIVILIAN WAR-RELATED BENEFITS ACT

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

Hon. Jack Marshall moved the second reading of Bill S-4, to amend the Merchant Navy Veteran and Civilian War-Related Benefits Act.

He said: Honourable senators, in view of the time, I will dispense with paying tribute to the Speaker and to the Leader of the Government. However, I say to them that they will be missing great tributes.

Bill S-4 will amend the Merchant Navy Veteran and Civilian War-Related Benefits Act by adding the word "war" between the words "navy" and "veteran" or "veterans" in the title of the act and throughout the act wherever the expression "merchant navy veteran" or "merchant navy veterans" appears. As a result of the adoption of this amendment, the legislation should now read "Merchant Navy War Veteran and Civilian War-Related Benefits Act."

Honourable senators, the purpose of this bill is very simple. It is to give full recognition to merchant navy war veterans and to emphasize their status by giving them the dignity and public recognition that was denied them for decades after the world wars.

Some time ago, I introduced Bill S-5, which would have given war veterans of the merchant navy equal status with Canada's uniformed war veterans in terms of war-related benefits and recognition. My previous bill, unfortunately, was ruled out of order by the then Speaker on the grounds that it was a money bill and, upon my challenge, regrettably it was defeated by a vote of 34 to 33.

However, the government of the day introduced parallel legislation, Bill C-84, which was given Royal Assent in the Senate on June 18, 1992. It extended to the war veterans of the merchant navy some benefits which had previously been made available only to uniformed veterans but had left untouched other anomalies. These anomalies, I hope, will be on the agenda of the Subcommittee on Veterans Affairs when it begins its work very soon.

In the meantime, it is also necessary to recognize the contribution made by merchant navy veterans to the world wars and to the Korean conflict in every way possible. Without qualification, the word "veteran" suggests no more than long service, or perhaps experience by long practice. We are not honouring merchant seamen for having grown old, or for their great experience as seamen. We are honouring them for their service, whether counted by months or by years, as frontline soldiers in two world wars who, because of their vulnerability and lack of defences, suffered extraordinarily high casualties.

Looking over the Merchant Navy Veteran and Civilian War-Related Benefits Act, it was noted that the French version better indicates that a wartime Canadian seaman is a war veteran of the merchant navy and, thus, equal in status to the war veterans of the other three Canadian services. The amendments proposed in Bill S-4 would bring the same advantage to the English version.

Honourable senators, as I indicated, this is a very simple bill and I appeal for speedy passage of Bill S-4.

On motion of Senator Molgat, debate adjourned.

•(1740)

ENERGY, THE ENVIRONMENT AND NATURAL RESOURCES

COMMITTEE AUTHORIZED TO MONITOR MATTERS RELATED TO THE FEDERAL ENVIRONMENT ASSESSMENT PROCESS

Hon. Pat Carney, pursuant to notice of Tuesday, February 22, 1994, moved:

That the Standing Senate Committee on Energy, the Environment and Natural Resources be authorized to monitor all matters related to the implementation and application of the Act to establish a Federal Environment Assessment Process (previously Bill C-13); and

That the committee report to the Senate no later than June 30, 1995.

Motion agreed to.

HEALTH

APPOINTMENT OF SPECIAL SENATE COMMITTEE ON EUTHANASIA AND ASSISTED SUICIDE

Hon. Joan Neiman, pursuant to notice of earlier this day, moved:

That a special committee of the Senate be appointed to examine and report upon the legal, social and ethical issues relating to euthanasia and assisted suicide;

That notwithstanding rule 86(1)(*b*), the Honourable Senators Beaudoin, DeWare, Gigantès, Keon, Lavoie-Roux, Neiman and Perrault act as members of the special committee, and that three members constitute a quorum;

That the committee have power to send for persons, papers and records, to examine witnesses, to report from time to time and to print such papers and evidence from day to day as may be ordered by the committee; and

That the committee present its final report to the Senate no later than December 15, 1994.

She said: Honourable senators, yesterday when I launched an inquiry preceding my motion today, I spoke at length about the historical background and the present situation surrounding issues of euthanasia and assisted suicide. I hope I presented a sufficiently strong rationale for the appointment of such a special committee. I am therefore proposing to restrain myself today.

I am grateful to Senators Lavoie-Roux and Prud'homme for their very strong words of support yesterday. They obviously share my belief, and that of an increasing number of Canadians that, as complex and difficult as the issues may be, legislators have the responsibility of addressing and, sooner or later, finding some solutions to the problems which abound with respect to euthanasia and assisted suicide.

The endorsement of Senator Kinsella was somewhat more reticent, but revealed a thoughtful awareness of the ethical questions which are lying in wait. I am sure he will follow the committee proceedings very carefully, and perhaps he might take part from time to time.

The proposed committee is relatively small — seven members — but they represent a broad spectrum of expertise and experience. However, I would invite all senators to take an active interest in the proceedings of the committee. I have no doubt that some of the issues that will be raised will be controversial, and that premises on which assertions are made will be questioned. The challenge to the committee will be to identify the problems and propose solutions to them. It is obvious, even now, that people with different interests and concerns will eventually have to accept some compromises.

Honourable senators could play a very important role in conveying to the public, in any understandable ways they might choose, the essence of what the committee is hearing and discussing. We all might encourage debate and try to get as much feedback as possible before the committee proposes its final report. In undertaking this study, the Senate has a formidable challenge and a wonderful opportunity to make a significant contribution to the resolution by Parliament of problems which so urgently require attention. I hope all honourable senators agree.

[*Translation*]

Hon. Thérèse Lavoie-Roux: Honourable senators, yesterday I had the opportunity to express preliminary thoughts on the whole issue of euthanasia. At this point, I simply want to invite all those senators who are interested and who can to participate in the work of the committee, even if it is not in an official capacity. I believe this is an issue of interest for everyone. I am convinced that Senator Neiman would agree to open the door to all those who want to make a contribution of one form or another.

I will simply repeat what I said yesterday. This is a very complex issue. I do hope that we can look at each and every aspect. To that end, I also hope that we can set aside the views that we may have developed, based on personal experience, in order to meet with a totally open mind the groups and individuals who will come before the committee.

I am pleased to give my formal support to Senator Neiman's motion.

[*English*]

Hon. Stanley Haidasz: Honourable senators, the subject-matter to be studied by this committee is very important, and I am sure Canadians from coast to coast would like to have input into the work of this committee. I would ask Senator Neiman whether the committee will be studying this matter only in Ottawa, or whether it will travel from coast to coast in order to give Canadians from all parts of Canada the opportunity of appearing before the committee and stating their views.

Senator Neiman: Senator Haidasz, I am somewhat restrained by the leadership on both sides of the house when it comes to the question of travel and money. My hope is that we can invite as many people and organizations as possible to come here to Ottawa. It would make the work of the committee much simpler and, of course, much less expensive.

If it does appear that there is an overwhelming desire for us to travel somewhere, which travel is concurred in by the leadership, then I am sure we could arrange it, but that is something that will have to evolve as the proceedings continue.

Motion agreed to.

The Senate adjourned until tomorrow at 2.00 p.m.

THE SENATE

Thursday, February 24, 1994

The Senate met at 2:00 p.m., the Speaker in the Chair.

Prayers.

SENATORS' STATEMENTS

THE HONOURABLE KEITH DAVEY
THE HONOURABLE EARL A. HASTINGS

TRIBUTES ON TWENTY-EIGHTH ANNIVERSARY OF APPOINTMENTS TO SENATE

Hon. Royce Frith: Honourable senators, you will find this hard to believe —

Senator Doody: No, not me; not from you.

Senator Berntson: You could not surprise us.

Senator Frith: Really? That is quite a compliment. Thank you.

You will find it hard to believe that one of our youngest-looking, most dynamic colleagues was appointed to the Senate 28 years ago today. I refer to our colleague, one of my life-long friends and Canada's own rainmaker, Senator Keith Davey.

Hon. Senators: Hear, hear!

Hon. Keith Davey: Honourable senators, I rise only because my friend Senator Royce Frith very generously made that reference. However, the same tribute would apply to my friend and colleague Senator Hastings. He, too, has been a member of this chamber for 28 years.

Honourable senators, my time here in the Senate has been a delight, and I thank you.

Hon. William J. Petten: Honourable senators, I wish to join with Senator Frith in extending best wishes to Senator Davey and to Senator Hastings on this occasion. As well, I should like to tell my colleagues a quick story about my friend Senator Davey.

I came here as an innocent. My friend had been here for two years before me. He was forming a committee to study the mass media. He and Senator McElman decided they were looking for a patsy, and I was it, so I was appointed to the committee. On the committee, they were looking for a whip. I got the job, not because of my great abilities, but because I was the youngest — not in age but, rather, in seniority.

I wish to publicly thank Senator Davey for that appointment because it was one of the best things that has ever happened to me. Thank you, and again, all the best to Senator Davey and Senator Hastings.

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I, too, wish to congratulate my colleague Senator Davey, who has been an inspiration to me for a great many years, a mentor in many respects, and a great Canadian.

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, this anniversary was brought to our attention this morning at the meeting of the Standing Committee on Internal Economy, Budgets and Administration. Senator Hastings reminded us of this great event. I thought Senator Davey's response at that time was quite valid, namely that his appointment was the ultimate proof that appointments here are non-political. I wish them both well.

Hon. Peter Bosa: Honourable senators, I wish to associate myself with the remarks that have been made by other senators in congratulating Senator Davey on the occasion of the 28th anniversary of his appointment to the Senate. May I wish him another fruitful 28 years in this chamber.

ROUTINE PROCEEDINGS

THE ESTIMATES, 1994-95

TABLING

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, I have the honour to table the following documents: The government's Expenditure Plan, Part I, 1994-95 Estimates; the Main Estimates for the fiscal year ending March 31, 1995, Part II, 1994-95 Estimates; and the Expenditure Plans, Part III, 1994-95 Estimates.

[*Translation*]

NATIONAL DEFENCE POLICY

FIRST REPORT OF SPECIAL JOINT COMMITTEE— PRESENTED AND ADOPTED

Hon. Pierre De Bané, Joint Chairman of the Special Joint Committee on Canada's Defence Policy, presented the following report:

Thursday, February 24, 1994

The Special Joint Committee on Canada's Defence Policy has the honour to present its

FIRST REPORT

Your committee has examined its Order of Reference, adopted by the Senate and the House of Commons on Wednesday, February 23, 1994, and recommends the following:

That the committee be empowered to authorize television and radio broadcasting as it deems appropriate, of any or all of its proceedings;

That the committee be empowered to appoint from among its members such subcommittees as may be deemed advisable, and to delegate to such subcommittees all or any of its powers, except the power to report to the Senate and House of Commons;

A copy of the relevant Minutes of Proceedings and Evidence (*Issue No. 1*, First Session, Thirty-fifth Parliament) is tabled in the House of Commons.

Respectfully submitted,

PIERRE DE BANÉ
Joint Chairman

[*English*]

The Hon. the Speaker: When shall this report be taken into consideration?

Senator De Bané: Honourable senators, with leave of the Senate and notwithstanding rule 59(1)(*g*), I move that the report be adopted now, as this is necessary to allow the committee to start operating without delay.

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

Hon. Senators: Agreed.

Motion agreed to and report adopted.

THE ESTIMATES, 1994-95

REFERRED TO NATIONAL FINANCE COMMITTEE

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, with leave of the Senate and notwithstanding rule 59(1)(*f*), I move:

That the Standing Senate Committee on National Finance be authorized to examine and report upon the expenditures set out in the Estimates for the fiscal year ending March 31, 1995, with the exception of Privy Council Vote 20 (Official Languages).

Honourable senators, by way of explanation, the section for Official Languages is excluded from this motion because it is referred to the joint committee. I will be moving a motion immediately to refer it to the joint committee. That is the standard practice.

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

Hon. Senators: Agreed.

Motion agreed to.

OFFICIAL LANGUAGES

THE ESTIMATES, 1994-95—PRIVY COUNCIL VOTE 20 REFERRED TO JOINT COMMITTEE

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, with leave of the Senate and notwithstanding rule 59(1)(*f*), I move:

That the Standing Joint Committee on Official Languages be authorized to examine the expenditures set out in Privy Council Vote 20 of the Estimates for the fiscal year ending March 31, 1995; and

That a message be sent to the House of Commons to acquaint that House accordingly.

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

Hon. Senators: Agreed.

• (1410)

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

Hon. Orville H. Phillips: Honourable senators, I am perhaps not following the procedure as closely as I might. I find it rather strange that there is another motion before the Senate on aboriginal veterans. Are we confusing the two motions? I would ask the Deputy Leader of the Government in the Senate to explain the apparent conflict — at least it is a conflict to me.

Senator Molgat: Honourable senators, I am not quite sure to which conflict Senator Phillips is referring. The two motions which I have proposed are the ones that send the Estimates, which I tabled earlier, to committee. Across the floor, Senator Doody had asked me if I was referring them to committee.

The bulk of the Estimates covering all departments have been referred to the Standing Senate Committee on National Finance. However, by long-standing practice and agreement over the years, if not by law, the section on official languages is referred to the Standing Joint Committee of the Senate and House of Commons on Official Languages, as I understand it. That was the purpose of the second motion.

I do not see how this in any way affects the aboriginal question. The reference from the Senate to the Standing Senate Committee on Aboriginal Peoples deals specifically with the treatment of aboriginal veterans, and there is no reference to Estimates. There may well be a recommendation that could affect the Estimates at a later date, but at this point it does not affect the Estimates; it is not part of the Estimates.

Senator Phillips: That was my concern, that there might be a conflict between the Estimates and the reference which I understand is to be made regarding the Standing Senate Committee on Aboriginal Peoples.

If my honourable friend says there is no conflict, I am more than happy to accept his word.

Senator Molgat: Thank you.

Motion agreed to.

[*Translation*]

LIBRARY OF PARLIAMENT OFFICIAL LANGUAGES

APPOINTMENT OF SENATORS TO STANDING JOINT COMMITTEES

Hon. Jacques Hébert: Honourable senators, with leave of the Senate and notwithstanding rule 59(1)(*a*), I move:

> That rule 86.(1)(*b*) be suspended in relation to the nomination of senators to serve on the Standing Joint Committee on Official Languages and the Standing Joint Committee on the Library of Parliament;
>
> That the following senators be appointed to act on behalf of the Senate on the Standing Joint Committee on Official Languages, namely, the Honourable Senators Corbin, Nolin and Rivest;
>
> That the following senators be appointed to act on behalf of the Senate on the Standing Joint Committee on the Library of Parliament, namely, the Honourable Senators Cools, Doyle and Riel; and
>
> That messages be sent to the House of Commons to acquaint that House of the names of the honourable senators appointed to serve on the said Standing Joint Committees and the Standing Joint Committee for the Scrutiny of Regulations.

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

Some Hon. Senators: Agreed.

Hon. Marcel Prud'homme: Honourable senators, I would like to stress that there has not been much consultation. I am willing to grant leave for the adoption of the motion. I want to cooperate, but since there is only one independent senator in this house, I will certainly agree, on our behalf, to this favour that the whip of the government is asking from us; that is, the suspension of rule 59(1)(*a*).

Motion agreed to.

[*English*]

HEALTH

IMPACT OF CHANGES TO TOBACCO TAXES—NOTICE OF INQUIRY

Hon. Consiglio Di Nino: Honourable senators, I give notice that on Tuesday, March 15, 1994, I will call the attention of the Senate to the impact of the Government of Canada's changes to tobacco taxes.

FEDERAL-PROVINCIAL RELATIONS

INFRASTRUCTURE PROGRAM—HAY REPORT—PRESENTATION OF PETITION

Hon. Pat Carney: Honourable senators, I have the honour to present a petition signed by several hundred residents of the Chilliwack River Valley respecting their desire to have anti-flood preventive diking financed under the Government of Canada's infrastructure program.

The Chilliwack River is classified as a wild river. It caused severe flooding in 1984, 1989 and 1990. The residents wish the report of the Chilliwack River Valley Hazard Management Plan, which is known as the Hay report, to be implemented in order to protect public safety and their homes.

QUESTION PERIOD

THE BUDGET

INTERNATIONAL SPACE STATION PROGRAM—STATUS OF CANADA'S COMMITMENT—GOVERNMENT POSITION

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, in the Finance Minister's speech, which was distributed with a number of other budget documents last Tuesday, one reads the following on page 7:

> Second, we have decided to negotiate an orderly withdrawal from current commitments to the International Space Station program.

When he delivered his speech in the House of Commons, however, Mr. Martin said, as reported in Hansard:

> Second, we have decided to negotiate an orderly reduction in current commitments to the International Space Station program.

My question is obvious: I should like to ask the Leader of the Government if, as *The Financial Post* reports today, based on U.S. and Canadian government sources, according to its reporter, the original intention of a unilateral withdrawal from the International Space Station program was changed to one of negotiated reduction only after a telephone call from the President of the United States to the Prime Minister of Canada?

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, my information is that, yes, the Prime Minister of Canada and the President of the United States spoke on this issue. The intention of the Government of Canada was to negotiate reduction rather than outright withdrawal. I believe that has been indicated by officials. We look forward to having a continued relationship in this program.

Senator Lynch-Staunton: Honourable senators, that answer does not explain why the printed copy of the speech, which is still available for distribution and which has not been corrected, still has the word "withdrawal" in it. It does not say "Check against delivery." The document is available today. Anyone who wants to call the Finance Department can get it. The official document of the Government of Canada still states "withdrawal." It is obvious that after that was printed, or at the time of its printing, pressure was put on by the Government of the United States and the minister had to backtrack.

The article also states:

> "There's a lot behind that change of words," said one U.S. official involved in the space negotiations.

• (1420)

According to the same article, an official of Spar Aerospace said it was an oversight that the word "withdrawal" had been left in the prepared text and in the budget documents. This whole scenario clearly implies that a foreign government and a private Canadian company directly affected by a budgetary decision were involved in the decision-making process. One cannot read anything else into it. The budget speech is printed, the word "withdrawal" appears — and the speech could not have been printed many days before it was given — and suddenly the minister uses a word completely opposite to the one in the text.

Pressures were brought to bear by the company and by the President of the United States; the Government of Canada backtracked. Therefore, we have the unique situation of having a foreign government and a private company involved in the decision-making process of the budget.

My question is this: How can the minister justify such unprecedented behaviour, which is in total violation of the absolute secrecy and confidentiality that are inherent during the preparation of budget documents?

Senator Fairbairn: Honourable senators, to respond to the last part of Senator Lynch-Staunton's comments, in the history of this country there has never been as open a process of budget consultation as there has been for Mr. Martin's budget.

Senator Frith: That is Tory thinking. They just cannot get that cobweb out of their heads!

Senator Gigantès: They judge others by their own standards.

Senator Fairbairn: The Government of Canada remains committed to being part of this process in relation to the International Space Station.

Senator Berntson: What changed your mind?

Senator Fairbairn: However, we have been negotiating with the United States for a reduced commitment in order to make our participation in that project affordable. Clearly, there is a mistake in this document, pure and simple.

Senator Berntson: Is that what it is, just a mistake?

Senator Fairbairn: The commitment of the Government of Canada has remained strong. Obviously, however, we are in a reduced economic state. We are, therefore, negotiating a reduction in our participation in this program, but we wish to remain productive players in it.

Senator Olson: The Tories would not understand that.

Senator Lynch-Staunton: One can remember an instance when the Honourable Mitchell Sharp, as Minister of Finance, was photographed in his office and the television cameras managed to catch a certain figure on a printed document. That document was immediately taken back and changed for his presentation that very same day.

Senator Thériault: It was not Mitchell Sharp.

Senator Lynch-Staunton: Correction; it was Marc Lalonde. Now we are being asked to believe that the word "withdrawal" was a casual mistake and that "we only picked up on it a few days later. We then changed it to something else, and we are terribly sorry." That may be the official line, but it is very hard to swallow because, between the two happenings, the President of the United States and Spar Aerospace intervened. That fact has not been denied. It was the intention of the Government of Canada to withdraw from the program, but pressure was applied by the United States.

Once again, those of us who were charged with what the Red Book calls "camp-following" have witnessed an incidence of meek submission towards the President of the United States. Indeed, that has happened on two issues recently. First, there was the matter of air strikes in the vicinity of Sarajevo. The Government of Canada initially maintained its opposition to air strikes. After one telephone call from President Clinton, however, the position became, "Yes, we are in favour of air strikes." A few days ago there was another call from him saying, "Look, Jean, I am sorry but you have to be involved in this program, because if you back out the other partners will back out." The response was obviously, "Yes, Mr. President."

• (1430)

I ask the leader, is this not camp-following? How does she define it if not as meek submission displayed by the Prime Minister of Canada following conversations with the President of the United States?

Senator Fairbairn: Honourable senators, this is far from meek submission on the part of this government in its interaction with the United States since the last election.

Senator Lynch-Staunton: Maybe abdication is a better word.

Senator Fairbairn: I will ask members of this house to recognize that in terms of air strikes, which the honourable senator chose to raise, Canada had a very strong and persuasive influence, not only on the President of the United States but on Canada's allies within the NATO alliance.

Senator Lynch-Staunton: Then it changed. It lasted a month.

Senator Fairbairn: The influence of Canada helped to bring about the situation we now have in the former Yugoslavia, where air strikes did not occur because reason prevailed on the ground. Canada's influence in NATO and with the President of the United States was absolutely fundamental to that taking place.

There is no question of weak submission at all. This was a very strong Canadian intervention, and it helped. It was not the whole cause of the success, honourable senators, but it helped enormously in creating an atmosphere which led to a ceasefire, and that ceasefire may now be extended throughout that troubled area.

In terms of the space station, I have made very clear the Canadian position on that. Canada wishes to be involved. However, we wish to be involved in reduced circumstances, and that is what is under negotiation with the United States at this point.

Hon. Pat Carney: Honourable senators, I have a supplementary question to that of Senator Lynch-Staunton: How did the President of the United States know what was in the Canadian budget, and when did he know it?

Senator Lynch-Staunton: That is the point. Clairvoyant? Consultation?

Senator Fairbairn: Honourable senators, I am not privy to conversations between the President of the United States and the Prime Minister of Canada, but I would be pleased to make that inquiry.

CANADIAN BROADCASTING CORPORATION—JUSTIFICATION FOR FUNDING—GOVERNMENT POSITION

Hon. Gerry St. Germain: Honourable senators, my question is to the Leader of the Government.

I have in my hands here, honourable senators, the basic facts in relation to federal spending. My question is asked at this time because of the tremendous sacrifices that Canadians are being asked to make. I believe that all honourable senators and all Canadians understand the sacrifices, although we do not necessarily accept them. However, in this material, I read that our federal spending includes another $1.1 billion for the CBC.

I know that the relationship of political parties and partisanship is a very delicate area, honourable senators. However, in view of the terms under which the new president of the CBC was hired, I would ask the government leader whether there was any consideration given in the budget discussions to making some cut-backs in this area? It seems to me that when we are asking sacrifices of people in regions such as Newfoundland, who have already taken the brunt of the recession, the question should be asked: Has any consideration been given to reducing this huge amount of money that goes to support the CBC? If not, why not?

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, as you know, the CBC over recent years has taken systematic and considerable cuts in its budget. The new president of the CBC and the minister responsible have made it clear that this government believes the CBC makes a worthwhile contribution to this country. This government intends to make sure that the CBC is maintained as the service that Canadians have come to regard as something which binds this country together. It will be maintained on an extremely careful budget, and we wish to underline our support for it.

The other side of that question is the budget propositions which affect Canadians all across this land. I tried to make clear yesterday, as I have before, that the underlying motivation of this government is to combine the measures which will bring about economic growth in this country, such as job creation and opportunities for training and progress for people who have been hurt by events. Newfoundland is a particular case in point, which is why this government has put aside $1.7 billion specifically to help people in the Atlantic provinces surmount the difficulties that have been placed in their way, particularly in the last year.

Senator St. Germain: A supplementary, Your Honour.

Honourable senators, there is no question that I hear what the Leader of the Government is saying about what her party believes binds this country together. However, I believe it is much more than the CBC. I think the greatest resources we have in this country are the people and the families who work and contribute. That far exceeds anything that the CBC, CTV, or any other media network can provide. Inasmuch as I see a value, and I am not questioning that aspect of it, but given, Mr. Speaker —

Senator Frith: Order! Address the honourable senators, not the Speaker.

Senator St. Germain: Honourable senators and Senator Frith, I stand to be corrected, and I accept the correction.

Honourable senators, $1.1 billion is a great deal of money for such an organization, in the eyes of my constituents in British Columbia. I believe it is a luxury to employ people such as Peter Mansbridge and Pamela Wallin when the Lloyd Robertsons and the Peter Kents can deliver the same type of news at a profit.

UNEMPLOYMENT INSURANCE—CHANGE IN DURATION OF CLAIMS—GOVERNMENT POSITION

Hon. C. William Doody: Honourable senators, I have a question for the Leader of the Government in the Senate.

Senator Perrault: Don't make it political, now.

Senator Doody: I find it most alarming and chilling, really. I refer to a part of the budget speech which speaks about the reductions in the unemployment costs. I would like to read to you this quotation:

> The maximum duration of unemployment insurance claims will be reduced for new claimants with weak attachment to the labour force.

If ever there was a chilling, cold, bureaucratic statement included in a budget speech, this has to be at the top of the list.

Does this mean that the young people who are just getting out of school, or finishing college, or finishing trade school will have less chance to obtain unemployment insurance in lieu of jobs which, in my part of the country at least, are unobtainable? Does it mean that casual labourers, or seasonal labourers, or part-time workers with a weak attachment — my God, what a term — with a weak attachment to the labour force will no longer be eligible for the same unemployment insurance benefits as those people with regular incomes and longstanding jobs, and people with a chance to save and to get established in the community?

Does it mean that the less advantaged in our society, those people with the least opportunity to get a foothold in the Canadian lifestyle, will now receive reduced benefits as new claimants with "a weak attachment to the labour force"? Or is there some plan to provide opportunities for these people in lieu of what has been their lifeline before, namely the unemployment insurance fund?

Hon. Joyce Fairbairn (Leader of the Government): Thank you, Senator Doody, for that question. There is no doubt that the unemployment insurance system in this country is of fundamental importance, particularly in areas where there is seasonal employment and very high unemployment.

The question that this government is trying to deal with is precisely geared to your concluding statements, and the answer is yes.

Honourable senators, the efforts of this government in this budget are to create opportunities that will get people off unemployment insurance and put them to work and give them, as the Prime Minister of Canada has said on a number of occasions, the dignity of being able to work in this country.

• (1440)

As far as our young people are concerned, there is a concerted effort in the Throne Speech, the budget and the government's programs to help young people move into jobs. We will be moving ahead quickly with the Youth Corps. We will be moving ahead quickly with the Apprenticeship Program.

In concert with the provinces, and this is particularly true of the four Atlantic provinces, we are also moving ahead with coordinated efforts to develop quickly and innovatively productive training and education programs to move people into the work force and into jobs for which they are qualified — and this is not just for young people.

There will be changes in Canada because of what has begun in this social policy review, but underlying all of them will be the ultimate goal of getting Canadians working in every part of Canada and, I must say, most particularly in the province of Newfoundland.

Senator Doody: I appreciate the intentions, the ambitions, the ideas and the hopes of the administration, but they are not spelled out nearly as specifically in this document as the statement that $725 million will be saved in 1994-95, and $2.4 billion per year thereafter, by reducing the maximum duration of unemployment insurance claims for new claimants with weak attachments — that's a terrible phrase — with weak attachments to the labour force.

Can the minister be more specific and tell the people in the less advantaged parts of our country exactly what will be put in place for them in return for having their access to the unemployment insurance fund decreased? It is an awful thing to deprive people of something of value and give them nothing in return, except some vague hopes and aspirations.

I despair for my friends and fellow citizens in the poorer parts of this country if all they will have to eat during the coming winter are the promises that are obtained from the generalized statements of my honourable friend.

Senator Fairbairn: Honourable senators, that is not a phrase I would have written.

Senator Doody: It is "bureaucrat-ese."

Senator Fairbairn: It is not expressive of what this government is trying to do. This government is trying to provide an opportunity for people to work rather than to collect either unemployment insurance or, for that matter, welfare.

One of the most important things in this budget is the reduction in the rate of unemployment insurance premiums, which will trigger job creation in all areas of this country to the tune of some 40,000 jobs.

Senator Lynch-Staunton: That's next year.

Senator Fairbairn: On the question Senator Phillips asked me previously, there will be a special package for Atlantic Canada. The Minister of Fisheries and the Minister of Human Resources Development have spoken about this. Last weekend they met in the Atlantic provinces with the premiers.

This is an immediate, action-oriented plan to help people get jobs so that they are not on assistance in the Atlantic provinces. This is not a plan for next year or the year after. This plan will be put into place very quickly.

Finally, honourable senators, I must remind you of another fact, and that is that the unemployment insurance fund has a $6-billion deficit. If we do not take action to preserve this system, and we must do some cutting in order to do so, we will lose the fund. That is something that is not to be tolerated in this country, and particularly in Atlantic Canada.

Senator Doody: I offer my sympathies to the Liberals, who must support this Tory government.

IMPACT OF BUDGET ON ATLANTIC REGION—CONCEPT OF FAIRNESS—GOVERNMENT POSITION

Hon. Lowell Murray: Honourable senators, by way of follow-up to the questions that have been asked, I am interested in the concept of fairness as defined by the government and applied by the Minister of Finance in his budget. Commentators are virtually unanimous in their conclusion that the impact of the budget will be disproportionately harsh on one region of the country, namely the Atlantic region.

There are base closures, a 22-per-cent reduction in unemployment insurance payments, a considerable reduction in the Fisherman's Compensation Program alluded to by the Leader of the Government a moment ago, and the cuts in regional development spending. I am sure that an argument can be made and will be made, as to the necessity for any one of these measures. However, what thought was given to the cumulative effect of these measures on the people of the Atlantic provinces?

The premier of my honourable friend's home province of Alberta, Premier Klein, is quoted as having said:

> I can't see where Alberta has been hit very hard. They weren't as tough as I expected them to be.

My question is whether the concept of fairness, which has been mentioned frequently by ministers and in particular by the Minister of Finance, was considered in regard to the relative impact of the budget on the different regions of Canada and whether any consideration was given to trying to spread the pain a bit more evenly.

Hon. Joyce Fairbairn (Leader of the Government): The government is quite conscious of the situation in Atlantic Canada, and it is for that reason that a great deal of effort is being made with respect to the fisheries and in developing programs in consultation with the people involved.

We were also aware, when thinking of the $800-million special employment stimulus and training fund that will be used immediately in this country —

Senator Lynch-Staunton: How much is there?

Senator Fairbairn: We are also conscious of the fact that some of the issues that Senators Doody and Murray have mentioned in connection with the unemployment insurance cuts have an element of fairness in them. The people who are on the lower end will receive a higher percentage of payment.

Honourable senators, I am not going back into the mists of time, but we must appreciate the reality of the deficit that we have. I reiterate the fact that the figures show a $45.7-billion deficit and —

• (1450)

Senator Simard: You're cooking the books!

Senator Fairbairn: No, Senator Simard, it is not a question of —

Senator Frith: Squanderers!

Senator Fairbairn: — cooking the books. I would remind honourable senators that a mere two years ago, when my friend Mr. Mazankowski brought in his first budget, he predicted that the deficit for the year we are just concluding would be $22.5 billion. We are not talking about cooking the books here; we now face a deficit that is twice as high.

Senator Phillips: That was good cooking, wasn't it?

Senator Fairbairn: My friends opposite know the painful decisions faced by a government in trying to deal, on the one hand, with the absolute necessity of cutting deficits, and on the other hand with, in our view, the equally if not more important necessity of supporting people and helping find jobs for individuals. It is also difficult, in our reduced circumstances, to find the money that will provide an infrastructure program throughout the Atlantic provinces which will also create jobs. These are the kinds of programs that have been very much in the minds of those responsible in the government in terms of where the impact of this budget will be felt. I am sure that when the Prime Minister goes to Newfoundland tomorrow, he will be giving that message to the people of that province.

Senator Frith: You left a mess, and we are just trying to clean it up.

THE ESTIMATES, 1994-95

ATLANTIC CANADA OPPORTUNITIES AGENCY—REVIEW OF ACTIVITIES BY NATIONAL FINANCE COMMITTEE

Hon. Lowell Murray: Honourable senators, I should mention that 31 of the 32 members of the House of Commons from Atlantic Canada are supporters of the Liberal government. Four out of four provincial governments there are Liberal. There may not be much that the Senate can do to undo some of what is being proposed. However, I think we would be doing no more than our duty if we made it our business to give a voice to people in the Atlantic provinces who justifiably feel hard done by in this budget.

In connection with the notice of motion that was given earlier by the Deputy Leader of the Government, perhaps the minister might consult with the chairman of the Standing Senate Committee on National Finance with a view to having that committee take the estimates of ACOA under consideration forthwith so that a review could be made, not just of the activities of that agency, but of what needs to be done to try to ensure that the Atlantic provinces do not fall further behind.

Hon. Joyce Fairbairn (Leader of the Government): Senator Murray, I should like to reiterate once more that it is definitely a commitment of this government that the Atlantic provinces will not fall further and further back. I believe that the suggestion made by the honourable senator is one that the committee and the house might wish to consider.

UNEMPLOYMENT INSURANCE CUTS—PLIGHT OF LOBSTER FISHERMEN

Hon. Jack Marshall: Honourable senators, my question to the Leader of the Government is with respect to unemployment insurance, particularly as it relates to fishermen. The budget calls for an extension of the qualifying period from 10 to 12 weeks. This creates an anomaly to lobster fishermen whose season only stretches for 10 weeks. They will not, therefore, qualify for unemployment insurance, and they will not be able to collect unemployment insurance until the next lobster season presents itself.

Upon enquiring at the local area office of the Unemployment Insurance Commission, the fishermen were told that the local officials had not been consulted about whether or not the lobster fishermen would fall into this strange category whereby they are not eligible for unemployment insurance.

The Leader of the Government may not have an answer now, but this matter is pretty urgent at the present time. Lobster fishermen have been calling my office. It seems to me that this might just have been an oversight. I wonder if the Leader of the Government would check on that matter and provide me with an answer.

Hon. Joyce Fairbairn (Leader of the Government): I would be pleased to do that as quickly as I can, Senator Marshall.

DELAYED ANSWER TO ORAL QUESTION

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, I have one delayed answer today. I am expecting at any time now, by the way, that my honourable friends across the way will stand up and cheer over how quickly the responses are arriving.

Senator Frith: You are not a quick learner, Gil.

Senator Phillips: Would you hold your breath until then?

Senator Molgat: In any event, I have the answer to a question asked on February 10 by Senator David Angus regarding the infrastructure program as it relates to the St. Lawrence Seaway.

TRANSPORT

CONDITION OF ST. LAWRENCE SEAWAY—GOVERNMENT POLICY

(Response to Question raised by Hon. W. David Angus on February 10, 1994)

Infrastructure works is a shared-cost program designed to meet primarily the infrastructure needs and priorities of local governments. Projects are developed by municipalities and other partners, and costs will normally be shared equally among project participants, the province and the federal government, each providing up to one-third of project funding.

Given the pressing need to renew and enhance Canada's municipal infrastructure, and the relatively limited amount of funding available for this purpose, it appears unlikely that municipalities or the provinces would be willing to fund infrastructure projects connected to the Seaway.

The St. Lawrence Seaway Authority (SLSA) has submitted their Corporate Plan, including maintenance plans, for approval by the Minister of Transport and Treasury Board. To date, there has not been final approval of the plans. A summary of the Corporate Plan will be tabled in both houses once approval is obtained.

AGRICULTURE AND FORESTRY

NOTICE OF MOTION TO CONTINUE STUDY ON FARM SAFETY

Leave having been given to revert to Notices of Motions:

Hon. Dan Hays: Honourable Senators, I give notice that on Tuesday next, March 1, 1994, I will move:

That the Standing Senate Committee on Agriculture and Forestry be authorized to continue its special study on farm safety and farm-related health issues;

That the papers and evidence taken on the subject and the work accomplished during the Third Session of the Thirty-fourth Parliament be referred to the committee; and

That the committee present its report no later than December 31, 1994.

NOTICE OF MOTION TO AUTHORIZE COMMITTEE TO ENGAGE SERVICES

Hon. Dan Hays: Honourable Senators, I give notice that on Tuesday next, March 1, 1994, I will move:

THAT the Standing Senate Committee on Agriculture and Forestry have the power to engage the services of such counsel and technical, clerical and other personnel as may be necessary for the purpose of its examination and consideration of such bills, subject-matters and estimates as are referred to it.

• (1500)

ORDERS OF THE DAY

PRINCE EDWARD ISLAND

FIXED LINK—MOTION TO AMEND CONSTITUTION OF CANADA—DEBATE ADJOURNED

Hon. Gildas L. Molgat (Deputy Leader of the Government), pursuant to notice of Tuesday, February 22, 1994, moved:

That whereas section 43 of the Constitution Act, 1982 provides that an amendment to the Constitution of Canada

may be made by proclamation issued by the Governor General under the Great Seal of Canada where so authorized by resolutions of the Senate and House of Commons and of the legislative assembly of each province to which the amendment applies;

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

SCHEDULE
AMENDMENT TO THE CONSTITUTION OF CANADA

1. The Schedule to the *Prince Edward Island Terms of Union* is amended by adding thereto, after the portion that reads

"And such other charges as may be incident to, and connected with, the services which by the 'British North America Act, 1867' appertain to the General Government, and as are or may be allowed to the other Provinces;"

the following:

"That a fixed crossing joining the Island to the mainland may be substituted for the steam service referred to in this Schedule;

That, for greater certainty, nothing in this Schedule prevents the imposition of tolls for the use of such a fixed crossing between the Island and the mainland, or the private operation of such a crossing."

Citation

2. This Amendment may be cited as the *Constitution Amendment, 1993 (Prince Edward Island)*.

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, as I look across the floor at Senator Phillips, I am delighted to have the opportunity to introduce this resolution today.

Today is an important moment for the host province of Confederation. The last time we heard about this subject was from Senator Phillips when he indicated that this step would be necessary in order to complete Prince Edward Island's request for a bridge. The province has asked Parliament to make a small — but nonetheless very important — change in the Terms of Union to allow for the construction of a bridge between the Island and the mainland.

Honourable senators, this is a bilateral constitutional amendment. Section 43 of the 1982 amending formula allows for the adoption of constitutional amendments which affect one or more, but not all, of the provinces. This is accomplished through the adoption of constitutional resolutions by appropriate provincial legislatures and by the Parliament of Canada.

Such amendments, honourable senators, cannot be used to change the division of powers, or to create new constitutional provisions, or to give special powers to one province. In fact, the amendment we are discussing today is a piece of unfinished business left over from the last Parliament, as I said earlier.

Honourable senators, we in this house have changed the Constitution by way of bilateral amendment twice since 1982. In 1987, an amendment gave the Pentecostal churches in Newfoundland the same educational rights as other religious schools. In 1993, the New Brunswick equality amendment was adopted, which recognized the equality of the two linguistic communities in that province.

In this case, under the current Prince Edward Island Terms of Union, which are a part of our Constitution, the federal government is obligated to provide a permanent ferry service to the Island. The exact words of the Terms of Union are:

That the Dominion government shall assume and defray all the charges for the following services, viz:-

It includes:

Efficient steam service for the conveyance of mails and passengers, to be established and maintained between the Island and the mainland of the Dominion, winter and summer, thus placing the Island in continuous communication with the Intercolonial Railway and the railway system of the Dominion;

That clause was insisted upon by Prince Edward Island when it joined Confederation in 1873. For over 120 years it has been their guarantee of a permanent connection to the rest of Canada.

This amendment, honourable senators, does not change that guarantee. It will merely change the nature of the way that guarantee is carried out; that is, with a bridge — or "fixed link" — rather than a ferry service.

The amendment is required because the Federal Court ruled in March of 1993 that the ferry service could not be discontinued without an appropriate constitutional amendment. If the bridge were built without it, the federal government would be in the very difficult position of having to guarantee ferry service in addition to any expenditures it might undertake for the bridge.

We are all aware that the proposal to create a permanent fixed link between the Island and the mainland has been under discussion, on and off the Island, for several years. In fact, between 1987 and 1993, some 80 public meetings, attended by over 10,000 people, were held to provide public input at various stages of the environmental review process alone. Over 90 studies were undertaken on the environmental impact that the bridge will have as it is under construction and when it is in full operation.

The June 1993 decision of the previous Minister of Public Works not to proceed with further public hearings was challenged in the Federal Court by opponents of the bridge. In his decision in favour of the government, Justice Cullen of the Federal Court said:

> The criteria accepted and followed by Public Works Canada when making its self-assessment was more than adequate for the purpose and complied with the Guidelines Order.

That statement was made on August 12, 1993.

Honourable senators, this is probably the most studied project from an environmental point of view, ever undertaken in Canada.

Senator Berntson: Other than Rafferty-Alameda.

Senator Fairbairn: I was about to say the Oldman River dam project, but I am not sure that is true, either.

Senator Frith: Closer than a photo finish.

Senator Phillips: It beats both of them.

Senator Fairbairn: The conclusion is that any adverse environmental effect of building this bridge would be either insignificant, or could be alleviated by known technology. The federal and provincial governments will monitor the construction of the bridge at all stages to ensure that the builder is following all of the proper procedures.

In June of 1993, Bill C-110, respecting the Northumberland Strait Crossing, was debated and passed by this Parliament. That same month, a resolution authorizing this amendment was passed by the Prince Edward Island legislature.

When we had Bill C-110 before us, Senator Bonnell described what had already occurred in the Prince Edward Island legislature, while Senator Phillips noted that the resolution would need to be adopted at some later date by both Houses of Parliament. Both of them spoke enthusiastically in favour of the project.

If I may quote Senator Phillips from the debates in this chamber last June 17, where he said, at page 3563 of Hansard:

> Prince Edward Island needs this project; Atlantic Canada needs it; Canada needs it. It is clearly a winner.

In that same debate, Senator Bonnell said at page 3566:

> This new mode of transportation will allow the Island to become more efficient and competitive by eliminating many barriers to exporting our goods around the world. This bridge will greatly improve the efficiency of those industries that rely heavily on an effective transportation system while, at the same time, allowing more visitors to come to the Island.

In fact, after considerable debate and discussion, a majority of Islanders strongly supported the initiative, as do the current and past provincial and federal governments. It is also supported strongly throughout the rest of Atlantic Canada.

The creation of this fixed link will provide over 5,500 direct and indirect jobs over the approximate three years of construction. About 96 per cent of those jobs, honourable senators, will be created for Atlantic Canadians.

The government is also taking steps to protect those fishermen who may lose the opportunity to fish in specific zones where construction is taking place. The developer will be required to set up a $10-million compensation fund for this, which fund will be administered according to the terms being established by a Fisheries Liaison committee, made up largely of fishermen.

The program consists of six compensation components: for lobster, for scallops, for herring, for Irish moss, for "other species," and for port interference. The payments to individual fishermen can vary between $1,000 and $29,000.

In addition, steps are being taken to ensure that those ferry workers who will lose their jobs as a result of this construction will be treated fairly and equitably. They will have the first right of refusal for the bridge operation and maintenance jobs, of which there will be about 60. They will receive a fair severance package negotiated with the workers' union and Marine Atlantic. They will be provided with opportunities for retraining and relocation assistance where necessary.

Under the terms of the bridge construction agreement, about 70 per cent of all the materials used will also come from within Atlantic Canada, and the shopping list for the materials for this 13-kilometre-long bridge is pretty impressive. Among other things, it will require 1.5 million cubic meters of aggregate and stone, 200,000 tonnes of cement, 53,000 tonnes of reinforcing steel, 12,000 tonnes of cable, 8,000 tonnes of metal fabrication, and 139,000 tonnes of asphalt paving.

At its highest point, this bridge will rise some 55 meters above the water at the centre of the channel. It will be the largest bridge ever built in North America, and one of the longest bridges in the world. Its construction, by Strait Crossing Development Incorporated, will provide a real and very positive stimulus to the Atlantic economy generally, and will pave the way for future long-term economic growth and development in that region. Prince Edward Island Premier Catherine Callbeck has called it "a symbol of hope...a tangible opportunity to create jobs and revitalize the province's economy."

One of the most attractive features of this proposal for some people who worry about fiscal restraint is that it will not cost the federal government any more than the projected cost of maintaining the ferry service, a cost it is constitutionally obligated to undertake in any event.

The government believes that if we want to have the renewal of existing facilities, and the new facilities that we need, governments alone will not have the financing capacity to do the whole job by themselves. Infrastructure and transportation are critical to our ability to compete nationally, and to the ability of Prince Edward Island to compete as the smallest province in our confederation.

Senator Phillips: But the most important one.

Senator Fairbairn: And one of the most beautiful.

This project is an excellent example of how government and the private sector can pool their expertise and resources to create the essential infrastructure that we need. It gives maximum protection for the taxpayer and it provides the developer with a fair, but not excessive, profit potential.

A private firm will finance the construction, which is expected to run to some $850 million. In return, the firm will receive $42 million per year from the federal government, which is the amount it would cost per year to maintain and subsidize the ferry service. This arrangement will last for 35 years, at which time the ownership of the bridge reverts to the government and to the people of Canada.

Given that the bridge will be constructed to last for at least 100 years, that means that, for virtually no new financial outlay, the government will acquire a major asset. In short, it is a good business deal for the people of P.E.I. and for the people of Canada.

The firm will be allowed to collect tolls for the use of the bridge. The tolls will not be allowed to exceed the cost of the ferry service, and will not be allowed to rise by any more than three-quarters of the rate of inflation.

In addition, if that bridge is not finished by May 31, 1997, the developer will be required to reimburse the government for the continued operation of the ferry service for up to 36 months. Therefore taxpayers' money is being further protected under the terms of this deal.

The great advantage of the bridge over the ferry service is that all users — Islanders, tourists, the trucking industry and anyone else — will not be at the mercy of ferry schedules when they want to get off or on to their Island, and it is estimated that the bridge will lead to an increase in tourism on the Island of some 25 per cent. That is certainly good news indeed for hotel, motel, campground and restaurant owners who have been suffering through this recession along with the rest of the country.

I am told that the construction itself will attract hundreds of tourists, as well as engineers and others from all around the world who will want to have a look at one of the biggest projects on the continent.

Honourable senators, I believe that giving citizens in the Atlantic provinces a chance to strengthen their transportation infrastructure and create new, long-term economic opportunities will make the whole country stronger. In the long term, this bridge will provide Prince Edward Island with a new lifeline to the mainland. It will give its residents and its businesses increased flexibility and allow them to be more competitive, and all sectors of the Island economy will benefit, whether tourism, agriculture, shipping or the fishery.

Finally, I believe that supporting this resolution is far more significant than laying down a constitutional framework to allow the replacement of a ferry with a bridge. It is a realistic and imaginative response to a very real need on the part of Islanders to have that stronger link with the mainland, and it can become a model for the way in which the private sector and government can cooperate together in giving the people of this country the kind of infrastructure that is essential to the smooth and efficient operation of our economy.

It is a great boost for Prince Edward Island, it is a great boost for Atlantic Canada, and I think it is a great boost for all Canadians. I hope that everyone will consider —

Senator Lynch-Staunton: We brought it in.

Senator Fairbairn: And I would certainly congratulate you, Senator Lynch-Staunton, for doing that.

I hope that everyone will give their support to this resolution, in order to conclude this piece of unfinished business.

Hon. Orville H. Phillips: Honourable senators, I would first thank the Leader of the Government for her introduction of the resolution. When I heard the Deputy Leader of the Government move the amendment, I thought: "In the other place, a cabinet minister moved the amendment. Don't tell me the Senate is getting the sous-chef."

It is not that I have anything against Senator Molgat, but I am delighted that Senator Fairbairn herself introduced the amendment.

• (1520)

Senator Fairbairn: I needed time to regroup after Question Period.

Senator Phillips: I see. We on this side needed a little time to regroup after your answers, too, senator.

For generations, Prince Edward Islanders dreamed of a continuous link with Canada. We did not think of it in the terms expressed by Senator Fairbairn, when she said "P.E.I. was being linked to the mainland." We, as Islanders, think of Canada as being connected to us, and I think that is the proper viewpoint.

Last year, after all the years of debate and planning, I had the pleasure of introducing in this chamber Bill C-110, which provided for the terms and conditions of the construction, maintenance and financing of what we now call the fixed link.

In my remarks on June 17, 1993, I gave a lengthy, extensive, detailed explanation of the bill and, I might add, with a great deal of clarity, so there was no question as to the conditions contained in the bill. It is very unlikely that honourable senators would forget my speech on that occasion.

Senator Fairbairn: Never.

Senator Phillips: Or on any other occasion. I am suspicious that perhaps some honourable senators may have left a little early on their summer vacation.

Senator Molgat: We reread them all the time.

Senator Phillips: I am glad honourable senators do. I have noticed that since the honourable senator has moved to that side, there has been an improvement, and I will attribute that to the fact that he has been reading my speeches. For those honourable senators who left a little early, I would suggest that they take a few moments to read the remarks that I made on that occasion.

I was extremely pleased on that occasion to have the support of one of my colleagues from Prince Edward Island, the Honourable Senator Bonnell, a long-time friend despite political differences. I appreciated his support. I think that between the two of us, we left no questions unanswered.

Following the passage of Bill C-110 and Royal Assent, the Honourable Elmer MacKay, then Minister of Public Works, signed an agreement with SCI, Straight Crossing Incorporated, which is based in Calgary, to construct the fixed link. It immediately called for tenders and the first one was for the construction site in Borden, a $60-million contract.

Honourable senators will be interested to know that since the awarding of that contract, Marine Atlantic has found it necessary to schedule two extra crossings of the car ferries to accommodate the materials moving on to P.E.I. for the construction of the fixed link.

Prior to the final negotiations on the signing of the fixed link, the provincial government in P.E.I. conducted a plebiscite to determine the wishes of the residents of P.E.I. The result of that plebiscite was 60 to 40 in favour of the fixed link. Recent private surveys have placed that number at 70-30, and I am told by residents of the Island that that figure is actually higher now as the construction has begun.

Indeed, there is a new spirit of optimism on P.E.I. as a result of the contract award, and the Islanders are excited and looking forward not only to the benefits of the construction but also to the post-construction benefits.

A recent article in a P.E.I. newspaper pointed out that real estate firms from all across Canada — some of them, Senator Perrault, as far away as British Columbia — are buying homes on Prince Edward Island, buying land to provide accommodation for the thousands of workers expected during construction. It is then hoped and expected to sell those homes to people who will move to P.E.I. as permanent residents, or at least as summer residents, who will buy in that area because of the more ready access to Prince Edward Island.

I wish to remind honourable senators that the contract called for certain benefits to accrue to Atlantic Canada. Senator Fairbairn, in her excellent introduction, has detailed those but I will point out that at least 70 per cent of the material must come from the Atlantic region.

In addition to that, the federal government has established a supervisory committee to supervise the construction of the fixed link. This committee is charged with certain responsibilities. One of those responsibilities is the environment. The committee has a subchairman who is responsible for the environment, the fisheries, Marine Atlantic workers, and the socioeconomic effects, including the effects on the town of Borden which was created solely as a terminal for car ferries.

You may find it interesting, honourable senators, to realize that one of the problems that this committee is facing is the fact that the town of Borden received $10 million for the development of an industrial site, but the town does not have within its town limits an area for that site. Now it is faced with the problem of either moving out to the surrounding towns and villages or expanding the town of Borden. These are just minor problems that will be solved as time goes on. Of course, the establishment of this committee is in addition to the fact that the Government of Canada has engaged an outside engineering firm to supervise the construction of the fixed link.

(1530)

Senator Fairbairn has already mentioned that tourism is expected to increase by 25 per cent. I predict it will be a bit higher during construction, as many tourists will want to see the actual construction. I would like for a moment to bring the matter down to the more practical viewpoint as to what this means to Islanders.

Someone with whom I am very well acquainted is a seed potato grower. He has 2.5 million pounds of top quality seed potatoes that he has sold to the Carolinas, and which are to be moved by transport truck. In fact, they are being moved at the present time. To move that amount of potatoes will require the use of at least 65 18-wheelers. An 18-wheeler, while waiting at a ferry terminal, has to run at half throttle, which costs $300 per hour. Honourable senators, 65 times $300 — and I am doing mental arithmetic here — amounts to approximately $20,000 an hour. This illustrates the benefit of this bridge to P.E.I. potato growers. The same sort of benefits apply to the fisheries.

Of course, one aspect that we do not mention too often is that we bring in a great many products from the mainland. If trucks bringing in products have to wait at Cape Tormentine, the cost is added on to the price of the products in Prince Edward Island.

I read the debate in Hansard of the other place on this proposal. I should like to pay particular tribute to the remarks made by the Honourable David Dingwall, the Minister of Public Works, when he introduced the amendment to the Constitution. He was most enthusiastic in supporting the link, and gave all the reasons that anyone could possibly want for supporting it. Honourable senators will understand if I say I wish he had made that speech before a certain event in October, then maybe Prince Edward Islanders would have shown a little more appreciation for the fixed link.

Reading on in the House of Commons Hansard, I was not so greatly impressed with some of the other speeches, including those of some parliamentary secretaries. They referred to the great Liberal promise in the Red Book, which I must say Mr. Martin destroyed in his budget speech. They attempted to create the impression that the fixed link was part of this program. Honourable senators, I was amazed and appalled at their ignorance. Every one of those who made those remarks were present in the last Parliament. They knew that the fixed link was initiated and the negotiations completed by the Mulroney government. I hope they did not fool anyone with their propaganda.

The Hon. the Speaker *pro tempore*: Honourable senators, I am sorry to interrupt the Honourable Senator Phillips. However, the rules require that I point out that 15 minutes has elapsed since the honourable senator began his remarks. Does the honourable senator have leave to continue?

Hon. Senators: Agreed.

Senator Phillips: Honourable senators, perhaps I had better reread the rules. I thought that when I was replying, I had a little more time. I thank the Chair for bringing that to my attention.

In her remarks, the minister referred to the fact that there was a cooperative effort between the federal government and the private sector, with the private sector providing the funding and receiving, in return, an amount equivalent in value to the subsidy for the car ferry. She also pointed out that SCI is responsible for maintenance, and that at the end of 35 years the fixed link becomes the sole property of the Government of Canada.

I find it interesting to note that other levels of government are now looking at this type of operation. I notice provinces are talking about superhighways and bridges being built under the same financial arrangement. It is not one that I oppose. I have travelled on highways and bridges in both Canada and the U.S. where it is required that a toll be paid. I have never felt that I was being subjected to any undue hardship in having to pay such a toll. I am sure the Leader of the Government would not want me to pass on this subject without reminding her that I take pleasure in noting that present governments are now beginning to appreciate the action of the Mulroney government. I might say that it is better late than never.

The amendment to the Constitution, as Senator Fairbairn has pointed out, is the result of a court ruling. I am not a lawyer. However, I would like to explain it to the lawyers in the Senate in layman's terms so that they will understand it.

Basically, the amendment says that the fixed link may replace the constitutional obligation on behalf of the federal government to provide a car ferry service. Beyond that, I will not go into any great detail because the Chair has already reminded me that I am running out of time, and I have a few more items I would like to mention.

• (1540)

I heard some criticism that the responsibility for a constitutional requirement is placed in the hands of a foreign-owned consortium. Honourable senators, I do not accept this argument. The company responsible for the construction, maintenance and operation of the fixed link, SCI, is incorporated in Canada. Its headquarters are in Calgary, as I am sure Senator Fairbairn is well aware. I do not know why, but for some reason its headquarters are located there. It operates under the supervision of an independent construction firm that was hired by the Canadian government, and it is acting as an agent of the Government of Canada.

The funding for this project was raised in Canada by a bond issue, which was sold out within two days. Most of the bonds were bought by pension funds, which are well managed. Obviously, the managers of these pension funds had no objections to the arrangements that have been made.

Before resuming my seat, honourable senators, I wish to point out that the treasurer for the province of Prince Edward Island, Mr. Cheverie, has come up with some rather convoluted arguments that I find difficult to understand. He has said that the provincial economy will improve because of the actions of the Mulroney government in providing for the fixed link, the GST Centre in Summerside, and other actions that the Mulroney government has taken to improve the economy of P.E.I. Now he is complaining that his great worry is that equalization payments to Prince Edward Island will be reduced.

Honourable senators, that is a convoluted argument; one that is difficult to understand. It is difficult to imagine a provincial cabinet minister presenting an argument like that. He has requested that, when calculating the formula for the Island's equalization payments, the present Minister of Finance exclude the improvements in the provincial economy that will accrue to P.E.I. as a result of the actions of the Mulroney government. I am sure that very soon the Leader of the Government in the Senate, the Honourable Senator Fairbairn, will close the debate. When she does that, perhaps she can tell the chamber whether or not the government has agreed to Mr. Cheverie's request.

Honourable senators, I will close by asking all honourable senators to support this amendment to the Constitution. It is one that will benefit P.E.I., Atlantic Canada and all of Canada. If you will permit me a personal comment, I was proud to support the Mulroney government that brought in this project.

Hon. John B. Stewart: Honourable senators, I do not intend to say much. I have two questions and I will put them forward now so that, at an appropriate time — either now or later — they can be answered.

There has been a report in the public media that the company proposing to build this structure has proposed changes in the design. Honourable senators who attended the meeting of the committee to which Bill C-110 was referred will recall that precise details were given to us at that time as to the design of the structure. While I would not go so far as to say that the report of the committee or the action of this house depended on the information given to us in that committee, it would be fair to say that the precise information on the design influenced the decision of the committee and of the Senate.

Has the design been changed? Has the Government of Canada agreed to a change in the design? If the company proposing to build the crossing structure wants to make a change and the Government of Canada is saying, "Oh, no you don't," what are the considerations that caused the company to think that changes would be desirable? As I understand it, what the company has in mind is a reduction in the height of part of the structure. The honourable Senator Fairbairn, in moving her motion, said that the structure would be 55 meters at its highest point. Could we have information as to what changes, if any, will be made, or can we assume that the specifications given to the committee when Bill C-110 was before that committee are the specifications to which the company is to conform?

The second question is legalistic. Under the terms of the Order by which Prince Edward Island entered the Dominion of Canada, there is a requirement for continuous communication. The Order states that:

> Efficient steam service for the conveyance of mails and passengers, to be established and maintained between the Island and the mainland of the Dominion, winter and summer, thus placing the Island in continuous communication with the Intercolonial Railway and the railway system of the Dominion;

We now have this proposed amendment that a fixed crossing joining the island to the mainland may be substituted for the steam service.

• (1550)

Is it correct to assume that after this amendment is made there still will be an obligation on behalf of Canada to maintain continuous communication? True, the mode for performing the obligation would be different. It could be a fixed crossing rather than the ferry service. However, as I read the Order, there still would be an obligation to provide continuous communication.

One of the reasons I raise this question is the kind of weather we are having today. Is it the intention of the government of Canada to maintain a standby ferry service in the event that for prolonged periods, and I do not mean a few hours, the fixed crossing does not provide the continuous communication required by the Constitution?

Senator Phillips: Honourable senators, I am not sure to whom the question was directed, but regarding the specifications, no one has submitted any changes to me. I would suggest that his question regarding changes in specifications be directed to his fellow Nova Scotian — we might even call him a colleague — the Honourable Mr. Dingwall, the minister responsible. As I say, I read his excellent remarks with great care and I found no mention of any changes in specifications.

Regarding the second part of the question about continuous service and what would happen on a day like today, I find it rather strange that someone who lives so close to the ferry crossings to Prince Edward Island would not know that, on numerous occasions in each year, the car ferry service is closed down because of high winds. I, myself, have waited 12 to 14 hours for a crossing, and I do not expect to wait any longer than that on the fixed link.

I think it is rather a red herring you are drawing across the tracks here, my honourable friend. You know very well that the car ferry crossings have been delayed for longer than that. It is not unusual in wintertime to find the ice-breaking car ferry stuck in ice for 10 to 12 hours, and some crossings require as much as 20 hours. As I say, you are very well aware of that and you are not bringing anything new into the chamber. I think all those from the maritimes are well aware of that.

Senator Stewart: Honourable senators, I was not addressing my questions to Senator Phillips; however, I appreciate what he has said.

Senator Phillips: I was glad of the opportunity.

Senator Stewart: I was addressing the minister. I assume that, insofar as the design is concerned, the government will come up with an answer. Insofar as continuous service is concerned, I said that I am not asking a question that deals with an interruption lasting a few hours. However, we are dealing with a structure that inevitably is fragile relative to its size.

Suppose we get a breakdown? In the case of a ferry, we could try to locate another one, but I do not know what we would do if a section of the bridge collapsed. I am asking a lawyer's question. How is the constitutional obligation of continuous service to be met in such a situation? That is the question, and I will leave it with the minister. She can deal with it at her convenience.

Hon. Joyce Fairbairn (Leader of the Government): Thank you, Senator Stewart. I will take your invitation and get the information for you. I do not know the answer to the question on a change in the design. I will seek information on that.

As to the reliability of the bridge compared to the ferry, my only comment is that studies by the engineers indicate that it is more likely that the bridge will stand up to the pressures of time and the elements than it is that the ferry will provide consistent service. However, your question is whether there will be a back-up, and I will seek information on that and convey it to you as soon as I can.

Hon. Heath Macquarrie: I move the adjournment of the debate.

Hon. Marcel Prud'homme: Honourable senators, I do not want to make a debate, but I have been waiting patiently to ask a question.

My question to the minister follows exactly on what Senator Stewart and others said when we were debating this matter in June. I attended the committee, sadly missed by the press which was titillating itself downstairs waiting for a decision on the so-called $6,000. There we were in the committee room with all the most important people dealing with this issue. In the many questions we had, you may remember that I raised a question. I went into the committee room with great enthusiasm and came out with no answer to my question.

I still have the same question. If there is to be that kind of backup, and there is no doubt in my mind that there will have to be a backup, who will be responsible for paying for the ferry and, of course, for the dock? If you have a contingency plan for a tragedy, which we hope will never take place, you will have to maintain not only a functional ferry but a functional dock, and the upkeep will be very expensive.

I concluded then, and perhaps erroneously, that we would have two systems: We would have a bridge system and we would have a dock-and-ferry system. I have not received an answer to those questions so far.

I wonder why we have this amendment today, because the promise which was made in 1873 was to give steam service. Steam service went out. The last time I went to P.E.I., I did not see any steam service, but I reached the other coast. Yet we did not see then a necessity to make an amendment.

• (1600)

We now have an amendment because we see the words "steam system" are out, and it will henceforth be a bridge. This will be subject to further debate.

I do not need the answer to my question today if the Leader of the Government is not in a position to give me one, but I would be delighted if, in due time, she could get me the information.

Senator Fairbairn: Senator Prud'homme, as I am seeking the information for Senator Stewart, I will certainly include your questions as well.

On motion of Senator Macquarrie, debate adjourned.

BUSINESS OF THE SENATE

ADJOURNMENT

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, before we leave motions, with leave of the Senate and notwithstanding rule 59(1)(*h*), I move:

> That when the Senate adjourns today, it do stand adjourned until Tuesday, March 15, 1994, at two o'clock in the afternoon.

Hon. Noël A. Kinsella: The ides of March is a bad time for senators to be around.

Senator Molgat: Honourable senators, I gave indication of this yesterday. My motion is in accordance with an agreement reached with my honourable friends opposite. Of course, on every adjournment the Senate is always subject to recall if things should change in the other place. However, at the moment I have no indication that we will have work to do before that time. On that basis, I think it is wise for the Senate not to be spending the money required to have sittings.

However, I urge committees to take the opportunity to work when there is no likelihood of interference with the sitting hours of the Senate. We know in the past that that has been a constant problem.

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

Hon. Senators: Agreed.

Motion agreed to.

MERCHANT NAVY VETERAN AND CIVILIAN WAR-RELATED BENEFITS ACT

BILL TO AMEND—SECOND READING—ORDER STANDS

On the Order:

> Resuming the debate on the motion of the Honourable Senator Marshall, seconded by the Honourable Senator Lavoie-Roux, for the second reading of Bill S-4, to amend the Merchant Navy Veteran and Civilian War-Related Benefits Act. — (*Honourable Senator Molgat*)

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, I am not prepared to proceed at this time. However, if there are any other senators who wish to speak on this matter, I urge them to do so.

Senator Marshall was anxious that we proceed with this matter. I am not attempting to hold it up, but I do need to find out whether the proposal has impact on other legislation, because it well might. I have not been able to obtain that information so far. I hope that when we come back, I will be in a position to proceed. I cannot give any indication of what I may find out. It may turn out that I will have to oppose the proposal, if indeed it goes beyond what we expect. I want to leave my options open, but I also want to make it clear that I am not delaying the bill.

Order stands.

PRIVATE BILL

GENERAL SECURITY INSURANCE COMPANY OF CANADA—SECOND READING

On the Order:

> Resuming the debate on the motion of the Honourable Senator Grimard, seconded by the Honourable Senator Beaudoin, for the second reading of Bill S-3, to authorize General Security Insurance Company of Canada to be continued as a corporation under the laws of the Province of Quebec. — (*Honourable Senator Molgat*).

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, I adjourn this order in the name of Senator Gigantès.

Hon. Philippe Deane Gigantès: I apologize. There has been a misunderstanding. I do not want this matter adjourned. I think it is an issue that merits some technical examination. It is not something that we can approve before the Standing Senate Committee on Legal and Constitutional Affairs has looked at it and searched for all the possible implications. I hope that my honourable friend Senator Grimard will agree with me that this bill should be sent to that committee.

Motion agreed to and bill read the second time.

REFERRED TO COMMITTEE

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

On motion of Senator Grimard, bill referred to the Standing Senate Committee on Legal and Constitutional Affairs.

VETERANS AFFAIRS

CANADIAN VIETNAM VETERANS MEMORIAL—DEBATE ADJOURNED

Hon. Jack Marshall rose pursuant to notice of Tuesday, February 22, 1994:

> That he will call the attention of the Senate to an appeal from the Canadian Vietnam veterans to the federal government to provide National Capital Lands for the site of the Canadian Vietnam Veterans' National Memorial.

He said: Honourable senators, before I deal with this order, I would like to acknowledge, and call to the attention of my colleagues in the Senate, the presence in the gallery of some Canadian Vietnam veterans, including Mr. Lee Hitchins, President of the Canadian Vietnam Veterans Association, Vice-President Mr. Michael Ruggiero, and other members of the association who have come from Toronto today to hear the case made on their behalf.

With your permission, honourable senators, I would also like to mention our colleague Senator Norman Atkins, who served with distinction with the American armed forces. He shares in the efforts put forth here today, and has expressed his support for the recognition of this tribute to Canadian Vietnam veterans.

I hope that honourable senators will give the usual applause to the Vietnam veterans.

Hon. Senators: Hear, hear!

Senator Marshall: Honourable senators, Canada has always given special recognition and paid respect to its veterans. Their accomplishments in this century's major conflicts, namely the First and Second World Wars and the Korean War, are a source of continued pride and inspiration to us all. Every year on Remembrance Day, we take a moment to pay tribute to their courage and sacrifice, and to remember those who fell in the name of freedom. By doing so, we acknowledge the prominent place they occupy in our history.

This year will be a special one for all of us in Canada when, in a few months, we will commemorate the 50th anniversary of the Second World War both at home and abroad as we participate in the Canada Remembers Programme to honour those Canadians who fought and died for their country.

However, honourable senators, there is another group of Canadian veterans for whom such tributes are extremely rare. Having served in the uniform of another country, these men and women have been largely forgotten. I am speaking, of course, of our Canadian Vietnam war veterans.

Over 10,000 Canadians joined the American armed forces during the Vietnam war and served in Southeast Asia. They came from all levels of society. Some of them, holding joint citizenship and having lived in the United States for some time, were either drafted or enlisted. Others voluntarily crossed the border to join up.

They were young, honourable senators, often in their late teens or early twenties, eager for adventure, perhaps, but certainly believing that the principle of freedom was at stake. Whether they became sailors, marines, infantry or airmen, they served with distinction and honour. In the end, 113 of them lost their lives, and many more were seriously wounded.

• (1610)

Canadians who fought in Vietnam have been described by one historian as "unknown warriors." Few Canadians paid much attention to them at the time, and few today possess any knowledge of their sacrifice. What Canadians do remember is a controversial war in which the Canadian government had no official involvement. Many wonder why the Americans themselves were ever involved, and many question their motives.

Inevitably, those Canadians who chose to fight in what was perceived to be a questionable war in a uniform that was not Canadian were viewed with suspicion. They returned to Canada, like their American counterparts, to suffer at best indifference and at worst hatred and rejection. These men and women deserve a better fate. The politics of the war notwithstanding, they are still Canadians, whether or not they served in another country's armed forces.

I cannot state it better than did Senator John Kerry of Massachusetts, a hero of the Vietnam war, when he uttered these words:

> Duty, honour and sacrifice know neither boundaries nor borders, for they live in the hearts, minds and souls of men.

We should not forget that the United States, after all, was then and still is our closest and most dependable ally. As for the legitimacy of the war, that is irrelevant. The Canadians who enlisted in the American forces believed that the principle of freedom was in jeopardy, and they were prepared to die for it. Ultimately, that is all that matters.

Nearly 20 years after the end of the conflict in Vietnam we have now an opportunity to correct, if only in a small way, an injustice, and to recognize the sacrifice of our Vietnam veterans. An American group, the Michigan Association of Concerned Veterans, has financed the creation of a Canadian Vietnam veterans' national memorial in honour of those Canadians who fought and died in Vietnam. A Canadian group of Vietnam veterans, some of whom are in attendance and whom we recognized earlier, have warmly accepted that memorial, and they hope to unveil it in Ottawa in July of this year. I believe the date is July 9.

Senator Edward Kennedy, speaking in the American Senate just last month, stated that Canadians joined the American forces, "because they believed, as good neighbours, that it was the right thing to do..." He referred to Fidele J. Bastarache of Gardner, Massachusetts who, with his family, emigrated to the States from New Brunswick. An infantry sergeant decorated four times for heroism, he was killed in a mortar attack in 1968 at the age of 22. Like many of his comrades, he gave his life protecting the freedom of others.

Senator Kennedy went on to say:

> This memorial will be a fitting tribute to these courageous young men and women who sacrificed their lives serving as members of the United States Armed Forces in South East Asia.

It is probably well-known that one of our previous Chiefs of Staff of the Canadian Forces, General Dextraze, had a son who was killed in Vietnam.

There is a problem, however, honourable senators. The Canadian government seems unwilling to provide a suitable land site. The National Capital Commission, a Crown corporation, has refused to make federal land available on the ground that Canada was not officially involved in the Vietnam war. So what?

In desperation, Canadian veterans approached the city of Ottawa, but it, too, refused the request, because the memorial does not relate specifically to the development of the nation's capital. It certainly would. Finally, the Canadian War Museum was lobbied; but, unfortunately, while the museum is supportive of the concept of a memorial paying tribute to Canadian Vietnam veterans, it does not have any land available. Although I am disappointed that neither the City of Ottawa nor the Canadian War Museum can make an offer of land, I understand their concerns; I cannot say the same for the National Capital Commission. The government clearly has land to spare in Ottawa, but it seems unwilling to cooperate.

I cannot help finding it ironic that, while the Canadian government has dedicated a memorial in Washington, D.C., to the thousands of Americans who crossed the border and joined the Canadian Armed Forces to fight in the First and Second World Wars and in the Korean War, Canada is now refusing a similar request from the Americans. Senator Kennedy pointed out in his recent speech that:

> ...the United States and Canada share a long history of friendship with one another...Canadians and citizens of the United States have repeatedly shown their strong commitment to each other during times of war.

By refusing to make land available for this memorial, Canada is casting a shadow on this friendship, but it is the Canadian Vietnam veterans themselves who are suffering the greatest shame of all. Given the enormity of the sacrifice these men and women made 25 years ago, is it really too much to ask for a small parcel of land in this vast land we call Canada, a country that we love so much? Only a small parcel of land is needed — I think it is only about eight feet by eight feet — to erect a modest but significant memorial in the names of the Canadian and American dead who are listed on the Vietnam memorial in Washington, the famous wall.

It seems only proper that we should initiate this move and that we should have our own memorial to allow veterans, as well as family and friends and those who follow them, which is most important, to remember those they have lost and to offer their respect and admiration in some small way. It may ease their pain and suffering, and they ask no more.

Honourable senators, it is time to accept that Canadian Vietnam war veterans are part of our history. They cannot and should not be ignored or forgotten any longer. This memorial would bear witness to their courageous and unselfish actions and make them a part of our proud military heritage. On behalf of our Vietnam veterans, therefore, I strongly urge the Canadian government to take immediate action to ensure that this dream becomes a reality.

Hon. Philippe Deane Gigantès: Honourable senators, I move the adjournment of this debate.

Hon. Orville H. Phillips: Honourable senators, before the debate is adjourned I should like to ask a couple of questions of Senator Marshall. I received correspondence from the group and I must say, first, I was surprised at the number of Canadians who were involved. I knew three of the lads who were listed among the 113 killed. I replied to a veterans' association, asking what area they would require for a site, but I have not as yet received the courtesy of a reply. I noted that the honourable senator said something about needing a plot about eight feet by eight feet. When I look out of my office window, I can see the War Museum. If what is needed is only eight feet by eight feet, I am sure that area can be found behind the War Museum. I would suggest that, rather than simply speaking to the National Capital Commission, we should be speaking to the representatives on the board.

• (1620)

The United States is building a new embassy. There will be considerable territory around the new embassy. It might be appropriate for the memorial to be placed on the grounds of the new American embassy. Perhaps you would be kind enough to contact the Vietnam veterans and see what they think of that suggestion.

Senator Marshall: I have the specifications for the memorial listed. I made an error in stating eight feet. The specifications are as follows: 11 feet high from earth point; 15 feet total span; 10 feet weight span, centre; six foot wall, front to back; granite weight total, 4,000 pounds; steel structure total, 2,400 pounds; total shipping weight, 7,200 pounds; granite, three-quarters of an inch; free floating frame system; sealed silicone rubber; and many other intricate details.

I do not know when the American embassy will be built. I have heard talk for many years that it is to be built, but we have been around long enough to know that that may be a long time in the future.

Honourable senators, I will be leaving the Senate in nine months, and even though the Canadian Vietnam veterans are much younger than we are, I do not know how long they can wait.

Those are good suggestions, senator, and I will follow them up. I will be speaking to some veterans in room 263-S, and you are welcome to come along, Senator Phillips.

Senator Phillips: Senator Marshall, I invite you to my office to show you the site behind the War Museum. I think there is ample room for a memorial there.

On motion of Senator Gigantès, debate adjourned.

VETERANS AFFAIRS

CANADIAN VIETNAM VETERANS' MEMORIAL—NOTICE OF MOTION TO PROVIDE SITE FOR MEMORIAL

Hon. Jack Marshall: Honourable senators, in view of the fact that the Senate will be adjourning for two weeks, I ask leave to move a motion.

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

Hon. Gildas L. Molgat (Deputy Leader of the Government): What is the motion?

Hon. Eymard G. Corbin: Has notice of the motion been given?

Senator Marshall: Honourable senators, the motion reads as follows:

> That the Senate urges the Government of Canada to provide an appropriate site for the Canadian Vietnam Veterans' National Memorial, and;
>
> That a message be sent to the House of Commons requesting that House to unite with the Senate in the aforementioned action.

The Hon. the Speaker *pro tempore*: Is leave granted, honourable senators? If not, this item will appear on the Order Paper as notice.

Hon. Philippe Deane Gigantès: Honourable senators, I do not think this motion is in order until I have had the right to talk. I moved to adjourn the debate so that I could discuss, in this chamber, Senator Marshall's proposal.

Senator Molgat: Honourable senators, the problem is one of procedure. Senator Marshall has proposed an inquiry so that we can discuss the issue. First, we must proceed to discuss it. Then, arising from that, the motion can come forward. To propose the motion now is, in a sense, precluding the inquiry.

SOCIAL AFFAIRS, SCIENCE AND TECHNOLOGY

MOTION TO AUTHORIZE COMMITTEE TO EXAMINE AND REPORT UPON THE FUTURE DEVELOPMENT OF THE DEPARTMENT OF VETERANS AFFAIRS—DEBATE ADJOURNED

Hon. Jack Marshall, pursuant to notice of Tuesday, February 22, 1994, moved:

> That the Standing Senate Committee on Social Affairs, Science and Technology be authorized to examine and report upon the future of the Department of Veterans Affairs; and
>
> That the committee present its report no later than October 31, 1994.

Hon. Philippe Deane Gigantès: Honourable senators, I move the adjournment of this debate.

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

Hon. Gildas L. Molgat (Deputy Leader of the Government): Does Senator Marshall wish to speak on the motion? If he wishes to speak on the motion, he should have the opportunity to do so before we proceed with an adjournment.

Senator Marshall: Honourable senators, it would be my wish that the Subcommittee on Veterans Affairs begin its work. We have waited for quite a while. It is time that we looked at the future of the Department of Veterans Affairs because, after so many years of existence, there are still many problems within that department.

I do not blame the present government, but all governments. As a matter of fact, the Royal Canadian Legion appeared before the Standing Committee on National Defence and Veterans Affairs in the other place. One of their recommendations was that we look at the future of the Department of Veterans Affairs.

Veterans are getting older and waiting longer for pensions. I understand that the Bureau of Pensions Advocates, which has a complement of 12 to 15 members, is now down to 4 or 5. They are an important cog in the adjudication process.

Many representations were made from various veterans associations, including the war blinded, ex-prisoners of war and merchant seamen. This might be the time to have a look at the department, instead of commissioning a task force at great cost. The Subcommittee on Veterans Affairs of the Standing Senate Committee on Social Affairs, Science and Technology could do that job for the government. That is why I believe we should get moving on this matter as quickly as possible.

The Hon. the Speaker *pro tempore*: I shall therefore put the motion before the house, and that is that further debate be adjourned until the next sitting of the Senate.

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

On motion of Senator Gigantès, debate adjourned.

BANKING, TRADE AND COMMERCE

EXPORT DEVELOPMENT ACT REGULATIONS—COMMITTEE AUTHORIZED TO EXTEND DATE OF PRESENTATION OF FINAL REPORT

Hon. John Sylvain, pursuant to notice of Wednesday, February 23, 1994, moved:

> That notwithstanding the order of reference adopted by the Senate on Thursday, January 20, 1994, the Standing Senate Committee on Banking, Trade and Commerce be authorized to present its report on the regulations proposed to the Export Development Act no later than March 28, 1994.

He said: Honourable senators, the failure of interested parties to arrive at any mutually satisfactory wording for the proposed regulations has meant that the committee wishes to allow them more time for their negotiations. Therefore, more time than originally foreseen is required to prepare the committee's recommendations for government consideration. Leave is requested, therefore, for a four-week extension to the original deadline.

Motion agreed to.

• (1630)

COMMITTEE AUTHORIZED TO STUDY STATE OF CANADIAN FINANCIAL SYSTEM

Hon. John Sylvain, pursuant to notice of Wednesday, February 23, 1994, moved:

That the Standing Senate Committee on Banking, Trade and Commerce be authorized to examine and report upon the present state of the financial system in Canada in the wake of the major legislative and regulatory reform which took place two years ago; and

That the committee present its final report no later than December 22, 1994.

He said: Honourable senators, the Standing Senate Committee on Banking, Trade and Commerce has studied and been involved in reform of the financial system. Most recently, the committee played an active role in the regulations arising out of the recent major reform of the legislation governing financial institutions in Canada. Further, the committee stated its intention to monitor development in the financial system once the reforms had been in place for two years. The Minister of State for Finance at the time indicated that the Department of Finance would welcome such a review. It is now time to begin this examination.

The official with the best overall perspective on developments in the financial system, on the relationship between the state and the economy and the health of financial institutions, and on the relationship of our financial system to those in other countries is the Governor of the Bank of Canada. The committee intends to begin its review of the developments in the financial system by inviting the Governor to appear before the committee to address these issues.

I therefore ask this chamber for permission to undertake this examination.

Motion agreed to.

The Senate adjourned until Tuesday, March 15, 1994, at 2:00 p.m.

THE SENATE

Tuesday, March 15, 1994

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

Prayers.

DISTINGUISHED VISITORS IN GALLERY

MEMBERS OF THE AFRICAN NATIONAL CONGRESS OF SOUTH AFRICA

The Hon. the Speaker: Honourable senators, I wish to inform you of the presence in our south gallery of a delegation of officials from the African National Congress of South Africa. They are here to study Canadian parliamentary traditions. They will also spend some time in Toronto in order to get a better understanding of our system of government. We welcome them, and we wish them well in their future careers.

CLERK OF THE SENATE

APPOINTMENT OF PAUL C. BÉLISLE, ESQUIRE APPOINTMENT OF GORDON BARNHART, ESQUIRE, AS HONORARY OFFICER OF THE SENATE— FELICITATIONS

The Hon. the Speaker: Honourable senators, I have the honour to inform the Senate that a commission under the Great Seal has been issued to Paul C. Bélisle, Esquire, appointing him Clerk of the Senate and Clerk of the Parliaments.

The commission was read by a Clerk at the Table.

The Hon. the Speaker: Honourable senators, I have the honour to inform the Senate that, by the usage of Parliament, the Clerk of the Senate is required to take the oath of office before the Honourable the Speaker of the Senate.

The oath of office was administered by His Honour the Speaker.

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, it is my privilege to welcome the new Clerk of the Senate and Clerk of the Parliaments, Mr. Paul Bélisle.

Mr. Bélisle is well known to all of us. His connections with the Senate extend back more than 20 years, to 1971 when he began putting himself through university working first as a page in this place and then as a night messenger.

In 1974, Mr. Bélisle earned an honours degree in political science from the University of Ottawa; the following year he was awarded his certificate in public administration from the same university. He then turned his attention to law and, in 1980, earned his degree in civil law. He became a member of the Quebec bar in 1988. All of this was accomplished while he continued to work within the Senate.

In 1979, Mr. Bélisle joined the Senate Committees Branch; he has served there as deputy director and associate director for the last ten years. As some of you may recall, he was clerk of the 1980-81 Special Joint Committee on the Constitution, and has served since 1982 as clerk of the Standing Senate Committee on Legal and Constitutional Affairs. In addition, Mr. Bélisle assumed many administrative responsibilities while he was associate director of committees, and since 1991 he has acted as clerk with the Standing Committee on Internal Economy, Budgets and Administration and its subcommittees.

Honourable senators, Mr. Bélisle has fulfilled all of these responsibilities with great care and support for the Senate and its members on both sides of this house.

Mr. Bélisle, I welcome you to the floor of the Senate in your new capacity. On my own behalf and on behalf of all of my colleagues, I assure you of our full cooperation in the discharge of your new responsibilities.

Hon. Senators: Hear, hear!

Senator Fairbairn: Honourable senators, I would also pay tribute today to Mr. Gordon Barnhart, who resigned as Clerk last week.

For the past 25 years, Mr. Barnhart's career has been built on a foundation of public service. As a history teacher at North Battleford Collegiate, he served his community. As Clerk of the Legislative Assembly in the province of Saskatchewan for 20 years, he served his province. As Clerk of the Senate and Clerk of the Parliaments of Canada for the past five years, he served his country.

• (1410)

Honourable senators, these years have been a transitional period for the Senate, at times both challenging and difficult. Mr. Barnhart met those challenges and discharged his duties in an impartial manner in dealing with both sides of this house.

With his administrative experience, he helped to bring this institution and all of us into the age of computers and technology. He introduced new administrative policies and promoted career development from within the Senate itself. He was active in developing strategic planning cycles for budget preparation. With his assistance, senators, and particularly those who sit on the Standing Committee on Internal Economy, Budgets and Administration, have successfully managed to keep the Senate within its allocations, even during the past three years of budget reductions.

Mr. Barnhart also represented the interests of this chamber in a variety of organizations, including the Association of Canadian Clerks at the Table, the Council on Parliamentary Assistance to Russia, and the Editorial Board of the Canadian Parliamentary Review, of which he was chairman. He also participated in several conferences of Commonwealth Clerks in various parts of the world.

On behalf of my colleagues in the government, I wish to thank him for his service to this house and extend to him best wishes for the future. In keeping with the precedents of this chamber, I am pleased to move, seconded by the Leader of the Opposition, Senator Lynch-Staunton, with leave of the Senate and notwithstanding rule 59(1)(*i*):

> That the Senate desires to record their deep appreciation of the distinguished service rendered by Mr. Gordon L. Barnhart, Esquire, as Clerk of the Senate and Clerk of the Parliaments; and
>
> That in acknowledgment of the dignity, dedication and profound learning with which he has graced the office, he be designated an Honorary Officer of this House with an entree to the Senate and a seat at the Table on occasions of ceremony.

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

Hon. Senators: Agreed.

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, I cannot let this occasion go by without making some remarks on the work done and the initiative shown by the ladies and gentlemen who occupy the Table.

Not many who are summoned to the Senate arrive with anything more than a casual knowledge of the duties and responsibilities and, indeed, the privileges shared by these gowned officers of the Senate. Without them, we quickly find out that we cannot be sworn in and cannot make the required attestation. When in session, we rely more often than not on their so subtle signals to know when to sit, when to stand, when to speak and, even more subtly, when to be quiet.

For those at the Table are our authorities on procedure, the keepers of the ancient flames and custodians of many meaningful traditions, anachronistic as they may seem today. His Honour, the Speaker himself is attentive to their cues, and looks to the Table for aid in keeping his wits about him whenever the rest of us are lost in the occasional whiteouts of debate.

The Clerk of the Senate and his tablemates, their costumes notwithstanding, are not here simply to carry out parliamentary procedures steeped in history. In conjunction with their immediate associates elsewhere, they are responsible for the day-to-day running of the Senate, for the preserving, heating and cooling of its buildings, for the oiling of its committees and, yes, for guarding its inmates. Together, they are our most direct link with the hundreds of Senate employees who make this place what it is and, in this most political place, they are expected to be apolitical. In this house of much rhetoric and occasional rancour, they have the impossible task of seeing no evil, hearing no evil, and, as their greatest challenge, of speaking any of the evil which may, on occasion, be shouted and whispered all about them.

Today, as we witness a changing of the guard, this occasion allows us to remark upon the value that we, as senators, place upon our friends at the Table. On behalf of colleagues on this side, I join the Leader of the Government in expressing much appreciation to the retiring Clerk of the Senate, Gordon Barnhart, for services proffered over the last five years when he was at the apex of the pyramid of our administrative staff.

His was not a passive stay among us. Whatever one's opinion of his approach to the carrying out of his responsibilities, at no time could one doubt his goals or intentions, which were always to improve the efficiency of the administration of the Senate. We wish him many rewards and happy times in his future undertakings, and thank him for leaving his successor such a sense of vigorous involvement.

[*Translation*]

We wish to congratulate Paul Bélisle, our new Clerk. While he is contemplating the opportunities and challenges ahead of him, I want to assure him that, on this side of the chamber, we will keep in mind what was said today regarding how difficult and important is the task entrusted to him and his colleagues.

[*English*]

The Pages, particularly, will be impressed with the fact that Mr. Bélisle was once one of them, and thus may they look upon him and see themselves, if their aspirations so lead them. But more important, may I urge the new Clerk to look upon the Pages and see himself so that he might continue to share their energy, their enthusiasm, and their compassion. May he accept the gifts of tradition and history, but in so doing, not kink his neck looking backward.

Honourable senators, Mr. Bélisle's is an Order-in-Council appointment, and we are grateful to the Prime Minister for confirming him in his new post. However, with every respect due to all those who have been appointed Clerk, surely the time has come for the Senate to decide on the choice of its own senior officers — and I know that many on both sides of the chamber share in this sentiment. In other words, the Senate should hold and exercise the rights of employer for all its employees, including the Clerk and Black Rod, the other Order-in-Council appointment with important administrative responsibilities. We are, after all, moving in that direction on other fronts. I am standing here as a result of an election by my caucus colleagues. The government and opposition leadership were consulted prior to Mr. Bélisle's appointment. The Speaker of the House of Commons is elected. There are even cheers raised for the election of senators!

This is not the appropriate time to argue the point, honourable senators, so let me just end by saying to those traditionalists who are not convinced that such changes would make things better: Ask the Pages and they will tell you that no guarantees come with democracy; only high hopes.

Hon. Senators: Hear, hear!

Hon. Paul Lucier: Honourable senators, I too wish to associate myself with the kind remarks made about Mr. Gordon Barnhart. I had occasion to deal with him several times while he was Clerk of the Senate, and I always appreciated his honest, forthright manner.

I also wish to congratulate Paul Bélisle on his appointment. While the Yukon is a long way from Windsor, we were both born and raised in the Windsor area, one from the west side and one from the east side of Windsor. I should like to congratulate those who made the selection for choosing someone with Mr. Bélisle's qualifications, and someone who has spent time in this chamber.

I was a member of city council in Whitehorse for eight years. When hiring, we had a tendency to look outside the territory for candidates. The rule was that if you were to be considered an expert, you had to live more than 500 miles from the community doing the hiring. I am pleased to see that such a standard has changed, and that we have appointed someone with so many qualifications, one who knows the Senate as well as Mr. Bélisle does.

I congratulate you, Mr. Bélisle.

Hon. Senators: Hear, hear!

[*Translation*]

Hon. Marcel Prud'homme: Your Honour — although according to tradition one does not address the Speaker in the Senate, I would prefer to establish a new tradition as far as I am concerned — I simply wish to join in the words of tribute to Mr. Gordon Barnhart.

Since my arrival in the Senate, I must admit that my position as an independent senator has not been an easy one, but I found that this particular senior public servant was a man of complete integrity who was prepared to help, without a hint of partisanship, those who asked for his assistance.

Honourable senators, I should like to take this opportunity to wish him the best of luck in what, for him, will be a new career.

As an independent senator — joined, I am sure, by the other independent senators — I also want to thank him for his excellent services.

I wish Mr. Bélisle, our new Clerk and an alumnus of the University of Ottawa, a very long career. I am always proud when I see an alumnus of the University of Ottawa who is so successful.

Honourable senators, I also hope that the new Clerk, who has already shown that he is capable of keeping an open mind at all times, and this includes meetings of France-Canada, parliamentary associations and committees, will be able to maintain the very high standard of our senior public servants by being absolutely independent, and that he will try to consider the wishes of a few independent senators who want to become more involved in the business of this house.

I feel I must say, for the benefit of the Leader of the Opposition, that I hope that someday we will have this committee on Senate reform. I am not overly fond of the word reform, which now has an entirely different connotation in the House of Commons — or the other place, as I was told it should be called here. Honourable senators, I earnestly hope that we can set aside political considerations and look at the question of making the business of the Senate even more relevant.

I hope that, with our new Clerk and the good advice he will be able to give, we can do so in these troubled times facing Canada today. Honourable senators, I am convinced that the Senate can play an important role, thanks to its independence. I am thinking in particular of the committee on Euthanasia, which, if given a chance to work undisturbed, will produce an excellent report.

I want to say more particularly how happy I am about the appointment of Mr. Bélisle. I agree entirely with what was said by the Leader of the Government who, in the other official language, made some comments which I support, as I do those of the Honourable Leader of the Opposition.

[*English*]

• (1420)

Hon. Gerald R. Ottenheimer: Honourable senators, I wish to speak briefly on the matter before the house. I have known Mr. Barnhart for about twenty years. As honourable senators are probably aware, he was appointed Clerk of the Legislature of Saskatchewan by a Liberal administration, and served in that capacity under Liberal, NDP and Progressive Conservative provincial governments.

In the Senate, although he was here for only five years, I had some dealings with him, particularly several years ago during a fairly difficult period in the history of the Senate. On a few occasions when the Speaker and the then Speaker *pro tempore* were unavoidably absent, I was in the Chair and occasionally had the opportunity to seek his counsel, knowledge and advice. I found that his experience served him, and those with whom he was in contact, very well. He had the knack of seeing immediately what the point was, and of directing his advice specifically to the point at issue. This is, I think, a very important attribute. He had experience. He had knowledge. He was, in my judgment, totally impartial, in any partisan sense, and performed an important service to this chamber during a difficult period of time. I join with others on both sides of the chamber in expressing appreciation for his service here.

• (1430)

May I also add my best wishes and congratulations to Mr. Paul Bélisle. As the Leader of the Opposition in the Senate stated, the time has come when we as senators, and the Senate as an institution, should perhaps have responsibility for the appointment of the senior officers of this chamber.

All who have known Mr. Bélisle welcome his appointment. Certainly, it is excellent to see that a person who, in a sense, began his career in the Senate has now risen to the highest office, in the official sense, and that augurs well for the future when we can take more responsibility in terms of the appointment of our senior officials.

I wish you well, Mr. Bélisle, during the years to come.

Hon. Senators: Hear, hear!

Motion agreed to.

SENATORS' STATEMENTS

NATIONAL DEFENCE

ST-JEAN MILITARY COLLEGE—EFFECTS OF PROPOSED CLOSURE

Hon. Noël A. Kinsella: Honourable senators, I rise today, in my capacity as a senator for the province of New Brunswick, in order to bring to the attention of this house the fact that over 25 per cent of the students enrolled at the Collège Militaire Royal in St-Jean-sur-Richelieu are from Atlantic Canada.

Currently, 601 officer cadets are enrolled at the collège militaire St-Jean. Of this number, 165 are from the provinces of Newfoundland, Nova Scotia, Prince Edward Island and New Brunswick. The proposed closure of the collège militaire St-Jean will be an additional hardship placed in the way of many maritimers who seek admission to the military college. The collège militaire St-Jean bases its education program on the Quebec education system, which is similar to the system in the Atlantic provinces. Thus, after passing Grade 12 in Atlantic schools, our students are admitted to the collège militaire and need not compete with students who graduate from Grade 13, as is the case at Kingston.

The second reason why the college in St-Jean is of critical importance to students from my region is that, for unilingual francophone students from the province of New Brunswick, like those from Quebec, the collège militaire represents a welcoming cultural milieu through which to enter the Canadian Armed Forces. The specific mission given to the collège militaire in St-Jean was to be an entry point for francophone officer cadets into the Canadian Armed Forces. The college is also an important instrument for the Frenchification of anglophones.

Honourable senators will know that, at St-Jean, francophones are in the majority, and thereby they set the cultural tone. For anglophones, the college provides the opportunity to discover a dominant culture which is not theirs, and thereby anglophone cadets learn to understand and respect this culture.

Many interested Canadians, including the interim leader of the Progressive Conservative Party of Canada, the Premier of Quebec, and the faculty at the collège militaire St-Jean, have called for a moratorium on the proposed closure of this national institution. I wish to add my voice to that call.

VETERANS AFFAIRS

BENNY FARM HOUSING PROJECT—APPROVAL OF CMHC PROPOSAL

Hon. Jack Marshall: Honourable senators, Canadians are often told that we treat our veterans as well as any country in the world. They are reminded that, given the sacrifice these men and women made on our behalf in this century's major wars, we owe them every possible service in return. Sadly, such promises are not always fulfilled, and I wish to bring to the attention of the Senate one such story.

The Benny Farm project in Montreal, owned and managed by Canada Mortgage and Housing Corporation, was one of a series of housing projects built across Canada after the Second World War to provide housing for Canada's war veterans and their families. That project stands on 16 acres of prime real estate in the Montreal neighbourhood of Notre-Dame-de-Grâce. There are 64 buildings in all, adding up to 384 apartments. Veterans make up over 90 per cent of the tenants.

It has become increasingly apparent in recent years that the buildings of this project are no longer safe or adequate for the needs of the veterans. For example, there are no elevators, the stairwells and hallways are far too narrow, the fire escapes have no bannisters, the kitchens and bedrooms are tiny and crowded, the bathrooms are unmodified, and there is poor insulation and wiring. This is hardly suitable accommodation for tenants whose average age is over 70.

In March 1991, CMHC announced plans to redevelop the obsolete complex in order to provide its tenants with modern, barrier-free housing. After consulting Benny Farm's veterans, CMHC tabled a proposal with the City of Montreal involving the wholesale demolition of the site's decrepit buildings and the sale of part of the land in order to finance the construction of new units.

Although polls suggested that over three quarters of the residents supported the proposal, opponents of the plan — from heritage activists and architects to local politicians and community groups — quickly gathered strength, and in November 1992 the city rejected the proposal. CMHC was then told to draw up a new plan which involved renovating all or some of the 64 buildings on site.

Over a year later, CMHC finally presented a new proposal which took into account the city's suggestions. The tenants were happy with the details of the new plan and public consultations began in February of this year.

Those plans have recently been completed. It is now up to the Bureau de consultation de Montreal, a municipal body, to assess the plan and report to Montreal's Executive Committee. It is hoped that a favourable report by the BMC will clear the way for final approval by the city, and Benny Farm's tenant veterans will finally have the new housing they were promised three years ago.

Those three years have been very hard on the veterans of Benny Farm. They have been riding an emotional roller-coaster, as the federal government and the City of Montreal haggle over their fate. They have become nothing less than pawns in a bitter struggle. Quite frankly, honourable senators, many of these men and women do not have time on their side, and yet their future has been left dangling. An end may finally be in sight. However, Benny Farm's residents have had their hopes raised before, only to have them dashed at the last moment. Even if the City of Montreal grants approval, new construction may still take upwards of a year.

I therefore urge the present government, and in particular CMHC, to spare no effort in ensuring that this latest proposal receives approval from the city. I need hardly remind honourable senators that the Government of Canada has a long-standing commitment to provide our veterans with affordable and decent housing. Neither the city of Montreal nor the government's concern over the deficit should overshadow that commitment. Nothing should stand in the way of barrier-free housing for these veterans. They risked their lives on our behalf in the name of freedom; the least we can do in this year, the 50th anniversary of the Second World War, is to provide them with the suitable accommodations that they deserve.

• (1440)

ARMY CADET LEAGUE OF CANADA

MYRIAM BÉDARD—RECOGNITION OF INVOLVEMENT AS ARMY CADET

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, the subject-matter of my statement is one in which Senator Marshall and I have particular interest. I refer to the Army Cadet League of Canada — the best youth training program in Canada.

Earlier in the session, honourable senators paid tribute to Myriam Bédard after she had won her first gold medal. Since then she has won a second gold medal — an amazing feat. The Governor General has presented her with a special medal in recognition of that feat.

Myriam began her biathlon training in the Army Cadet League. I should like to put her impressive career in that movement on the record.

[*Translation*]

On October 1, 1983, Myriam Bédard joined Valcartier Cadet Corps 2772. She obtained her green star in May of 1984. In September 1984, she was promoted to the rank of corporal. In October 1985, she was promoted to the rank of sergeant and, after completing her training for the gold star in 1986, she was promoted to the rank of warrant officer. After getting the bronze and silver badges of the Duke of Edinburgh Award in Canada, Myriam Bédard received her gold badge in February 1986.

In the summer of 1986, she attended the command and challenge course at the national camp for army cadets in Banff, Alberta, where she was named best cadet and received the centennial award of the Army Cadet League of Canada. In March of 1987, she was promoted to the rank of chief warrant officer. In 1988, she turned 19, the age limit for cadets, and left the army cadets.

This is an example of what our programs can do for our young people. Here is a young person who, had she not had this opportunity, would probably not be the champion that she is today. She deserves those tributes. She has achieved very great success, and I am really pleased that our army cadet program enabled her to do so well.

THE CONSTITUTION

FEDERAL-PROVINCIAL NEGOTIATIONS

Hon. Philippe Deane Gigantès: It is fashionable these days to write that Prime Minister Chrétien has no real, consistent strategy for Quebec. The truth of the matter is that Mr. Chrétien has a real, consistent strategy for Quebec as part of Canada. As he sees it, the responsibility for any given public service should rest with the level of government capable of offering the best quality of service at the lowest cost, and that level of government should have the tax resources which go with it.

This is the most ambitious restructuring of the relationship between citizens and their governments in the history of this country. Negotiations are under way and progressing well. The provinces will be involved. They will be free to participate in arrangements made by other provinces, or to opt out. This can be done only through administrative arrangements; to use cumbersome constitutional amending procedures in this instance would be like using an axe in watchmaking.

What bothers the separatists, and those who, like Senator Jean-Claude Rivest, fell into the trap — like Obélix who fell into the magic potion as an infant, perhaps — of the separatist discourse is precisely Mr. Chrétien's refusal to take the constitutional approach. The separatists insist on taking that approach because its complexity and rigidity allows them to say that the Canadian federation is unreformable. That is what Mr. Bouchard said in the United States. However, this federation is eminently reformable through administrative arrangements, and that bothers Mr. Parizeau, who said he suspected a federal conspiracy in support of Daniel Johnson, Quebec's federalist premier. As if federal support to Quebec were a sin!

What the separatists are proposing is some out-of-hand separation. I do not think separation is likely, but if it were to happen, I do not think we would see the kind of massacre they had in the former Yugoslavia. It would probably take place without bloodshed and military threats, as in Czechoslovakia. The Slovaks decided to leave. The Czechs said: "Good riddance. We have had it with paying for them while they call us oppressors." Before separating, the two even signed a common market agreement in which they undertook not to alter the economic and trade relations between them.

The separation took effect, and the very next day tariff and non-tariff barriers were in place on both sides of the new border. Economic and trade relations were cut. The Czechs saw their gross domestic product fall 10 per cent, while in Slovakia, the smallest of the two economic partners, it dropped by 35 per cent. Slovak intellectuals were unable to let go of their old habit of blaming the Czechs for everything, and the Czechs were unable to forgive the Slovaks for their continued hostility. The Slovaks are reportedly surprised because they had always thought that Czechs had cash registers in place of hearts, and it was inconceivable that they would do anything that could make their GDP drop. That is how Quebec separatists perceive English Canada.

I predict that the people of Quebec will prefer the Chrétien solution to the Slovak solution. As for recognizing Quebec as a distinct society, Mr. Chrétien and his cabinet have no problem with that. That is why we have a federal system which allows Quebec to be as different as it wants. This is an obvious enough statement to be a truism, like the one uttered by Mr. de La Palice who, you will recall, was still alive fifteen minutes before his death.

[*English*]

ROUTINE PROCEEDINGS

THE ESTIMATES, 1993-94

TABLING OF SUPPLEMENTARY ESTIMATES (B)

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, I wish to table the Supplementary Estimates (B) for the fiscal year ending March 31, 1994.

BANKING, TRADE AND COMMERCE

FIRST REPORT OF COMMITTEE TABLED

Hon. Michael Kirby: Honourable senators, pursuant to rule 105 of the *Rules of the Senate*, I have the honour to table the first report of the Standing Senate Committee on Banking, Trade and Commerce, which deals with the expenses incurred by the committee during the Third Session of the Thirty-fourth Parliament.

(*For text of report, see today's* Minutes of the Proceedings of the Senate.)

INCOME TAX CONVENTIONS BILL

REPORT OF COMMITTEE

Hon. Michael Kirby, Chairman of the Standing Senate Committee on Banking, Trade and Commerce, presented the following report:

Tuesday, March 15, 1994

The Standing Senate Committee on Banking, Trade and Commerce has the honour to present its

SECOND REPORT

Your committee, to which was referred Bill S-2, an Act to implement a convention between Canada and the Republic of Hungary, an agreement between Canada and the Federal Republic of Nigeria, an agreement between Canada and the Republic of Zimbabwe, a convention between Canada and the Argentine Republic and a protocol between Canada and the Kingdom of the Netherlands for the avoidance of double taxation and the prevention of fiscal evasion with respect to income taxes and to make related amendments to other Acts, has examined the said bill in obedience to its Order of Reference dated Thursday, February 10, 1994, and now reports the same without amendment.

Respectfully submitted,

MICHAEL KIRBY
Chairman

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

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

• (1450)

BANKING, TRADE AND COMMERCE

REPORT OF COMMITTEE ON REGULATIONS PROPOSED TO THE EXPORT DEVELOPMENT ACT TABLED

Hon. Michael Kirby: Honourable senators, I have the honour to table the third report of the Standing Senate Committee on Banking, Trade and Commerce on its examination of the regulations proposed under the Export Development Act.

(*For text of report, see today's* Minutes of the Proceedings of the Senate.)

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

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

[*Translation*]

BUSINESS OF THE SENATE

NOTICE OF MOTION TO AUTHORIZE COMMITTEES TO MEET DURING ADJOURNMENTS OF THE SENATE

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, I give notice that tomorrow, Wednesday, March 16, 1994, I will move:

That for the duration of the present session, any select committee may meet during adjournments of the Senate.

[*English*]

THE ESTIMATES, 1994-95

NOTICE OF MOTION TO REFER VOTE 10 OF THE ESTIMATES TO THE STANDING JOINT COMMITTEE ON THE LIBRARY OF PARLIAMENT

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, I give notice that tomorrow, Wednesday, March 16, 1994, I will move:

That Parliament Vote 10 of the 1994-95 Estimates, which were referred to the Standing Senate Committee on National Finance on February 24, 1994, be withdrawn from the said Committee and referred to the Standing Joint Committee on the Library of Parliament; and

That a Message be sent to the House of Commons to acquaint that house accordingly.

[*Translation*]

THE ESTIMATES, 1993-94

NOTICE OF MOTION TO REFER SUPPLEMENTARY ESTIMATES (B) TO NATIONAL FINANCE COMMITTEE

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, I give notice that tomorrow, Wednesday, March 16, 1994, I will move:

That the Standing Senate Committee on National Finance be authorized to examine and report upon the expenditures set out in the Supplementary Estimates (B) for the fiscal year ending March 31, 1994.

[*English*]

ADJOURNMENT

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable Senators, with leave of the Senate and notwithstanding rule 59(1)(*h*), I move:

That when the Senate adjourns today, it do stand adjourned until tomorrow, Wednesday, March 16, 1994, at one thirty o'clock in the afternoon.

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

Hon. Senators: Agreed.

Motion agreed to.

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS AND FEDERAL POST-SECONDARY EDUCATION AND HEALTH CONTRIBUTIONS ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-3, to amend the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act.

Bill read first time.

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

On motion of Senator Molgat, bill placed on the Orders of the Day for second reading on Thursday next, March 17, 1994.

CUSTOMS TARIFF

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-5, to amend the Customs Tariff.

Bill read first time.

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

On motion of Senator Molgat, bill placed on the Orders of the Day for second reading on Thursday next, March 17, 1994.

• (1500)

VETERANS AFFAIRS

CANADIAN VETERANS OF KOREAN WAR—NOTICE OF MOTION TO EXAMINE INCONSISTENCIES IN RECOGNITION OF SERVICE

Hon. Jack Marshall: Honourable senators, I give notice that on Thursday next, March 17, 1994, I will move:

That the Senate urge the Minister of National Defence and Veterans Affairs to examine the inconsistencies in the recognition of the service of Canadian veterans in Korea by extending the date of eligibiliy for war veterans allowance to July 27, 1954, thereby establishing parity with the date for qualification for the award of the Canadian Voluntary Service Medal (Korea).

[*Translation*]

LEGAL AND CONSTITUTIONAL AFFAIRS

NOTICE OF MOTION TO AUTHORIZE COMMITTEE TO ENGAGE SERVICES

Hon. Gérald-A. Beaudoin: Honourable senators, I give notice that, on Wednesday next, March 16, 1994, I will move:

That the Standing Senate Committee on Legal and Constitutional Affairs have the power to engage the services of such counsel and technical, clerical and other personnel as may be necessary for the purpose of its examination and consideration of such bills, subject-matters and estimates as are referred to it.

[*English*]

QUESTION PERIOD

THE BUDGET

PROPOSED CLOSURE OF COLLÈGE MILITAIRE ROYAL DE ST-JEAN—REVERSAL OF DECISION—GOVERNMENT POSITION

Hon. Noël A. Kinsella: Honourable senators, I should like to ask a question of the Leader of the Government in the Senate. Was the government's decision to close the Collège Militaire Royal in St-Jean-sur-Richelieu motivated by budgetary considerations only, or were there political or other considerations behind that decision?

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, the decision, and a very difficult one it was, was motivated by budgetary and operational considerations.

Senator Kinsella: Honourable senators, I wish to thank the minister for her answer that, indeed, budgetary reduction consideration was the principal reason for closing the military college in St-Jean.

I have a supplementary question: The Department of National Defence issued a publication at the time of the budget, a copy of which I should like to table. That publication states that the annual savings from closing the college would be $23 million. How does the minister account for that statement, given the fact that the present budget for the college in St-Jean is $25.2 million annually, of which $4.5 million is for the salaries of permanent military officers who will remain in the armed forces. Obviously, therefore, it is not possible for a saving of $23 million to be realized at all.

Senator Fairbairn: Honourable senators, the considerations which led to the decision to consolidate the operations within the facility in Kingston, to the St-Jean decision, to the Royal Roads decision, were all part of the larger and difficult cuts in the budget of National Defence. To answer further, I would need to read again the document that you have tabled. I would be pleased to do that, and perhaps to provide a more specific response for you.

Senator Kinsella: Honourable senators, the Commissioner of Official Languages has also called upon the government not to proceed with the closure of CMR St-Jean because of the negative impact he believes such a closure would have on linguistic duality within Canada and within the Canadian Armed Forces. In view of that, would the Leader of the Government in the Senate lend her support to the suggestion that the Standing Joint Committee on Official Languages study this matter on an urgent basis?

Senator Fairbairn: Honourable senators, I do appreciate the suggestion from the honourable senator. As Senator Corbin has just noted, those kinds of decisions would be for the parliamentary committees themselves to decide.

There is a strong commitment to extend, improve and consolidate the bilingualism aspect of the facilities in Kingston so that, by 1998, all cadets will be required to be fully functional in both languages, and the support systems will be there for that to occur.

PRINCE EDWARD ISLAND

FIXED LINK—CHANGE IN DESIGN OF BRIDGE—ENVIRONMENTAL ASSESSMENT REVIEW PROCESS—GOVERNMENT POSITION

Hon. Heath Macquarrie: Honourable senators, in this my first utterance in this Parliament, I have a question for the honourable leader, to whom I extend hearty congratulations and good wishes on her elevation to that position.

My question follows on one from that very perceptive colleague Senator Stewart who, on the last day of our sitting, addressed a question about the fundamental change in the Northumberland bridge. The high arch, which was considered one of the great achievements of mankind has now been re-examined and researched and lowered by 33 feet. That is a fundamental change in the design which both houses dealt with in the last Parliament. It also means that such important considerations as those stemming from the Navigable Waters Protection Act should be invoked.

I read some very disturbing things. One is that it will be up to Transport Canada officials to decide whether the change in the navigational channel is acceptable. Spokesmen from the Department of Public Works noted that any departure from the bridge design will have to be assessed under the Environmental Assessment Review Process, the very thing for which some of us sought vigorously and in vain in the last Parliament.

This is a profound change, and since this chamber prides itself in taking care as the chamber of sober second thought, and would not want to make an error in this issue of great importance to Prince Edward Island — no debate since that of Confederation in 1873, which was actually before my time, has moved Islanders as much as this — I ask the minister if she and her colleagues would give thought to making sure that, at this stage, the motion is looked at carefully. I should like to think that a Senate committee would hear some of the people who are involved in adjudicating this important change.

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I appreciate the question from Senator Macquarrie, and I thank him for his kind remarks.

Perhaps I might attempt to partially answer the honourable senator's question right now. I understand he will be speaking on this issue when the debate continues today. I intended to attempt to respond to some of the questions that Senator Stewart and Senator Prud'homme had raised. However, if he would prefer that I take the time now, I will.

Senator Macquarrie: Honourable senators, I do not want to break the heart of such a gracious lady, but actually I do not intend to speak today. I will exercise my right to stand this important issue, in the hope that consideration may be given to having this matter looked at with the great care and attention it deserves.

• (1510)

Indeed, in one other statement that caused me some concern, an official from the Department of Public Works said that a letter from the company which was very anxious to build this structure for its overseas owners cannot be released to the public unless it has been applied for through the Access to Information Act. What in the name of God is in there that would threaten the realm of Canada and the peace, order and good government of all its people? I do not know, but I think we should see that letter.

I think we should hear from these people who are assessing this project. That is one reason why I am not speaking today, and my silence at this time is not because I have nothing to say against the measure.

Senator Fairbairn: I am heartbroken, Senator Macquarrie. I was ready to listen. Indeed, I will be looking forward to your speech.

I will say in a preliminary way, from pursuing the answers to questions posed by our colleagues, that I understand there is a provision in the contract with the builder, which is the Strait Crossing Development Inc., which gives them an opportunity to propose alterations. I am advised that, in this case to date, the builder has requested a clarification in the clearance requirement on the long navigational channel. The information that I have been given is that the request has been whether or not the bridge needs to be, at that point, the full 49 metres across the whole span, or whether it could be curved. That is all I am aware of in terms of requests for alterations by the company. However, I will certainly seek further information as a result of your questions.

As you noted, there is a process in place that is followed when any such application is made. If it becomes a formal application, then it must be reviewed by the Minister of Transport under the Navigable Waters Protection Act, and it would also need to be considered under the applicable environmental guidelines and other contractual obligations.

I will carefully read the record of your comments today and try to acquire more information for you.

Senator Macquarrie: That is a good beginning. Thank you.

ATLANTIC CANADA

DEPENDENCE ON SCOTIA SYNFUELS PROJECT—REINSTATEMENT OF SPECIAL INVESTMENT TAX CREDIT—GOVERNMENT POSITION

Hon. Finlay MacDonald: Honourable senators, I have a question for the Leader of the Government in the Senate. As she is well aware, in the Atlantic provinces our long-time reliance on the fishery, mining and pulp industries is ending, and the Atlantic economy is, to put it mildly, in extremely bad shape. The road to recovery will be extremely difficult.

To fill the gap, experts and economists have been telling us that the new economy is coming with its hope of high-tech jobs. However, in the meantime, those working in the old economy find it hard to be optimistic. Atlantic Canada's two million citizens cannot foresee any work in the immediate future, and certainly not in the old economy.

Speaking of the old economy, the minister will be aware that, since the mid-1980s, a project called Scotia Synfuels has been attempting to establish a project in Nova Scotia which builds on the strength of Cape Breton's human and natural resources. For those who need reminding, this project involves the coprocessing of high sulphur coal and oil which produces a stream of cleaner burning, environmentally acceptable synthetic fuel. The total cost for the project stands at about $750 million, and the financing has been obtained from private sector sources.

In 1992, the Standing Senate Committee on Energy, the Environment and Natural Resources, chaired by Senator Hays, produced an excellent report which said, in part, that the project could provide important socio-economic, technological, regional and environmental benefits to Canadians, but that one measure was paramount. In the recent budget, the Special Investment Tax Credit of 30 per cent was eliminated.

Given that this tax credit is vital to the development of the project, which I understand is ready to proceed with its preconstruction work, and which work will be abandoned if it does not receive these credits, do you know of any steps that are being taken to encourage the government to consider grandfathering this project so that its managers will be able to take advantage of this credit?

Hon. Joyce Fairbairn (Leader of the Government): I thank Senator MacDonald for his question. The answer to his final comment is no, I am not aware, but I will make myself aware. I have taken notes on his question. I would appreciate it if I could have a copy of some of the details. I will try to find a response for him quickly, because I share with him a deep concern about the situation of the economy in Atlantic Canada.

Senator MacDonald: To encourage you, Madam Minister, of course you have the report of Senator Hays.

In hindsight, it can be acknowledged that a major part of the success of the splendid campaign run by the Liberal Party in the recent general election was the voters' interest in the creation of new jobs.

Senator Berntson: Jobs, jobs, jobs.

Senator MacDonald: I want to encourage you to take a look at a few statistics from the proponents of this project, indicating that the employment of 2,000 persons could be added to that eastern region of Nova Scotia for up to 35 years. In comparison to the Hibernia project, more permanent jobs will be created by Scotia Synfuels at only 6 per cent of the capital cost. All this would be lost if it were not possible to find a way to restore the investment tax credit, which was always vital to this project, and for which project was declared eligible in 1991.

On page 25 of the publication "Tax Measures: Supplementary Information," an explanation is given for the termination of this investment tax credit. This next may give us our laugh for the day, because I realize that the Leader of the Government in the Senate cares as much for bureaucratese as I do, but here is the language:

> The termination of the Special ITC eliminates the ongoing problems of defining eligible activities and eligible geographic regions and removes economic distortions caused by this initiative.

• (1520)

I would not insult you, Madam Minister, by asking you to tell me what that means, but going back to the days of Senator Godfrey, 10 years ago, we have attempted to find ways to get the government to respond to a report of a committee of the Senate. Senator Marshall has tried. I recall Senator Robertson, Senator Molgat and Senator Murray all in this discussion. We got nowhere. We can ask politely, but Senator Everett had the best idea. He dragged the appropriate officials before his committee and asked them why they had not implemented certain recommendations in the report.

Perhaps I should address the next question to the chairman of the Standing Senate Committee on National Finance. Is it not possible that, while examining the Estimates, you could ask officials of the Department of Finance to tell you what they mean by this ludicrous explanation as to why this tax credit was eliminated?

Hon. C. William Doody: Honourable senator, I see no reason why that could not be done. We have the federal-provincial fiscal arrangements legislation coming before the National Finance Committee in the next few days, and the Supplementary Estimates (B) will be before us as well. Both could act as vehicles to ask the questions you raise.

I remind Senator MacDonald that he is very welcome at these meetings. If he wants to raise the questions himself, he is perfectly entitled to do so. I will make sure he is given due notice of the time of the meetings.

Senator Fairbairn: Honourable senators, if I might just intercede with a comment to Senator MacDonald, I will personally seek a translation of the comment he quoted from the budget papers. As one who has spent a great deal of time over the last years promoting the use of plain English throughout the government and beyond, I will be interested in the response.

PUBLIC WORKS

RENOVATION OF EAST BLOCK—SENATE INPUT—GOVERNMENT POSITION

Hon. Richard J. Doyle: Honourable senators, my question is for the Leader of the Government in the Senate, and has to do with plans for renovations to the East Block of the Parliament buildings.

The East Block, it should be remembered, is a work-in-progress project. It has been in the throes of renovation almost continuously since the laying of its foundations, long before the great fire of 1916. Most recently, in the sixties and the eighties, millions of dollars were wisely invested in the continuing usefulness of the building.

The good news is that the East Block is in no danger of collapsing, although there are parts in need of repair, and the 1910 wing is, as gung-ho builders like to remind us, unsafe for current habitation.

Last month, I asked honourable senators to consider the money the Senate would need to spend to finish the job that the Department of Public Works is about to begin. Senator Lavoie-Roux, in a speech on February 10, endorsed a delay of the project until the Senate is able to relax the stringent limits imposed to meet the pressures of recession. Between that date and this, the department has announced plans to go ahead and close two committee rooms, build 18 new offices for senators, and establish a visitors' theatre in the Centre Block where the post office is now located.

Honourable senators, my question is this: Is it no longer necessary for the House of Commons to have Senate agreement to proceed with work that involves the shared accommodation on the hill?

Hon. Joyce Fairbairn (Leader of the Government): That is a good question, Senator Doyle, and I will endeavour to get the answer for you.

On the question of renovations, my colleague Senator Hastings has indicated that there will be a meeting of the Internal Economy Committee very shortly to discuss the whole subject. However, I will attempt to respond to your question as quickly as possible.

TRANSPORT

NECESSARY REPAIRS TO PEARSON INTERNATIONAL AIRPORT—GOVERNMENT POSITION

Hon. Norman K. Atkins: Honourable senators, my question is for the Leader of the Government in the Senate regarding Canada's largest and busiest airport, an airport that our colleague Senator Keith Davey persuaded Prime Minister Pierre Trudeau to name "Pearson."

Thirty years ago, on February 28, 1964, terminal 1 was opened. It was considered at that time to be one of the finest terminal buildings in North America. In fact, they called it the "Cadillac" of terminal buildings. Today it is not only obsolete, it is in real need of major repairs.

Honourable senators, my question relates to the government's decision to cancel the deal to privatize both terminals 1 and 2, which represented a significant investment in upgrading the airport's facilities. Has the government decided what it will do with respect to making the necessary improvements to terminal 1, and whether it will proceed with construction of an additional runway, which is considered vital to the further development of the entire airport complex?

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, to my knowledge, those decisions have not been taken. The whole question has been under consideration since the cancellation of the previous arrangement. I will undertake to consult with my colleague the Minister of Transport.

Senator Atkins: Honourable senators, I wish to make one more point. I hope the work that is necessary at this airport is given priority, because that also relates to jobs. When considering the priorities laid down in the Red Book, this work at Pearson is an important consideration. Just as important is the development of that whole airport area, which would translate into many more jobs.

Senator Fairbairn: Your point is well taken, Senator Atkins. I concur that this airport is fundamental to the transportation structure in this country.

THE BUDGET

NEW BRUNSWICK—EFFECT OF CHANGES TO UNEMPLOYMENT INSURANCE—GOVERNMENT POSITION

Hon. Mabel M. DeWare: Honourable senators, I should like to direct a question to the Leader of the Government. Madam Minister, in the wake of the last budget, New Brunswick may lose as much as $200 million as a result of changes to unemployment insurance. In addition, I understand that Prince Edward Island will lose about $50 million.

A motion has been introduced in the New Brunswick legislature, with the blessing of Premier Frank McKenna, registering concern about proposed UI changes and asking that any proposed changes be delayed pending reform of Canada's income security system.

Is the honourable senator prepared to listen to her Liberal colleagues in New Brunswick and change or modify the UI reforms announced in the budget?

Hon. Joyce Fairbairn (Leader of the Government): Honourable senator, I am always prepared to listen to Premier McKenna and my colleagues in New Brunswick.

As Senator DeWare will know, a number of plans and options are currently under vigorous discussion and study by the Minister of Human Resources and the Human Resources Committee in the other place. These discussions relate to the whole issue of unemployment insurance, training, education, and jobs.

• (1530)

I am not personally aware of the motion introduced in the New Brunswick legislature. I would be glad to have a copy of it. I will certainly draw it to the attention of my colleague, the Minister of Human Resources, and get a response or reaction for you.

RULES OF THE SENATE

INFRINGEMENT OF RULE 26

Hon. Eymard G. Corbin: Honourable senators, I do not have a question for the Leader of the Government in the Senate. I simply want to point out that rule 26 has been blatantly broken today by every member opposite who has asked a question. Every question had an extremely long preamble.

Rule 26 says:

> A preamble to a question, whether it is asked orally or in writing, is out of order.

I think we ought to respect the rules.

The Hon. the Speaker: Since no one is standing to ask a question, I will point out that the 30 minutes allotted for Question Period have now elapsed.

ANSWERS TO ORDER PAPER QUESTIONS TABLED.

CANADA-NEWFOUNDLAND COOPERATION AGREEMENT FOR FORESTRY DEVELOPMENT

Hon. Gildas L. Molgat (Deputy Leader of the Government) tabled the answer to Question No. 4 on the Order Paper — by Senator Marshall.

CONTAMINATION OF NATIONAL PARKS AND HISTORIC SITES

Hon. Gildas L. Molgat (Deputy Leader of the Government) tabled the answer to Question No. 8 on the Order Paper — by Senator Marshall.

ORDERS OF THE DAY

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

On the Order:

> Resuming the debate on the motion of the Honourable Senator Gigantès, seconded by the Honourable Senator Cools, for an Address to His Excellency the Governor General in reply to his speech at the Opening of the First Session of the Thirty-fifth Parliament. — (*7th day of resuming debate*)

Hon. Lowell Murray: Honourable senators, our speeches are limited to 15 minutes under the Robertson rules, so my opening remarks of congratulations, welcome and good wishes to all must be very brief. They are, however, well meant and they are directed in particular to you, Your Honour, and to the new Leader of the Government in the Senate. As a friend of many years, I am pleased that you and she have been given the honour and the great opportunity for further service that come with your high offices.

As for Senator Lynch-Staunton, my colleagues in the Progressive Conservative caucus know how highly I think of him and of my confidence in him. The new Leader of the Opposition and the new Leader of the Government made opening speeches that were excellent in every way, and I thank both leaders for their kind references to me.

As for the mover and seconder of the Address in reply to the Speech from the Throne, I never thought the day would come when I would hold out any speech of Senator Gigantès as a model of moderation and constructive thought. I am happy to be able to do so today and, all things being relative, I would especially commend the statesmanlike example of his speech to his seconder, Senator Cools.

Honourable senators, in the autumn of 1984, another newly elected government, that of Prime Minister Mulroney, undertook a program of quite radical change in policy and direction for Canada. A number of major achievements stand out from the period 1984 to 1993: the Free Trade Agreement with the U.S., NAFTA with the U.S. and Mexico, tax reform, spending controls and spending control legislation, monetary restraint, a new regime for foreign investment, deregulation, privatization, changes in patent and copyright law affecting pharmaceutical products, changes to certain universal social programs such as Old Age Security and family allowances and reforms to the unemployment insurance program.

Liberal senators and MPs opposed and, in some cases, obstructed virtually every one of the initiatives I have mentioned. Their speeches are on the record. Yet it is now clear that our successors, the Liberal government of Prime Minister Chrétien, intend no reversal of the main policy direction set out by the Mulroney government. The major changes in economic and social policy brought in by the Progressive Conservatives are here to stay.

We introduced these policies and the new government is now supporting them, not because of some doctrinaire ideological motivation, as some simple-minded commentators would have it, but because those policies provide the only path to future prosperity, to increased opportunity, to improved living standards for the Canadian people. Our friends opposite know this. The reality and the responsibility of governing in the national interest have overtaken the indignant rhetoric of opposition days.

It seems that the success of the Chrétien government, especially in managing the national economy and in managing the public finances, will depend in large measure on how well they follow the path laid out for them by their Conservative predecessors.

I must add, and I hope to return to this later this week in the budget debate, that the budget tabled last month gives some cause for concern in this connection.

However, there are two issues, honourable senators, that I would like to touch on very briefly today, knowing that we will return to them frequently and in detail over the next couple of years. These two issues are social policy and national unity.

In the Throne Speech the government announced its intention to reform, modernize and restructure Canada's social security system. The Minister of Human Resources, Mr. Axworthy, elaborated on this in his speech in the House of Commons on January 31. The minister speaks of "total reform" of the social safety net. He says that all programs will be reviewed: unemployment insurance, training and employment programs, social assistance, income security, aid to education and learning, labour practices and rules affecting the workplace.

Honourable senators, of the matters that Mr. Axworthy proposes to reform, only one, unemployment insurance, is wholly within the jurisdiction of the federal Parliament. Most of the other responsibilities are largely in the hands of the provinces, and many are dependent on financial support from the federal government.

The Throne Speech makes a ritual bow to "working closely and cooperatively with the provinces," as does Mr. Axworthy in his speech. But consider the schedule to which Mr. Axworthy has committed us: committee deliberations in March, a federal government action plan in April, more consultation in the summer, legislation in the fall, a whole new regime within two years. Either this undertaking will turn out to be a lot less than advertised, or it will be, as Mr. Axworthy promises, a total reform of the social security system. If so, it will be one imposed upon the provinces by the unilateral action of the federal government.

If such action overtakes, as it is beginning to do, the scheduled revision of equalization — and we have a bill before Parliament now to renew the equalization program for five years — of Established Programs Financing and of the Canada Assistance Plan, then social programs in this country could be in a chaotic situation before too long, especially with regard to their financing. Our concern should be with the people whose lives will be affected by these reforms.

In his speech to the House of Commons, Mr. Axworthy denied that the undertaking is driven mainly by budgetary pressures. I quote him from page 610 of the House of Commons Hansard:

• (1540)

> There are voices out there — I have heard them from time to time in this House — that say redesign is simply a code word for cutting costs. They are wrong. The purpose is to find out what really works so that we can help people get back to work. That is the purpose of redesign.

That speech was made on January 31. Three weeks later in the budget, Finance Minister Martin gave us his bottom line. The bottom line is that two years from now, at the start of the fiscal year 1996-97, there will be at least $4 billion less every year for federal support of social programs than was the case before the budget. Four billion dollars is a lot to take out of that system.

The transfers to the provinces for social programs in 1996-97 are to be no higher than they were in 1993-94. That will be a loss of $1.5 billion in 1996-97. Then there is the $2.4 billion to be saved annually — starting in 1995-96, by the way — by way of changes in eligibility for unemployment insurance announced by

Mr. Martin in his budget — and there is more to come. The bottom line may turn out to be a moving target, as Mr. Martin has certainly indicated it is when he speaks of minimum savings to be effective, and the first phase, and so forth. Mr. Axworthy speaks of restructuring parts of the unemployment insurance program and the Canada Assistance Plan. I will return to some of these matters in the budget debate later, if I get an opportunity.

We have had some experience with these matters in the 34th Parliament. In 1990, Parliament approved the Conservative government's Bill C-21 which lengthened qualification periods, shortened the benefit duration periods and took other steps for the purpose of transferring so-called passive UI funds to active developmental purposes such as training, mobility assistance and so on. In 1993 we made further changes with Bill C-113. These reforms were far reaching, they were controversial, and they were fought tooth and nail by our friends opposite. Now Mr. Axworthy, with a push and a shove from Mr. Martin, intends to go further, faster.

Honourable senators should be concerned. All of the reforms being considered now and alluded to in statements by various federal and provincial ministers and officials, have been floating around for a fairly long time. They have all been on the table before. Previous governments have not proceeded with them. This is partly because of timing: We had quite a serious recession in 1990-91, and we are now only mid-way through a worldwide economic restructuring that is having serious repercussions for Canada.

However, beyond the question of timing, it is easy enough to identify the shortcomings and the disincentives in the present system — and goodness knows there are fiscal pressures. What is not clear is whether the proposed changes, sound and logical as they may appear to be in principle, really will increase opportunity and security for those who are dependent on the present system in a period of almost unprecedented economic turbulence and uncertainty. The blunt question — training for what? — stumps the experts who are trying to put new so-called incentives into the package of assistance for the Newfoundland fishermen, for example. The government should beware lest, without intending to, it imposes measures that are coercive and punitive on people who have nowhere else to turn.

My own view, for what it is worth, is that a lot of this stuff is not yet ready, as they say, "for prime time." It is not yet ready to be implemented on real people in the real world. If the government contents itself with a series of pilot projects, then no harm will be done. In the real world, unemployment insurance, education, training, retraining, social assistance, income security and placement are linked, and far-reaching reform can only succeed if it is truly a cooperative undertaking with those on the ground who know the problems best in their human as well as in their social and economic dimensions: the provinces, education, business, labour and others. I have not even mentioned the vastly different economic and social conditions that exist from one part of this country to the other, and must be taken into account.

The schedule set out by Mr. Axworthy and Mr. Martin's budget suggests strongly to me that the die has been cast, that the key decisions have already been made and will be imposed by Ottawa on the other parties. Honourable senators should be concerned.

Honourable colleagues, with regard to the transcendent question of national unity, let me say in passing how regrettable was the decision announced in the budget to close the Collège Militaire Royal in St-Jean, to which reference has been made during oral Question Period today. This decision is reminiscent of another issues 18 years ago which became known in the political shorthand as "les gens de l'air." At issue was the question of the use of French by francophone pilots and air traffic controllers in the air space over Quebec airports. The issue was badly mishandled by the government of the day. It caused the resignation of Jean Marchand from the cabinet. Significantly, and sadly, when Quebecers and French Canadians looked to the major opposition parties in the Commons to speak for them, they found little or no support from those quarters either.

The issue became a political flashpoint. It took on symbolic importance; it demoralized federalists in Quebec; it offended French Canadians, and, in my opinion, it contributed to the 1976 election of the Parti Québécois government in Quebec.

In Parliament today, the Bloc Québécois has been vocal but it lacks credibility on the issue, for obvious reasons. The Reform Party would abolish Canada's linguistic duality, so one cannot expect much from that source. It would be helpful if Liberal, NDP and Conservative parliamentarians would take the lead of the Honourable Jean Charest and urge the government to rescind this decision for the best of all reasons: national unity.

At issue here is the question of offering francophone officer candidates the opportunity to qualify in their own language. The decision to close that place was a blunder. In terms of armed forces personnel objectives and the federal language policy, it is almost indefensible. In the context of national unity problems today, it is inexplicable. I say to the government, do not force Quebec federalists to carry on their shoulders, into a provincial election and beyond, the burden of this ill-considered decision. Make an elegant, strategic retreat while there is still time to do so.

On the wider issue, let me say that I share completely the concerns expressed earlier in this debate by Senator Beaudoin and Senator Rivest, and from quite another perspective by Senator Ghitter of Alberta. I have been encouraged by statements made by the Minister of Intergovernmental Relations, Mr. Massé, on the day the Chrétien government took office, and by a very good speech made by Mr. Massé on December 1 to the National Conference on Government Renewal. Acknowledging that constitutional reform is unlikely to succeed at present, Mr. Massé suggested we could, within the present Constitution, have what he called "a very different allocation of resources" if there is a need for that.

• (1550)

I quote Mr. Massé as reported in the media:

> We may see, agreement by agreement, and over time, a significant change in the roles of the federal and provincial governments.

Mr. Massé went on to say:

> Quebec is, of course, a distinct society and can, in some ways, be treated differently as long as all provinces are treated equitably.

Since then, the federal government has been sending rather negative signals as to openness and flexibility on these matters. I trust the progress report on these negotiations which Senator Gigantès purported to give us earlier today is well founded.

An example of the problem, however, is Ottawa's refusal to implement the agreement in principle on job training reached between Prime Minister Campbell and Premier Bourassa. I thought I heard Prime Minister Chrétien speak quite positively on television about that agreement during one of the Christmas interviews. I had some hope that he would carry through.

This is an area where there is a history of successful cooperation between the public and private sectors in Quebec. They do not accept the Ottawa argument that its implementation of this agreement must be delayed pending the review of the social security programs. If the federal government persists in this approach, they will play into the hands of the separatists, who will need only to repeat the arguments of the provincial Liberal Party and of the largely federal business community in Quebec in favour of the agreement, and then hold up Ottawa's refusal to implement it as another illustration of the inability of the federal system to adopt and accommodate Quebec's needs.

Apart from this area, I realize that the federal and provincial governments cannot be expected to conclude in a few months negotiations on the kind of administrative agreements referred to by Mr. Massé. However, there is time for Mr. Massé and the government to put some flesh on the bare bones of his earlier statements.

The Hon. the Speaker: I regret to interrupt the honourable senator. However, since he reminded me of the 15-minute rule when he first stood up, I feel I must ask leave of honourable senators for Senator Murray to conclude his remarks.

Hon. Senators: Agreed.

Senator Murray: I will not abuse the courtesy which has been extended to me, honourable senators. I am coming quickly to a conclusion.

As I said, there is time for Mr. Massé and the government to put some flesh on the bare bones of his earlier statements. He could articulate a more modern vision of Canadian federalism. He could open up some possibilities for devolution and for ending overlap and duplication. I think he can put together an interesting and attractive package. In so doing, he would provide encouragement and leadership to the federalists in Quebec.

The interventions of Senator Beaudoin and Senator Rivest suggest to me that a stubborn reliance on the advantages of the status quo will not be enough for Quebec federalists to win an election, or a referendum if it comes to that. The government should heed our two colleagues. Mr. Massé should be encouraged to follow through on his earlier statements. The government should seize this opportunity to remove from the federal Liberal Party the yoke of Trudeau dogmatism in Quebec-Ottawa relations and put this relationship on a new and more stable basis.

Some Hon. Senators: Hear, hear!

Hon. Mabel M. DeWare: Honourable senators, it is a pleasure to rise and take part in this debate on the Speech from the Throne. As I am sure honourable senators are aware, this is traditionally a general and far-ranging debate, and there are some specific items which I wish to address.

Before I begin, however, I wish to express my personal congratulations to my fellow New Brunswicker, Senator LeBlanc, on his ascendancy to the Chair of the Senate. His are weighty responsibilities. I know he will fulfil them with distinction. I should also like to bring to him greetings from our home riding of Beauséjour.

In a similar vein, I wish to congratulate Senator Fairbairn, the first women to lead the government in the Senate. Viewing her performance over the last three and a half years, I have seen her strong capabilities and the reasons she qualifies to take this honour in the Senate.

I would also like to congratulate my own leader, Senator Lynch-Staunton, and pledge to him my loyalty.

The new Parliament is, of course, a great source of satisfaction for the members of the Liberal Party. I want to join other senators in wishing success to Prime Minister Chrétien. He has received a clear mandate to govern from the people of Canada, and they have high hopes for his government. The democratic will of the people, expressed in a general election, is a weighty responsibility.

For our part, the onus is on us to conduct a frank self-examination, to acknowledge where mistakes were made and to identify where changes are necessary. It is a process which I believe is already well under way. In the meantime, we have an important role to play, one which honours our Constitution and the over two million Canadians who supported our party, even in defeat.

The Liberal Party promised great things to Canadians, and we will be here to ensure that this government does not forget its promises. Among them is a new civility and openness in politics, a lowering of partisanship and acrimony in debate, and a willingness to approach the problems we face as a nation in new ways.

There are some of us with longer memories who have reason to be sceptical about the sincerity of these commitments. We have not forgotten the Liberal Party's assumption that they were Canada's natural governing party and that all dissenting voices were simply ill-informed or, worse, ill-meaning. Honourable senators, I want to suggest with respect that if Canadians were to see the attitude of the government as expressed by the seconder to the motion that is now being debated, they would find great cause for concern. They would see in those words that nine years in opposition taught no lessons to certain members of the Liberal Party.

Honourable senators, we approach our duties to our country and our debates in this chamber on the understanding that all hold the best interests of our nation at heart. We accept that persons of honest goodwill can have honest disagreements about how those goals should be ordered or achieved. At times, in the heat of debate, all of us may have succumbed to the temptation to overstate our causes. However, how are we who sit on this side — the majority side of the chamber — to respond to suggestions that, as a party, we ruled Canada with malice for her citizens? Honestly, what seeds of division and ill-feeling are sown by such an attack? Are we to build these new politics on statements that the members of other parties ruled through the promotion of greed, jealousy, prejudice, division, regionalism or even racism?

Honourable senators, I do not wish to belabour this point any further, lest I descend to that which I now condemn. I do want to ask each of us not to go so far. If the fabric of our nation is in need of repair, words like those uttered by the government seconder of the motion only serve to rend it further. Attacks such as those serve no cause so well as those of partisanship, division and acrimony. We seek a better way in this chamber. I hope that we are united in our belief that Canadians deserve no less.

Honourable senators, I want to turn now to the Speech from the Throne itself. To begin with the obvious, it is a surprisingly sparse document, especially from a party which prided itself on the scope and detail of its policy manual. I would feel much better about this government if its first major statement in power showed a fraction of the effort which the party expended in its election propaganda. While it may be true that the sizzle sells the steak, the election is now over, and Canadians may be surprised to see how little meat there is in the government's policy. Let me be frank with members of this government: There are great expectations of you, but there is also an underlying fear that yours will be a government of style without substance. This Speech from the Throne does little to respond to the real desire of Canadians for action and leadership on issues of pressing concern.

One of the most remarkable things in this Throne Speech has been the near-total neglect of Atlantic Canadian issues and concerns. Aside from the brief nod to the fishery, which is in crisis, Atlantic Canada seems to have escaped the attention of the government altogether. How soon the great Liberal Prime Minister forgets the place of his political transplanting.

Sometimes silence can be golden, but many thought that the silence in the Speech from the Throne was ominous. Now we see they are right. The proof comes in the budget, which strikes at the most vulnerable region of our country and the most vulnerable sector of our society above all others. In areas with limited infrastructure, senators should understand that closures of bases have a disproportionate impact. Communities such as Chatham have no capacity to absorb the loss of jobs that a base closure brings. These cuts, both in Chatham and Moncton, will drag down entire portions of the province. I quote from the Fredericton *Daily Gleaner* editorial, speaking of the Chatham closure:

> This loss will create a devastating impact, not only on Chatham, but the entire Miramichi region.

• (1600)

Honourable senators, what kind of leadership is this which hurts most those least able to endure it? New Brunswick Minister of Finance, Allan Maher, a Liberal, says that the changes to UI will cost that province alone $200 million, and $100 million is being cut from ACOA, a program which New Brunswick's Liberal premier described as "perhaps the best tool for regional development and diversification ever seen in Atlantic Canada."

Atlantic Canada was ignored in the Speech from the Throne, but we wish we had received similar treatment from the budget. What we are seeing now is a betrayal of the hopes of our region and a betrayal of the faith that Atlantic Canada placed in the Liberal Party.

What shall we say, then? It is fortunate for all of us in Atlantic Canada that they elected Mrs. Wayne, one of the two finest members in the other place. All of us who know her know that she will fight for Atlantic Canada, but what of the Liberal members of the caucus who were there? Where were they when Mr. Martin laid out his plans to gut our region's infrastructure? Where are their voices among those of the many Atlantic Canadians who are dismayed, disillusioned and disheartened by this government?

What is the signal to Atlantic Canada? Not that this government is committed to making our region a full partner in the economic life of the nation, nor that our special needs are understood or addressed. Today many Atlantic Canadians are wondering what good it did them to follow the Pied Piper of Shawinigan. Perhaps they should have embraced some more factionalist element, as have Canadians elsewhere. These are the questions being asked when it seems that the only reward that Atlantic Canada has received for its support of the Liberal Party has been to be taken for granted.

Honourable senators, it is all very well to crow about elections won and quote from great works of literature, but the Liberal Party has to remember that that is not what governing a country is about. Governing a country is about putting people to work, giving their children a chance for a better future, and managing their tax dollars wisely and effectively. This is where the rubber hits the road. This government's first efforts are not at all encouraging.

I say to honourable senators opposite: Your leader, Mr. Chrétien, of whom you are so proud, said that his government's priority would be jobs. He set the focus, not us. He drafted and printed and waved his shiny Red Book all across this country and boasted of his government's plan and its team. Very well; get on with it. You have said the problems we face are urgent, and we agree. Start putting Canadians back to work in the way that you promised.

In order that these issues can be discussed, I raise the matter of an urgent need for work to begin on the Trans-Canada Highway in New Brunswick. Transportation links are the key to development of the region and the bonds that keep the country

prosperous and united, and that create jobs. As the connector for the rest of the region, New Brunswick's deplorable highways hurt all of Atlantic Canada. Members of the Liberal Party have often spoken of their commitment to this needed infrastructure. Now they have the opportunity and the obligation to show that they meant what they said.

Senator Corbin: Hear, hear!

Senator DeWare: Let us begin construction on a four lane Trans-Canada highway through New Brunswick this year.

I also call on the government, in the wake of its many base closures, to make efforts to minimize the impact of those closures, especially when they occur in smaller communities. Specifically, in my own area, I ask the government to consider the alternative use proposals which have been developed for CFB No. 5 in Moncton. These are responsible suggestions that would allow the government to make substantial savings without devastating the character and the economy of the Moncton region. A government which "attaches a high priority to job creation" must surely recognize the value of such alternatives. Members of the community committee have met with the minister and presented their proposals to him. I ask for senators on the government side to use their influence to make those proposals a reality.

The Throne Speech also repeats the government's promise to replace the goods and services tax. "Replace" is a newer word here. The government used to speak only of "removing" the GST. But their present phrasing is more honest. How much more honest we will know when we see with what the government plans to replace the GST. Clearly they must not impose a tax which punishes exports and encourages Canadians to buy imports, as the old taxes did. But will they be honest enough to let Canadians see what they are paying, or will this be another hidden tax which strips the power from the purchasing ability of Canadians like an unseen pickpocket? Time will tell. Some of us with long memories remember all too well the Liberal Party's campaign in 1980 against gasoline excise taxes and their subsequent record in government, where they raised taxes far beyond what they campaigned against. We shall be watching carefully to see if the government has learned any lessons in honesty since then.

Honourable senators, I want to turn quickly to two other proposals which received quick mention in the Speech from the Throne. The first is the Youth Service Corps. Many of us recognize the need for a real program to help our youth receive training and discipline in order to succeed in this life. This is an area where we will be looking for more details with much interest.

Finally, I want to mention the reference to the pre-natal nutrition program. This program was created by Conservatives and funded through the Brighter Futures program. The results have been very exciting. As more and more research comes in highlighting the importance of pre-natal nutrition to later life, the need for this program to be expanded becomes more apparent. I was glad that this received mention in the Throne Speech.

Honourable senators, as I stated, this Throne Speech is the lightest we have seen in a great many years. We hope that does not reflect the government's commitment to action. We will be watching as the government brings forward its legislative program, and we look forward to working together for a better Canada.

On motion of Senator Berntson, debate adjourned.

MERCHANT NAVY VETERAN AND CIVILIAN WAR-RELATED BENEFITS ACT

BILL TO AMEND—SECOND READING—ORDER STANDS

On the Order:

> Resuming the debate on the motion of the Honourable Senator Marshall, seconded by the Honourable Senator Lavoie-Roux, for the second reading of Bill S-4, to amend the Merchant Navy Veteran and Civilian War-Related Benefits Act.—(*Honourable Senator Molgat*)

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, I would ask that this matter stand again. I know that Senator Marshall is anxious to proceed and I want to assure him that I am not trying to hold up the matter. The problem, as I have it from the department, is what effect this bill will have. They have not yet been able to give me an answer concerning that, but I will be prepared to speak to this order on Thursday, if that is suitable to Senator Marshall. I want to assure him once again that I am not trying to delay the matter.

Order stands.

VETERANS AFFAIRS

CANADIAN VIETNAM VETERANS MEMORIAL—DEBATE CONTINUED

On the Order:

> Resuming the debate on the inquiry of the Honourable Senator Marshall calling the attention of the Senate to an appeal from the Canadian Vietnam veterans to the federal government to provide National Capital Lands for the site of the Canadian Vietnam Veterans' National Memorial.

Hon. Philippe Deane Gigantès: Honourable senators, without any doubt, Senator Marshall has been the great defender of veterans in this country. As a veteran, I thank him. This proposal that he makes does him credit.

However, I have enquired around among veterans' organizations, and they are not certain about this measure. I am not opposed to it; I am simply saying that we should discuss it more carefully amongst ourselves. My veteran friends tell me there are certain traditions that we honour with Canadian monuments to Canadians and others who have fought in Canadian wars. I know there were Canadians who fought in the Crimean War, but in those days we were a colony. Therefore, our

ancestors were fighting as British soldiers in British units. In the Boer War, Canada was still much more an integral part of Great Britain and Great Britain's war efforts. Canadians who fought in the Boer War were fighting in a war that was Canada's, in a sense, because Canadian units went there.

• (1610)

There are other precedents in which Canadians participated, but these were not Canadian wars and, therefore, those who fell in those wars were not honoured. One of them was the Italian war in which the Savoy dynasty took power in Italy. There were Canadians and Americans who enrolled in Zouave units and went to defend the Papal territories. We have not honoured those in monuments in Canada.

We have honoured Americans who came and joined the Canadian forces in wars in which Canada was engaged because they were fighting under our flag in our forces.

Maybe there are precedents, but I do not know of any. If I am correct that there are no precedents, we did not honour such soldiers because this kind of honour is a tradition. In matters such as honouring war dead and the brave acts of people who fight under our flag, tradition is surely important. Military orders and monuments are part of this tradition.

We should look into this matter further and continue this inquiry. I would love to hear from other members of the Senate on this issue because, as far as I can see, by erecting such a monument we would be breaking a precedent.

I am not disputing that the Canadians who went to Vietnam and fought under an American flag did so, as they say, to defend freedom. However, Canada was not a combatant in that war. In fact, we were acting in various ways as non-combatant arbiters, trying to put an end to this war. There were Canadian missions on the various peace negotiations which went on for years and years. We were neutral in that war. We were out of it.

There were Canadians who fought under the American flag in Vietnam. There were Canadians who fought in the French Foreign Legion when the French were defending their colony against the Viet Cong liberation movement, before the Americans took over. Do we honour members of the Foreign Legion?

There were Canadians who fought in the International Brigade in Spain against the Franco forces. We have not erected a monument to them. Yet, our enemies in the war which came immediately afterwards, the Germans and the Italians, were in Spain on the side of Franco, and one could say that Canadian members of the International Brigade were fighting in anticipation against nations which would become our enemies very shortly thereafter, just as Americans who joined Canadian forces in World Wars I and II were fighting in anticipation against countries that were to become the enemies of America.

I do not see a parallel. I do not see anything in our tradition that fits the case of Canadians who went to fight under the American flag in Vietnam. However, I would like to hear the opinion of other senators on this, and I hope many of them will speak.

Hon. Raymond J. Perrault: May I ask a question of Senator Gigantès? There is a controversy in the United States stemming from allegations that full veterans' benefits are not being extended to Canadians who fought in the American army in Vietnam. I would like to know whether the honourable senator has any firm information on this point. Perhaps Senator Marshall has some information on the current case before the American government in which Canadian veterans are said to be denied U.S. veterans' benefits?

Senator Gigantès: Honourable senators, I do not know the answer to that question. I just do not have the information. However, we could find out. Perhaps Senator Marshall knows?

Hon. Jack Marshall: Honourable senators, Canadian Vietnam veterans, through our foreign relations office, are in touch with the American Department of Veterans Affairs, and they get certain benefits.

Senator Perrault: Honourable senators, my suggestion is that if, in fact, the Americans are unwilling to provide benefits for Canadian veterans who fought and died for them, surely a case can be made to resolve that issue first.

Senator Marshall: Honourable senators, the veterans do get benefits.

Senator Perrault: I understand that they do not get full benefits.

Senator Marshall: Honourable senator, I cannot answer you fully at this moment. I will ask the question.

We must remember that the Americans are donating a memorial to Canadians. It is a matter of recognizing the 113 Canadians who died. In talking about tradition today, there is nobody who believes more in tradition than I do. Unfortunately, our traditions are diminishing too fast. I do not want to say too much because I might be accused of ending the debate.

This matter arose in the U.S. Senate. Senator Kennedy was a strong supporter of the Canadian Vietnam veterans, as was Senator Kerry, who was a hero in the Vietnam war. Traditions aside, 113 Canadians lost their lives in that war. I think we owe their families a remembrance. It is only a matter of a piece of land being provided to erect a memorial; a piece of land in this vast land of Canada for a memorial to recognize those 113 who died for peace.

Senator Perrault: Honourable senators, I have a suggestion for the honourable senator: In various locations across this country, we have international peace parks right at the border. There is one in British Columbia. Half of the parkland is held by the United States and half by Canada, but neutral parks have been created. One of those parks may be the ideal location for the Americans to erect that monument — on the border, in their territory.

Senator Marshall: Honourable senators, in the short space of time since I introduced this inquiry, we have had five offers of locations for the memorial. I will be flooding this place with petitions starting next week.

Senator Gigantès: Honourable senators, I would ask Senator Marshall's opinion on whether or not the land that has been given to the United States along Sussex Drive in Ottawa on which to build an embassy would be a good place? It is not a great deal of land. The Americans would be honouring, on land belonging to them, Canadians who fought under the American flag. It would be here in Ottawa, and if Canadian veterans' organizations wished to go and lay wreaths on that monument, there it would be.

Senator Marshall: Honourable senators, I am glad we are having this debate. That is one choice, and I will bring it to their attention. They may accept it. However, there are other choices. That would not be their first choice.

In any event, I am pleased that we are having a debate on this very important question.

The Hon. the Speaker: Honourable senators, if I have no more interventions on this inquiry and no motion to adjourn this debate to another day, then I would have to declare the inquiry debated.

Hon. Eric Arthur Berntson: Honourable senators, I move the adjournment of the debate.

On motion of Senator Berntson, debate adjourned.

• (1620)

SOCIAL AFFAIRS, SCIENCE AND TECHNOLOGY

MOTION TO AUTHORIZE COMMITTEE TO EXAMINE AND REPORT UPON THE FUTURE DEVELOPMENT OF THE DEPARTMENT OF VETERANS AFFAIRS—ORDER STANDS

On the Order:

> Resuming the debate on the motion of the Honourable Senator Marshall, seconded by the Honourable Senator Simard:
>
> That the Standing Senate Committee on Social Affairs, Science and Technology be authorized to examine and report upon the future of the Department of Veterans Affairs; and
>
> That the Committee present its report no later than October 31, 1994.

Hon. Philippe Deane Gigantès: Senator Marshall, Senator Graham and I would like to speak to you on this matter. Because we wanted information, we asked questions of certain officials and ministers on this issue, and now we wish to discuss it with you. Therefore, I would stand the order, but not for long.

Order stands.

HEALTH

EXTENSION OF VETERANS INDEPENDENCE PROGRAM TO SENIOR CITIZENS—DEBATE ADJOURNED

Hon. Jack Marshall rose pursuant to notice of Wednesday, February 9, 1994:

> That he will call the attention of the Senate to the advisability of extending the Veterans Independence Program to all Canadian senior citizens.

He said: Honourable senators, I am ready to speak on this matter. I will take about 20 minutes, but I could speak for ten minutes today, adjourn the debate, and continue at another sitting. I leave it to the Senate.

The Hon. the Speaker: Honourable senators, you have heard Senator Marshall's suggestion. Are you prepared to agree to this procedure?

Hon. Eymard G. Corbin: I should like to hear what the normal time limit is. Does the honourable senator have unlimited time?

The Hon. the Speaker: I am informed that the time would be 15 minutes in total.

Senator Marshall: Your Honour, I take it that my request for an extension to 20 minutes is not in order? It is not acceptable?

The Hon. the Speaker: Honourable senator, asking for leave before the 15 minutes is reached puts me in a difficult position. However, I am in the hands of the Senate, and I think it would be Senator Marshall's privilege to ask for leave when the 15 minutes are terminated normally.

Hon. Gildas L. Molgat (Deputy Leader of the Government): Senator Marshall, there will be no problem in giving you the extension. We know how much work you have done on veterans matters and how dear this topic is to you. However, I think it would be better procedurally to agree to an extension when you reach the time limit.

Senator Corbin: Honourable senators, I do not mind our making exceptions to the rules, but we do have rules. If we proceed in this fashion with one senator on one topic, I hope the house will be understanding when it comes to another senator on another topic. I will not oppose anything that is agreed to here today, but let the record show that —

Hon. Noël A. Kinsella: Order! Order!

Senator Corbin: What do you mean, "Order"? I am speaking on a point of order.

Senator Kinsella: The Speaker is on his feet.

Senator Corbin: I did not see the Speaker. I am sorry.

We have been told in no uncertain terms that these are to be the *Rules of the Senate* — your holy rules. I do not mind playing by the *Rules of the Senate*, but if we are building a tradition of exceptions, I want those exceptions noted, and I want them to be considered precedents when another senator wishes the same privilege.

Senator Molgat: Agreed.

The Hon. the Speaker: I apologize to Senator Corbin. Perhaps his hearing piece was not connected when I indicated that I would have some difficulty giving a five-minute extension before the 15 minutes were used up. In other words, I do not think we could engage in such a practice as giving leave by notice on some preceding day.

When the honourable senator has reached 15 minutes, I believe we will extend the normal courtesy to him and ask if there is leave for him to continue.

Senator Marshall: Honourable senators, I take this opportunity under Order No. 5 to call the attention of the Senate to the advisability of extending the existing Veterans Independence Program to all senior citizens in Canada. The subject is worthy of serious consideration by this chamber and by the government. Even though the program is at present limited to veterans who are seniors, it is one which could be readily adapted to all senior citizens because of advantages in its practical approach to the health care needs of our growing senior population, and, most important, because it provides a better service and proven savings to the public purse, something which is so vital in our present overwhelming health care cost environment.

Honourable senators, the recent Throne Speech emphasized that:

> Canada's universal Health Care System is founded upon the principles of the Canada Health Act and the government is deeply committed to these principles and rejects any measure which undermines them.

That is a very noble proclamation, honourable senators.

The Throne Speech also announced the creation of a National Forum on Health to be chaired by the Prime Minister to foster, in cooperation with the provinces, a national public dialogue on the renewal of Canada's health care system.

I am sure that all seniors across Canada are waiting in anticipation for these laudable initiatives to become a reality, and I hope that my contribution today, and perhaps at the next sitting, will provide a basis for consideration that might help in one aspect of health care.

Honourable senators, for many years researchers in the field of health care economics have warned that changes in the age distribution of the Canadian population, combined with fiscal restraint in the delivery of health care services, will make it very difficult to maintain present levels of entitlement. Current estimates suggest that, by the year 2036, approximately 29 per cent of Canadians will be over 65 years of age, a dramatic increase from 11.6 per cent in 1991. That means that there will be increasing pressure on health care delivery budgets, and the relief of those pressures is an important feature of the Veterans Independence Program.

A wealth of evidence indicates that seniors require expanded services as well as greater flexibility in their delivery. As a matter of fact, a study on accessibility to hospital services by our own Standing Senate Committee on Social Affairs, Science and Technology in 1990, under the then Chairperson, Lorna Marsden, and the Deputy Chair, Senator Robertson, made it clear that failure to respond to this situation will likely mean that an ever greater number of senior citizens will have to depend on institutionalized health care.

It has been calculated that unless alternative measures are taken, every single hospital bed available today will be occupied by someone aged 65 or over by the year 2031. Canadians will require 100 million bed days per annum by that time, compared with 41.5 million in 1984, and 90 per cent of that increase will be caused by the growing needs of the elderly. Of course the requirement for more hospitals will tax our already exorbitant deficits.

Representing about 11 per cent of the population at the present time, senior citizens need acute facilities more frequently than other groups, and their average length of stay is twice that of other groups. Some of this is perfectly natural, for there is a dramatic increase in the use of acute care hospital services in the short period before death. However, hospitals complain that too many acute care beds are being occupied inappropriately by patients awaiting transfer to chronic and extended care facilities, or by patients who cannot go home because of inadequate community support and home support systems. The estimates of such range from 10 per cent to 35 per cent. Compared to many European countries and even to the United States, Canada has already a larger percentage of seniors living in institutions. This is one of the most expensive and least desirable solutions for the long term care of our elderly.

• (1630)

Honourable senators, Canada already has a proven program, the Veterans Independence Program, which enhances the living conditions of seniors in their own familiar surroundings, and at the same time reduces the need to send seniors to hospitals and other institutions at much greater cost. As former Chairman of the Senate Subcommittee on Veterans Affairs, I have followed the progress and have been very impressed with the Veterans Independence Program. As far as I am concerned, the VIP is one of the most worthwhile and sensible veterans' programs to be introduced since World War II. Not only has it been a model program, encouraging independent living among veterans and thus enhancing their quality of life, but it has also saved the taxpayer a lot of money by reducing the need to place veterans in nursing homes and other institutions. I do not hesitate to say that the program was introduced by the Liberal government in 1981.

Senator Perrault: Hear, hear!

Senator Marshall: It has been improved over the years since by extending it to more veterans until, at the present time, about 94,000 veterans are receiving benefits at a cost of some $172 million.

It has been proven that eight to ten veterans can be maintained on the VIP program for the cost of keeping one veteran in an institution. The program offers a comprehensive range of benefits that allows veterans to stay at home longer with their

families, which I shall briefly outline further, the costs of which are indexed each year. It grants financial assistance for home care to provide services to the client in a residential setting, including direct patient care, personal care support, housekeeping and basic groundskeeping. If the need arises, veterans may acquire the benefits of nursing home care or adult residential care, which provides services in an approved residential institution. This applies to temporary or long term situations and also provides for the activities of daily living, board and lodging.

An innovative feature in the VIP program also offers funding for home adaptations. This provides money to construct alterations to residences so that the veteran may remain comfortably in his or her own home. Physical changes may include such additions as wheelchair ramps or various walking supports. The government, I hope, will look at the extension to low income seniors of the Residential Rehabilitation Program. This program has already been announced, and I am sure will prove to be very popular. This feature of the VIP could be adapted to provide structural alterations to the residences of low income seniors.

The program also includes ambulatory health care provisions which ensure specialized services available through clinics, outpatient departments, day-care hospitals and day-care centres. These may include health assessments, diagnostic services, minor treatments, rehabilitation support, physiotherapy and diabetic care. Recreational counselling and other related services are also available.

Finally, VIP pays for transportation services for eligible low income veterans so that they may carry out daily activities such as shopping, banking and medical visits. All of the above-mentioned aspects of the VIP program are providing the essential services required by Canadian veteran seniors.

While the benefits I have described may appear to be costly, numerous estimates have suggested that a well-integrated home care program delays or makes unnecessary institutionalization, and is therefore cheaper than forcing seniors to opt prematurely for some form of institutional care. As I said, it has been proven that eight to ten veterans can be maintained in their own homes for the cost of maintaining one in an institution. That benefit should be carefully weighed in any such considerations.

A letter from the Secretary of State just last month explains how the formula works. It reads in part:

> The eight to one ratio is derived by extracting actual VIP expenditure information on bed costs per client and comparing those costs to the remaining VIP expenditures which are entirely attributable to home care costs...
>
> The 1992-93 fiscal year end costs were at a ratio of ten to one, and the year-to-date costs for 1993-94 are at a ratio of eight to one for institutional care verses home care.

The figure, of course, does not take into account the huge costs that will be involved in building the hospitals and nursing homes necessary to care for our elderly in the future if current rates of institutionalization and hospitalization cannot be reduced. The VIP offers such relief.

On the matter of jurisdictional responsibility, even though health care is a provincial policy area in terms of our constitution, in practical terms concurrent jurisdiction has prevailed in terms of cost-sharing arrangements between Ottawa and the provinces. The federal government, as we all know, has established national standards through the Canada Health Act and has provided transfer payments to the provinces ever since health care was founded in this country. This type of arrangement can and should be sustained for all the senior citizens of our country, and allow for the extension of VIP benefits to each.

Honourable senators, there are precedents to support the federal involvement with the provinces in that they have created many joint cost programs in areas of provincial jurisdiction. In the past general election, for example, all three parties promised programs on child care, which is under provincial jurisdiction. Indeed, the Red Book of the current government clearly promises:

> A Liberal government, working with the provinces, will implement a realistic and fiscally responsible program to increase the number of child care spaces in Canada.

I wish they had made a commitment to at least study the idea of implementing a national seniors independence program, like the VIP which is already in place, proven and popular, in collaboration with the provinces that would provide for the cost-sharing of home care, residential care and other services needed by seniors.

Indeed, some may remember the day when the then Department of Regional Development and Economic Expansion did not hesitate to enter the provincial field of education in partnership with the provincial government of Newfoundland when they built very impressive and modern regional access schools which provided students of all denominations with a modern educational environment.

Honourable senators, Canadian senior citizens need and deserve quality health care. However, that does not necessarily mean the status quo. Seniors do not want to become a burden on the system. This program resists such a shift, and also curbs upward pressure on total health care costs. The Veterans Independence Program makes health care services more applicable to the realities faced by Canadian seniors, and it is a relevant alternative for those who challenge the government's management of the system. Here in Canada we have a tailor-made program already in existence, and proven as a model or pilot project over the past 12 years to the benefit of 94,000 veterans tested in an expensive evaluation report by the Department of Veterans Affairs.

Honourable senators, I also wish to place on record something on client satisfaction and the impact of the program on clients. There was a high level of satisfaction with services received under the VIP. Many veterans were visited and polled. About 90 per cent of veterans and 91 per cent of informal care givers

included in our case review said they were moderately or extremely satisfied with the services. About 76 per cent expressed high levels of satisfaction. With respect to the impact on clients, the VIP was rated as having a positive improvement on veterans' health. It was assessed as improving their health by 70.9 per cent of veterans surveyed, and by 73.6 per cent in the case reviews.

• (1640)

Honourable senators, while I realize that the national health care program under the chairmanship of the Prime Minister of Canada might be valuable, if the government looks at all the reports from the cross-section of experts across the country who have given their opinions, the VIP program under the Department of Veterans Affairs should be looked at very carefully. It could be applied to all seniors in Canada and save moneys badly needed to extend health care services to seniors.

Hon. Gildas L. Molgat (Deputy Leader of the Government): Would the honourable senator permit a question?

Senator Marshall: Certainly, senator.

Senator Molgat: Have you had the opportunity to do any costing on this matter? You said there would be substantial savings. Have you done any research on what that might amount to?

Senator Marshall: It is very difficult for the department to give us that information. Some regions are more costly than others. In 1985, the figures suggested that you could maintain ten people in their own homes for the cost of one in an institution. That figure has dropped to eight because costs are rising.

I know of a formula, honourable senator, but I am not actuarially competent to define it. It is available through the department. The department believes in it. It has proven to be successful over 12 years, and it is worth looking at.

Hon. Joan Neiman: Honourable senators, I would be happy to adjourn this debate, with the understanding that I would not be prepared to speak to this matter for some time. I wish to obtain more information and statistics in order to assess your arguments.

Is that agreeable to you, Senator Marshall?

Senator Marshall: Yes, it is.

On motion of Senator Neiman, debate adjourned.

TRANSPORT AND COMMUNICATIONS

RADIO CANADA INTERNATIONAL—COMMITTEE AUTHORIZED TO STUDY IMPLICATIONS OF REDUCTION IN FUNDING

Hon. Raymond J. Perrault, pursuant to notice of February 9, 1994, moved:

> That the Standing Senate Committee on Transport and Communications be authorized to examine and report upon the mandate and funding of Radio Canada International; and
>
> That the Committee present its report no later than October 19, 1994.

He said: Honourable senators, as you are aware, we have been considering the possibility of investigating Canada's international communication efforts over the past few months. I welcome the opportunity to speak to the subject today and, I hope, have this matter referred to committee.

We talk so much these days about the information highway, how important it is, not only within the boundaries of Canada but internationally. It is a challenging and very competitive world environment out there, not only for markets but also for the minds of men and women in other countries. The way in which we communicate with the people of other nations is very important from the standpoint of culture but, as well, for good, practical commercial reasons.

Forty-eight years ago, in 1945, Radio Canada International was established. It was a good decision. We are all agreed on that. Administered and managed by the Canadian Broadcasting Corporation, RCI was funded by the Department of External Affairs. From its very inception, RCI won a loyal following of dedicated friends worldwide. RCI became Canada's window on the world, winning new friends in every part of the world.

Honourable senators, I have a collection of letters here that I would not have believed had they not been deposited on my desk in recent months from several countries in the world. People are writing and asking for more shortwave broadcasting from Canada.

Radio Canada International proceeded to establish a worldwide reputation for objectivity and fairness. It became known for quality programming in a number of the world's languages. Only the BBC rivalled RCI in general international quality and acceptance. That is quite a compliment. The BBC, of course, does an outstanding job with its international service.

In addition to RCI's transmitter site in Sackville, New Brunswick, RCI used relay facilities in Korea, Austria, Portugal, the United Kingdom, China, Germany, Japan and a number of other locations. Yet in 1991, just over two years ago, after 46 years of outstanding service, Radio Canada International was drastically cut. Languages were cut from 14 to 7, and international programming in Canada's two official languages was totally eliminated. This program was replaced with rebroadcasts of CBC domestic programming, with little appeal for international audiences which had become accustomed to RCI's informative international programs concerning Canada.

Honourable senators, in recent months a limited number of RCI programs have replaced domestic programming, but the bulk of the English and French service programming constitutes relays of CBC domestic programming. Significantly, Canada is the only nation in the G-7 not undertaking significant expansion in the field of international shortwave broadcasting or international satellite television communications.

Yet, superb new techniques for delivering Canada's message abroad are now available, and the digital satellite technology, which is now a feature of the broadcast industry, is being used by some of the international shortwave services, such as Radio Switzerland, to send a better signal throughout the world than was previously possible.

The cuts to RCI language services in 1991 eliminated the broadcasts of programming in the official languages of all G-7 nations, with the exception of Italy. It should be observed, however, that Italian was not carried by the RCI prior to the Draconian budget cut-backs in 1991.

Honourable senators, all of this has occurred at a time when we have a problem with communicating Canada's message to Europe. I was at a conference involving the members of the Canada-Europe Parliamentary Group in Vancouver the other day. The Europeans were there, and their lack of knowledge about many aspects of Canada was totally frightening. The German representative did not seem to know very much about our forest policy, and here we are struggling to maintain our overseas export markets for forest products. They obviously have not had very much exposure to the Canadian message.

Of particular note is the fact that programming in the German, Japanese and Portuguese languages — the latter directed to Brazil — languages which are the vernacular of three of Canada's major international trading partners, were three of the language services eliminated in the 1991 RCI budget cuts. When over 150 countries of the world realize the benefits of international broadcasting, and when most of these countries are increasing, and not decreasing, their presence in the international short-wave area, it is baffling, to say the least, that Canada has chosen to cut back so dramatically on its outreach to the world.

• (1650)

With regard to the BBC, I mentioned that about five years ago the British Parliament decided that it would be in Britain's commercial and cultural interest to have a 24-hour satellite service available in every part of the world. That service is now available world-wide. That is why BBC signals feature regularly on the *Newsworld* network here in Canada.

Using satellite technology, Germany has now gone to the same 24-hour format, telecasting to the world that country's views regarding commerce, trade, culture and events international.

It is interesting that at my home in Vancouver I can receive Deutsche Welle English language international satellite television. The Germans cannot get any German language service from Canada at all. One of the results? The Germans are very adept at explaining their forest policy to us, but we cannot answer back internationally, using modern communication techniques.

The BBC and Deutsche Welle in Berlin are giving their views widespread satellite and shortwave coverage in many parts of the world. Even Dubai now has a satellite channel connection with North America and Canada. In British Columbia, one can watch programming from Dubai via satellite, but we cannot get a Canadian signal to the other side. There is also a new Arab satellite in operation. Other programming is now available from Russia, Ukraine, France, Korea, China, Chile, et cetera.

All this is happening when Canada, one of the largest trading nations in the world on a per capita basis, is actually retreating from the stage of international communications. We are not even maintaining international minimums in our shortwave service, let alone supplementing our shortwave service with satellite television. For the sake and welfare of this nation, something must be done to restore and enhance RCI service to the world.

These are the kinds of things that I, for one, would like to see our Committee on Transport and Communications involve itself in. Let us first look at the cuts that were made, then let us look to the future of international broadcasting and telecasting.

Did the CBC really have the legal right to relieve itself of responsibility for financing RCI? The Broadcast Act suggests the contrary. At least, this is the view of people who were formerly associated with RCI.

By cutting one-third of RCI's $20 million budget, did the government really save $6.5 million, or did it have to spend $13.5 million more because the CBC took the $20 million marked for RCI in its budget cut of December, 1990?

Who made the decision that RCI would either be eliminated or have a reduced budget? Why were some ministries contacted for financial help and input, and such an obvious one as tourism left out? What degree of consultation was there with our international trade department? Why was it felt that we could stop broadcasting to our major economic partners — the United States, Germany, Japan and our largest Latin American partner, Brazil? Why, when the countries of Eastern Europe need our programming even more to guide them through their democratic experiment, did we abandon them?

After the committee has looked at these questions, we should charge onwards, showing how Radio Netherlands, Deutsche Welle, Radio France International and the Spanish are rushing into Eastern Europe and Russia, buying transmitter time to extend their shortwave broadcast reach. If Canada wants to be a world player, it must restore its world-class shortwave service to at least its 1990 levels or better, and we should start looking at satellite technology so that we can put Canadian television programming signals into areas of special importance to this country.

I mentioned before that I have received many letters. I intend now to read excerpts from a couple of them. I received one letter from Eric Schneider of Bechstein, Germany. He says,

> I am very interested in the reintroduction of German programming. I think that today we should be learning more about our neighbours in other countries.

Peter Wiltschka of Marktheidenfeld says:

> As a dedicated former listener to RCI's German programme from 1979 to its termination, I just want to say that I am very much in favor of this action. The way the programmes were dismantled after over 40 years on the air was very...

Let us say, unfortunate.

> I do not have to stress, that RCI's German programme used to be always among the most popular shortwave-programmes in Germany.

I received a great letter from a resident of Nauheim, Germany, Frederic Lister. He says:

> Restore full German language programming to Europe in general. After English, German is probably the most widely used and spoken second language in Europe; apart from Germany itself, along with Austria, Switzerland, Lichtenstein, and other parts of Europe where German is used by some 100 million people, German is known and used throughout all of Scandinavia, the Baltic region, and throughout the newly freed lands of Eastern Europe. Beyond that, German is used throughout much of the Mediterranean world... German is also the third language after English and French in the European Community administration.

The letter gives an excellent description of why it is of great commercial importance to Canada to be involved.

I received a letter from Toshiaki Matsui of Japan, and another one from Salvatore Placanica of Italy who says that "RCI is one of the most loved radio stations in the world." He cannot believe that many RCI signals were silenced because of budget considerations. He also sent me a postcard from his home town.

I received a letter from Hermann Josef Muehlleitner of Austria. He said:

> I wish to state that even very poor countries like Egypt, Syria, Turkey, Korea or Indonesia conduct foreign service in German language out of good reasons.
>
> Therefore, Mr. Perrault, please help furthermore RCI to start again a German program.

I have many letters. However, I will not burden the Senate by reading them all.

One letter from Germany said that in the desperate ethnic struggle they are undergoing in parts of Germany today, especially in areas which have been subject to neo-Nazi activity, it is important for Canada, described by the writer as "one of the most respected democracies in this world" to be heard in Germany.

Honourable senators, this committee should not hesitate to get involved in a study of where we have been with our international shortwave service. There is a coalition to restore full RCI funding. Perhaps we should be spending more in the area, or we should be expending our resources in different directions, perhaps deploying our dollars more skilfully.

Since the 1991 decision to cut back, many of those who serve in Parliament, representing all parties, have been sympathetic to the efforts of the coalition to restore RCI funding. The cut that hit Canada's shortwave service has been devastating. It was a move initiated by the CBC which eventually removed one-third of RCI's $20-million budget, eliminating half of the staff and three-quarters of RCI-produced international programming at a time when it has never been more important for Canada to communicate its message to the world.

We are one of the very few nations withdrawing from this international information highway. We have skidded off the road and we may land in the ditch of that highway. It is time to restore the service and make it better than it ever was before.

I ask honourable senators to support this initiative, which is to refer this matter to our respected Committee on Transport and Communications.

Hon. Finlay MacDonald: Honourable senators, I do not expect that all senators will feel as passionate about this subject as do Senator Perrault and I. I take great pleasure in supporting everything he said, but I do not intend to repeat the case he has set forward. As with Senator Perrault, there is no file in my office bulkier than my file on Radio Canada International.

We have silenced our voice to the world. What has really bothered me over the last number of years is that in this country we are apparently so broke that we no longer have any priorities.

Millions of dollars are spent, probably for good reasons, but there does not seem to be any priority. For $13 million we could restore our voice to the world. We have not done so, and no one cares about that. No one seems to care in the Department of External Affairs.

We have been attempting to launch this inquiry since 1991. I have spoken on it twice. Senator Perrault has spoken on it on at least two occasions. Senator Chaput-Rolland and Senator Roblin have also spoken. A number of other senators have an interest in this subject.

The definition that Senator Perrault puts on the reference, to look at the mandate and funding of Radio Canada International, covers the field. That will keep us busy. We can have many people answer many questions and possibly hold out the hope that sometime, somewhere, we might have a communications service from Canada to the rest of the world that is worthy of the country.

I second the motion of Senator Perrault, and at the appropriate time I shall move that the matter be referred to the Standing Senate Committee on Transport and Communications.

Motion agreed to.

The Senate adjourned until Wednesday, March 16, 1994 at 1:30 p.m.

THE SENATE

Wednesday, March 16, 1994

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

Prayers.

SENATORS' STATEMENTS

NATIONAL DEFENCE

ST-JEAN MILITARY COLLEGE— EFFECTS OF PROPOSED CLOSURE

Hon. Noël A. Kinsella: Honourable senators, a few decades ago, lower francophone recruitment levels were a problem in the Canadian Armed Forces, and right after World War II in particular. Francophone officers maintained that francophones did not have the same opportunities as anglophones. Anglophone officers said that there was no problem.

Many parliamentarians at that time addressed this issue. Léon Balcer, a Conservative member of Parliament in Trois-Rivières, joined those who sensitized the House of Commons and the media at the time. Balcer found both anglophone and francophone allies in the Progressive Conservative Party. George Drew, leader of the party, George Parker, who was the defence critic, and MP George Hees soon joined Balcer in supporting the initiative. Liberal members of Parliament André Gauthier and Louis-Phillipe Picard also supported the idea of a French military college, as did Frédéric Dorion, President of the PC Executive Committee of Quebec district and also president of the Quebec Bar.

Members of the Chiefs of Defence Staff Committee were against the project in the name of national unity. They said that it would cause a rift between francophones and anglophones, and would open the door to similar demands from other provinces.

Happily, on June 12, 1952, one month after a by-election won by the Progressive Conservatives in Roberval, the Honourable Brooke Claxton, Liberal minister of the day, announced in the House of Commons the establishment of a bilingual military college in St-Jean-sur-Richelieu.

Honourable senators, a few weeks ago the Minister of National Defence, David Collenette, stated in the other place:

> I completely reject the idea that you can only have a bilingual institution in Quebec. In Canada, francophones should feel at home everywhere, and that's the dream of Mr. Trudeau and the old Liberals.

The minister added that he thought closing St-Jean College and concentrating the officer training program in Kingston could be a force for the unification of the country and the military.

Honourable senators, in contrast to that view expressed by Minister Collenette, former Prime Minister Trudeau gave a speech at the Royal Military College in St-Jean on October 8, 1977, on the occasion of the twenty-fifth anniversary of the college. This is what Prime Minister Trudeau said about the college:

> ...it has one even more significant feature: It is a totally bilingual institution. I cannot think of any place where bilingualism is more respected or more thoroughly practised than here. When we recall the wearisome difficulties we come up against elsewhere in the public and private sectors, your success in this area — which seems somewhat disconcerting at first glance — really excites the imagination.

Prime Minister Trudeau went on to say to the students there at St-Jean:

> You are the living proof that the ideal of Canadian bilingualism is not an illusion but an immediate possibility, ready to spring forth from the roots of the nation — given a small but sincere effort to reach beyond ourselves and our own particularities.

Hon. Philippe Deane Gigantès: Honourable senators, the fact is that some things had to be cut in Quebec.

Senator Doody: It should have been you, but they went to St-Jean!

Senator Gigantès: Will you do me the courtesy of listening? Instead of cutting the college at St-Jean, suppose the government had cut the base at Bagotville?

Senator Kinsella: Cut the whole barracks; cut the base in St-Jean, but don't cut the college!

Senator Gigantès: You could hear from here the PC and the Bloc Québécois and their friends saying, "Why are they taking the airplanes out of Quebec? What sinister plot is this? Do they want Quebec to be deprived of armaments?" There would have been the same demonstrations around Bagotville as there are now for St-Jean.

Senator Simard: Let's not deal with suppositions.

Senator Gigantès: There is no list that any honourable senator, on either the other side or this side, could prepare of any acts, blessed by God and the Virgin Mary herself, in which the Bloc Québécois would not find something to complain about. It is their job. They tell us they were elected to come here and demonstrate that federalism does not work. They do that job very well. I do not blame them for doing it.

However, with respect to people who are in favour of Canada, as Senator Kinsella certainly is, I must say that hearing them join in these cries of alarm surprises me.

ENERGY

SCOTIA SYNFUELS PROJECT— PRODUCTION OF SYNTHETIC FUELS

Hon. Finlay MacDonald: Honourable senators, yesterday, Senator Corbin quite properly drew our attention to the rule which suggests that preambles should be kept to a minimum. Chastened — nay, admonished, by that suggestion, I fretted all night until my wife told me it was nothing personal, that Senator Corbin certainly did not have me in mind when he made that suggestion, because he is a fellow maritimer and I was addressing a maritime issue.

Senator Molgat: You maritimers stick together.

Senator MacDonald: Yes, and as my leader says, if the preamble fits...

However, I was quite pleased to realize that the questions I asked yesterday of the Leader of the Government in the Senate brought forward information which I did not have at that time. Rather than ask questions, therefore, I wish to put these matters on the record as a statement.

Senator Corbin: On a matter of national interest?

Senator MacDonald: Yes.

Senator Corbin: You are on.

Senator MacDonald: Honourable senators, Canada has pioneered in the production of synthetic fuels, so far produced only in Western Canada.

I want the government to be aware that the Scotia Synfuels project in Nova Scotia would extend the Canadian lead through new, innovative technology to the upgrading of coal with heavy oils.

We understand that the Lloydminster upgrader is performing well technically, but that the financial performance is less than expected, owing in large part to inadequate spreads between the cost of livestock and the value of the end product.

I trust the government realizes that the corresponding spreads with respect to the Nova Scotia Synfuels plant, based on current oil prices, are over twice those available for the Lloydminster upgrader.

ROUTINE PROCEEDINGS

PRIVILEGES, STANDING RULES AND ORDERS

FIRST REPORT OF COMMITTEE TABLED

Hon. Brenda M. Robertson: Honourable senators, pursuant to rule 105 of the *Rules of the Senate*, I have the honour to table the first report of the Standing Committee on Privileges, Standing Rules and Orders, which deals with the expenses incurred by the committee during the Third Session of the Thirty-fourth Parliament.

(*For text of report, see today's* Minutes of Proceedings of the Senate.)

SCRUTINY OF REGULATIONS OFFICIAL LANGUAGES LIBRARY OF PARLIAMENT

NOTICE OF MOTION TO AUTHORIZE JOINT COMMITTEES TO MEET DURING ADJOURNMENTS OF THE SENATE

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, I give notice that tomorrow, Thursday, March 17, 1994, I will move:

> That the Standing Joint Committee for the Scrutiny of Regulations, the Standing Joint Committee on Official Languages, and the Standing Joint Committee on the Library of Parliament, be authorized to meet during sittings and adjournments of the Senate; and
>
> That a message be sent to the house of Commons to acquaint that House accordingly.

• (1340)

QUESTION PERIOD

ANSWERS TO ORDER PAPER QUESTIONS TABLED

VETERANS INDEPENDENCE PROGRAM— QUALIFICATION OF VETERANS

Hon. Gildas L. Molgat (Deputy Leader of the Government) tabled the answer to Question No. 2 on the Order Paper — by Senator Marshall.

CANADA PENSION COMMISSION—EXCEPTIONAL INCAPACITY ALLOWANCE

Hon. Gildas L. Molgat (Deputy Leader of the Government) tabled the answer to Question No. 10 on the Order Paper — by Senator Marshall.

MERCHANT NAVY VETERANS— CANADIAN VOLUNTEER SERVICE MEDAL

Hon. Gildas L. Molgat (Deputy Leader of the Government) tabled the answer to Question No. 13 on the Order Paper — by Senator Marshall.

VETERANS AFFAIRS CANADA—VACANCIES IN CORNER BROOK DISTRICT OFFICE

Hon. Gildas L. Molgat (Deputy Leader of the Government) tabled the answer to Question No. 15 on the Order Paper — by Senator Marshall.

ORDERS OF THE DAY

INCOME TAX CONVENTIONS BILL

THIRD READING

Hon. Michael Kirby moved the third reading of Bill S-2, to implement a convention between Canada and the Republic of Hungary, an agreement between Canada and the Federal Republic of Nigeria, an agreement between Canada and the Republic of Zimbabwe, a convention between Canada and the Argentine Republic and a protocol between Canada and the Kingdom of the Netherlands for the avoidance of double taxation and the prevention of fiscal evasion with respect to income taxes and to make related amendments to other Acts.

Motion agreed to and bill read third time and passed.

BUSINESS OF THE SENATE

SELECT COMMITTEES AUTHORIZED TO MEET DURING ADJOURNMENTS OF THE SENATE

Hon. Gildas L. Molgat (Deputy Leader of the Government), pursuant to notice of Tuesday, March 15, 1994, moved:

> That for the duration of the present session, any select committee may meet during adjournments of the Senate.

He said: Honourable senators, this is a standard motion which is passed every session, and it is simply to permit our committees to meet during adjournments. As is normal at the beginning of a Parliament, little legislation flows through, and there can be more adjournments in the Senate than usual. However, our committees are expected to continue working, so I would urge you to support this motion.

Motion agreed to.

THE ESTIMATES, 1994-95

VOTE 10 OF THE ESTIMATES REFERRED TO STANDING JOINT COMMITTEE ON THE LIBRARY OF PARLIAMENT

Hon. Gildas L. Molgat (Deputy Leader of the Government), pursuant to notice of Tuesday, March 15, 1994, moved:

> That Parliament Vote 10 of the 1994-95 Estimates, which were referred to the Standing Senate Committee on National Finance on February 24, 1994, be withdrawn from the said Committee and referred to the Standing Joint Committee on the Library of Parliament; and
>
> That a message be sent to the House of Commons to acquaint that House accordingly.

He said: Honourable senators, the explanation for this motion is as follows. You will recall that in recent years when we received the Supplementary Estimates, we would ask that the votes regarding official languages be sent not to the National Finance Committee but to the Joint Committee on Official Languages.

With respect to the Library of Parliament vote, however, a similar practice was discontinued. For some years, although the Joint Committee on the Library of Parliament existed on paper, it did not exist in fact. Therefore their Estimates were referred to the National Finance Committee along with the other Estimates.

Having reconstituted the Joint Committee on the Library — which is a move I certainly support, and I regret that it had not happened in past years — the House of Commons has now referred the Library of Parliament portion of the Estimates to that joint committee. This motion simply carries out the same procedure in this place.

Honourable senators, I recommend the adoption of the motion, and I trust that the chairman of the National Finance Committee will agree with it.

Senator Doody: I hope it is no reflection on the chairman, that's all.

Senator Molgat: None whatever.

Motion agreed to.

THE ESTIMATES, 1993-94

NATIONAL FINANCE COMMITTEE AUTHORIZED TO STUDY SUPPLEMENTARY ESTIMATES (B)

Hon. Gildas L. Molgat (Deputy Leader of the Government), pursuant to notice of Tuesday, March 15, 1994, moved:

> That the Standing Senate Committee on National Finance be authorized to examine and report upon the expenditures set out in the Supplementary Estimates (B) for the fiscal year ending March 31, 1994.

He said: Honourable senators, once again this is a standard motion. Having just removed some work from my colleague on the National Finance Committee, I am replacing it with more work.

Senator Doody: I am powerless.

Senator Molgat: I recommend the adoption of the motion.

Hon. Jack Marshall: Honourable senators, perhaps Senator Molgat could advise the chamber on another matter. There are votes in the Estimates that other committees might wish to have referred to them for study and more detailed examination. Would

that be possible when all the committees are constituted, even though you are passing the motion at this time?

• (1350)

Senator Molgat: So far as I know, there is nothing preventing the Senate from entertaining a motion of that kind, should one come forward. The normal practice has been to refer all votes to the Standing Senate Committee on National Finance, but within its powers the Senate has the power to change that practice.

Motion agreed to.

PRINCE EDWARD ISLAND

FIXED LINK—MOTION TO AMEND CONSTITUTION OF CANADA—DEBATE CONTINUED

On the Order:

Resuming the debate on the motion of the Honourable Senator Molgat, seconded by the Honourable Senator Hébert:

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

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

SCHEDULE
AMENDMENT TO THE CONSTITUTION OF CANADA

1. The Schedule to the *Prince Edward Island Terms of Union* is amended by adding thereto, after the portion that reads

"And such other charges as may be incident to, and connected with, the services which by the "British North America Act, 1867" appertain to the General Government, and as are or may be allowed to the other Provinces;"

the following:

"That a fixed crossing joining the Island to the mainland may be substituted for the steam service referred to in this Schedule;

That, for greater certainty, nothing in this Schedule prevents the imposition of tolls for the use of such a fixed crossing between the Island and the mainland, or the private operation of such a crossing."

Citation

2. This Amendment may be cited as the *Constitution Amendment, 1993 (Prince Edward Island).*

Hon. Heath Macquarrie: Honourable senators, I should like to yield the floor to Senator Spivak of Manitoba, saving always that I might have the right of adjournment when the day is over.

Hon. Mira Spivak: Honourable senators, we are being asked to approve an amendment to the Constitution in order to enable a bridge to be built from the mainland to Prince Edward Island, the Northumberland Strait Crossing.

It is, of course, understood that this is a done deal. Most elected representatives of the various governments involved are in favour of the proposal. We are told that a majority of the people of Prince Edward Island are also in favour of it, even though the only plebiscite held on the subject in the province of Prince Edward Island in 1988 did not specify that the fixed link was to be a bridge.

Honourable senators, I want to make some brief comments on this matter because I think it is important to put on the record the serious concerns that have been raised during the life of this project proposal, concerns about the environmental risks, the economics of the deal, the real social and economic impact of this proposal, and the process by which this proposal was approved by the federal government.

Indeed, some of these concerns were put on the record during hearings held by the Standing Senate Committee on Transport and Communications last June on Bill C-110, respecting the Northumberland Strait Crossing. Among those who put their views forward forcefully at the time was the Honourable Angus McLean. He expressed doubts about both the elevated expectations — "propaganda," he called it — of the economic prosperity relating to the bridge project and the concomitant soft-pedalling of the environmental risks involved.

At the same time, the possibilities for improving the ferry service were put on hold. In his opinion, that would have been the better option, because, as he said, a bridge will certainly have to be closed during severe weather conditions in the winter, especially if there is no backup or alternative service. The bridge will wipe out 600 permanent jobs, drain millions of dollars in subsidies and tolls out of the maritimes, and it could be a danger to the lobster and scallop fishery in the Northumberland Strait, one of the greatest lobster fisheries in the world and one of great economic importance to all three maritime provinces.

Honourable senators, others, both at the same hearing and over the course of the last year and a half, have questioned whether the bridge makes economic sense. As well as being committed to the subsidy guarantee to SCI, Canadian taxpayers are also committed to guarantee, up to 30 per cent, a cost overrun.

Megaprojects frequently greatly exceed their estimated cost. The "Chunnel" overrun exceeded by 92 per cent, and the overrun on the Penang bridge in Malaysia, built by the Japanese, was 70 per cent over. Our Canadian experience has been far worse, with Mirabel, Stade Olympique, Skydome, Cape Breton's heavy water plant, the Darlington power plant and Hibernia, not to mention cost overruns in the building of the national museums, of which I have had some personal experience, and the National Arts Centre.

Additional costs and potential costs for taxpayers, which are not part of the SCI deal, total at least $100 million. These include the following, to cite only a few:

> There will be $41 million for additional highway expenditures by two provinces.
>
> There will be $20 million for the Borden/Cape Tormentine communities as compensation for loss of the ferry terminals.
>
> There will be $25 million in termination settlements for the equivalent of 525 full-time jobs, plus the cost of their retraining and relocation.
>
> Compensation will go far beyond the $10 million that SCI has already agreed to pay for destroying some of the Northumberland Strait fishery resource.

There has never been a cost benefit study of the economic benefits of alternatives to this project, such as improved ferry service or a tunnel.

Mr. Donald Deacon, past chairman of the Atlantic Provinces Economic Council and former member of the Atlantic Canada Opportunities Agency, estimated before the Senate Transport Committee that a P.E.I.-run ferry service could indeed have been quite profitable for the province. The ferry subsidy has not been indexed for the past 12 years, and yet under the bridge contract $42 million per year, indexed, will be paid to Strait Crossing Incorporated. Mr. Deacon's opinion was that if $42 million, indexed over 35 years, had been offered to Prince Edward Island rather than SCI, the Island might have chosen another alternative; not a bridge that could be knocked out in winter with no back-up.

• (1400)

The minister responsible for the fixed link in the previous government was Elmer MacKay. During the same Transport Committee meeting before the Senate, the then minister admitted that not all the steps or options available to him, or at his discretion under the environmental evaluation assessment process, had been exhausted prior to that day in June of 1993, more than five years after acceptable proposals were presented.

The only independent, expert Federal Environmental Assessment Review Office panel that studied the fixed link recommended in August, 1990, that:

> ...there is a need for an improved transportation service between Prince Edward Island and New Brunswick. After careful consideration, however, the Panel concludes that the risk of harmful effects of the proposed bridge concept is unacceptable. The Panel recommends, therefore, that the project not proceed.

They also said:

> The Panel concludes... that a tunnel concept might be an acceptable alternative...
>
> The Panel further concludes that an improved ferry service might be an acceptable alternative.

On March 19, 1993, Mr. MacKay was ordered by Madam Justice Reed of the Federal Court to perform an environmental screening of the specific bridge design rather than the previous generic studies. Justice Reed noted in her decision that the process to that point had been "downright silly." A specific evaluation was done by the Department of Public Works, incredibly, in less than a month, based on a review conducted by the bridge developers. Approval was given to the project without public hearings on the specific bridge design, as was within the minister's discretion.

The cursory review of the specific bridge design was of concern to the engineering firm used to help win federal support for the bridge. In a December 1992 report obtained through the federal Freedom of Information Act, it is stated that no examination was made of the bridge's two approach spans because Strait Crossing Incorporated did not supply the information. To quote from the report by Buckland and Taylor Limited of North Vancouver:

> No details were provided by SCI and no analytical check was made by Buckland and Taylor Ltd.

Sprinkled throughout the report are comments by the engineering firm on the lack of information available on ice in the Northumberland Strait. The report says there is "a serious lack of data on ice conditions in the strait..." There is "no data available...on either the depth of the consolidated ice layer or its compressive strength."

The question of ice build-up in what has been described as the most unforgiving body of water in the world is a key issue both to the fishery — as those from the maritimes will know much better than I — and the safety of the structure of the bridge. While the body of "ice experts" considering the specific bridge design concluded that the "ice-out" criteria could be net of less than two days in 100 years, or no more than four one-hundredths of a day in any one year, Mr. Leslie McKay, past chair of the P.E.I. Land Use Committee, a potato farmer, stated:

> I do not believe the ice experts really know what kind of structure could be put in place that would withstand the ice.

Another question is: Has the company changed the bridge design that the ice experts looked at? I am sure that will be addressed in more detail by others.

What about the alternatives? The Honourable Charles Caccia, chairperson of the Standing Committee on Environment and Sustainable Development, in the House of Commons on February 15 of this year, stated that:

> ...there is an alternative which is safer, environmentally preferable and less expensive than the proposed bridge. It is an alternative that would create more jobs in the long term. That alternative is an improved ferry service.

Based on analysis provided to him by the Canadian Brotherhood of Railway, Transport and General Workers, he estimated that:

> ...an improved ferry service would provide...400 year-round jobs and an additional 325 summer jobs. By contrast, the bridge after completion would provide only an estimated 60 to 80 operating jobs.
>
> In essence, the emerging employment picture is very much in favour of the improved ferries alternative because it would provide more jobs than the proposed bridge, namely 5,800 more person years during the next 35 years, an estimated 340 more jobs in winter, and an estimated 645 more jobs thereafter in summer.

Lee Morrison, the Reform member for Swift Current—Maple Creek—Assiniboia, said:

> Let us provide the first class ferry service in perpetuity as promised...

He also said:

> ...larger, faster ferries with better ice capabilities than those now in use could be had for a fraction of the cost. First class ferry service would not be a discriminatory burden on the people of Prince Edward Island.

The present ferries were built and designed before railways were eliminated from P.E.I, and the main ships were built to carry trains, not trucks. What would happen if, with the passage of time, trucks became less feasible an option for the long-distance transport of freight? Certainly without the ferry service, the bridge would not be the alternative.

Ironically, this deal between SCI and the Department of Public Works was signed on October 8, 1993, one day after the Pearson airport deal was signed. Mr. Robert Nixon commented that signing contracts after the call of an election flies in the face of normal democratic process. The question then arises: Why was the Pearson airport deal cancelled and this one approved?

The vice-president of the Central Northumberland Strait Fishermen's Association has suggested that:

> Without first commissioning scientific tests, such as baseline data on the Northumberland Strait's productivity, ecology of phyloplankton and zooplankton, lobster larval surveys and many other studies, that without this information, to locate a massive concrete and steel structure in the last viable fishery in Atlantic Canada, is a crime against the environment.

The construction of a fixed link would mean, obviously, a change in the transportation, and any change in transportation results in changes in landscape and land use. As a landscape issue, a fixed link as proposed by SCI may change something more than the aesthetic quality of the long-range view of the province on the vista presented in crossing the strait. Doug Boylan, chairman of the province's Royal Commission on Land, which reported in October of 1990, took into account the experiences in land use from a seemingly unconventional source, the Walt Disney World Company of Lake Buena Vista, Florida. To quote from the report itself:

> ...the Magic Kingdom at Disney World is but a tiny fraction of the 27,400 acreage acquired by the Disney Company in planning its amusement park outside Orlando, Florida. ...the park's outer perimeter was set some 4 miles from the nearest public highway. From there it is another mile to the main entrance complex. Even then, Magic Kingdom visitors have not completed their journey, for there remains a brief ride by ferry across the man-made lagoon.

The Northumberland Strait, viewed by the pro-link supporters as a barrier to trade and prosperity, would seem to be just the psychological separation that the Disney Corporation went to extraordinary lengths to create in order to achieve the imagery of a special destination.

Catherine Edwards, coordinator of special projects at the University of Prince Edward Island's Institute of Island Studies, was quoted in *Maclean's* in February, 1992, as saying:

> Island people derive their strength and uniqueness from being separate from the mainland.

They might also derive some economic benefit from the strait. A study undertaken in 1987 indicated that 71 per cent of summertime visitors to Prince Edward Island consider the ferry service to be an attraction.

British Columbia received increased support for its ferries from the federal government. It is a pity that PEI will not share the same fate, but I sincerely hope that all the concerns raised here will not be realized when this megaproject linking a small, beautiful island to the mainland of Canada is realized.

[*Translation*]

Hon. Gérald-A. Beaudoin: Honorables senators, I welcome this opportunity today to speak to what is commonly called the 1993 Constitutional Amendment concerning Prince Edward Island. The province has requested an amendment to allow replacement of the ferry service by a bridge.

I will not discuss the pros and cons of this constitutional amendment. Honourable Senators Fairbairn and Phillips have already done so, and, in fact, Senators Spivak and Macquarrie seems to have some reservations.

I would, however, like to comment briefly on section 43 of the Constitution Act, 1982, referred to as the bilateral amending formula. This section applies when a constitutional amendment affects one or more, but not all, of the provinces. It is correct, as was pointed out in this house by Senator Fairbairn, that section 43 cannot be used to change the division of powers. This section, like section 41 on the unanimity formula, is an exception to the general formula provided under section 38.

So far, section 43 has been used successfully on two occasions. In 1987, it was used to give Pentecostal schools in Newfoundland the same rights as other denominational schools. In 1993, a constitutional amendment recognized the quality of New Brunswick's two linguistic communities.

This is not the first time our Constitution has allowed for asymmetry. Section 93 of the Constitution Act, 1867, has a somewhat different wording in some provinces. Section 94 of the Constitution Act, 1867, allows legislation for uniformity of private law. Quebec is not covered by this section because it is the only province which has a civil code. Section 98 of the Constitution Act, 1867, allows for this asymmetry with respect to the appointment of judges in Quebec.

The 1993 Constitutional Amendment concerning Prince Edward Island illustrates the potential that resides in section 43 of the Constitution Act, 1982. This section applies to any alterations to boundaries between provinces, paragraph (*a*), and any provision that relates to the use of the French or English language within a province, paragraph (*b*), and again, to amendments that concern only one province and amendments that affect one or more, but not all, of the provinces.

That, I believe, is how the word "including" used in section 43 should be interpreted. This is, of course, a flexible amending formula. Only the consent of the legislative assemblies concerned is required, in addition to the approval of the Parliament of Canada. The use of this section allows Canadian federalism to accommodate certain asymmetries which are very important to the provinces to which they apply, but nevertheless allow the federal Parliament to exercise its full legislative powers.

In my opinion, honourable senators, the 1993 Constitutional Amendment concerning Prince Edward Island comes under section 43 of the Constitution Act, 1982, and I shall be glad to support this amendment.

On motion of Senator Macquarrie, debate adjourned.

[*English*]

• (1410)

BUSINESS OF THE SENATE

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, before we proceed to Senate Public Bills, this might be a good time to try and inject some predictability into an otherwise unpredictable situation, and by that I mean the future sittings of the Senate.

As best I can tell at the moment, there are still a number of items of business to come to us from the House of Commons. I have had discussions with my honourable friend opposite, and it appears that we can proceed in an orderly way and complete our business next week. This would necessitate our sitting on Monday night at eight o'clock and on Tuesday, Wednesday and Thursday, with possibly a sitting on Thursday evening. It is conceivable that we could finish then, or on Friday morning. The understanding is that we would complete all of the business that is now before us, as well as the business still to come from the House of Commons.

The fixed link is before us now, as are some bills. The understanding is that, by the time of the adjournment, any bills that are then before us would have gone through committee and received third reading. If that is accomplished by next Thursday night or Friday, I would propose that we then adjourn until April 19.

I realize that that sounds like a very long break. The circumstances are that the House of Commons will adjourn on Friday, March 25, and will not return until April 11. If we have completed our work here, we would then not have anything to deal with directly.

That does not mean that committees conducting inquiries would not be working; they would continue. However, we would have no new business to send to committees, and no new legislation to deal with here, because the House of Commons would not have been sitting for two weeks. There would therefore be no need for the Senate to return at the same time as the House of Commons because, in that first week, there would be no business coming to us immediately.

Because of the cost involved, it is my belief that the Senate should not sit unless there is work to be done. I would, therefore, propose the aforementioned as our course of action.

As usual, I have to make the caveat: We are always subject to recall. At the moment, I see no reason why we might be recalled, but it is something we must recognize as a possibility. The adjournment would be on the understanding that all business would be concluded before we rise, except for the inquiries that are before committees. However, if the agenda I have outlined is impossible to accomplish in the next week, then the Senate would need to sit on Monday and Tuesday of the following week. We have discussed this, and both sides see that as a possibility.

Does that cover our agreement, Senator Lynch-Staunton?

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, I confirm that that is the tenor of our discussion, based on the legislation that we know is now before the House of Commons and will be coming to us shortly.

However, in today's *Globe and Mail* there was an item regarding the possibility of a bill being passed by the House of Commons shortly to postpone the redistribution which is required by law following a census. Perhaps the deputy leader could tell us whether he expects that matter to come before the Senate within the time frame that he has been discussing with us?

Senator Molgat: Yes, honourable senators. Although I cannot give the timing with absolute precision, it is my understanding that that matter will be coming from the House. This is not a new item. We did exactly the same thing here back in 1992 with Bill C-67 when there was a suspension. My expectation is that that bill might be introduced in the other place today or tomorrow and, yes, we would expect that it would pass. The reason it would be required is that the first hearings of the commissions that are set up under the Electoral Boundaries Readjustment Act will begin in the province of Quebec on April 12. If there is to be a suspension, it is desirable that it be in effect before these commissions start. Yes, I expect that that would be required as well.

• (1420)

At this moment, I know of no other legislation expected from the other place except the routine matters I mentioned before, such as some appropriation bills and matters of that nature.

Hon. John B. Stewart: Honourable senators, could Senator Molgat give us the latest word with regard to the proposal for a special joint committee on Canada's foreign policy? Is a message relative to such a committee likely to come from the other place before the proposed adjournment?

Senator Molgat: Yes. We expect to have that item passed so that the joint committee will be able start its work immediately. I understand a vote on that motion in the other place was deferred until 5:30 p.m. today. We should have that matter before us tomorrow.

I am pleased to report to honourable senators that seven senators are to sit on that joint committee. By comparison, there are only five senators involved in the national defence study. I believe the joint committee on foreign affairs will prove to be of benefit to the Senate.

THE BUDGET

STATEMENT OF MINISTER OF FINANCE—DEBATE ADJOURNED

On notice of **Hon. Orville H. Phillips** of Wednesday, February 23, 1994:

> That he will call the attention of the Senate to the Budget Statement made by the Minister of Finance on Tuesday, February 22, 1994.

Hon. Lowell Murray: Honourable senators, my friend Senator Phillips asked me to open this debate for him. In doing so, I want to assure his many friends and colleagues who had been looking forward to his speech with keen anticipation, that he will be back personally to take part in the debate in a few days.

For the record, let me begin by referring to the numbers game that the Minister of Finance has been playing. The game began on November 16, less than two weeks after Mr. Martin and his cabinet colleagues had been sworn into office. On that day, he announced that the 1992-93 deficit was some $5 billion more than had been projected by Mr. Mazankowski in his April budget. Closer examination reveals that $3.6 billion of that amount resulted from accounting changes that, in the past, had been opposed by the Department of Finance but were quickly agreed to and implemented by the new government.

At the same time, he indicated that the 1993-94 deficit would be some $13 billion more than forecast by Mr. Mazankowski last April. Much of this is due to slower economic growth and lower revenues, but some of it, again, is part of Mr. Martin's numbers game.

For example, the government decided to pay out $1.2 billion in stabilization claims to the provinces now rather than in 1994-95. They decided not to proceed with the proposal to pay GST tax credits on a quarterly basis rather than semi-annually — another $625 million added to this year's deficit rather than to next year's. Then there were the faster payments of income tax refunds in February and March — another $1.2 billion on to this year's deficit rather than next year's.

The government inflated the 1993-94 deficit in the hope that against this benchmark their subsequent efforts would appear to have been effective — indeed, heroic. Mr. Martin is not, let me hasten to say, the first Minister of Finance, either federally or in the provinces, to indulge in such cosmetics. His problem now is that, partly as a result of having played the numbers game, the credibility of the new government's first budget is in question. Also in doubt is the government's longer range fiscal plan, which, increasingly, is being subjected to harsher analysis and speculation than might otherwise have been the case had he played the game straight.

The government is getting a reputation for playing the numbers game. It is the kind of reputation that sticks. Thus, on March 4, *The Ottawa Citizen* carried an analysis under the byline of their correspondent Eric Beauchesne. It begins:

> Paul Martin has gone from padding the deficit to padding the unemployment rate, in what appears to be a two-pronged political ploy to paint the Tories in the worst possible light and the Liberals in the best.

The article then goes on to say that Mr. Martin is proclaiming that the real unemployment rate is 20 per cent and not the official rate of 11.4 per cent. Mr. Martin's unemployment claims, states the article, "...are making some officials at Statistics Canada cringe."

The analysis, referring to the Liberal attempt to pad both the deficit and the unemployment rate, concludes:

> But one would also think that with the official jobless rate at a near record high of 11.4 per cent, and the real deficit at a record $40 billion, both of which are disastrous levels, Martin could also start with some honest numbers.

Media commentators and, more important, the national and international investment community are pouncing on the deficiencies in the February budget. They note the lack of effort to reduce spending this year and in the new fiscal year beginning in April, which will be the first full fiscal year under the Liberal government. They note that Mr. Martin's promise of $5 of spending reduction for every $1 of revenue increase is not for year one; it is to be spread out over three years. In year one it is more like $1 of spending reduction for $1 of revenue increase.

They note that while the minister promises to bring the deficit to $25 billion in 1996-97, he has provided few projections of revenue or spending beyond 1995-96. They are not very impressed with all of this.

The deficit reduction target would be achieved entirely by revenue growth from a faster growing economy, and would add another $143 billion in net debt over a four-year mandate. They conclude that to achieve even these unimpressive targets the government is gambling — gambling on economic growth in revenues, gambling on higher inflation, gambling on continuing low interest rates and, what is most significant, gambling on their ability to produce a drastic overhaul in social programs in a very short time.

Therefore, the government has inflated the 1992-93 deficit and the 1993-94 deficit for the purpose of making its own budget look good. However, when pressed on the inadequacies of his

budget and his plan, Mr. Martin now says, "Don't judge me on this budget. Judge me on my next budget."

• (1430)

Those are words the minister may come to wish he had never uttered. Next year's budget exercise looks problematic enough without him raising the bar of expectations on himself. As a result of this budget, the government will need phenomenal luck to avoid a political crisis or a financial crisis — or both — within two years, and perhaps as early as a year from now.

Mr. Martin is quite preoccupied with ensuring that his forecasts, especially his deficit forecasts, turn out to be correct. This is understandable. These forecasts are a factor in a government's credibility, and Mr. Martin himself tells us that with this in mind he cautiously chose the lower point from the range of private sector forecasts on matters like economic growth.

I accept the criticism that the forecasts of the former government, notably on economic growth and revenues, and therefore on the bottom line deficit, especially in recent years, proved to have been unduly optimistic. However, it is worth noting that even when our economic growth projections went awry, as international projections frequently did during that period — and with them our revenue expectations and our deficit forecasts — what saved Canada's and the government's credibility was the seriousness and the success of our spending restraints.

In 1987-88 we turned around an operating deficit which had been incurred every year for 12 fiscal years under our predecessors. For the next six years we achieved an operating surplus every year including 1992-93, until Mr. Martin's retroactive accounting change wiped it out with the stroke of a pen. We did this by holding down growth in program spending. It is noteworthy that during that time we never failed to achieve our annual program spending targets.

During our second mandate, the variance between forecast and actual program spending was less than one per cent, year after year. On program expenditures of more than $100 billion, this is remarkable. Such results were not achieved by good luck or even by good forecasting alone. Whenever we saw that circumstances had arisen which would likely make us exceed our spending targets, we went back to the table and imposed new economies, usually quite painful, in order to stay within our spending plan. This is something that Mr. Martin may come to wish he and his colleagues had done soon after taking office, in the period between November and February, in order to get the deficit for 1993-94 down and get spending down closer to the track that Mr. Mazankowski had set out. But that is another story.

Mr. Martin criticizes the former government for our approach to spending restraint. He complains that we did not really cut or eliminate programs and services, but rather, to use his description, we "cut at the margins." That is, we slowed down spending growth or froze spending, but kept the programs and services going.

I accept the reproach, but is Mr. Martin's strategy not a much riskier one? In the budget he has stated his bottom line on transfers to the provinces for social programs, thereby overtaking renewals of the Canada Assistance Plan and Established Programs Financing that were due in the next couple of years. In the process, he has also overtaken the social security review announced by Mr. Axworthy. He has done so, first, by taking $5.2 billion out of unemployment insurance over the next three years; this while unemployment insurance is being reviewed.

He purports then to dictate the outcome of Mr. Axworthy's review of the Canada Assistance Plan and the post-secondary education component of Established Programs Financing. He has booked these savings beginning in 1995-96, into 1996-97 and beyond. These savings are $466 million in 1995-96 and $1.5 billion in 1996-97. These savings are the minimum, Mr. Martin tells us, and they are transitional. Beyond 1996-97, he says that there will be significant further reductions in unemployment insurance expenditures.

Honourable senators, if any of these great plans for reform come to grief, as they well might do, dependant as they are to some extent on economic and political factors beyond the control of the government, or even if some of the grand redesign falls short of Mr. Martin's expectations, we could soon face the most serious financial crisis that any federal government has ever faced. Mr. Martin acknowledges in his budget speech and in the budget papers the possibility that these great plans might not yield the great savings on which he is counting. If that turns out to be the case, he says that he will have recourse to "alternative measures." Honourable senators may wish to ask him about this in committee, if they get the opportunity. Even if his bottom line is met, honourable senators should be asking: What kind of social security system will emerge from such a frantic, fiscally-driven and deadline-driven process?

Honourable senators should also ask what Mr. Martin's budget will do to bring down the rate of unemployment in the country. This was the central theme of the Liberal election campaign, and it is surely the central issue on which they will be judged. Measures to attack unemployment are pretty thin in this budget, and the government acknowledges this by projecting an unemployment rate still in the vicinity of 11 per cent to the end of 1995. Of course they have the famous infrastructure program of $6 billion to be shared equally by the federal, provincial and municipal governments. To finance the federal share, the government, among other things, cancelled the EH-101 helicopter program. They will close military bases, reduce support for regional development, and cancel the commitment to the KAON research project. In other words, they will eliminate a lot of permanent jobs in order to create some temporary jobs in infrastructure.

The Liberals announced during the election that they would cancel the helicopter program. They can fairly claim that their election gave them a mandate to do this. But beyond the electoral considerations, what analysis did they do concerning the implications of this decision? Senator Doody referred recently to the horribly inadequate state of search-and-rescue capacity on our coasts, a situation which is perpetuated by the cancellation of the helicopter program. Armed forces spokesmen say that ultimately the government will need to replace the present fleet of helicopters by buying new helicopters off the shelf. "Off the shelf" where? In the United States or in some other country?

A study by the Informatics research firm stated that the EH-101 project would have created 185,000 person years of employment, directly and indirectly. The main beneficiaries would have been industries providing computer and electronic design software, manufacturing and professional services. Approximately 13 per cent of the added employment would have occurred in Atlantic Canada, 30 per cent in each of Quebec and Ontario, and 27 per cent in Western Canada. Contracts worth over $3 billion, involving more than 40,000 direct jobs, had already been given to 20 companies across the country. In relation to its impact on the future of the aerospace industry, the decision to cancel the helicopters has been compared to the decision to cancel the Avro Arrow in the late 1950s.

Hon. Royce Frith: When you say that it has been compared, who did the comparison?

Senator Murray: Yes, it has been compared. Some of the responsible people in the aerospace industry did the comparison. I can get the quotation for the honourable senator, if he wishes.

Senator Frith: That would be good.

• (1440)

Senator Murray: With this political decision, the government may have pronounced a virtual death sentence on an entire sector of the Canadian economy.

The federal government will throw $2 billion at infrastructure. Meanwhile, we are stuck with another dubious political trade-off. In the heat of an election campaign, the Liberal Party promised to cancel the redevelopment program for Pearson International Airport in Toronto. This was to be private investment of $700 million, creating 14,000 jobs during the project. The government commissioned the report by Mr. Robert Nixon and then cancelled the project, as they had promised to do.

Honourable senators, there are many other issues that should be discussed during this debate. Progressive Conservative senators from the Atlantic provinces will want the Senate to consider the disproportionately harsh impact of the budget on their region and to ask what has become of the political process in the Liberal caucus and cabinet which should have prevented such an unequal distribution of pain across the regions.

Finally, honourable senators, there is the GST.

Senator Frith: "Finally" is the right word.

Senator Murray: Honourable senators surely will not begrudge me a few words on this fascinating subject.

The Hon. the Speaker: Honourable senators, I do not wish to interrupt the honourable senator, especially when he has reached this subject, but I would ask, is there leave for him to continue?

Hon. Senators: Agreed.

Senator Frith: Abolish the GST, but not Senator Murray.

Senator Murray: Honourable senators, I have not been following as closely as I should the deliberations of the House of Commons committee under the chairmanship of Mr. James Peterson. However, I do hope that there, or in some other forum soon, we will have some solid information on several important aspects of this issue.

There is the underground economy. We all know that there was an underground economy long before the advent of the GST. The question is: How much bigger is the underground economy as a result of the GST? Is it so big that we should forget about trying to implement a broadly based national sales tax, especially one that is applied to services?

The Department of Finance has done a study on the GST and the underground economy. Has that study been produced to the committee? If not, let us have it.

What is the extent of the underground economy as a whole? The Minister of National Revenue says it amounts to some $56 billion per year, 6 to 8 per cent of the national economy.

Mr. Martin, as far as I know, has steered clear of trying to quantify the underground economy. He has, however, taken it upon himself to pronounce a general absolution for the cheaters and smugglers. These, he tells us, are just honest citizens who have withdrawn their consent to be governed.

There are elements of this approach in Mr. Preston Manning's discourse and in his offer to provide a command headquarters for a so-called tax revolt. The vast majority of Canadians, who do not cheat and do not smuggle, and who end up paying more because of those who do, expect better leadership than this from their politicians.

Then there is the question of the administrative costs of the GST in the private sector and in the government compared to other taxes. We need more facts and less rhetoric on that subject, too.

The replacement tax for the GST being considered by the committee looks very much like the present GST. It would have a different name, of course. It would be more broadly based, including on food, for example. It would be harmonized with provincial sales taxes. Much of this makes sense, even if it is not what the government promised. It also would be a hidden tax, which, in my opinion, would be quite a retrograde step.

The government should not be reluctant to play hardball with the provinces on the subject of harmonization. Harmonization is clearly in the interests of consumers and taxpayers. The government may wish to add a verse to Premier Rae's catchy little tune, "We are all in the same boat now," to tell him and others that, to keep the boat afloat, we need the oars persons going in the same direction.

Harmonization and a broader base would allow a reduction in both the federal and the provincial rates that would produce the same amount of revenue. But wait; fiscal conditions may suggest to Mr. Martin that more revenues are needed from this source. Thus we would get harmonization, the same rate, and more revenues.

Could it be, could it come to pass, that this hateful tax, as Senator MacEachen once described it, would come to the rescue of a Liberal government's fiscal plan?

In the immortal words of Mr. Diefenbaker, it is a long road that has no ash garbage cans.

Senator Frith: It is a good metaphor for the GST, an ash can.

Senator Gigantès: Honourable senators, may I ask the honourable senator a question? Could he please promise hereafter not to say "oars person" but to say "rower"? It is neutral, and is not a barbarism.

On motion of Senator Graham, debate adjourned.

TRANSPORT AND COMMUNICATIONS

MARINE SAFETY—EXPANSION OF ROLE OF LIGHTSTATIONS—NOTICE OF MOTION

Leave having been given to revert to Notices of Motions:

Hon. Pat Carney: I give notice that on Thursday, March 17, St. Patrick's Day, I will move:

> That the Standing Senate Committee on Transport and Communications be authorized to examine the mandate of the staffed lightstations on the west coast to determine whether their role should be expanded to accommodate the increase in the number of marine users, in light of the expansion in the number of recreational users, keeping marine safety in mind, and the current restructuring of the Canadian Coast Guard.

BANKING, TRADE AND COMMERCE

COMMITTEE AUTHORIZED TO PERMIT ELECTRONIC COVERAGE OF PROCEEDINGS

Hon. Michael Kirby: Honourable senators, with leave of the Senate and notwithstanding rule 59(1)(*f*), I move:

> That the Standing Senate Committee on Banking, Trade and Commerce be empowered to permit electronic coverage of its public proceedings, with the least possible disruption of its proceedings.

He said: By way of explanation, honourable senators, some of you know that the Governor of the Bank of Canada is appearing before the Banking Committee next Wednesday afternoon. It is the view of the committee that it would be highly desirable to have those proceedings televised. The media have also expressed an interest in the appearance of the Governor, and that is the purpose of this motion.

The Hon. the Speaker: Honourable senators, we have heard Senator Kirby asking for leave to proceed. Is leave granted?

Hon. Senators: Agreed.

Motion agreed to.

• (1450)

TRANSPORT AND COMMUNICATIONS

NOTICE OF MOTION TO AUTHORIZE COMMITTEE TO CONTINUE ITS STUDY ON THE REPORT OF THE NATIONAL TRANSPORTATION ACT REVIEW COMMISSION

Leave having been given to revert to Notices of Motions:

Hon. Donald H. Oliver: Honourable senators, I give notice that on Thursday next, March 17, 1994, I will move:

> That the Standing Senate Committee on Transport and Communications be authorized to continue its special study on the report of the National Transportation Act Review Commission, entitled *Competition in Transportation, Policy and Legislation in Review*, tabled in the Senate on March 23, 1993 (Sessional Paper No. 323-912), and other matters relating to transportation; and
>
> That the papers and evidence taken on the subject and the work accomplished during the Third Session of the Thirty-fourth parliament be referred to the committee; and
>
> That the committee presents its report no later than October 31, 1994.

LEGAL AND CONSTITUTIONAL AFFAIRS

COMMITTEE AUTHORIZED TO ENGAGE SERVICES

Hon. Gérald-A. Beaudoin, pursuant to notice of Tuesday, March 15, moved:

> That the Standing Senate Committee on Legal and Constitutional Affairs have the power to engage the services of such counsel and technical, clerical and other personnel as may be necessary for the purpose of its examination and consideration of such bills, subject-matters and estimates as are referred to it.

Motion agreed to.

The Senate adjourned until tomorrow at 2 p.m.

THE SENATE

Thursday, March 17, 1994

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

Prayers.

[*Translation*]

SENATORS' STATEMENTS

NATIONAL DEFENCE

ST-JEAN MILITARY COLLEGE— EFFECTS OF PROPOSED CLOSURE

Hon. Jean-Maurice Simard: Honourable senators, the issue I want to address is of national interest, and must be dealt with on an urgent basis. This issue is the upcoming closure by the current government of the military college in St-Jean, the only French-language military training institution in America, although courses there are given in both official languages.

I would like to add my voice to the widespread protests raised by the closure announcement since the budget was tabled in the House of Commons. I think the national outcry shows that this issue is much bigger than a $23-million saving, and even this amount is challenged by many Canadians. Yet this $23-million figure is being used by the government to justify its decision.

I think, rather, that once the National Finance Committee has obtained the true figures, Canadians will see that the government will save much less than expected and that this would be, in fact, a cheese-paring economy within a national unity context.

However, let us put aside the purely financial aspect for a moment. I think the Senate has here a golden opportunity to state its position on this issue and tell the government that when it attacks a Canadian institution, because that is what the military college in St-Jean is, senators can set aside their political differences.

In fact, I hope that senators of all parties will want to debate this issue to express their views and support those who demand that this institution be maintained. I think that when the best interests of the nation are at stake, the Senate can speak up.

I, for one, feel that our best interests lie in basic principles such as national unity and equal chances for all citizens. That is what prevailed at the foundation, in 1952, of this highly valued institution which became a success by training francophones as well as anglophones to become bilingual military officers.

As Senator Kinsella told us a few days ago, over one third of officer cadets in St-Jean come from the maritimes. A small majority of this third consists of anglophones who went to St-Jean to study in a French-speaking environment. They became top-notch officers who served Canada well and with a better understanding of our two cultures.

The Hon. the Speaker: I am sorry to interrupt the Honourable Senator Simard, but I thought he would conclude his speech earlier. It has been pointed out to me that three minutes have elapsed. He would need unanimous consent to continue unless he wants to wrap up his speech.

Senator Simard: I am almost finished.

In conclusion, I hope that my party, faithful to its contemporary tradition in matters of language, and as a truly national political party, will practise as well as preach national unity and ensure that our national institutions are protected, and indeed promoted. I urge this, even if it means taking an electoral risk, just as Messrs Stanfield, Clark and, more recently, Mulroney took a calculated risk when national unity was threatened. That is why I ask you to debate the issue of the St-Jean Military College and attempt to find a better solution.

Hon. Philippe Deane Gigantès: Honourable senators, I listened carefully to my honourable colleague. I would like to remind him and other honourable senators that I supported the Meech Lake accord, as well as the Charlottetown agreement. I sat on a committee, chaired by Senator Beaudoin, that looked for ways to resolve our constitutional problems. I sat on this committee as a Canadian, not as a representative of a political party.

We should be looking for solutions. What do we want? We want francophones to be able to pursue a military career without being uprooted. We want our armed forces to be bilingual and bicultural; in other words — let us not kid ourselves — this means mainly giving anglophones tools to communicate with francophones.

In terms of solutions, the St-Jean Military College is not the only one. It is an establishment which the military gave themselves because they wanted their own university. We could return to a system that exists not only here but in some other countries, where the young francophone wishing to become an officer would be told to take all the academic courses in a francophone university in Quebec, and afterwards to take purely military courses for a year in Kingston.

Conversely, young anglophones could be told to take their courses in universities, and for one of their academic years I would really like that they be sent to, say, a university in Quebec City, where they could be somewhat immersed in a separatist environment and experience a part of Quebec that they would not experience at the St-Jean Military College.

Those are constructive solutions that seem to me better than taking part in a campaign that can only help defeat the federalist government of the day in Quebec.

I ask my colleagues opposite to look with us for solutions that will allow us to cut expenditures. When you were harping about cutting expenditures, you never wondered whether the individual put out of work was a francophone or an anglophone. It is somewhat the same thing: Lean and Mean! Downsize! Let us do it without hurting bilingualism and biculturalism. We can do it with a little goodwill.

[*English*]

• (1410)

VETERANS AFFAIRS

PROPOSED SITE OF CANADIAN VIETNAM VETERANS' MEMORIAL

Hon. Jack Marshall: Honourable senators, I must rise under Senators' Statements to provide answers to questions raised during the debate on my inquiry concerning the appeal from Canadian Vietnam veterans to the federal government to provide national capital lands for the site of the Canadian Vietnam Veterans' National Memorial.

The question was asked by Senator Perrault as to whether Canadian Vietnam veterans are being denied U.S. veterans' benefits. I should like to put on the record a letter I have just received from the Canadian Department of Veterans Affairs, Foreign Countries Operations, in response to that question. It states, in part:

> As of May 20, 1988, the Canadians who fought in the United States Armed Forces (for example in Vietnam) are afforded the same services and benefits as any other U.S. veteran.

Even today, 45 years after the Second World War, legislation concerning veterans still seems to have omissions. With those qualifications, honourable senators, that is the answer to the honourable senator's question.

Another question was asked by Senator Gigantès as to whether or not the land that has been given to the United States for its new embassy along Sussex Drive in Ottawa would be a good place for the memorial.

I have brought this proposal to the attention of the Canadian Vietnam Veterans' Association, and their response is that the memorial is a gift from Americans to the Government of Canada, in effect, the people of Canada, to commemorate the supreme sacrifice of Canadians who served in the American Forces in Southeast Asia.

ESTABLISHMENT OF MEMORIAL GARDENS IN CAEN, FRANCE

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, my statement also concerns military matters, although they are military matters that go back many years. I refer to the Normandy invasion in 1944.

This year we are celebrating the fiftieth anniversary of the invasion of Normandy. Both Senator Marshall and I are involved in a group called the Canadian Battle of Normandy Foundation. This foundation is raising money now to establish a memorial in Caen, Normandy.

Caen was liberated in 1944 largely by Canadian troops, with the assistance of some British troops on the left flank. There is a memorial in Caen which was established by the City of Caen. Unfortunately, that memorial was put in place largely with American and British input; there was very little Canadian input into its establishment.

Thus, our group, which we call the Canadian Battle of Normandy Foundation, has determined that there ought to be some Canadian input into this memorial. Those who established the memorial have decided to set aside a place for some memorial gardens alongside the present museum, which is not dedicated to war but to peace.

At this stage, an American group is in the process of setting up a garden with a wall similar to the one that is in place in Washington honouring Vietnam veterans. The British are prepared also to establish a garden. It is the hope of our foundation to set up a Canadian garden. I say "our hope," but I will go beyond that; it is very much our intention. We are presently conducting a fund-raising campaign for $1 million in order to accomplish this purpose. We will use the money to fund various other projects as well, such as providing bursaries for young Canadians, not to study war but to study peace. This is a fitting Canadian endeavour. They have Big Ben at Westminster, but the tower of our Parliament Buildings is called the Peace Tower, which I think is fundamentally Canadian.

We want to have a memorial to peace in Caen, recognizing the contribution of Canadians to the liberation of Europe. Last week, here in the Parliament Buildings, we inaugurated a model of that garden which we hope to establish next year. You will find it in the Hall of Honour by the Parliamentary Library. I invite all honourable members of the Senate to go and see this model and to assist us in this campaign of proper recognition of the contribution of Canada to the conflict in Europe, and to the liberation and peace that followed.

NATIONAL UNIVERSITY HOCKEY CHAMPIONSHIPS

CONGRATULATIONS TO UNIVERSITY OF LETHBRIDGE PRONGHORNS HOCKEY TEAM

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I should like to direct your attention to my hometown, Lethbridge, Alberta, and extend congratulations to the players and coaches of the University of Lethbridge Pronghorns hockey team for their exciting victory in the National University Hockey Championships, held this past weekend in Toronto, at Maple Leaf Gardens.

The final tournament, as my friend Senator Atkins will know, included fine teams from the University of Guelph, the University of Western Ontario and the University of Acadia, as well as the winning team from the University of Lethbridge. From start to finish, it was a showcase, not only of high quality hockey but of very fine teamwork and good sportsmanship.

I am rising now because this is the first time the University of Lethbridge has won the national championships, and I want to salute their effort and achievement, which has brought pride to one of the finest small liberal arts universities in this country as well as to the people of the city of Lethbridge.

[*Translation*]

NATIONAL DEFENCE

ST-JEAN MILITARY COLLEGE—PROPOSED CLOSURE

Hon. Guy Charbonneau: Honourable senators, I would like to make a few comments on Senator Gigantès' remarks. I am delighted with Senators Molgat and Marshall's initiative.

I would like to come back to the subject of the St-Jean Military College. Having served in the army, but also having acted as liaison officer with the air force for a while and, of course, having had contacts with the navy, I think that most people know that the number of French-Canadian naval officers who took part in that particular war was minimal. In the air force, there were a few francophones but still not very many.

I would say that the Honourable Brooke Claxton found the solution in 1952 when he suggested that this college be founded in St-Jean, an idea that was supported by all parties.

Figures have been handed over to me which show that today there are about 23 or 24 per cent of French-Canadian bilingual officers in the forces, which corresponds to the French-speaking population of Canada.

I do not see why you are looking for a solution, Senator Gigantès. The solution was found in 1952 by Mr. Claxton, who was Minister of Defence at the time, and it was very successful.

I think that, in the interest of national unity and the proper operation of our armed forces, the military college should continue to exist in its present form because it has given excellent results. When we have all the figures before us and can examine them carefully, we will see that this $23-million saving, which the government claims will result from the closure of the college, is not quite accurate and that the amount actually saved will be much lower.

I think that, for the sake of national unity, the government should look into this problem further before closing the college.

The Hon. the Speaker: I am sorry, but I must inform the honourable senators that the time for senators' statements has expired. Might I remind all honourable senators that, if comments were shorter, more senators would have a chance to speak.

[*English*]

• (1420)

ROUTINE PROCEEDINGS

SCRUTINY OF REGULATIONS

FIRST REPORT OF STANDING COMMITTEE PRESENTED AND PRINTED AS APPENDIX

Hon. P. Derek Lewis: Honourable senators, I have the honour to present the first report of the Standing Joint Committee for the Scrutiny of Regulations in relation to its permanent reference. This report also deals with the expenses incurred by the committee during the Third Session of the Thirty-fourth Parliament.

I ask that the report be printed as an appendix to the *Minutes of the Proceedings of the Senate* of this day.

(*For text of report, see today's* Minutes of the Proceedings of the Senate.)

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

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

CANADIAN FOREIGN POLICY

SPECIAL JOINT COMMITTEE—MESSAGE FROM COMMONS

The Hon. the Speaker: Honourable senators, I have the honour to inform the Senate that a message has been received from the House of Commons requesting that a Special Joint Committee of the House of Commons and the Senate be appointed to consider Canada's foreign policy, including international trade and international assistance.

[*Translation*]

ADJOURNMENT

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, with leave of the Senate and notwithstanding rule 59(1)(*h*), I move:

> That when the Senate adjourns today, it do stand adjourned until Monday next, March 21, 1994, at eight o'clock in the evening.

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

Hon. Senators: Agreed.

Motion agreed to.

[*English*]

CANADIAN FOREIGN POLICY

NOTICE OF MOTION TO APPOINT SPECIAL JOINT COMMITTEE

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, I give notice that on Monday next, March 21, 1994, I will move:

That the Senate do unite with the House of Commons in the appointment of a Special Joint Committee of the Senate and the House of Commons to consider Canada's foreign policy including international trade and international assistance;

That the document entitled "Guidance Paper for the Special Joint Parliamentary Committee Reviewing Canadian Foreign Policy" be referred to the committee;

That the committee be directed to consult broadly and to analyze the issues discussed in the above-mentioned document, and to make recommendations in their report concerning the objectives and conduct of Canada's foreign policy;

That the committee be composed of fifteen members of the House of Commons and seven members of the Senate;

That the committee have the power to sit during sittings and adjournments of the Senate;

That the committee have the power to report from time to time, to send for persons, papers and records, and to print such papers and evidence as may be ordered by the committee;

That the committee have the power to retain the services of expert, professional, technical and clerical staff;

That the committee have the power to adjourn from place to place inside Canada and abroad and that, when deemed necessary, the required staff accompany the committee;

That a quorum of the committee be twelve members whenever a vote, resolution or other decision is taken, so long as both houses are represented and that the Joint Chairpersons be authorized to hold meetings, to receive evidence and authorize the printing thereof, whenever six members are present, so long as both houses are represented;

That the committee be empowered to appoint, from among its members, such subcommittees as may be deemed advisable, and to delegate to such subcommittees all or any of its power, except the power to report to the Senate and House of Commons;

That the committee or its representatives meet on occasions it deems fitting with the Special Joint Committee or its representatives charged with reviewing Canada's defence policy;

That the committee be empowered to authorize television and radio broadcasting of any or all of its proceedings;

That, notwithstanding the usual practices of this house, if either the Senate or the House of Commons is not sitting when an interim report of the committee is completed, the committee shall deposit its report with the Clerks of both houses; and said report shall thereupon be deemed to have been presented to both houses.

That the committee present its final report no later than October 31, 1994; and

That a message be sent to the House of Commons to acquaint that House accordingly.

HEALTH

PROTECTION OF CONSCIENCE IN MEDICAL PROCEDURES—PRESENTATION OF PETITION

Hon. Stanley Haidasz: Honourable senators, I have a petition which reads as follows:

To the Honourable the Senate of Canada in Parliament assembled

On the Subject of the protection of conscience in medical procedures:

We, respectful subjects of the Parliament of Canada, the undersigned, being practitioners and students of Health and Health Care in Canada, and concerned citizens of Canada, all being of the age of majority draw to the attention of the Senate in Parliament assembled the following:

That developments of practice and interpretations of what lies in the ambit of Health predicated in the Canada Health Act have rapidly embraced experiments and procedures that place upon human lives avoidable threats which are open to moral objection by health care students and practitioners who are expected to assist in or perform such procedures, and

That there is historically no effective recourse, for subjects of dismissal or coercive implications such as dismissal for failure to comply in such procedures, to the provincial Human Rights Tribunals, as the matter of avoidable harm is deemed to belong under the head of the criminal law, and

That entrenched in section 2 of the Canadian Charter of Rights and Freedoms is the right to hold and to express the conviction or religious belief that every human life is inviolable.

Therefore your petitioners plead that the Parliament of Canada undertake to enact as federal statutory law or amendment thereto the needful defence of conscience from coercion, reprisal or inequity, in the pursuit of and practice of our chosen vocations as health caregivers.

This petition contains 25 handwritten signatures and addresses of Canadians from Saskatoon and other places in Saskatchewan, and 100 names from various cities and towns of Ontario.

QUESTION PERIOD

THE BUDGET

GRANTS TO MUNICIPALITIES IN LIEU OF TAXES—GOVERNMENT POLICY

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, when the former Finance Minister, Mr. Mazankowski, announced in his December 1992 budget that grants to municipalities in lieu of taxes were to be frozen, the Liberal opposition at the time, both here and elsewhere and on more than one occasion during the campaign, condemned that decision and committed itself to reversing it at the first opportunity. Yet the budget is silent on this, as it is on so many other matters that so preoccupied the Liberal Party before last October 25.

My question to the Leader of the Government is as follows: Can she confirm that this is another of the numerous promises made by the Liberals last fall that have been discarded, and another example of condemning Conservative policies before October 25 and embracing them once the election is over?

Honourable Joyce Fairbairn (Leader of the Government): Honourable senators, no, I cannot confirm. I will defer to my colleague the Minister of Finance on that issue. I will endeavour to transmit his comments to the Leader of the Opposition.

• (1440)

I note as well, however, that the government has brought forward a commitment to the infrastructure program, which I am confident will be under way very shortly and will have Canadians working as the snow disappears across this country.

Senator Lynch-Staunton: Honourable senators, as the minister makes inquiries of her colleagues, I trust she will remind Mr. Martin, the Minister of Finance, of a statement he made when he appeared before the 1993 annual conference of the Federation of Canadian Municipalities and called the property tax freeze a "charade" and a "breach of faith."

I should like the Leader of the Government in the Senate to remind the Prime Minister that, during the campaign, he wrote to the Federation of Canadian Municipalities, stating that "the federal government must live up to its obligations with regard to grants in lieu of taxes."

My question is a simple one: Is this just more empty rhetoric and, if not, what is it?

Senator Berntson: The short answer is "yes."

Senator Fairbairn: Honourable senators, I would be glad to transmit both of those quotations to my colleague. I would underline that the members of the federal-municipal body in this country have been very supportive of our efforts on their behalf in terms of the infrastructure program. Indeed, I was in Alberta not so long ago meeting with Mr. Ken Kowalski, Alberta's Deputy Premier. The municipal representatives there were very keen on working with the other two orders of government on this project.

Senator Lynch-Staunton: I do not want to belabour this point, but I should like the Leader of the Government in the Senate to bring the following quotation to the attention of the Minister of Finance. It was made by the Federation of Canadian Municipalities:

> The federal government had to deal with a tax revolt affecting the purchase of tobacco products, but the worst example of tax revolt in Canada today is the federal government's unilateral freeze on its property tax payments to 2,200 municipalities with federal properties!

That, Madam Minister, has nothing to do with the infrastructure program.

Senator Fairbairn: Senator Lynch-Staunton, I will gather those comments together and transmit them to my colleagues for further comment.

NATIONAL DEFENCE

ST-JEAN MILITARY COLLEGE—EFFECTS OF PROPOSED CLOSURE ON MARITIME STUDENTS

Hon. Duncan J. Jessiman: Honourable senators, I am informed that students from the maritimes are presently accepted into the Royal Military College at St-Jean, Quebec, after completing high school.

My question is to the Honourable Leader of the Government: If and when Canada has only one military college, as the government has stated, namely, the Royal Military College in Kingston, Ontario, will maritime students be accepted for admission on the same basis as they are presently being accepted at St-Jean, or will they be required to take an extra year of academic training before they would be considered for acceptance?

Hon. Joyce Fairbairn (Leader of the Government): Honourable senator, I do not have the answer to that question at this time. However, I will attempt to obtain one for you.

INTERNATIONAL TRADE

SALE IN RUSSIA OF UNITED STATES PHARMACEUTICALS—CANADIAN REPRESENTATIONS—GOVERNMENT POSITION

Hon. Stanley Haidasz: Honourable senators, on January 28, 1994, a memorandum of understanding was signed by the American Food and Drug Administration and by the American

Commissioner of Foods and Drugs Directorate, and ratified on February 15, 1994 by the Minister of Health and Medical Industry for the Russian Federation. This memorandum expedited the certification of American pharmaceutical companies by Russia and other members of the Russian Federation, thereby giving them virtually unfettered access to markets in the Russian Federation.

In view of these developments, I should like to ask the Leader of the Government in the Senate the following question: Has the Canadian government made any representations to the government of Russia, seeking to obtain similar opportunities for Canadian pharmaceutical manufacturers and exporters currently doing business or seeking to do business in the Russian Federation?

Hon. Joyce Fairbairn (Leader of the Government): I thank Senator Haidasz for his question, and I would tell him that Canadian officials in Moscow and Ottawa have been in contact with the relevant Russian authorities since new health and safety standards were introduced last July. The specific areas for bilateral negotiation, such as health care products — and that would also be inclusive of pharmaceuticals and foodstuffs — have been identified. They will be pursued shortly. We will be requesting the same types of concessions as those granted to the United States.

In the meantime, honourable senators, I am told that sales of Canadian health care products are now entering Russia unimpeded, and have grown at a healthy rate in the past year and presumably will continue to do so.

Senator Haidasz: Honourable senators, by way of supplementary, the Leader of the Government in the Senate referred to other health care products entering Russia. Does that include medical products for children's hospitals and clinics in that country? Despite the fact that successive Canadian governments promised a $30-million credit to Russia, those credits were, in fact, frozen, thereby impeding the importation of such medical products into Russia.

Senator Fairbairn: On the question of lines of credit, Senator Haidasz, as you may know, Russia became current on its debt owed to the Canadian Wheat Board and the Export Development Corporation just last week. While it was in arrears, two lines of credit — $100 million on capital goods and $30 million on medical and educational products — were suspended. As senators will know, grain sales were halted. Reactivation of those lines of credit is not automatic. Several factors need to be taken into consideration, including a claim filed under the Foreign Investment Insurance Program.

In addition, Senator Haidasz may or may not know that the $30-million line of credit was never actually signed. Therefore, the reactivation of that line of credit would need some negotiation, but this could take place in a few weeks.

[*Translation*]

THE BUDGET

PROPOSED CLOSURE OF ROYAL MILITARY COLLEGE OF ST-JEAN—REVERSAL OF DECISION—GOVERNMENT POSITION

Hon. Thérèse Lavoie-Roux: My question is for the Leader of the Government in the Senate. I should like to ask her if she shares the view expressed by her colleague Senator Gigantès that representations made by my colleagues concerning the military college in St-Jean will help defeat the Quebec Liberals at the next election. Is she suggesting, as other federal Liberals have already done, that when members of this house promote the best interests of Quebec and of Canada — in this case the protection of the linguistic duality of this country and of its institutions — we are supporting separatist elements in Quebec? I would like to know if she shares this opinion, which has been expressed in other words by other government members.

[*English*]

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, in response to Senator Lavoie-Roux, I did not get the same sense from the answer or the comment of Senator Gigantès as perhaps she did. I should like to review the record and respond on that point.

I would say, however, that I fully appreciate the sincerity, conviction and emotion of senators on both sides of this house regarding this very difficult issue.

• (1450)

I do not believe that this particular issue is tied to an election in Quebec. I will say to Senator Lavoie-Roux that all senators on this side, including Senator Gigantès and others, are fervently supportive and committed to the election of the Liberal government of Mr. Johnson in the next election.

[*Translation*]

Senator Lavoie-Roux: Honourable senators, I have a supplementary question. I am pleased to hear that the Leader of the Government intends to review the speech made by our colleague Senator Gigantès. I believe she will find out exactly what he said.

However, since this is not the first time this sort of thing has happened, could I ask her to carefully review these remarks, and others in the same vein, so that such comments are not made again? As she said herself, they fly in the face of the very sincere efforts, based on strongly held beliefs, made on the part of many Quebecers to keep this country together.

[*English*]

Senator Fairbairn: I would be glad to examine any statements, and I would simply repeat what I said before: The concerns about this particular issue in Quebec are strongly and sincerely felt, and I appreciate the concern of the members.

THE ENVIRONMENT

SAGKEENG FIRST NATION—EFFECT OF PULP MILL POLLUTION—GOVERNMENT POSITION

Hon. Mira Spivak: Honourable senators, I should like to ask a question of the Leader of the Government in the Senate, and I want to say at once that I do not necessarily expect an answer today.

The new owners of the Abitibi-Price pulp mill in Pine Falls, Manitoba, have been granted a reprieve until December 31, 1995, from the stricter regulations on new emissions standards that were to have been in place as of December 31, 1993. As a result of extensions granted by federal departments, this mill has become the seventy-eighth mill in Canada not to comply with existing legislation.

This week the results of that policy affected the Sagkeeng First Nation, which has long been suffering from downstream pollution from the Pine Falls mill. A toxic spill of 828 kilograms of BUSAN B-52, a corrosive chemical hazardous to human skin and eyes, was accidentally dumped into the Winnipeg River. The company failed to notify the reserve. The band learned of the incident from Environment Canada three full days after the spill. Water is now being trucked in to the reserve, but for three full days the people of the Sagkeeng First Nation, located less than 300 metres from the spill site, unknowingly drank polluted water.

Would the Leader of the Government in the Senate determine from her colleague the Minister of the Environment what disciplinary action, if any, will be taken on this matter by the federal government in connection with what I think is shocking action by the pulp mill?

Hon. Joyce Fairbairn (Leader of the Government): I thank the honourable senator for her question. I am not clear whether this is a matter of provincial jurisdiction. At any rate, I will take the senator's question to my colleague.

Senator Spivak: The emissions standards, if I may just say so, are a federal matter.

[*Translation*]

THE BUDGET

PROPOSED CLOSURE OF ROYAL MILITARY COLLEGE OF ST-JEAN—REVERSAL OF DECISION—GOVERNMENT POSITION

Hon. Jean-Maurice Simard: The question I am about to ask will be the first I have asked from the opposition benches in my 23 years in Parliament.

I would ask my colleagues opposite, especially Senator Corbin, to forgive me if my preamble is a little long. I will try to discipline myself. With the training I received from such excellent teachers as Senator Olson, Senator Thériault and others, I feel sure that I will stay well within the rules.

That having been said, I would remind you, honourable senators, that I often asked embarrassing questions when I was sitting as a government member in the New Brunswick legislature, as well as in the last nine years in this chamber. I did it at my own risk, and my leaders at the time did not always appreciate my questions, probably because they were already swamped with work. They would no doubt have preferred that all questions come from the other side.

However, I did it whenever the best interests of my community, my province, my region, and national unity required it in my opinion. On the issue of the military college in St-Jean, our many speeches in recent weeks show that we in this political party are interested in this national institution.

I do hope that Liberal senators opposite will return the ball to our court and ask questions on this issue of their government representative in this chamber, the Leader of the Government in the Senate, even though it may irritate or embarrass her or her government ever so slightly.

The purpose of my first question is to determine how stubborn Prime Minister Jean Chrétien and his government are. My colleague Senator Lavoie-Roux told us we should all accept the Liberal argument that associating with the Bloc Québécois on this issue is nearly tantamount to promoting separatism, and will surely lead to Canada's breakup. Another argument put forward by Liberal senators and trustworthy sources is that the national Liberal government will not change its mind on this issue, because it is its way of saying to the Canadian people that any decision made by the government or the Prime Minister is final and irrevocable, and that any hesitation or measure to review it would be an indication of weakness.

Hon. Gildas L. Molgat (Deputy Leader of the Government): You are going too far. Is this a question? Frankly, there is a limit, Senator Simard. You often go too far. This is long enough.

The Hon. the Speaker: I understand that preambles can be quite long, but at least two of your colleagues are waiting for their turn to speak.

Senator Simard: I remind you, honourable senators, that I had a good teacher in Senator Olson, but I am coming to my question.

Is the announcement of the closure of the St-Jean Military College final? Even if we could demonstrate in this chamber — like all stakeholders and those worried about this issue — that the savings are not in the order of $23 million but around seven, eight or nine million, and that this decision will result in the destruction of a national institution representative of both linguistic communities, will the government continue to say no? Is this what Canadians can expect from the government in the next four years, that even when the government is wrong, because it is afraid to show weakness it will continue to follow the wrong course and refuse to consider other alternatives?

[*English*]

• (1500)

Hon. Joyce Fairbairn (Leader of the Government): Senator Simard, I am conscious that you are making this intervention, as you said, for the first time on the other side.

If I may be permitted a personal observation, I feel a certain sense of guilt because, over the past several years, I have counted you as one of my very strong supporters and have appreciated your encouragement when I was learning my way in this business of questions from the other side.

At the beginning of your question you raised the issue of the Bloc Québécois. I want to make it absolutely clear, as I have attempted to do with Senator Lavoie-Roux, that the concerns expressed here by senators from the provinces of Quebec, New Brunswick and elsewhere are, in my view, sincere, well motivated, and obviously stemming from a sense of great commitment to the Senate as an institution.

In response to the other question you raised about the alleged stubbornness of the Prime Minister, I must tell you, as he has said himself, that this was an enormously difficult decision to make, taken in the context of the necessity of the government to reduce expenditures. The Prime Minister and his Minister of National Defence have taken painful steps; steps that have been felt all across this country, in order to bring down the cost of a structure that was built for another time. This involves a reduction of our armed forces as well as a reduction of the cadet population in our military colleges in Canada.

In the United States, three colleges serve two million personnel in the armed forces. In Canada, we will be moving towards a force of 65,000. Our cadet population is projected to drop from 1,600 to 900. In the context of this scenario, the judgment has been that it would not be possible to sustain the military colleges that we currently have in Canada.

Discussions have been continuing between the Prime Minister and the Premier of Quebec, the Intergovernmental Affairs Minister and the Minister of Education for Quebec to see what accommodation can be reached on the issue of the future use of this institution. I am not privy to the substance of those discussions. However, I am sure that that information will become available in the very near future.

Far from being "stubborn" on this issue, the Prime Minister, with the same sense of great regret and emotion that is shared by others in this house, is also attempting to find a solution to this problem.

[*Translation*]

Senator Simard: Since the Leader of the Government has alluded to possible options which her government and the Prime Minister are considering with the Government of Quebec, I get the impression that the Liberal government — as evidenced by the statements which the Prime Minister is reported to have made — is bluntly refusing to allow any kind of military training to take place in St-Jean.

As a matter of fact, when Prime Minister Chrétien speaks of academic training, it encompasses all kinds of other things. The point we want to make, however, is that military training should continue to be provided in St-Jean in both languages. I have the impression that the government and the Prime Minister are considering instead options which will not be acceptable to the vast majority of Canadians, who are interested in the training of officers so that we can continue to make the kind of progress we have achieved over the past 40 years.

In conclusion, I want to come back to something Senator Gigantès said a while ago. He invited us, as well as all those interested in this subject, including officer cadets, to come pay a visit to separatist country. That is what you said a while ago, Senator Gigantès.

There may indeed be separatists in Quebec, but believe me, there are also federalists. In fact, there are a number of such federalists in our political party, and even others who are not members of our party. There are federalists in New Brunswick and elsewhere who are interested in the national question; that is, in the question of language and Canadian duality, contrary to what the Liberal Party has always claimed, namely that only the Liberal Party of Canada could speak for the two official language communities. As far as our party is concerned, that was perhaps true in 1940, or around the turn of the century, when our party seemed to have difficulty in dealing with matters of language, but that has not been the case for a long time.

In fact, the examples given to us by the Stanfields, Clarks and Mulroneys proved that when confronted with an issue of national importance, our political party was prepared to wade into the fray and take a stand. That is what we are asking Liberal senators to do today.

[*English*]

Hon. Philippe Deane Gigantès: Honourable senators, I rise on a point of personal privilege —

Senator Lynch-Staunton: That is out of order, since this is Question Period.

The Hon. the Speaker: Honourable senators, I do not pretend to be an expert on the rules. However, I have been told that no points of order are permitted during Question Period. If we could bring this Question Period to an end, perhaps we could look at some other aspects of this discussion.

Senator Fairbairn: Honourable senators, in response to the supplementary question of Senator Simard, there is, and always has been, a fundamental commitment and concern within the Liberal Party of Canada about the importance of the linguistic duality in this country.

I can assure honourable senators that every conceivable effort will be made — and I am convinced successfully made — to accommodate, not only academically but socially in every way —

Senator Thériault: Culturally.

Senator Fairbairn: And culturally, thank you — the duality of our country within RMC, within the programs it offers, and within the lifestyle that will exist in that institution.

• (1510)

Again, I want to make this abundantly clear: When we talk about motivation, there may be motivation on the part of the Bloc Québécois on this issue, but that, I stress, is not the

motivation that moves senators in this house to have a concern about the future and the history of the Royal Military College in Quebec. There is a fundamental difference, honourable senators; one which I think all in this house accept.

The Hon. the Speaker: Honourable senators, I am in a most difficult situation, because, although we have a finite time set aside for Question Period and that time has already expired, I see four senators trying to get my attention. I am too new at this job to pretend to lecture anyone. I understand the vigour of honourable senators in Question Period today, and on other days since this new session began. That has some positive aspects.

Blaise Pascal, one of my favourite authors, said:

[*Translation*]

> This letter would not have been as long if I had had more time.

[*English*]

I might borrow from those words and say that we should all try to take less time in order to have more time. We are running into a bit of difficulty.

I would not attempt to change the *Rules of the Senate*. They have been given to me. However, I think with goodwill on all sides, both in questions and in answers, we could have more time if we were to be briefer.

I might tell Senator Gigantès that it was rule 23(1) which I had to invoke in order to refuse his intervention.

DELAYED ANSWERS TO ORAL QUESTIONS

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, it is my pleasure today to supply responses to six questions. The first is in reply to a question asked on February 8 by the Honourable Senator Rivest regarding labour market training. The second is in reply to a question asked by the Honourable Senator Corbin regarding GST and the underground labour market. The third response is to a question asked by the Honourable Senator Forrestall regarding the purchase of Halifax-Dartmouth Industries by Saint John's Shipbuilding Ltd. The fourth is in reply to a question asked by the Honourable Senator Johnson on February 23 regarding the Centre of Excellence for Women's Health. The fifth is in reply to a question asked on February 24 by the Honourable Senator Marshall regarding unemployment insurance cuts to lobster fishermen. The sixth response is to a question asked on February 24 by the Honourable Senator Carney regarding the Space Station.

HUMAN RESOURCES

PROFESSIONAL TRAINING—DOMAIN OF PROVINCES—GOVERNMENT POSITION

(Response to question raised by Hon. Jean-Claude Rivest on February 8, 1994)

The Minister of Human Resources Development has recently launched an action plan for reform of the broad social security system, including labour market arrangements.

The social security reform will be focused on ensuring security and opportunity for Canadians, and this will require a reconsideration of the roles and responsibilities of both levels of government.

The federal government is not closing the door to new labour market arrangements with the province of Quebec or any other province. Indeed, discussions are ongoing with a number of provinces, including Quebec on how to better serve clients and eliminate any duplication and waste.

Supplementary

Under the Constitution, labour market training does not belong to either order of government.

There are important reasons for both orders of government to be involved.

The federal government has never been involved in conducting training and instead purchases training courses from provincial or other institutions through our network of local Canada Employment Centres (CECs).

The federal government offers an extensive, community based labour market network across the country through its 490 CECs, with 119 in Quebec alone.

Decisions regarding training as such are made at a level closest to the people.

THE ECONOMY

UNDERGROUND LABOUR MARKET—LOSS OF TAX DOLLARS—GOVERNMENT POLICY

(Response to question raised by Hon. Eymard G. Corbin on February 10, 1994)

Revenue Canada has active, ongoing enforcement programs that deal with unreported and under-reported income. In addition to our regular enforcement activities, projects are initiated to help us develop a better understanding of non-compliance and to identify the sectors in which non-compliance is most prevalent.

Specifically, the Department is currently implementing a joint audit program between Taxation and GST. We are also seeking provincial cooperation to develop a closer working relationship with our sales tax administrations and to cross-match data banks. We are increasing the use of technology to better target audit activities and reassigning departmental resources to increase enforcement activities. In addition, all leads on non-compliance are being examined and a coordinated strategy is under way for gathering such information.

Individuals or corporations not reporting or under-reporting their income, or not remitting GST, are subject to assessment of tax and any interest related to overdue taxes, as well as being subject to penalties and prosecution as defined by the Income Tax Act and the Excise Tax Act.

Suspected cases of tax evasion are investigated. In all cases where the evidence accumulated indicates guilt beyond a reasonable doubt, a referral is made to the Department of Justice for criminal prosecution. If the Department of Justice concurs with this recommendation, charges will follow.

TRANSPORT

PROPOSED SALE OF HALIFAX SHIPYARDS—GOVERNMENT POSITION

(Response to question raised by Hon. J. Michael Forrestall on February 22, 1994)

The transaction between SJSL and HDIL was a private sector matter to which the federal government was not a party.

Although this transaction resulted in a change of ownership of a major subcontractor, the construction of twelve Maritime Coastal Defence Vessels for the Department of National Defence will not be affected.

I understand that SJSL President William Haggett has announced that the Maritime Coastal Defence project work will continue to be done in Halifax, and that shipyard operations will remain in Dartmouth and Halifax.

HEALTH

CENTRE OF EXCELLENCE FOR WOMEN'S HEALTH—NATURE AND FUNDING—GOVERNMENT POSITION

(Response to question raised by Hon. Janis Johnson on February 23, 1984)

To ensure that women's health receives proper attention, we will proceed with the Centre of Excellence for women's health as outlined in the Red Book.

Initially we will support one centre, and subsequently we will be considering adding several more centres.

We are in the process now of developing the specific criteria and application process.

We expect to issue the call for applications by June and select the successful applicant in the Fall. We would like the first Centre to commence its work early in 1995.

The Ministry of Health will work very closely with the Centre to ensure that high priority women's health issues remain the focus of the Centre's work.

One of the Centre's initial tasks will be to determine the most important women's health issues, and then to undertake further work on these issues. The ultimate objective of the Centre is to increase the responsiveness of the Canadian health system to the health needs of women.

We are well aware of the fact that only a small percentage of medical research funding Canada has been allocated to women's health research. The Centre will help rectify this situation, but in addition, we must work with research funding bodies such as the Medical Research Council to ensure they are more receptive to funding women's health research.

THE ESTIMATES, 1994-95

UNEMPLOYMENT INSURANCE CUTS—PLIGHT OF LOBSTER FISHERMEN

(Response to question raised by Hon. Jack Marshall on February 24, 1994)

The intent of the Government is certainly not to make it impossible for anyone to qualify for unemployment insurance benefits. However, all workers will be required to work longer in order to receive benefits.

Fishermen must have 6 weeks of employment in fishing, but the remainder of the 12 weeks which will be needed to qualify for benefits can be obtained by working in any type of insurable employment.

THE BUDGET

INTERNATIONAL SPACE STATION PROGRAM—STATUS OF CANADA'S COMMITMENT—GOVERNMENT POSITION

(Response to question raised by Hon. Pat Carney on February 24, 1994)

The U.S. has been aware since this Government took office that all programs, including Space Station, were under review because of the difficult fiscal situation facing this country.

The Government has therefore been looking at all its options to see how it could best achieve substantial savings in the Space Station program while retaining a beneficial role for Canada.

The Minister of Finance, the Honourable Paul Martin, pointed out, discussions were engaged with the U.S. prior to the Budget on ways of achieving this objective.

The wording was changed from "withdrawal from our current commitments" to "reduction in our current commitments" to avoid any misunderstanding about the Government's objectives in this program.

VETERANS AFFAIRS

VETERANS INDEPENDENCE PROGRAM— QUALIFICATION OF VETERANS

Hon. Jack Marshall: Honourable senators, I wish to bring to the attention of Senator Molgat what I feel is a variance in an answer I was given yesterday to Question No. 2 on the Order Paper. It has to do with the extension of the Veterans Independence Program to Canada-service-only veterans.

The answer provided by the Honourable Senator Molgat is that there are 10,336 veterans receiving expenditures of some $68,069,311. The Veterans Independence Program for the Canada-service-only veterans has completed its five-year mandate.

In 1988, it was stated in the *Canada Gazette* that the amendments to the Veterans Independence Program which would extend the benefits to the Canada-service veterans would result in an additional 16,000 veterans qualifying for benefits at an estimated cost of $227 million through 1992-93. I know that an error could have been made in the numbers between 10,000 and 16,000. However, I am wondering at the discrepancy between $227 million and $68 million. Either that is an error or someone was extremely inefficient in projecting such an amount over five years.

If the figure is not in error, then I wonder why my requests to past Ministers of Veterans Affairs to extend these benefits to ex-prisoners have gone unheeded. There are some ex-prisoners of war who are not entitled to receive benefits under the Veterans Independence Program because they were not in receipt of a disability pension, even though they suffered under terrible conditions in prisoner-of-war camps.

I am asking the Deputy Leader of the Government to clarify the amounts in order that I may press the matter further.

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, I thank the Honourable Senator Marshall for his question. As he knows, what I tabled yesterday was a response to a written question that he had presented some time ago. I do not have before me the answer I gave to him yesterday.

Answers to such questions come directly from the departments and not from our side of the Senate. I shall inquire with the department.

ST. PATRICK'S DAY

FELICITATIONS

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, this is a most important day for many Canadians. March 17 has important historical significance. I note today that several senators on both sides of the house are sporting the colour green. I compliment them, and I wish all of those who are of Irish descent, or those who wish they were Irish, a very happy St. Patrick's Day.

Hon. Senators: Hear, hear!

[*Translation*]

ORDERS OF THE DAY

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS AND FEDERAL POST-SECONDARY EDUCATION AND HEALTH CONTRIBUTIONS ACT

BILL TO AMEND—SECOND READING

Hon. Pierre De Bané moved the second reading of Bill C-3, to amend the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act.

He said: Honourable senators, this bill also seeks to renew the equalization program.

As honourable senators will know, equalization is so important that the principle of it is enshrined in the Canadian Constitution. In fact, Canadians' unique sense of sharing goes back to the very beginning of Confederation, and shows that the Canadian federation is working.

Equalization officially became a specific program in 1957, under the government of the Right Honourable Louis St. Laurent. However, the tax allocation agreements during and after the war had an important equalization element for provincial government revenues. Already in 1867, higher legislative subsidies were paid to Nova Scotia and New Brunswick than to Ontario and Quebec because those first mentioned two provinces lost a disproportionate share of customs duties and excise taxes when they joined Confederation.

The importance of the federal equalization program for the unity of our country cannot be overestimated. The equalization program helps ensure that all provinces can afford to offer the public services which Canadians need.

The transfers also help to maintain Canada's economic union since they make it easier for Canadians to move throughout the country. Canadians can receive basically comparable services and expect to pay about the same income tax regardless of where they live in Canada. Without the equalization program, the richer

provinces would have more or better public services such as roads, schools and medical facilities. Such a situation, honourable senators, would lead to injustices that Canadians reject. Canadians believe firmly that they should have access to more or less the same benefits wherever they choose to live.

I would also like to point out that equalization payments are unconditional. Thus, the program simply seeks to reduce fiscal disparities among the provincial governments and not to influence the provinces' spending priorities.

[*English*]

In considering the renewal of equalization, the government has had to balance the need to provide those provinces that are the recipients of equalization payments with appropriate financial resources on the one hand, and the need to be fiscally responsible on the other. I have no doubt that this bill does both. Equalization is projected to rise from $8 billion this year to $10.4 billion in 1998-99. All seven provinces that are equalization recipients are expected to gain from these increases. The provinces currently eligible for equalization are Newfoundland, Prince Edward Island, Nova Scotia, New Brunswick, Quebec, Manitoba and Saskatchewan.

Equalization is the most important federal transfer program for reducing disparities in the ability of provincial governments to provide public services. Before equalization payments, the revenue-raising capacity of the seven recipient provinces is 85 per cent of the national average. After equalization, it is roughly 93 per cent of the national average. In practical terms, this means that any province, along with its cities and municipalities, that levies average rates of tax will have at least $4,800 per person with which to fund public services to its residents.

[*Translation*]

Finally, the fact that equalization payments should increase by more than 5 per cent a year clearly demonstrates the priority that the government is giving to that program. In the next two years, expenditures for all federal programs should only increase by 0.4 per cent a year; in fact, except for equalization payments, these program expenditures remain unchanged for the next two years.

At the same time, the renewal is affordable and fully compatible with the interim objective of the government to reduce the deficit to 3 per cent of the GNP. As I already pointed out, the total federal expenditures are controlled.

The equalization program must take into consideration, of course, the government fiscal situation. Canadian taxpayers' money must be spent wisely on their behalf. We must not lose sight of the fact that our long-term ability to fund our social security programs depends on the fiscal and economic health of this country. We must therefore provide responsible management if we want to continue helping families and individuals whose well-being depends on the social security programs of the country.

That is why the bill before us today provides for the capping of the total cost of the program for the five-year period, that is from 1994-95 to 1998-99. The cap is a means of ensuring that the growth of equalization payments will not exceed the overall economic growth. That cap, which was first established in 1982, makes sure that the cost of the program remains under control and, therefore, that the program stays within the financial means of the Government of Canada.

The cap has provided the federal government a considerable protection during the last half of the 1980s. Essentially, it protects the government from a too rapid growth of the program costs.

[*English*]

I will now briefly review the details of the bill. First, it is proposed that equalization be renewed for five years. Accompanying that five-year renewal is a commitment by the government not to change the structure of the formula. This means that there will be greater certainty in budgetary planning for the provinces.

Second, the equalization standard will be unchanged. The so-called five-province standard measures the fiscal capacity of Quebec, Ontario, Manitoba, Saskatchewan and British Columbia. As noted, this provides receiving provinces with 93 per cent of the fiscal capacity of the national average.

Third, as already mentioned, a ceiling will be retained. The ceiling will continue to be based on the 1992-93 fiscal year, a year of relatively low program payout.

[*Translation*]

Fourth, the program floors will remain unchanged. The floors provide protection to provinces against large year-to-year declines in equalization. The floors are determined by the fiscal capacity of the provinces, the less well-off getting better protection.

Fifth, certain tax base changes to update the measurement of the provinces' fiscal capacity will be introduced. This is essential to maintain the integrity of the program.

[*English*]

Finally, the legislation contains a means to alleviate excessive reductions in equalization for provinces with specific and exceptionally large portions of the tax base for certain natural resources. This will remove a longstanding irritant to the provinces on the so-called "tax-back issue." It will enable provinces to retain 30 per cent of the revenues from the relevant natural resources rather than losing equalization on a dollar-for-dollar basis. This measure has been welcomed by the affected provinces.

[*Translation*]

In closing, honourable senators, this bill will provide to the seven less wealthy provinces stable funding on which they will be able to rely during their financial planning for the next few years. As for the residents of these provinces, they can rest assured that the services to which they are entitled will continue to be provided, and that our government will maintain the commitment of sharing among all Canadians the possibilities and advantages of the Canadian Confederation.

[*English*]

Hon. David Tkachuk: Honourable senators, I want to speak to Bill C-3, which renews current equalization payments, because of the importance of equalization to the province of Saskatchewan. Particularly, Bill C-3 provides relief on tax-back provisions of the bill on some unique resource capacities, which is potash in our particular case in Saskatchewan.

• (1530)

In preparing for these remarks, I needed help because my usual industriousness prodded me to get as much information as I could. I found that that was a large mistake. There are about 11 experts on this program, one in Ottawa and one in each of the provinces, and they all disagree. However, I did note that Saskatchewan obtained a large increase because of a change in provisions on resource taxation. This additional $60.2 million, not an insignificant amount to our province, will be buried deep in my province's provincial budget, no doubt. But the provincial government, particularly the one now in Regina, is never embarrassed to take credit for sound fiscal management.

Honourable senators, the equalization program is one of the federal government's most important federal transfer programs, especially for reducing disparities within the country. I say to the honourable senator who spoke before me that without equalization the ability of the provinces to offer Canadians comparable levels of service would be seriously undermined. Canada's provinces do not all have the same ability to raise revenues, because they do not have the same level of income and economic activity.

The Progressive Conservative Party views the equalization program as one of the cornerstones of fiscal federalism. It is vital to our economic union. When I speak to this issue, it is in view of a particular interest that I find objectionable: the arguments made against the equalization formula by the Reform Party in the other place.

The Reform Party fancies itself as the defender of the principle of equality of all provinces, but what do reformists say about equalization, a program that promotes the equality of all provinces? They use words like "over-equalization" to imply that the program is going too far.

If they are so confused about how it works, why do they so often draw attention only to what certain provinces get? Why do they continually imply that there is something sinister in the administration of the program? Why, when he is in Atlantic Canada, does the leader of the Reform Party say, "We should refocus transfers only to those provinces most in need," but when he is in Alberta or B.C., he emphasizes that those provinces contribute too much.

It seems that Mr. Manning is deliberately promoting further confusion about this program, depending upon which province he is visiting. This tax illustrates that the Reform Party lacks a national vision that would treat all Canadians equally. That is not to say that we should not be updating our institutions to reflect changing times, but the point is to what ends we want to change Canada's institutions or how consistent the principles that guide these changes will be with the values upon which this country has been founded and has evolved.

It is with this in mind that the Conservatives would look favourably on a couple of specific aspects of Bill C-3.

One improvement that we support is the gradual elimination of the tax-back irritant for some unique resource capacities in certain provinces. This helps Newfoundland and Saskatchewan. As a senator from a province with a potash industry, I view this measure as positive and equalizing. Minor changes will also add $166.2 million to the program this year and $900 million over the next five years.

This bill illustrates to me and to Canada the need for those of us in the Progressive Conservative Party in the Senate to speak as a national alternative to the Liberal government.

In preparing for my response, I thought I would read the responses to this bill in the other place in order to learn something about how they feel, so I collected Hansard of February 8, 1994. The member from St-Hyacinthe—Bagot, speaking on behalf of the Bloc Québécois, shared with the other members his opinion. While he began his speech with an overall lament on how the program is unfair because of the caps for increases, he got to the point. In his opinion, Quebec was the big loser. He went on to add that the ceiling will cost Quebec some $900 million in the next five years in forgone revenue. That is a neat trick from someone who is advocating independence and will lose the revenue anyway — or is that the definition of sovereignty?

After they declare independence, I can hear this party exclaiming, "Just one minute. We were not talking about the equalization payments."

Meanwhile, the member from Calgary West representing the Reform Party wants to reduce the payments and eliminate middle-income provinces, but he will not tell us which ones they are. I know that one would be Saskatchewan. We would have to increase taxes in our province by $650 for each man, woman and child, or $1,600 per household, to replace revenue sharing. Mr. Manning says that national wealth will not be distributed across the country but only to poor provinces. According to the Reform Party it comes down to this: Because Alberta has too high a capacity to tax, Alberta receives nothing, while Quebec receives $3.7 billion.

Another Bloc Québécois member then asked, and I am paraphrasing here, "Well, what about the millions for wheat for Western Canada?" I might remind the Bloc Québécois that not much wheat is grown in British Columbia.

The Reform Party member from Calgary West then went on to talk about globalization in answer to that query. The Bloc Québécois member was then offended that the Reform Party member mentioned that Quebec receives 45 per cent of the equalization payments.

I should like to point out again that this is occurring between a Bloc Québécois member who wants to leave Canada and a Reform Party member whose policy is to get rid of agricultural payments, and who could not care less if Quebec did leave. That is not the way to run a country. Needless to say, although at times I was amused, it was not for the right reasons. I was not impressed.

In conclusion, I should like to reiterate that the Progressive Conservative Party views the equalization program as a unifying and equalizing force in Confederation. We support the changes made to this program in Bill C-3 as constructive and perfectly consistent with the principles upon which Canada was founded and has evolved.

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 Molgat for Senator DeBané, bill referred to the Standing Senate Committee on National Finance.

[*Translation*]

CUSTOMS TARIFF

BILL TO AMEND—SECOND READING

Hon. L. Norbert Thériault moved the second reading of Bill C-5, to amend the Customs Tariff.

He said: Honourable senators, Bill C-5 will extend the General Preferential Tariff, also known as the GPT, for a period of ten years beyond the present expiry date, which is June 30, 1994.

[*English*]

• (1540)

Honourable senators may be aware that during the 1970s a generalized system of tariff preferences was established by most industrialized countries for the developing countries. It was anticipated that that would encourage economic growth in the developing world through increased trade. On July 1, 1974, Canada introduced its version of the tariff preference, the General Preferential Tariff, or GPT.

Under the Canadian GPT, the preferential tariff rates are generally one-third of the MFN rates, although a number of exceptions exist. For example, since 1983, Canada has permitted duty-free entry for all GPT-eligible imports from the least-developed developing countries.

The GPT and other similar schemes in other developed countries have been shown to be a success. A recent United Nations review of these schemes underlined the fact that exports from the developing world under preferential tariffs increased fivefold between 1976 and 1990, from $12 billion to $60 billion.

Honourable senators, during 1993, Canada alone imported over $3.7 billion in goods from the developing world under GPT. Those imports stimulated the export sectors of many developing countries. In addition, they were of direct benefit to Canada. As a result of lower tariffs on goods from the developing world, Canadian consumers have access to imported goods at competitive prices. In addition, Canadian producers benefit from the reduced tariffs on inputs they import from the developing world and use in the production of goods in Canada.

The GPT is a unilateral program and Canada is free to withdraw GPT preferences at any time. Moreover, since 1980, the Canadian International Trade Tribunal has had the standing authority to receive petitions directly from Canadian industry for the withdrawal or temporary suspension of GPT rates where injury from increased GPT imports is alleged to have occurred.

Honourable senators, as I said at the outset, this is an extension of legislation that started in 1974. According to the act, it must be renewed every ten years. This will cover the period between 1994 and the year 2004. As stated, the minister has the authority to take some countries off the list if they get to the developed stage and add other countries if the minister sees fit.

That is the only explanation I need give to the Senate on this legislation. I do have other information, if any senator is interested in the figures involved.

[*Translation*]

Honourable senators, I would like to take a few seconds to refer to a remark that was made by Senator Lavoie-Roux. I am sorry that she is not here.

Honourable senators, I cannot keep from reflecting upon proposals such as, for instance, the ones made by my colleague who just expressed his party's opinion of the bill tabled by Senator De Bané.

I think there are two threats to this country at the present time. One of the great problems is that these threats exist within the Canadian Parliament; not here in the Senate but in the other place.

In my humble opinion, these threats are coming first from the Bloc Québécois and second from the Reform Party.

[*English*]

That is why I am happy when I hear my colleagues in this place talk about the Reform Party, and let people know the true facts about the Reform Party.

[*Translation*]

What worries me a little is that I never hear a francophone senator from Quebec talk about the Bloc Québécois here. They are almost always ready to defend the same causes as the Bloc Québécois.

I am not trying to put the Conservatives here in the same basket as the Bloc Québécois. That is not my intention. It is hard for a francophone from outside Quebec to hear, day after day, from his francophone colleagues, especially those from Quebec, who seem to be very happy with any criticisms of the government made by members of the Bloc Québécois.

I have no problem, and I am not sensitive. I do not have any problem with Conservatives attacking the Liberal government in power. I never said, and I will never say, that a government, be it Liberal, Conservative or Bloquiste, should not be attacked by the opposition. That is the role of the opposition.

What worries me is that, with respect to many of the subjects raised here, the Quebecers in this chamber almost always agree with the positions of the Bloc Québécois. That worries me.

Hon. Thérèse Lavoie-Roux: Honourable senators — Your Honour, you will not let me ask a question!

The Hon. the Speaker: Senator Lavoie-Roux, you put me in a difficult situation! The connection of one subject to the other seemed tenuous, to say the least, when Senator Thériault raised this issue.

Perhaps, under the circumstances, I could ask Senator Lavoie-Roux to be quite brief so that we can conclude the remarks on this topic, and then I will give the floor to Senator Stratton.

I would not want to be unfair to an honourable senator who had risen to speak. With your leave, honourable senators, I would allow Senator Lavoie-Roux to speak briefly, please.

Senator Lavoie-Roux: Thank you, Your Honour.

Senator Thériault says it makes him sad when French-speaking senators — particularly those from Quebec — seem to side with the Bloc Québécois.

The only such instance I have witnessed in this house is, of course, in the case of the Collège militaire de St-Jean. Let us not forget that that college was not created by independentists or separatists, whatever you want to call them!

I remember, I had just finished university back then. It was created thanks to the will of French Canadians across the country, even though a larger number lived, of course, in Quebec.

Senator Thériault: And it was created by a Liberal government!

Senator Lavoie-Roux: That is irrelevant!

What other examples can you give us? If you want us to allow Bloc Québécois members to be the only people who are looking after Quebec's interests, you can imagine what will happen in six months, eight months, or two years!

[*English*]

• (1550)

Hon. Terry Stratton: Honourable senators, I rise to speak on Bill C-5, which in basketball lexicon should be a slam dunk, so I will be brief.

Senator Lynch-Staunton: Not after what I heard.

Senator Stratton: I will try.

Honourable senators, Bill C-5, to amend the Customs Tariff, will extend the General Preferential Tariff — commonly referred to as the GPT — for a further 10-year period. The extension will be to June 30, 2004.

The GPT is a special set of low tariffs for developing countries. They are usually set at one-third the rate of the most favoured nation tariff. The objective of this favourable access is to help developing countries develop export sectors within their own economies.

Honourable senators, I reiterate what the previous speaker has said, that during the seventies, industrialized countries instituted tariff preferences — referred to as the General System of Preferences or GSP — for developing countries to encourage their economic growth through increased trade.

On July 1, 1974, Canada introduced its version of the GSP called the General Preferential Tariff. The GPT was introduced for an initial 10-year period, but was subsequently extended to June 30, 1994. Today, over 180 countries and territories benefit from the GPT.

Items which qualify for GPT must comply with certain regulations. Goods qualify for GPT if at least 60 per cent of the factory price of the goods exported to Canada originated from one or more GPT countries. In the case of the least developed countries, the content requirement is 40 per cent. Since 1983, duty-free entry has been extended to all GPT eligible imports from least developed and developing countries.

The GPT does not only benefit developing countries, it also benefits Canadian consumers. Lower tariffs on goods from developing countries mean that Canadian consumers have the benefit of access to imported goods at competitive prices. Furthermore, Canadian producers who depend on goods from GPT countries as imports also benefit from the reduced tariff. Clearly, the GPT contributes to the economic development of the developing world and benefits Canadians. The GPT is a unilateral program, and Canada is free to modify preferences at any time without breaching any obligations under the General Agreement on Tariffs and Trade.

Canada has developed an excellent reputation for development assistance. Canada's General Preferential Tariff scheme is widely regarded as being one of the best in the world. It is transparent, simple, and non-discriminatory. Domestic producer interests will not be injured by extending the GPT because of a safeguard mechanism which is in place. Since 1980, the Canadian International Trade Tribunal, or CITT, has had the authority to receive petitions directly from any Canadian industry for the withdrawal or suspension of GPT rates where injury from GPT imports is alleged to have occurred.

The GPT is an effective and efficient market-based policy instrument to deliver assistance to the developing world through trade. I call on all honourable senators to support this legislation, as I intend to do. By supporting Bill C-5, Canada will continue to contribute to economic growth within the developing world.

Hon. Senators: Hear, hear!

Hon. John Lynch-Staunton (Leader of the Opposition): I should like to ask Senator Stratton a question along the line of Senator Thériault's argument.

Since the Bloc Québécois supported this legislation in the House of Commons, could that be interpreted as meaning that the Liberal Party is tied in with the Bloc Québécois?

Senator Kinsella: Good question!

Senator Stratton: I believe the other side should answer that question.

Senator Frith: A very weak question. It had nothing to do with what Senator Thériault said.

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 Thériault, bill referred to the Standing Senate Committee on Banking, Trade and Commerce.

THE BUDGET

PROPOSED CLOSURE OF ROYAL MILITARY COLLEGE OF ST-JEAN—QUESTION OF PRIVILEGE

Hon. Philippe Deane Gigantès: Honourable senators, I rise on a question of privilege.

In commenting on what I said previously, Senator Simard seemed to suggest — and I have not seen his blues — that I thought all the people in Quebec or Quebec City were separatists. Of course that is not the case; there are federalists.

I have always thought it useful for Canadian federalists and Quebec separatists to talk together. I do so every Christmas. Twenty of us sit around the table. There are three federalists — my wife, my daughter and I — and seventeen extreme separatists, all of whom I love dearly. Until they separate, they are my fellow Canadians. They do not like my telling them that, but I take pleasure in doing so.

Honourable senators, when I was Dean at Bishop's University in Lennoxville, I made a point of inviting separatist intellectuals to talk to my anglophone, federalist students. I thought the exchanges were useful for both.

It is in this spirit that I suggested — and I thought my suggestion was very clear — that young, aspirant, anglophone officers would benefit from studying at a francophone university where there are separatists, such as in Quebec City. That is what I said, and that is what will appear in the blues when they are read. Senator Simard, not intentionally I am sure, misinterpreted me.

Hon. Jean-Maurice Simard: Honourable senators, I will say no more at this time on that matter. We will all wait for the blues, and I will perhaps offer some comments next week.

PRINCE EDWARD ISLAND

FIXED LINK—MOTION TO AMEND CONSTITUTION OF CANADA—DEBATE CONTINUED

On the Order:

Resuming the debate on the motion of the Honourable Senator Molgat, seconded by the Honourable Senator Hébert:

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

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

SCHEDULE
AMENDMENT TO THE CONSTITUTION OF CANADA

1. The Schedule to the *Prince Edward Island Terms of Union* is amended by adding thereto, after the portion that reads

"And such other charges as may be incident to, and connected with, the services which by the 'British North America Act, 1867' appertain to the General Government, and as are or may be allowed to the other Provinces;"

the following:

"That a fixed crossing joining the Island to the mainland may be substituted for the steam service referred to in this Schedule;

That, for greater certainty, nothing in this Schedule prevents the imposition of tolls for the use of such a fixed crossing between the Island and the mainland, or the private operation of such a crossing."

Citation

2. This Amendment may be cited as the *Constitution Amendment, 1993 (Prince Edward Island).*

Hon. Heath Macquarrie: Honourable senators, I was much impressed by the thoughtful and informative speech of Senator Spivak yesterday. As a nationally known and respected environmentalist, her analysis was an important statement on a most important matter.

My honourable and learned friend Senator Beaudoin gave us a most excellent appraisal of the constitutional situation, but as I told my colleague on this matter, it was not the Constitution but the construction — that is, the bridge — that troubled me.

Honourable senators, it is to the opening speeches of a few days ago that I must turn. I sat enthralled, if not enraptured, as Senator Fairbairn and Senator Phillips extolled the blessings of the bridge. Senator Fairbairn's first sentence was this: "As I look across the floor at Senator Phillips, I am delighted..." At the beginning of Senator Phillips' 28-minute speech, he said he was delighted that Senator Fairbairn herself was introducing the measure and not Senator Molgat. Such mutual admiration, nay it was almost adulation, as they plighted their troth in bridge building! I have known Senator Phillips for nearly 40 years.

Never have I heard him express such a sentiment as delight with any person, place or thing.

• (1600)

Honourable senators, this amendment received a euphoric launch. At times I thought I heard the strains of an Amati violin, and I am sure I heard the Aeolian harp once or twice.

Although loath to depart from this harmonic theme, I fear I must, and will, bring myself to do so. I do this because of a comment made by Senator Fairbairn, for whom I have a high regard. She said that the last time we heard about this project was from Senator Phillips, but after Senator Phillips spoke, much else was said by those deeply concerned about the dangers to the ecology of Prince Edward Island from this mega-project. This government, alas, seems not to hear. My usual candour compels me to say that the preceding government was equally deaf. Bill C-110 was rushed through this Parliament and its committees in great haste. The goal, as we all knew, was to get the signing ceremony over and the hammers hammering and the shovellers shovelling before the election day. Of that grim event, nothing more need be said.

I will try to highlight developments since the passage of the bill.

The first newspaper picture I saw of the work showed the bulldozers in action. What were they doing? Uprooting some beautiful pine trees whose planting in a reforestation plan a few years earlier had been applauded by Islanders. The bridge goes up; the trees come down. Environmental progress?

As things on the construction site of Borden, called after that great man Sir Robert Borden, moved ahead, I heard accounts of dust storms in nearby areas. We do not have dust storms in Prince Edward Island, certainly not in winter, and were doing quite well without them up to now. Then I read that the mayor of Borden wants a larger police force.

Later, when the ice melts, we can look forward to dredging. Honourable senators can readily imagine the amount of dredging necessary for a structure of this magnitude and length. Unfortunately, the lobsters on our rich fishing ground do not have such foresight. Too bad, because the product of this dredging, tons and tons of it, will be dropped into the sea with the prospect of terrible damage to the environment of marine bottom feeders. Meanwhile, the rich scallop beds are still directly in the path of the bridge, and I need not dilate upon the state in which that ancient fisheries industry finds itself. Did it need another blow?

Other new aspects are disturbing. The company building this Bridge of Sighs, as some call it, assured everyone that the design was magnificent and perfectly safe. All was in order. Now we hear that the high arch is to be lowered about 33 feet. If all allegations on the safety side were erroneous, why then the change? What will this do to navigation? What is the effect on the Navigable Waters Protection Act, to which, and from which, we have international commitments?

I also read that such changes might invoke an inquiry by the Environmental Assessment Review Panel. That was what many Islanders thought at the time the bill was passing through Parliament, but that was denied.

What other changes may be ahead? For many of us, the first mega-project we ever heard about failing was the Tower of Babel, but, honourable senators, it was not the last. Along with the question of cost overruns which Senator Spivak dealt with so well yesterday, we must now reflect on the grim prospect of an abandoned mega-project, rusted, discarded part way across the Northumberland Strait, the ferry service gone or on its way out. We know a bit about this in Prince Edward Island. In the 1960s, we had rusty railways for a few years. We had $19 or $20 million worth of approaches going to nowhere.

The bridge is often hailed as a triumph of free enterprise and a paragon of the private sector, yet it is the people of Canada, the taxpayers, who will be forking out $42 million a year for 35 years. That is how private that deal is. This figure is supposed to be equivalent to the subsidy paid to the existing ferry service. The fact that, as our Public Accounts show, the figure is $21 million, not $42 million, is not given much attention by the bridge enthusiasts.

As I have said before, honourable senators, this project has deeply divided the people of my province. I have actually been called an old fogey, someone living in the past, and much worse. I have even been called "yesterday's man," and that is one of the greatest political put-downs in our social structure. I have not heard so much of it since last October 25, as a matter of fact. Now I am reflecting on one of my favourite poems by Sir Walter Scott, and it is only lately that I began to identify myself with the Douglas minstrel Alan Bain. Do you know who he was?

> ...a gray-haired sire whose eye intent
> is on the distant future bent...

At your service.

Honourable senators, this question is painful. It is profound. It is challenging and sometimes disturbing. We are dealing with much more than a constitutional amendment. I deeply believe that it is not only the identity and individuality of my beloved province that is at stake, but its future provincehood and its role in the Dominion of Canada. Everybody knows that in these economies of scale, the advantage goes not to the smaller components but to the bigger ones.

I notice that the Premier of New Brunswick is very interested in the bridge. I do not recall the Premier of New Brunswick mentioning anything when our ferry service was in danger. At this very time, people in my province are distressed and a little fearful as they contemplate their electrical utility coming under the jurisdiction of another province. In the process, a vital part of our economy will be weakened.

Many times I have urged that, in so important a step, so crucial a development, the Island people should be consulted. They have never been asked to choose between this bridge and an efficient, modern ferry service. I believe that before this constitutional amendment is made final, the Island people should be consulted fairly and squarely on an issue so vital to their future. As for me, I continue to believe that this mega-project is a mega-blunder. I know that today, the bridge builders are ascendant and they are cheerful, and I do not want to dampen their parade in any way.

• (1610)

I cannot help but recall a great Englishman, the first Prime Minister of that mother of Parliaments, Sir Robert Walpole. When the war hawks were demanding that the British get into the war of Spanish succession and have some more killings, he delayed but finally he went along. As they danced in the streets and the church bills were ringing, old Walpole said: "They may ring their bells now. Before long they will be wringing their hands."

Hon. Gildas L. Molgat (Deputy Leader of the Government): Senator Macquarrie has been his usual eloquent and interesting self —

The Hon. the Speaker *pro tempore*: If the honourable senator speaks now, his speech will have the effect of closing the debate.

Senator Molgat: I wished to adjourn the debate for Senator Fairbairn who has some closing comments to make, so perhaps I will ask one of my colleagues to do so.

Hon. John B. Stewart: Honourable senators, Senator Macquarrie made reference to a proposed change in the design of the bridge. Has he been able to ascertain why that proposal, if indeed there is such a proposal, has been made? Is it to make the bridge more stable?

When Bill C-100 was before the committee, we were assured that the design of the structure had been perfected. What is the reason for this additional improvement? What assurance do we have that additional improvements will not be necessary? In other words, what information has the honourable senator been able to gather with regard to the proposal, if indeed there is a proposal, for a change in the design?

Senator Macquarrie: Honourable senators, if Senator Stewart is looking for assurance that everything is all right, he is coming to very much the wrong person. I am far from assured. In fact, I am fearful of what may be ahead.

I, too, remember the call of perfection, that everything was just fine. I can read only what I see before me, and it is unfortunate that in Prince Edward Island there is not balanced treatment in the media on this matter.

It seems that it has been said by spokesmen for the company — and that is pretty well the spokesmen for the department — that the change will make the drive easier. This is the very reason why I think a committee should be looking at this matter and finding out about these letters that are coming in. Someone has stated that he or she did not know whether or not there was a letter; someone else has stated that he or she was not sure if this would require environmental research, or if it were so serious that one would have to get it through the Access to Information Act.

In other words, I do not know. I want to know. We would be far wiser legislators if we knew right now. There is no great hurry, as Senator Molgat has said, about this measure. At best, the bridge will not be completed before 1997.

On motion of Senator Hébert, debate adjourned.

THE BUDGET

STATEMENT OF MINISTER OF FINANCE—DEBATE CONTINUED

On the Order:

> Resuming the debate on the inquiry of the Honourable Senator Phillips, calling the attention of the Senate to the Budget Statement made by the Minister of Finance on Tuesday, February 22, 1994.—(*Honourable Senator Graham*).

Hon. B. Alasdair Graham: Honourable senators, someone once said that you cannot step into the same river twice. If any country is like a river, it is this country. Canada is always changing and becoming something else, Morley Callaghan once observed. Today, if you listen carefully, you can almost hear the sound of a distant river's voice. The waters churn, the river runs deep; the currents can be treacherous. But the voice of the river is a harbinger of hope. The transition is coming and Canada, our country, is becoming something else.

For a long time, many of us had lost heart. Many of us have been demoralized and indifferent. There have been many reasons for this. The problems we face as a nation have appeared irresolvable. Look at our combined debt. It stands at approximately $650 billion and, if one works it out, that means about $100,000 for each family of four. We are now prisoners of the Draconian laws of compound interest. The interest alone on our accumulated foreign debt is about $25 billion a year, and one third of our federal tax revenue goes to pay it.

We have been told recently that Canada's international competitiveness is declining rapidly in comparison with that of other OECD countries. In fact, the statistics have spoken of what some people have referred to as our "humiliation" over the last few years. They have spoken of a country which, in the eyes of many, was not prepared to take front row seats on the playing field of a new age.

Here at home, a 49-per-cent tax rate has contributed to the agony of the middle class. It has driven more and more Canadians into the underground economy which was referred to yesterday by Senator Murray. That economy has been estimated to be as high as $50 billion — the equivalent of one million people each earning $50,000 a year of untaxed income.

Recently, we thought we saw relief as Statistics Canada demonstrated that unemployment insurance benefits were down 5.2 per cent from last year's record $19.3 billion. The underlying

reasons, however, were no cause for celebration. Very simply put, more unemployed Canadians are exhausting their benefits as long-term unemployment increases.

• (1620)

As I said in this chamber several weeks ago during the debate on the Speech from the Throne, 52 per cent of our people are now employed on a part-time basis, or underemployed, or unemployed. With regard to the latter, about one-third of unemployed Canadians have been out of work for more than six months.

As we all understand, high unemployment means many things. It means that the basic human tools, be they psychological or social — the tools we need to make change happen, the fundamental secrets of making change in life happen — are rusting away. However, it means more than that if we extend the analysis a little bit further. It means that the conscious link between the individual and society is severed. That breeds despair. It means the dissolution of a lifeline and a sense of powerlessness. That breeds demoralization. It means that too many Canadians in the recent past have lost heart; that too many Canadians say, "Why Canada? What's in it for me?"

The Prime Minister has told us that the restoration of hope to the individual will be the engine of our renewal. There is nothing mysterious about this. In fact, the idea of individual dignity is the central premise upon which our western liberal democracies have been built. It has been the individual actions of Canadians over the decades that have built this country with responsible foundations and endowed it with a radical heart. More than ever today, people must be considered our primary resource. The future will not be won by what the land alone can generate; the future will be won by what people can produce. The beacon by which we will measure our present realities will be a high value-added labour force.

Allow me to reflect a little on the recent budget, honourable senators. In my opinion, there were a number of important concepts at work in Mr. Martin's thinking which bear further analysis. First, the budget was conceived solidly around the Prime Minister's message of individual dignity. Second, it was a dramatic message to the private sector that the Government of Canada recognizes that whatever happens to employment in the 1990s will depend on the decisions of that sector. The message is clear: No one benefits from a situation where goods and services are produced but jobs, which allow the average individual to purchase those goods and services, are nowhere in sight. Henry Ford saw that a long time ago. He increased his workers' pay packages because he knew his employees were also his consumers.

I must say that there is no great mystery behind what Mr. Martin has tried to do. For some time, the combination of growth and high unemployment had produced the frightening spectre of a jobless economy. This is one of the most intractable — not to speak of frightening — problems facing the Group of Seven countries which met this week in Detroit.

The Minister of Finance recognized at first instance that the state could not penalize employers who tried to employ people. Rising payroll taxes since 1989 had increased by 43 per cent and had become, as Mr. Martin has so well put it, "silent killers of jobs." The tendency of government to rely on payroll taxes in times of high unemployment had become an entirely destructive device. In many ways, it had become a means of transferring the deficit to small- and medium-sized businesses. In order to make employment his highest priority, the minister had to allow the business community to create jobs and not tax those incentives.

I believe we will get some interesting feedback from the recent budget, in particular from the Europeans, for it has become evident that we will have here a significant labour cost advantage over Europe, where non-wage payroll costs now range from 30 per cent to 50 per cent of the wage bill. The simple truth is that no government can break the back of industry and expect industry to create jobs. The key to reconstruction in the wake of some of the worst lay-offs in Canadian history is new start-ups. It is as simple as that.

Let us look south at the American experience for a little food for thought. In the early 1980s, more than 3 million jobs were eliminated by the 500 largest corporations in the United States. At the same time, 18 million new jobs were created as 2.1 million new businesses started up. That recession was worse than the one the Americans are now leaving behind.

In spite of the 1991-92 recession, more than 200,000 new companies were started annually in the United States. It is hoped that, as a direct result of the recent budget, there will be many new Canadian start-ups, or the expansion of small- and medium-sized businesses now resident in Canada.

I can think of many home-grown firms in my own part of the world which have shown real global success, and which have become role models for new entrepreneurs. There are the big ones like McCains. However, I believe Mr. Martin wants to concentrate on, for example, innovative small ones like Seagull Pewter of Pugwash, Nova Scotia.

In that respect it is worthwhile remembering that the central engine of growth in the Canadian economy is small business, a sector where, in the 1980s, over 87 per cent of our new jobs were created. I think we all realize that Canadian-owned companies spend a high proportion of their revenue on domestic research and development. Nortel, for example, invests 12 per cent of its revenue in R&D at home, while earning the bulk of its revenue in the United States. The investment in R&D is obviously one of the main reasons why Nortel is now the world's leading supplier of fully digital telecommunications switching equipment.

There is a major role for government here, as Mr. Martin and Mr. Manley, the Minister of Industry, well understand. The costs of a big commitment to R&D may be so prohibitive and the risks so great that one small company may not be able to do it without government support.

A few months ago, in the *Financial Times*, I read something that was reported to have been said by Laurent Beaudoin, who is now the Chairman of Bombardier. He pointed out that government and industry should share the costs of research and development in order to maintain an aerospace sector in Canada

that was competitive in world markets. I believe that the establishment of an R&D bank, through which government provides matching funds to the private sector, is a logical way to take some of the uncertainty out of private sector investments in this very critical period for this very critical activity.

• (1630)

There are many, like my friend C.E. Ritchie, Chairman of the Board of the Bank of Nova Scotia, who feel confident that Canada has a great economic future beyond the dangerous reefs we are presently navigating. Mr. Ritchie recently decried the people who cannot see beyond the immediate threats to existing jobs. The truth is, he said, that information technology and its offspring will eventually create tens of millions of new jobs throughout the industrialized world. He pointed out that employment in the computer industry in the U.S. is twice that of the auto industry. New jobs will correlate with new technology. It is a simple fact. They will be created to tailor new, computer-based applications in education, in health care and in the delivery of new and more efficient financial services — all areas, he stressed, in which Canadians excel.

Honourable senators, there is a new optimism out there. As I said at the beginning, if you listen carefully you can almost hear the sound of a distant river's voice — a harbinger of hope — as a transition emerges and Canada becomes something else.

The key to all of this is the empowerment of people, for they indeed are our primary resource. That is what the recent budget was about; that is what the renewal of our social programs are about — the empowerment of people. Budgets and social programs are now, of course, immutably linked. Social policy will have a direct impact on our competitiveness as a nation. That is why Mr. Martin has told us that when our social programs are redefined, we will see a more comprehensive attack on the deficit.

Senator Murray: Lean and mean social programs.

Senator Graham: Senator Murray and others will have an opportunity to comment on that at the appropriate time.

As Chairman of the Standing Senate Committee on Social Affairs, Science and Technology, I can say that the members of my committee look forward to examining in considerable detail any recommendations in this respect which may come forward from the government.

The Hon. the Speaker *pro tempore*: I am sorry to interrupt, but the rules require that I point out that the time allotted to the honourable senator has expired. Does the honourable gentleman have leave to continue?

Hon. Senators: Agreed.

Senator Graham: I thank honourable senators.

There is one simple fact to remember here: The government plans to overhaul our unemployment, welfare and training systems for one central reason, and that is to remove the disincentives to work. Again, I must point out that work is the link between the individual and the society in which he or she lives. I believe that when that link is severed, the conscious sense of responsibility of the individual to society disappears. As Mr. Martin well understands, the state cannot call for sacrifice from people who have lost their stake in the creation of a fair society.

For a long time, Mr. Martin has said, despair has stalked this country. The recent budget, I believe, was a budget of hope in very difficult times. It gives hope to private enterprise by guaranteeing it the tools to prosper in the global market. It gave hope to the middle class, whose silent agony has been one of the more tragic dimensions of the recent recession. It gives hope to our young people because they have been told that unemployment is not their destiny. Rather, employment is their future. And the Finance Minister has continued the traditional "guardian" role of Liberal philosophy in that the budget improves UI benefits for single parents in the lowest income categories. In my opinion, it was a realistic budget of hope. Mr. Martin's optimism was palpable as he factored in a $5-billion national increase in fiscal revenues by 1996, all that to be generated by an improving economy.

I believe that if you look south of the border, you will see that that optimism is more than justified. The U.S. economy is back on top, as the *New York Times* trumpeted recently, and it is being predicted that the recovery in the United States can have a double or triple effect in Canada.

Therefore, I believe the transition is coming. There is a strong feeling in international money markets that the Government of Canada and the Bank of Canada are fiscally and monetarily responsible players. For that, Mr. Martin can take much credit. He has convinced financial markets that the government is serious about the 3 per cent pledge; that is, the targeted $25-billion deficit, or 3 per cent of the gross domestic product by 1996. In my opinion, he has aimed low in this cautious three-year outlook. This may mean he will do better than his present deficit goal. Financial markets, of course, respond to what might be termed "modest" targets.

As well, he has set himself an unusually high cushion in the form of a reserve fund for contingencies. That fund gives him the room to make unexpected expenditures without undermining deficit targets. In theory, he can lower the final deficit just by leaving the money unspent.

Therefore, honourable senators, I believe there is much to look forward to as Canada edges into the twenty-first century. We have leadership in this country which puts people at the centre of our national reconstruction. We have a Prime Minister who believes that individual dignity is the engine of all we will do together and of all we will accomplish together. The recent budget was a mirror of this basic assumption, and it is this assumption upon which the government will enact reform and renewal.

The change will come, and I believe that it will come primarily from our young people. We must celebrate our young people because it is they who must seize the future. We must

give them hope. As I said once before, they are really our North Star. We must ensure our young people the basic skills which are relative to job market requirements. No longer can we tolerate an economy where we see the coexistence of skills shortages and high unemployment, one of the great failures of the Canadian labour market. We must ensure that our educational institutions have strong linkages with the workplace.

In Germany, as many of you know, 70 per cent of students enrol at the age of 16 or 17 in the well-known "dual system" in which part of each week is spent in the classroom and part on the shop floor acquiring practical experience. The apprenticeship system must become a vital component of our national experience here in Canada as we build a high value-added labour force together.

We must ensure our young people a stake in our society, for without that we cannot build together; we cannot achieve what we must together. We will only navigate that river I spoke of earlier, the river which is continually transforming itself and becoming something else, if our people believe in their own worth.

However, before we begin the adventure of renewal, I believe it would be timely to keep in mind the famous words of Paul of the Corinthians to his young friend, Timothy. "Timothy," he said, "keep safe what has been entrusted to you." Whatever the new global reality will become, whatever new maps we see, whatever new boundaries we see, I hope that new entity will inherit the best of what came before, that the new age will carry the footprints of Canadians who built a compassionate country at the northern end of the world, a country with a radical heart.

It is these values that we must bring to a brave new world, and it is these values which must underpin our brave new policies. We must remember, as Paul reminded his friend Timothy, to keep safe what has been entrusted to us.

On motion of Senator Kinsella, debate adjourned.

• (1640)

AGRICULTURE AND FORESTRY

FARM SAFETY—COMMITTEE AUTHORIZED TO CONTINUE ITS SPECIAL STUDY

Hon. Day Hays, pursuant to notice of February 24, 1994, moved:

> That the Standing Senate Committee on Agriculture and Forestry be authorized to continue its special study on farm safety and farm-related health issues;
>
> That the papers and evidence taken on the subject and the work accomplished during the Third Session of the Thirty-fourth Parliament be referred to the committee; and
>
> That the committee present its report no later than December 31, 1994.

Motion agreed to.

TRANSPORT AND COMMUNICATIONS

MARINE SAFETY—MOTION TO AUTHORIZE COMMITTEE TO EXAMINE ROLE OF LIGHTSTATIONS—DEBATE ADJOURNED

Hon. Pat Carney, pursuant to notice of March 16, 1994, moved:

> That the Standing Senate Committee on Transport and Communications be authorized to examine the mandate of the staffed lightstations on the west coast to determine whether their role should be expanded to accommodate the increase in the number of marine users, in light of the expansion in the number of recreational users, keeping marine safety in mind, and the current restructuring of the Canadian Coast Guard;

She said: Honourable senators, first, I inadvertently sent the wrong copy of the motion to the Table yesterday. Therefore, with leave of the Senate and pursuant to rule 31 of the *Rules of the Senate*, I should like to amend the motion by adding the following paragraph after the words "Canadian Coast Guard":

> and
>
> That the committee present its report no later than December 31, 1994.

Therefore, pursuant to notice of March 16, 1994, I move:

> That the Standing Senate Committee on Transport and Communications be authorized to examine the mandate of the staffed lightstations on the west coast to determine whether their role should be expanded to accommodate the increase in the number of marine users in light of the expansion in the number of recreational users, keeping marine safety in mind, and the current restructuring of the Canadian Coast Guard; and
>
> That the committee present its report no later than December 31, 1994.

The Hon. the Speaker *pro tempore*: Honourable senators, it was moved by the Honourable Senator Carney, seconded by the Honourable Senator Kinsella:

> That the Standing Senate Committee on Transport and Communications be authorized to examine the mandate of the staffed —

Hon. Gildas L. Molgat (Deputy Leader of the Government): Dispense!

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

Hon. Royce Frith: Is that it? We will not hear anything about it? Will you not tell us about it?

Senator Molgat: Will there not be an explanation by Senator Carney as to why we should be undertaking this study?

Senator Frith: I wanted to hear about the Three Sisters and all those historic West Coast lighthouses.

Senator Molgat: The explanation need not be given today, if Senator Carney has an appointment. Simply adjourn the debate and we will continue with it next time.

Senator Carney: I would be glad to indicate my interest in this matter to honourable senators.

The Canadian Coast Guard in much of the rest of the country, except for Newfoundland, has de-manned or de-staffed our lighthouses. This is in keeping with what has happened in other areas of the world; for example, the United States.

It is our position that on the B.C. coast, which is the wildest in the world, there is a real need for having people staff the lighthouses, not only because of the safety considerations that they supply, but also because they are very cost-effective.

In the lightstations I have visited down the coast, having a lighthouse family — in which, incidentally, everyone over the age of 10 is looking at the water, listening to the radio and giving assistance to local users — is more efficient than having a helicopter take the time to go out to a lighthouse after the equipment has broken down. Moreover, the fact that a light is out is often not made known until some unfortunate fisherman or marine user reports it. That is why the former Conservative government stood the whole issue of de-staffing the lightstations because of the concern of the B.C. coastal community.

The current situation is that the Canadian Coast Guard is restructuring its western operations. Because it is restructuring as we speak, it is a timely move by the Senate to examine this matter of great public concern and to examine what issues are involved here between the bureaucrats in Ottawa, the people on the lights and the people on the coast who rely on the lights. The Senate could then report on whether the whole issue of de-staffing should be reviewed and whether the mandate of the lightstations should be expanded.

The ridiculous aspect of the mandate of the lightstations as set out by Treasury Board is such that if a lightkeeper sees someone, say a windsurfer, sailing by the lightstation, his or her mandate does not permit him or her to put his or her boat into the water and go and save that windsurfer. If a diver off my island of Saturna is separated from his equipment and is drowning off the lightstation, the current mandate of Treasury Board does not permit my lightkeeper to go out and pull that person out of the water. But they do it anyway.

My desk is filled with letters from people saying, "Thank you for saving my life. Please let's save the lightstations." Since there is restructuring and this issue is on hold, and since this is an issue of great importance not only to B.C. but also to Newfoundland, which still has staffed lightstations, it is timely for the Senate to examine this issue of marine safety in view of the expansion of recreational users on the B.C. coast where, on any given weekend, there could be 30,000 boats in the water. Because of the particular nature of the Newfoundland coast, the advice we got was that this would be a matter of concern to that coast, too.

• (1650)

Some 194 lights have been de-staffed. Some other lights can be de-staffed. However, I think this is an opportunity to take a look at whether we are going in the wrong direction by taking people off the lights, and whether there is a place in some parts of Canada, which is unlike any other part of the world, for keeping people manning the lights in the interests of people like me and my family and your family, and the people who work on fish farms and the fishermen, as my daughter still calls herself, and the people who live in the coastal communities who rely on the lights.

Just as an example, on February 15, the wind storms were so bad that the ferries running from Vancouver Island to Vancouver did not know whether they could run past the island barrier of the Gulf Islands into the open Strait of Georgia. The skipper of the *Queen of Saanich* phoned my lightkeeper to ask him about the wind conditions and whether it was safe for the ship and the people aboard her to travel into the Gulf. My lightkeeper gave him the winds. No automatic detector will be able to do as good a job as my lightkeeper at my lightstation on Saturna Island.

It is time to review this issue. There is a great increase in recreational use. I think the roles of lightstations and of the people who man the lights should be properly examined, and they should, for once, get the credit that is due them.

Senator Frith: Honourable senators, may I ask a question? How many staffed lightstations are there left in British Columbia and, if the figures are available, in the rest of Canada? Of the total number of lighthouses, roughly what percentage are staffed lighthouses?

Senator Carney: There are 36 lightstations on the West Coast and there are more on the East Coast. I do not know what percentage of those have been, or are, staffed.

Senator Frith: Are those 36 staffed?

Senator Carney: No, not all of them are staffed. Some 194 have been successfully de-staffed. However, they are in areas where it is possible to replace people with automation.

Senator Frith: You would include in the study the possibility of re-staffing some of the de-staffed places?

Senator Carney: I will not preclude anything, and I will certainly not anticipate the results of the studies. I am concerned about further moves to de-staff lights on a coast which you will recall was the last one settled, where many people died before Ottawa would ever part with the dollars necessary to put up the lightstations.

I cannot think of a single light existing on the West Coast which can be successfully de-staffed. Any light which I identified as one which could be de-staffed has promptly thereafter proved its worth by virtue of the staff pulling people from kayaks, people from wind surfers, people from recreational boats and fishermen out of the water and saving them from certain death.

Senator Frith: That is the reason I asked. You want this matter referred to a committee which would be authorized to examine the mandate of the "staffed" lightstations. I want to be sure that you feel the committee should look at not only the possibility of stopping any further de-staffing but perhaps also re-staffing of some. The implication is different.

Senator Carney: The reference deals with staffed lightstations. What the committee wishes to do in that context is, of course, the role of the committee.

Senator Frith: Honourable senators, I want to be sure that it was not limited by the terms of the reference, as you have said.

Senator Carney: Honourable senator, you will know that committees interpret motions as they feel best serves their interests and best serves their terms of reference. I will not tie the hands of the committee by narrowing their mandate. I have examined the issue of staffing.

Senator Frith: I wanted to be sure that we were not tying the hands of the committee by failing to have broad enough wording. I was trying to be helpful.

Senator Carney: Thank you, senator. You are always helpful.

Senator Frith: Thank you. Let the record so show.

Hon. Philippe Deane Gigantès: Honourable senators, I have a great affection for the people who staff lighthouses. My life has depended on them. I am in sympathy with the sentiments expressed by Senator Carney and I wish to adjourn this debate.

On motion of Senator Gigantès, debate adjourned.

AGRICULTURE AND FORESTRY

COMMITTEE AUTHORIZED TO ENGAGE SERVICES

Hon. Day Hays, pursuant to notice of February 24, 1994, moved:

That the Standing Senate Committee on Agriculture and Forestry have power to engage the services of such counsel and technical, clerical and other personnel as may be necessary for the purpose of its examination and consideration of such bills, subject-matters and estimates as are referred to it.

Motion agreed to.

TRANSPORT AND COMMUNICATIONS

COMMITTEE AUTHORIZED TO CONTINUE SPECIAL STUDY ON REPORT OF NATIONAL TRANSPORTATION ACT REVIEW COMMISSION

Hon. Donald H. Oliver, pursuant to notice of March 16, 1994 moved:

That the Standing Senate Committee on Transport and Communications be authorized to continue its special study on the report of the National Transportation Act Review Commission, entitled *Competition in Transportation, Policy and Legislation in Review,* tabled in the Senate on March 23, 1993 (Sessional Paper No. 323-912), and other matters relating to transportation; and

That the papers and evidence taken on the subject and the work accomplished during the Third Session of the Thirty-fourth parliament be referred to the committee; and

That the committee present its report no later than October 31, 1994.

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, I have a reservation with respect to this motion. I want honourable senators to reflect on it for a moment.

I have no problem at all with the first part of the request. However, my problem involves the last line which states, "and other matters relating to transportation." This is an absolutely open-ended mandate. Transportation in Canada is such a major question that I have grave reservations with respect to this item.

The initial intent of the Senate in making a reference to a committee is that we refer specific issues to a committee. If a committee wishes to have further mandate, then they come back and ask for that mandate. Open-ended mandates such as this one are, therefore, not acceptable.

Would Senator Oliver consider removing those words, "and other matters relating to transportation"?

Senator Oliver: Honourable senators, this is the language that was used in the order of reference last year, in the last session. The particular study in question deals not just with trucking but with air and with rail and with all other forms of transportation. It was hoped that by adding the language "and other matters relating to transportation," the mandate would, in fact, be broad enough to cover all the various matters which were covered in the competition in transportation review.

Hon. John Lynch-Staunton (Leader of the Opposition): Would be it helpful to change it to "other matters relating thereto"?

Senator Molgat: That refers specifically to the issue. I understand Senator Oliver to be saying that we did it this way last year and we did it for other committees. However, we have landed ourselves in trouble by doing things in that way, and we should change the procedure.

I would be agreeable to the wording: "other matters relating thereto."

Senator Oliver: That is quite acceptable.

Motion, as amended, agreed to.

The Senate adjourned until Monday, March 21, 1994, at 8:00 p.m.

THE SENATE

Monday, March 21, 1994

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

Prayers.

[*Translation*]

SENATORS' STATEMENTS

THE SENATE

STATEMENTS OF PRESS CONCERNING CERTAIN SENATORS

Hon. Philippe Deane Gigantès: Honourable senators, I want to take this opportunity to deplore the inaccuracy of the terms used by Mr. Michel Vastel in his report, published on Friday, March 18, of a conversation he had with Senator Jean-Claude Rivest.

According to Mr. Vastel, Senator Rivest said that we ostracized him. To ostracize means to pass legislation banishing someone beyond the borders. This was a practice in Athens between 487 B.C. and 417 B.C. People voted to banish popular leaders who were suspected of wanting to become dictators. Well, we never suspected the Honourable Jean-Claude Rivest of wanting to become a dictator. I would even say we never suspected him of being popular. Come now, Mr. Vastel, who would ever suspect a senator of being popular?

We are asked to believe that because of this non-existent ostracism, Senator Jean-Claude Rivest would stop being a federalist and become — listen to this — a separatist. Senator Rivest is far too sensible to change his political orientation because he might have been ostracized in Ancient Greece.

And who are these villains who ostracized Senator Rivest? None other than the "mignons de Trudeau," Senators De Bané, Hébert and myself, as Senator Rivest told Mr. Vastel. Is the word "mignon" used as it was before 1530, as in "les mignons du roi Charles VII," or "les mignons du roi Henri III," in other words, Their Majesties' paramours? Anyone who knows Senator Rivest as we do knows he is incapable of such a gross remark.

We must therefore conclude that he thinks we are simply "mignons," Senators De Bané, Hébert and I, like our nephews and nieces or grandchildren who think we are sweet, when they say "mon grand-papa Jacques est mignon," or "mon tonton Philippe est mignon."

Mr. Vastel says that we think Senator Rivest is "disturbing" because he does not always agree with us. Now democracy is a way to institutionalize and channel disagreement, which is the very essence of democracy. Unanimity is not only insipid but also typical of political movements with fundamentalist leanings.

Besides, how could someone who thinks we are sweet be disturbing? Pierre, Jacques and I do not think our colleague Jean-Claude is disturbing. We think he is too sweet for words.

[*English*]

UNITED NATIONS

INTERNATIONAL DAY FOR THE ELIMINATION OF RACIAL DISCRIMINATION

Hon. Nöel A. Kinsella: Honourable senators, it is appropriate that we in this chamber not allow March 21 to go unmarked in Parliament, that being the day on which the United Nations and the world community turn their attention to combatting racism in all its forms. Today has been declared the International Day for the Elimination of Racial Discrimination and the Protection of Minorities.

As honourable senators will recall, this day was chosen because it was on March 21 that the unfortunate disaster occurred in Sharpeville, South Africa. Undoubtedly, it is with a degree of hope and optimism that we watch events unfolding in South Africa. I am sure all Canadians share in the aspirations for freedom and the full enjoyment of human rights in that part of the world community.

As Canadians, we are also aware that racism, wherever it rears its ugly head, must be fought. As many of us have had occasion to say in debate on the Speech from the Throne, we are delighted that the government has decided to establish the Canadian Race Relations Foundation. We know that the work of that institution will be for the betterment of race relations in this country.

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I should like to join with Senator Kinsella and others in this house in commemorating this special United Nations day. All of us are very conscious that there are signs of hope in South Africa, as Senator Kinsella noted, and in other parts of the world where advances are being made. But on the other side of the coin, we still grieve because of the situation that is taking place in the former Yugoslavia, where race relations is very much at issue, and there are not enough signs of hope yet along the way.

Here in Canada, as we look outward to the world, we must also look inward at ourselves. A day like this special United Nations day reminds us that we have lessons to learn, and we have many miles to go on this issue as well.

I am sure the work that we do in this country through the Race Relations Foundation, as it will develop, will have that balanced approach and that double edge to it.

THE ENVIRONMENT

GLOBE '94—ENVIRONMENTAL EXPOSITION, VANCOUVER

Hon. Jack Austin: Honourable senators, I should like the Senate to note that tomorrow will be the opening day of Globe '94 in Vancouver. Globe '94 is Canada's largest effort to participate in the world of environmental policy and environmental technology. In excess of 1,000 exhibitors will be present and more than 5,000 visits are expected to this environmental exposition in Vancouver for the balance of the week.

This morning the Honourable Maurice Strong opened a public session of the North American Institute on the subject of Rio, post-Rio, and the obligations of the developing world and the developed world to control the massive onslaught of environmental degradation, which is growing so rapidly as a result of the demand for resources not only in the developed world but also in the developing world.

At lunch today, the Honourable John Fraser made his first public speech since his appointment as Ambassador to the Environment. His speech dealt with the role of Canada in bringing about a better consensus in the definition of sustainable development and the responsibilities of all of us to deal with sustainable development.

Honourable senators, these are issues of the real world. They are no longer issues of theory or of academic interest. Today the forest industry of British Columbia is subject to massive assaults by way of representations from a group called Greenpeace International, based in Europe. That group, not well informed but highly organized, has put consumer pressure on Kimberly-Clark and Scott Paper of Britain, and other companies, to withdraw their purchases from British Columbia pulp and paper manufacturers. MacMillan Bloedel took out a full-page newspaper advertisement on Saturday and Sunday attacking Greenpeace International for bad science and poor advocacy.

Today in British Columbia, 15,000 to 20,000 forest workers in a 15-kilometre line of logging trucks and other vehicles are amassing on the lawn of the legislature in Victoria, protesting an agreement with respect to the allocation of forest resources in the so-called Clayoquot area of Vancouver Island. This agreement amongst all of the interests of that community, brokered by an independent facilitator appointed by the provincial government, is now being attacked by forest industry people, mayors and heads of municipalities, as an assault on their jobs and on their economic security.

The issues are becoming massively difficult in British Columbia. I believe that British Columbia is a cockpit for this type of action, and we will see more of it unless we address these issues more aggressively.

QUESTION PERIOD

THE BUDGET

INTERNATIONAL SPACE STATION PROGRAM—STATUS OF CANADA'S COMMITMENT—GOVERNMENT POSITION—REQUEST FOR CLARIFICATION

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, on February 24 I asked a number of questions of the Leader of the Government. I asked her to confirm or deny that there had been a budget leak to the main Canadian contractor of the international space program and to the President of the United States. Senator Carney then asked, as a supplementary question:

> How did the President of the United States know what was in the Canadian budget, and when did he know it?

The delayed answer tabled by the Deputy Leader of the Government on March 17 does not even attempt to answer Senator Carney's question. In fact, it ignores it completely. The government is obviously hoping that this matter will go away by what I can only call "stonewalling." However, it is seriously mistaken in its expectations.

Let me repeat the question so the minister and her colleagues are clear on what we are asking: How did the President of the United States know what was in the Canadian budget, and when did he know it?

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, as we have tried to indicate, there have been ongoing discussions and negotiations with the Americans on what the Canadian position would be on the space station long before the time of the budget.

I appreciate the honourable senator's comment that he did not get the direct answer he desired. I can pursue the matter if he wishes. I think the response was that the wording was changed in the budget to avoid any kind of misunderstanding about the government's objectives with the program. However, I will take it back, and I am prepared to explore the matter further.

As I told Senator Carney at the time, I obviously am not — nor should I be — privy to the exact discussions that take place between presidents and prime ministers. However, in this case the intention of the government to reduce its involvement in that program was well known in advance.

Senator Lynch-Staunton: To help the minister find the information we are seeking, allow me to quote from two news reports of many which the government obviously wishes us to ignore.

On March 3, the Montreal *Gazette* said:

> A Canadian official leaked news of Canada's plan to withdraw from the space-station program to NASA several days before it was to be announced in the federal budget, sources say...
>
> "There was a leak to our partners in the space station," a senior federal official confirmed.

I agree that there are no names mentioned, but there has also been no denial.

I would also quote from *Maclean's* magazine of March 14, which is more pertinent to the question Senator Carney asked and which I repeated tonight:

> A senior federal official confirmed that a public servant had leaked news of Canada's plan to withdraw from the space station program to the U.S. space agency NASA several days before it was to be announced in the February 22 federal budget.

This has absolutely nothing to do with any ongoing discussions with U.S. government officials over a long period of time.

The article finishes by saying:

> Canada decided to stay with the space program after President Bill Clinton urged Prime Minister Jean Chrétien to reconsider in two separate phone calls in the week leading up to the budget.

The question is very pertinent: How did President Clinton find out about confidential items in the budget before Canadians did, and when? It is very straightforward. Has all of this just been made up by irresponsible newspaper people? It has to be one or the other, or somewhere in the middle.

The government is stonewalling by saying, "Oh, well, we made a mistake in printing the budget. We didn't mean to say a complete withdrawal; we just meant a phased withdrawal." That does not wash. There were obviously leaks to the main contractor; the President of the United States intervened, and the budget of Canada, of this government, was changed as a result. This is completely improper, to say the least.

Senator Fairbairn: I listened with interest to the honourable senator quoting from the media, with mention of nameless officials and unconfirmed sources.

Senator Lynch-Staunton: Deny it, then.

Senator Fairbairn: I will simply repeat that I will go back and see what else I can find out. However, I have confidence in the response that I have received to date indicating that this process was well in progress before the budget.

Senator Lynch-Staunton: Only the Americans knew.

[*Translation*]

PROPOSED CLOSURE OF ROYAL MILITARY COLLEGE OF ST-JEAN—REVERSAL OF DECISION—GOVERNMENT POSITION

Hon. Jean-Maurice Simard: Honourable senators, I have a question, with a very brief preamble.

The last general election was described by Liberal supporters, and by the media in general, as an election of hope. The Red Book was also called the Red Book of Hope. The day after tabling his budget, Mr. Martin told us that his first budget was a budget of hope.

My question to the Leader of the Government in the Senate pertains to the issue of the Collège militaire royal de St-Jean. I would like to know if we on this side, and Canadians in general, can have a glimmer of hope, the hope to see a Liberal member of Parliament and a Liberal senator speak out for the military college in St-Jean, particularly with regard to its mission as a military training facility.

Can the Leader of the Government in the Senate assure us, knowing her colleagues from this place and the other place as well as she does, that we will have at least one Liberal senator or one Liberal member of Parliament on our side to help us fight her government on this issue?

[*English*]

• (2020)

Hon. Joyce Fairbairn (Leader of the Government): Senator Simard, I thank you for the preamble. Although this country is facing incredibly difficult times, I have every confidence that the intent and the efforts of my colleagues the Minister of Finance, the Minister of Human Resources Development and others, will bring hope to the many Canadians who have spoken to us since the election and since the budget; hope that their lives will be strengthened by the measures this government will bring forward in the months ahead.

On the question of the military college, while it is true that there has been tremendous support by Liberals, both in the House of Commons and in the Senate, for the outstanding history and effort of this young college, the circumstances in which we find ourselves in this country have forced the government, with considerable pain, to make the kinds of cut-backs that have resulted in the consolidation of the three military colleges.

As I mentioned the other day, the Prime Minister has been in consultation with the Premier of Quebec, and I will seek further information on that tomorrow. The Minister of Intergovernmental Affairs has been in consultation with the Minister of Education of the Quebec government; they are trying to come to some arrangement that will assist the area, in respect of the use of that college. Beyond that, I honestly cannot say more.

I will try to get an update on those discussions. I have repeated many times the degree to which people on this side of the house sympathize with Quebec, and grieve over the results of the cuts that have led to this consolidation. However, I cannot say tonight what Senator Simard would like me to say.

[*Translation*]

Senator Simard: Honourable senators, I have a very short question which I think would qualify as a supplemental, since I did not get an answer to my first question.

I asked whether or not there were at least one Liberal senator and one Liberal member of Parliament who could, publicly or otherwise, indicate that they were prepared to fight against the closure of the military college in St-Jean and for the retention of its military mission. The Leader of the Government in the Senate told us how much Liberal senators and members sympathize, and that they were aware of the outstanding history of the military college, but she did not answer my question.

I therefore conclude, if I may put it like that, that the people of Canada will not forget that not one single Liberal, whether senator or member of Parliament, could be found on Parliament Hill today and for the past three weeks to take on this fight. Having pledged total, unconditional obedience to the Liberal Party and its leader, all of them prefer to approve and support the Chrétien government's obstinate decision to close the college, although, as it will turn out, the government will save next to nothing, while we will lose this military training institution for francophones set in a francophone environment like Quebec.

[*English*]

• (2030)

Senator Fairbairn: Honourable senators, I would not presume to speak on behalf of all Liberal senators or all Liberal members of Parliament on any issue, including this one. I cannot answer Senator Simard's question today in the way he wishes me to do.

Members of the House of Commons and of the Senate are all very anxious to participate with the Government of Quebec in its efforts and desires to find alternate uses for the college, including, if it so chooses, the continuation of the college in the field of higher learning. There is no question, honourable senators, that we stand ready to assist the Government of Quebec in this way.

CANADA-CHINA RELATIONS

REPRESENTATIONS ON HUMAN RIGHTS ABUSES—GOVERNMENT POSITION

Hon. Gerald R. Ottenheimer: Honourable senators, my question is for the Leader of the Government in the Senate concerning a statement that the Prime Minister made in Moncton last week. He said that on his forthcoming visit to China, he would not be making representation to that government on their human rights abuses.

My question is two-fold: Does this statement indicate a new policy orientation regarding human rights to the effect that the Government of Canada will not make representations to foreign governments with respect to human rights abuses? If that is the case, could the honourable senator give justification for that policy?

Second, if this statement is not a new policy of general application but rather a position to be applied selectively, what criteria will determine Canada's position in particular instances?

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, that is a very important question. Rather than answer without precise information, I should like to seek out the context in which the Prime Minister made his remarks and report back.

Senator Ottenheimer: I appreciate the position of the Honourable Government House Leader. Perhaps by way of background, or data that the honourable minister would be seeking, I might state that there is at least a suspicion that Canada's economic self-interest could be construed or interpreted as being the main criterion. Certain individuals feel this is contrary to Canada's general and traditional position with respect to human rights. I just add that as part of the *res gestae* of the matter.

Senator Fairbairn: Honourable senator, I will pursue the context and the precise wording of the Prime Minister's remarks and report back to you.

ATLANTIC CANADA OPPORTUNITIES AGENCY

FUTURE OF AGENCY—GOVERNMENT POSITION

Hon. Erminie J. Cohen: Honourable senators, I wish to direct my question to the Leader of the Government in the Senate.

Since the board of the Atlantic Canada Opportunities Agency has not met since last September, except for a brief two hours in December, and since a review of the board's role, mandate and operating practices is now taking place, would the minister please tell us if ACOA is to suffer the same fate as FedNor, which was dissolved two weeks ago?

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I will certainly seek reinforcement from my colleagues for the statement I am about to make: The future of ACOA is assured, as is the future of the Western Diversification Program on the other side of Canada.

Senator Lynch-Staunton: That is why you cut back.

THE BUDGET

CLOSURE AND FUTURE USE OF DOWNSVIEW MILITARY BASE—GOVERNMENT POSITION

Hon. Richard J. Doyle: Honourable senators, my question is for the Leader of the Government in the Senate and has to do with the strategic planning for the future use of the Canadian Forces Base Downsview, which is in my Metropolitan Toronto riding.

Downsview occupies about 1,000 acres of the most valuable real estate in this country. It is not only those who live close to its boundaries who are curious to know what will happen when the last air force plane leaves for far and away.

When the budget bells tolled for Downsview, there were reassuring words for those of us who asked, "What next?" Much currency was given to a press release that suggested the North York site would accommodate a recreational area twice the size

of High Park, the largest of all Toronto's many parks. Later, North York officials were advised by Treasury Board President, Arthur Eggleton, that only an 80-acre parcel was earmarked for a park.

Can the Leader of the Government give us more details on what is intended, including housing sites, commercial and industrial uses? Who will regulate or free up disposal of the land? Will attention be paid to the suggestion of Colin Vaughan of City TV that the airport be turned into an airport for short-haul services?

Finally, what steps will be taken to make certain that this splendid site will not be squandered as Harbourfront on Lake Ontario was squandered by Toronto developers who baited their traps with highrise cheese?

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I thank Senator Doyle for the question, which will allow me to be very specific when I approach my colleagues Mr. Eggleton and Mr. Collenette in the hope of obtaining an answer that will satisfy his concerns.

NATIONAL FINANCE

DOWNGRADING OF GOVERNMENT'S CREDIT RATING—GOVERNMENT POSITION

Hon. Gerry St. Germain: Honourable senators, my question to the Leader of the Government in the Senate is very succinct. I understand the federal government's credit rating has been downgraded. This flies in the face of the hope discussed in Mr. Martin's budget.

My question is this: Is there a definitive strategy to deal with this important issue at this time? Can the Leader of the Government in the Senate inform honourable senators what the strategy is for dealing with the recent downgrade?

• (2040)

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I must confess that I am not aware of the credit rating statement just read. I will inform myself and endeavour to have something to share with you tomorrow.

Senator St. Germain: When in opposition, the Liberal Party always advocated lowering the value of the dollar and allowing it to float, possibly to have it end up in a free fall, although I am sure they were not advocating that. Could the honourable leader elaborate on whether the present government might simply allow the dollar to drop without raising interest rates? Could she possibly elaborate on the position of the government on this particular issue, in view of the fact that the Liberals were so adamant that we had held rates high in order to maintain the value of the dollar?

Senator Fairbairn: I think it would be prudent of me to rely on my colleague Mr. Martin, the Minister of Finance, to deal with that kind of question. I will seek his advice.

AGRICULTURE

TORONTO—STATUS OF TRADE NEGOTIATIONS—GOVERNMENT POSITION

Hon. Leonard J. Gustafson: Honourable senators will know that today an important trade meeting was held in Toronto relating to agriculture, especially to marketing boards and to grain exports into the United States.

Has the Leader of the Government in the Senate anything to report on the outcome of that meeting? Farmers are anxious about the important decision that will be taken by the United States. If the leader has anything to report on this today, I would be pleased to hear it.

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I wish I had. As you know, the meeting began this morning, and I am not sure when, or even if, it ended. The honourable senator will know better than most the extraordinary difficulty that has existed in these talks as they have continued since the GATT agreement of last December. I can assure him that the Minister of Agriculture has been extremely aggressive throughout these discussions, and I will be glad to pass on tomorrow what I can learn about the talks that took place in Toronto today.

ANSWERS TO ORDER PAPER QUESTIONS TABLED

VETERANS AFFAIRS CANADA—BREAKDOWN OF DEPLOYMENT OF STAFF

Hon. Gildas L. Molgat (Deputy Leader of the Government) tabled the answer to Question No. 9 on the Order Paper—by Senator Marshall.

NEWFOUNDLAND—EFFECTS OF FEDERAL INFRASTRUCTURE PROGRAM

Hon. Gildas L. Molgat (Deputy Leader of the Government) tabled the answer to Question No. 14 on the Order Paper—by Senator Marshall.

FISHERIES AND OCEANS—1993 CANADIAN FISH EXPORTS

Hon. Gildas L. Molgat (Deputy Leader of the Government) tabled the answer to Question No. 20 on the Order Paper—by Senator Marshall.

BUSINESS OF THE SENATE

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, events in the other place have not gone quite as expected; as is frequently the case, certain legislation that was to come to us has not arrived.

The agenda for the rest of the week also seems rather murky at this point. It is still my hope that we will finish our work this week. That may mean that we will have to sit on Saturday, but I think that would be preferable to bringing the Senate back next week.

I will keep you informed as best I can as the week proceeds. It may be, depending on what happens in the other place, that we will have to come back on April 12 rather than April 19. As soon as I have information, I will inform you.

POINT OF ORDER

CONTRAVENTION OF RULE 26

Hon. H.A. Olson: Honourable senators, before the Orders of the Day are called, I wish to raise a point of order. I believe this is the first point at which one can do so after Question Period.

We witnessed again tonight an unusual transformation of the Question Period into a debate period. We had two outstanding violations of the very rule Senator Lynch-Staunton and others constantly accused me of breaking. They said that preambles should be short, yet Senator Lynch-Staunton's preamble today was longer than five minutes. I never got that far in my entire parliamentary career. Then it was Senator Doyle's turn, and I saw at least two full pages of notes from here. There could have been more.

I raise this point of order because, although I like to hear about these things, there is a limit, and they went entirely beyond it tonight. Perhaps the problem is that Senator Kelly has not been around to keep them in order, as he used to do for me, but tonight they went entirely too far.

Hon. Gerald R. Ottenheimer: Honourable senators, on the point of order, I would just quote for His Honour's guidance a line from Beauchesne, and it may well be in scripture too: "Let not the kettle call the pot black."

Hon. John Lynch-Staunton (Leader of the Opposition): Along the same lines, honourable senators, I do not mind being admonished by Senator Olson regarding the length of my preambles. He is quite right. But at least I ask my questions.

Hon. Noël A. Kinsella: Honourable senators, on the point of order, doubtless my predecessor in the roll of whip was from a different school, and on the other side of the house, but this speaks to the question of what constitutes a preamble. There is a distinction between giving a preamble and setting the context of a question. A preamble gives guidance on the intent of the legislation which the preamble generally precedes. However, the alleged preambles that I heard this evening — and perhaps the Leader of the Government in the Senate would agree — did not meet the test of a preamble, for they did not necessarily shed any great light on the substance of the questions that followed.

Senator Frith: And neither a kettle nor a pot knows the difference.

ORDERS OF THE DAY

PRINCE EDWARD ISLAND

FIXED LINK—AMENDMENT OF CONSTITUTION OF CANADA

On the Order:

Resuming the debate on the motion of the Honourable Senator Molgat, seconded by the Honourable Senator Hébert:

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

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

SCHEDULE
AMENDMENT TO THE CONSTITUTION OF CANADA

1. The Schedule to the *Prince Edward Island Terms of Union* is amended by adding thereto, after the portion that reads

"And such other charges as may be incident to, and connected with, the services which by the 'British North America Act, 1867' appertain to the General Government, and as are or may be allowed to the other Provinces;"

the following:

"That a fixed crossing joining the Island to the mainland may be substituted for the steam service referred to in this Schedule;

That, for greater certainty, nothing in this Schedule prevents the imposition of tolls for the use of such a fixed crossing between the Island and the mainland, or the private operation of such a crossing."

Citation

2. This Amendment may be cited as the *Constitution Amendment, 1993 (Prince Edward Island).*

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, —

The Hon. the Speaker: Honourable senators, I would advise the Senate that if Senator Fairbairn speaks now, her speech will end the debate on this issue.

Senator Fairbairn: Honourable senators, in concluding the debate on this important issue, I want first to thank senators opposite for their contributions and to thank Senator Macquarrie in particular for his eloquent speech. I spoke to him and indicated that I would not be able to listen to it, but I was told, even before I left the building, that it was a smash hit and much appreciated.

• (2050)

During the course of this debate, important questions were raised by Senator Stewart, Senator Macquarrie, and also Senator Prud'homme. Tonight, I should like to attempt to answer some of those questions, or provide information that I have been given as a result of the questions which were asked in this house.

One of the points emphasized by both Senator Stewart and Senator Macquarrie was a question on the design of the proposed bridge and whether or not it had been changed, or whether or not the government had agreed to a change in the design. The answer to that question is no, it has not been changed. The government has not agreed to a change in the design.

However, I believe I indicated earlier to Senator Macquarrie that there is a provision in the contract with the builder, Strait Crossing Development Inc., which gives them the opportunity to propose alterations. In this case, the builder has requested a clarification of the requirement for a 49-metre clearance across the navigational channel, which is 250 metres wide.

I stated previously, and will repeat, that under the terms of the agreement signed with the Department of Public Works, the bridge must provide clearance of at least 49 metres across that 250-metre navigational channel which is located under what will eventually be the middle of the bridge. I am also advised by the department that the builder's design actually exceeded the clearance height requirements which had been established by the department. Now the builder is seeking clarification as to whether that clearance must be the full 49 metres right across the entire span of that channel, or whether the bridge could be arched slightly on either side of the span to a middle height of 49 metres.

Senator Macquarrie mentioned that process first of all as a question for clarification, which is all there is right now. However, should the process move beyond that, and there is no indication to me that it has, the process will include the review of any formal application by the Minister of Transport under the Navigable Waters Protection Act. Any such formal request would have to be considered under the applicable environmental guidelines and contractual obligations.

When Bill C-110 was passed in the last Parliament providing for the financing of the bridge, it gave the Minister of Public Works the authority to enter into the necessary construction agreements. Those issues are covered in the agreement entered into with the builder, and again that is where the 49-metre clearance obligation appears. Once again, no change in design has been approved by the government, and should the process go beyond that, then there is the review process that must be undertaken.

With regard to the letter written by the builder, which was mentioned by Senator Macquarrie, that letter contains third-party information and it cannot be released without the agreement of the writer. We have been in touch with the officials of the department several times and they are speaking to the developer to see if it is possible to release that letter. If that release is agreed to, I will certainly ensure that Senator Stewart and Senator Macquarrie receive a copy.

The second area of questioning of very particular interest to Senator Stewart was on the issue of the continuing obligation of Canada to maintain the present linkage between Prince Edward Island and the mainland. This question was also followed up by Senator Prud'homme in his contribution to the debate on February 24.

This amendment does not change the constitutional obligation of the federal government. It obviously changes the manner in which that obligation is met. The reason the constitutional amendment was brought forward was so that the federal government would avoid a situation in which it would find itself obligated to provide for both a bridge and a ferry service. There is no backup ferry service, just as there is no backup for the existing ferry service on an on-going basis in Prince Edward Island at the present time. The ferry service is kept operating, to the best of everyone's ability.

If I recall correctly, honourable senators, on February 24 we were in the grip of an enormous blizzard here in Ottawa which added a dimension to Senator Stewart's questions. At the moment, the ferry service keeps operating to the absolute best of everyone's ability, given the conditions that exist. Honourable senators will know that bad weather and ice build-ups cause delays and sometimes cancellations of that service. With the bridge, it is strongly believed that those problems will be considerably lessened, if not eliminated altogether.

The most common reason for weather-related delays is the accumulation of ice blown into the shores of P.E.I. or New Brunswick. From the studies that have been conducted on the impact of the weather conditions on bridge traffic, we learn that the bridge would provide a more reliable means of transportation between the island and the mainland than the ferry service does today. The bridge will be maintained 24 hours a day by the developer; it will get the very highest level of attention. If the bridge were not passable because of weather conditions, senators from that area know much better than I that the highways leading to it would not be passable, either.

Senator Stewart: That is not true.

Senator Fairbairn: — would most likely not be passable. The studies that have been done in preparation for this new linkage demonstrate that it would be highly unlikely that the bridge operation would be interrupted for long periods of time. As I said before, the engineering experts have stated that the bridge is designed to sustain the ice forces of Northumberland Strait, and to last for at least 100 years without major refit.

• (2100)

In attempting to pursue the notion of what kind of backup might be available, it was pointed out to me that the ferry service between Caribou, Nova Scotia and Wood Islands, which operates

approximately nine months of the year, will continue. Senators will know that this is a privately owned service which operates with the assistance of substantial federal subsidies. Its costs are separate from, and were not considered in, the building of the bridge which will replace the New Brunswick-Prince Edward Island ferry service. However, there are no plans to discontinue the subsidy, and there are no plans about which the government is aware for the company to alter its service in any way. In fact, there will continue to be an alternate ferry route during most of the year as there is at the present time.

In the proposed new development, the builder is clearly responsible for keeping the bridge open and operating. However, in the remote case — and I am told it is a remote case — where bridge traffic is unduly interrupted, I am told that by the time the bridge opens in May of 1997, Transport Canada will have in place a plan to ensure that the constitutional obligation of the federal government is fulfilled. I am further told that this plan will have to consider such parameters as the time of year that this may happen and the availability of equipment.

The measures being considered by Transport Canada during the construction phase now include: augmenting the Wood Islands-Caribou service in the summer months or adding ice-breaking ferries to keep that route operating in winter months; the use of other vessels when required, such as those called roll-on, roll-off vessels for the transport of trucks in particular; the use of alternate docking facilities; bringing in ferries from other points in Atlantic Canada, and the possible use of aircraft in certain circumstances which one does not want to contemplate. Other measures will be looked at in terms of what the government deems necessary to meet its constitutional obligation to provide a continuous link between Prince Edward Island and the mainland.

My comments tonight are the result of questions raised by honourable senators and transmitted by me to the departments involved. They are responses as specific as I could obtain. In reviewing the information and the enormous amount of study that has gone into this project, and I must say quite honestly that I am not an engineering expert —

Senator Stewart: That is reassuring.

Senator Fairbairn: I am sorry, Senator Stewart. I would not claim for a minute to be one.

The tremendous care and effort that has gone into the research and investigation of this massive project leads me to have confidence in its validity. As I said in February, we are not just dealing with converting from a ferry service to a bridge. I believe this bridge linkage will have enormous continuing benefits for Prince Edward Island and, indeed, for all of Atlantic Canada. The health of Atlantic Canada and Prince Edward Island corresponds to the health of the country as a whole.

I hope that honourable senators will agree to the amendment which is before us, thus allowing the construction process of this bridge to continue. I hope that my comments tonight have in some way lessened the concerns of my colleagues on both sides of the Senate.

Hon. Heath Macquarrie: Honourable senators, I do not want to be so impolite as to say I have a question before the Honourable Leader of the Government in the Senate resumes her seat, but that is the foolish formula we have in this place.

Tonight, I heard something that surprised me greatly and pleased me immensely. I hope the honourable minister can assure me that I heard correctly that one of the options for maintenance of service, no matter what happens to the bridge, is the winterizing of the Wood Islands-Caribou ferry. If that is a plan to turn that into an ice-breaker service, then that is something entirely different. Because of my good nature, I will not vote against the measure tonight.

Hon. John B. Stewart: Honourable senators, may I ask the honourable senator a couple of questions? The first question is short: Will a formal request with regard to the plan or the interpretation of the plan be necessary if it is decided by the company to seek to go ahead with a flat span rather than an arched span over the navigation channel?

We have been told that the Government of Canada recognizes its constitutional obligation to provide a continuing connection, and that, accordingly, the Government of Canada proposes to develop a plan for an alternate way of performing its obligation if it should happen that the bridge is not fulfilling that obligation. I must say — and this reveals my ignorance — that I had not heard about this plan before. It is most reassuring, as Senator Macquarrie says.

When will the details of the plan be made available? I assume that it is not the intention of the government to delay this particular motion until such time as we have had the assurance that that plan would give us. Thus, I ask when the plan will be revealed to the eager public.

Senator Fairbairn: Honourable senators, as has been said before, the company is seeking clarification to change the design somewhat. The first question, Senator Stewart, if I understood it correctly, is whether or not a formal request is required for that to happen. My belief is that, yes, such a request would be required to make such a change. However, I will ask that specific question and relay the information to the honourable senator.

Honourable senators, I asked repeated questions about the intent to have something in place should the untoward happen. I was given details in that respect which I have conveyed to the Senate tonight. They are among a number of measures being considered by Transport Canada in this plan which it will have in place by the time the bridge opens in May of 1997. However, I cannot say when they will reveal the blow-by-blow plan to the interested public. I cannot give you the timing.

• (2110)

Senator Stewart: I do not want to persist, but if the plan is available only when the bridge is opened, and if the alternate facilities require construction, we might be confronted with a period when the bridge is there, but not available for traffic; and,

second, the alternate facilities have not yet been provided. If you are to provide service with these roll-on, roll-off icebreaking car ferries between Caribou and Wood Islands, it will take years to put them in place, to build the ships and the docks. They have had sorry experience building ships to fit the existing docks, as we all know. To say that the plan will be available at the time the bridge opens confronts us with ludicrous possibilities.

Senator Fairbairn: Senator Stewart, the words that they gave to me were that it "would be in place."

Senator Stewart: The plan "would be in place," meaning the facilities would be in place? Your nod is not on the record.

Senator Fairbairn: I will put my nod on the record, then. That is my understanding.

Senator Stewart: That is the commitment of the government?

Senator Fairbairn: That is my understanding, yes.

The Hon. the Speaker: It was moved by the Honourable Senator Fairbairn, seconded by the Honourable Senator Molgat:

That whereas section 43 —

Hon. Gildas L. Molgat (Deputy Leader of the Government): Dispense!

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

Some Hon. Senators: Agreed.

Hon. Heath Macquarrie: On division.

Motion agreed to and Constitution of Canada amended, on division.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—ORDER STANDS

On the Order:

Resuming the debate on the motion of the Honourable Senator Gigantès, seconded by the Honourable Senator Cools, for an Address to His Excellency the Governor General in reply to his speech at the Opening of the First Session of the Thirty-fifth Parliament.—(*8th and last day of resuming debate*)

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, this will be the last day for this debate. I understand that there is an honourable senator who still wishes to speak.

Hon. Eric Arthur Berntson (Deputy Leader of the Opposition): Yes, tomorrow.

Senator Molgat: We will then stand the order and presumably the honourable senator will speak on it tomorrow.

Order stands.

MERCHANT NAVY VETERAN AND CIVILIAN WAR-RELATED BENEFITS ACT

BILL TO AMEND—SECOND READING—ORDER STANDS

On the Order:

Resuming the debate on the motion of the Honourable Senator Marshall, seconded by the Honourable Senator Lavoie-Roux, for the second reading of Bill S-4, to amend the Merchant Navy Veteran and Civilian War-Related Benefits Act.—(*Honourable Senator Molgat*)

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, when I adjourned this debate, I commented on certain problems I saw with the bill. I have received a memo from Senator Marshall indicating that he will be proposing changes to the bill.

I was prepared to speak on it this evening, but in view of his absence, and as a courtesy to him, I will stand the order until tomorrow.

Order stands.

SCRUTINY OF REGULATIONS

FIRST REPORT OF STANDING JOINT COMMITTEE ADOPTED

The Senate proceeded to consideration of the first report of the Standing Joint Committee for the Scrutiny of Regulations, presented in the Senate on March 17, 1994.

Hon. P. Derek Lewis: Honourable senators, I move the adoption of this report. In doing so I should like to say that, in its form and content, this report is similar to reports that have been made by this committee in the past.

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

Hon. Senators: Agreed.

Motion agreed to and report adopted.

BANKING, TRADE AND COMMERCE

REPORT OF COMMITTEE ON REGULATIONS PROPOSED TO THE EXPORT DEVELOPMENT ACT ADOPTED

The Senate proceeded to consideration of the third report of the Standing Senate Committee on Banking, Trade and Commerce (Study re: Export Development Act), tabled in the Senate on March 15, 1994.

Hon. Michael Kirby, Chairman of the Standing Senate Committee on Banking, Trade and Commerce, moved the adoption of the report.

He said: before we vote on the motion, I should like to say a couple of words about the report because it establishes an

interesting precedent for the Standing Senate Committee on Banking, Trade and Commerce which I would hope we could continue to pursue in the months and years ahead.

Last May the committee, and subsequently this chamber, passed Bill C-118, to amend the Export Development Act. That act substantially broadened the powers of the Export Development Corporation, giving the corporation a mandate to support international exports for expansion of Canada's export trade. The word "support" replaced "facilitate," which is a more narrowly defined legal word.

At the time the bill was before the Standing Senate Committee on Banking, Trade and Commerce, it was very clear that there was a clause in the bill which said that a significant amount of the constraints which would be placed on the Export Development Corporation would be established by regulation. The regulations were not ready at the time the committee was considering the bill. Therefore, we had some difficulty deciding whether the bill was a particularly good or bad one.

At the time the Honourable Michael Wilson, then Minister of International Trade, volunteered to the committee, in a sort of precedent-setting offer, that prior to the regulations being put into force and after they had been published in the *Canada Gazette*, he would institute a period of delays so that the committee could hold hearings on the regulations. This would result in businesses affected by these regulations having an opportunity to appear before the committee and the committee would, in turn, have an opportunity to give the government advice on whether or not the regulations should be amended.

An election intervened, the regulations were published in the *Canada Gazette* and the new Minister of International Trade, the Honourable Roy MacLaren, continuing the offer that Mr. Wilson had made, said to the committee, "I will not put the regulations governing EDC into effect until such time as the committee has held hearings."

We held those hearings about three weeks ago, focusing on two specific issues. One of these issues related to the extent to which EDC would provide commercial bank financing for companies doing business in Canada; companies that might only be peripherally involved in the export business. The second issue related to the concerns of the insurance industry. They felt that EDC was substantially increasing the range of insurance products it could provide to its customers.

One reason the government was anxious to have us proceed with these hearings was the very clear and almost diametrically opposed points of view between EDC on the one hand and the banking industry on the other, and between EDC and the insurance industry, each with respect to a different set of regulations.

The committee held hearings, and we then took the unusual step of encouraging an element of dialogue between the conflicting parties before we made our ultimate recommendation to the government. Accordingly, the report which I am asking the Senate to adopt tonight contains two or three major changes to the regulations which the government had originally published in the *Canada Gazette*. It is my understanding that, in fact, the government will adopt the changes to the regulations which the Banking, Trade and Commerce Committee is proposing.

I draw this to the attention of honourable senators, not because I think you necessarily want to get involved in the nuances of what the banking and insurance industries liked or did not like, but because this is a new and important area in which the Senate can become involved.

Here we have a situation where, in a technically complex area, we did not follow the traditional method whereby the government simply proclaims a set of regulations and immediately puts them into effect without seeking an opinion from anyone. In this case, both the Conservative administration and the present Liberal administration asked the Senate Banking Committee to hold the hearings. In effect, what was said by the ministers was that they would take our point of view very seriously. They will, in fact, adopt the changes we made.

Honourable senators, speaking not only on behalf of the Liberals on this committee but also on behalf of the Conservatives there, this is an area which we hope to continue to study. There are a myriad of regulations which governments are constantly imposing upon the business sector. It is our hope that we could hold subsequent hearings when regulations are initially put forward in draft form, particularly in major regulatory areas, with a view to presenting to the government the opinions of the committee as developed on the basis of public hearings.

This could be an important role for the Senate, providing a point of view on issues upon which the government, until now, has not really focused. Previously, governments have simply proclaimed regulations with some minor consultation process but no formal public process. I would hope, honourable senators, that the business of holding hearings on major regulatory areas affecting the business community can become an element of focus for the Banking Committee in the years ahead.

Having said that, honourable senators, I reiterate that I move the adoption of this report.

Motion agreed to and report adopted.

THE BUDGET

STATEMENT OF MINISTER OF FINANCE—DEBATE CONTINUED

On the Order:

> Resuming the debate on the inquiry of the Honourable Senator Phillips, calling the attention of the Senate to the Budget Statement made by the Minister of Finance, on Tuesday, February 22, 1994.—(*Honourable Senator Kinsella*).

Hon. Eric Arthur Berntson (Deputy Leader of the Opposition): I request that this order stand.

Hon. H. A. Olson: Honourable senators, this debate was adjourned by Senator Kinsella. Would honourable senators agree to my making a few comments at this time?

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

Hon. Senators: Agreed.

Senator Lynch-Staunton: With the appropriate preamble.

Senator Olson: Honourable senators, the preamble will be very short. I had no intention of getting into the debate on the budget, and I suppose I would not have done so except for the problem that Senator Murray raised when he made his speech on this same item on Wednesday, March 16. That speech is almost incomprehensible. It is impossible to read that speech and follow the convoluted reasoning which went into the construction of it.

Let me explain why. Senator Murray says some things, and I do not want to be unfair so I will quote him directly from page 208 of the *Debates of the Senate*, where he is speaking about the last budget in April of 1993:

> Much of this is due to slower economic growth and lower revenues, but some of it, again, is part of Mr. Martin's numbers game.

This is the first time that Senator Murray introduces that term, "numbers game," but he uses it again and again in this speech. I quote again from the same page:

> The government inflated the 1993-94 deficit in the hope that against this benchmark their subsequent efforts would appear to have been effective — indeed, heroic.

That is what Senator Murray said. He goes on, on the same page, next column:

> The government is getting a reputation for playing the numbers game.

My question is, who is giving it that reputation?

Hon. Lowell Murray: Read the quotation from *The Ottawa Citizen* that follows that comment.

Senator Olson: Here is the quotation that Senator Murray would like me to read:

> Paul Martin has gone from padding the deficit to padding the unemployment rate, in what appears to be a two-pronged political ploy to paint the Tories in the worst possible light and the Liberals in the best.

Is that fair? That is what was said.

I want to be sure that Senator Murray understands that I do not want to say a lot of things. However, when I began my remarks I said that there was a convolution of some kind, a convoluted reasoning.

After Senator Murray accuses the Liberal Minister of Finance of doing these things, he returns to the old argument on the next page:

> In 1987-88 we turned around an operating deficit which had been incurred every year for 12 fiscal years under our predecessors.

That was the Conservative government of the day, in case anyone does not understand what that means.

> For the next six years we achieved an operating surplus every year including 1992-93...

How did he get there? This is where we get to the "convulsions."

> ...until Mr. Martin's retroactive accounting change wiped it out with the stroke of a pen. We did this by holding down growth in program spending. It is noteworthy that during that time we never failed to achieve our annual program spending targets.

That is what Senator Murray said.

I do not know who on the Tory side invented it, but I am absolutely certain that there is no accountant who would ever invent a reasoning or an argument to leave out certain expenses — in this case, the national debt charges — and to do the accounting with all the revenue against what they call program spending. Every government that has ever been in office in Canada, or in any one of the provinces, has always included the debt service charges as part of the expense of running the government, of running the public accounts, of running the whole business of a government for a province or a country.

• (2130)

Senator Murray is trying to perpetuate the myth that somehow they created surpluses. Who was to pay the debt service charges if not you, the government of the day? I think it is fair to say that that was $32 to $38 billion every year while the Tories were in office, but they did not include it in their accounting because it did not fit in with something called "program spending."

Senator Murray: Mr. Martin makes the same distinction several times. He refers to program spending and to the interest on the debt.

Senator Olson: Part of the reason I am making this speech now is that I think the Canadian people have the right to know that there is not some fairy hovering about who will pay the debt service charges. The government will take that money out of the consolidated revenue fund, along with all the other expenses, or it will not be paid at all.

I was looking in the dictionary. I brought one with me, a rather big one with a lot of words in it. I was trying to find some appropriate words to describe this kind of convoluted reasoning. Even the dictionary is unable to describe what Senator Murray was saying.

Senator Murray is not the first to say this. I do not like to talk about senators who have left our midst, but Senator Barootes used to make that same argument over and over again. We would ask him to explain how he could make those "convulsions," and of course he had a problem with that, to say the least.

I did say I would be brief, but I do want Senator Murray to know that it was a very bad habit, this trying to deceive the people of Canada into believing that you had anything near a surplus when you actually borrowed more money in the nine years from 1984 on than all the governments in previous Canadian history. We are not talking about just a little bit of money. When you took over in 1984, the total national debt was about $160 billion.

Senator Lynch-Staunton: What were the interest rates?

An Hon. Senator: It was $280 billion.

Senator Olson: That is not right. It was about $165 billion.

Senator Lynch-Staunton: What was the rate of inflation?

Senator Olson: When you left, it was almost $500 billion. That is a 300-per-cent increase. The Tories, in nine years, borrowed twice as much money as all previous governments, including the costs incurred by Canada in two world wars.

Senator Lynch-Staunton: What would it have been had you still been there?

Senator Olson: You should hang your head in shame for leaving that kind of legacy to the Canadian people. Your children and your grandchildren will be foregoing a very substantial part of their total income just to pay for that $300 billion or so that you added to the national debt in nine years.

You almost get a feeling of outrage when you look at it, and some people do. That is how bad it is.

Senator Molgat: Now they're pretending it's not true.

Senator Olson: But the figures are there.

Senator Murray got up and made that speech again. I thought perhaps that after you got out of office you would stop, but you still try to make people believe that that kind of accounting has some sort of validity. If you continue on that course, the Conservative Party will never have any credibility. The people do not buy that kind of argument. If you want my opinion, and I am sure you do, a big part of the reason you are reduced to two members in the House of Commons is that you tried to make yourselves believe that intelligent Canadians would buy that kind of reasoning.

I was almost shocked. I could not believe the Conservatives would keep on trying it again and again. I plead with members opposite to stop this, because first, you cannot get away with it and the people do not buy it; and, second, it leaves a distorted impression that is absolutely ridiculous.

On motion of Senator Berntson, debate adjourned.

TRANSPORT AND COMMUNICATIONS

MARINE SAFETY—COMMITTEE AUTHORIZED TO EXAMINE ROLE OF LIGHTSTATIONS

On the Order:

> Resuming the debate on the motion of the Honourable Senator Carney, P.C., seconded by the Honourable Senator Kinsella:
>
> That the Standing Senate Committee on Transport and Communications be authorized to examine the mandate of the staffed lightstations on the west coast to determine whether their role should be expanded to accommodate the increase in the number of marine users, in light of the expansion in the number of recreational users, keeping marine safety in mind, and the current restructuring of the Canadian Coast Guard; and
>
> That the committee presents its report no later than December 31, 1994.

Hon. Philippe Deane Gigantès: Honourable senators, I am in agreement with Senator Carney. It is a precarious existence to be at sea in a storm. The people navigating a vessel are right to be scared and to worry about automatic devices that do not always work. You might run a large oil tanker on to some rocks and have another *Exxon Valdez*, even though the crew may be sober.

I believe Senator Carney is right. We should ask the Standing Senate Committee on Transport and Communications to look into this matter of manned lightstations.

Motion agreed to.

The Senate adjourned until tomorrow at 2 p.m.

THE SENATE

Tuesday, March 22, 1994

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

Prayers.

SENATORS' STATEMENTS

CHINA-CANADA RELATIONS

HUMAN RIGHTS ISSUES—GOVERNMENT POSITION

Hon. Consiglio Di Nino: Honourable senators, I have missed several days of this sitting and feel it only proper to account for my absence. For the fifth time, on a personal trip, I was on the other side of the world participating in the search for hope and freedom among the people of a proud and ancient culture.

Only hours after having participated in the World Parliamentarians' Convention on Tibet, attended by some 40 parliamentarians from 25 countries and dealing with Tibetan issues and the brutally repressive treatment of Tibetans by the occupying Chinese forces, I read on the front page of *The Globe and Mail* of Saturday, March 19, the comments of Canada's Prime Minister on the cowardly and hypocritical stance of his government on human rights issues in China.

The conference heard a litany of examples of human rights abuses and denials of freedoms in China, and particularly in Tibet; abuses well documented by the U.N., international human rights organizations, and official parliamentary fact-finding delegations from several countries.

When I first read Mr. Chrétien's comments, I felt a strong sense of shame, quickly followed by an even stronger sense of outrage. These comments from the head of government of a nation that is one of the world's most respected defenders of human rights and freedoms disgraces Canada's long and proud tradition in the defence of the self-respect and dignity of every human being in every corner of the globe. This is not the tradition of his predecessors, who left him a legacy of courage and determination as staunch defenders of the rights of those who cannot defend themselves.

Honourable senators, what kind of message is Mr. Chrétien sending the millions of oppressed and downtrodden peoples of the world in their quest for minimal and most basic rights? What kind of message is Mr. Chrétien sending to Amnesty International, Asia Watch, and others, about Canada's support for their struggles? What kind of message is Mr. Chrétien sending the Chinese dissidents inside and outside China who are putting their lives at stake on behalf of millions of their brothers and sisters who are even today being persecuted? Has Mr. Chrétien ever heard of David and Goliath? Has Mr. Chrétien ever heard of Tiananmen Square? Or is he suffering from convenient memory loss? Has he ever heard of leadership?

Honourable senators, there are ways to do business with a nation while at the same time taking tough and courageous positions on certain issues with that nation's government. But history has shown that Mr. Chrétien will dodge tough issues. Sadly, this is but another example, only a most tragic one.

Mr. Chrétien does not speak for me, and I fervently believe he does not speak for the majority of his party or the majority of Canadians. Canada has been universally recognized as one of the strongest beacons, sending the world a powerful message of hope for all those who have been denied. Canada has always been praised for its exemplary leadership on difficult issues of freedom and dignity, and prior Canadian governments have not been afraid to act unilaterally on issues of ethics and morality.

Honourable senators, I hope the Chrétien government has not extinguished that beacon of hope.

Some Hon. Senators: Hear, hear!

THE BUDGET

PROPOSED CLOSURE OF ROYAL MILITARY COLLEGE AT ST-JEAN

Hon. Noël A. Kinsella: Honourable senators, the media continues to publish varying accounts of the annual savings to be realized through the government's planned closure of the Royal Military College at St-Jean-sur-Richelieu. Much doubt has been generated as a result, and clarification should be given to demonstrate the government's claim that the closure of this college will result in an annual saving of $23 million. Honourable senators, even if this figure is correct — and I believe it is not — the threat to national unity which this measure entails does not justify what I believe to be an ill-advised decision.

Long before the various studies on bilingualism, including the royal commission, the reasons for establishing a military college for francophone and anglophone officers in a predominantly francophone cultural milieu were well understood. Those reasons are as valid today as they were in 1952 when the Collège militaire royal de St-Jean was opened.

Many colleagues in this chamber are aware that this decision is part of the newly elected government's first budget. Mindful of that, we are prepared to work on a collaborative basis to find creative and imaginative solutions to this question. I wish to build upon the declaration of our colleague Senator Gigantès, and responses to questions by the Leader of the Government in the Senate, that imaginative and creative solutions be found. However, those solutions must be such as to enhance and enrich our federalist vision of Canada as a great, bilingual country.

MERCHANT NAVY VETERAN AND CIVILIAN WAR-RELATED BENEFITS ACT—EFFECT ON PARALLEL LEGISLATION

Hon. Jack Marshall: Honourable senators, I thank Senator Molgat for adjourning the debate on Order No. 1 last evening, and although I may be pre-empting him at this stage in the process, I want to bring the matter of Order No. 1 to the attention of the Senate at this time in order to simplify the process.

When Senator Molgat adjourned the second reading debate on Bill S-4, to amend the Merchant Navy Veteran and Civilian War-related Benefits Act, he explained that he wanted to find out whether the proposed bill, if enacted, would have an impact on other legislation, which is reasonable. After Senator Molgat raised this question, I looked into the matter and I have since learned that clause 3 of the bill would indeed have an effect on the War Veterans Allowance Act. Although the title of that act refers to the veterans covered by the act as "war veterans," the term "war veteran" as such does not appear in the body of the act. Instead, the single word "veteran" is used throughout the act as a defined term.

Since the Merchant Navy Veteran and Civilian War-related Benefits Act is parallel legislation to the War Veterans Allowance Act, it would, on reflection, certainly not be appropriate to have merchant navy veterans referred to as "war" veterans in the statute that applies to them when all other veterans of World War I and World War II are referred to throughout the War Veterans Allowance Act simply as "veterans." Indeed, this would be contrary to the original intent of Bill S-4, the purpose of which is, as I stated on February 23, to establish and reinforce consistency between the two acts. My intention in so doing is to reinforce recognition of the contribution made by war-time Canadian seamen.

This, I believe, would be achieved by ensuring that each act uses the same wording when referring to Canadian veterans who, in both world wars and in the Korean conflict, were directly involved in war-related operations.

Such consistency would be achieved if both the long and short title of the Merchant Navy Veteran and Civilian War-related Benefits Act were amended by inserting in them the word "war" to qualify the word "veterans" in the long title, and the word "veteran" in the short title. No further change would be necessary.

• (1410)

In order to allay Senator Molgat's concern, I believe that the solution is to remove clause 3 from the bill, and I am prepared to move a motion to that effect, either at the third reading stage of the bill or in committee, should the bill be referred to committee.

ROUTINE PROCEEDINGS

THE ESTIMATES, 1993-94

REPORT OF NATIONAL FINANCE COMMITTEE ON SUPPLEMENTARY ESTIMATES (B) PRESENTED AND PRINTED AS APPENDIX

Hon. C. William Doody: Honourable senators, I have the honour to present the second report of the Standing Senate Committee on National Finance concerning the examination of Supplementary Estimates (B) laid before Parliament for the fiscal year ending March 31, 1994. I ask that the report be printed as an appendix to the *Minutes of the Proceedings of the Senate* of this day, and that it form part of the permanent records of this house.

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

Hon. Senators: Agreed.

(For text of report, see today's Minutes of the Proceedings of the Senate *p. 148)*

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

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

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS AND FEDERAL POST-SECONDARY EDUCATION AND HEALTH CONTRIBUTIONS ACT

BILL TO AMEND—REPORT OF COMMITTEE

Hon. C. William Doody, Chairman of the Standing Senate Committee on National Finance, presented the following report:

Tuesday, March 22, 1994

The Standing Senate Committee on National Finance has the honour to present its

THIRD REPORT

Your committee, to which was referred Bill C-3, An Act to amend the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, has, in obedience to the Order of Reference of Thursday, March 17, 1994, examined the said Bill and now reports the same without amendment.

Respectfully submitted,

C. WILLIAM DOODY
Chairman

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

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

LIBRARY OF PARLIAMENT

FIRST REPORT OF JOINT COMMITTEE PRESENTED

Hon. Anne C. Cools: Honourable senators, on behalf of Senator Riel, I have the honour to present the first report of the Standing Joint Committee on the Library of Parliament:

Tuesday, March 22, 1994

The Standing Joint Committee on the Library of Parliament has the honour to present its

FIRST REPORT

Your committee recommends that it be authorized to assist the Speaker of the Senate and the Speaker of the House of Commons in directing and controlling the Library of Parliament; and that it be authorized to make recommendations to the Speaker of the Senate and the Speaker of the House of Commons regarding the government of the Library and the proper expenditure of moneys voted by Parliament for the purchase of books, maps or other articles to be deposited therein.

Your committee recommends that its quorum be fixed at four (4) members, provided that both Houses are represented whenever a vote, resolution or other decision is taken, and that the Joint Chairmen be authorized to hold meetings to receive evidence and authorize the printing thereof so long as three (3) members are present, provided that both houses are represented; and, that the committee have power to engage the services of such expert staff, and such stenographic and clerical staff as may be required.

Your committee further recommends to the Senate that it be empowered to sit during sittings of the Senate.

A copy of the relevant Minutes of Proceedings and Evidence (*Issue No. 1*, First Session, Thirty-fifth Parliament) is tabled in the House of Commons.

Respectfully submitted,

HON. SENATOR MAURICE RIEL, P.C.
TED MCWHINNEY, M.P.
Joint Chairmen

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

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

BUSINESS OF THE SENATE

ADJOURNMENT

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, with leave of the Senate and notwithstanding rule 59(1)(*h*), I move:

That when the Senate adjourns today, it do stand adjourned until tomorrow, Wednesday, March 23, 1994, at one thirty o'clock in the afternoon.

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, may I ask a question of the Honourable Senator Molgat? May we assume that the government business coming to us before the end of week, when we are still expected to adjourn, is so light that we can afford to have a "short" Wednesday?

Senator Berntson: Where is Harvie Andre when you need him?

Senator Molgat: I appreciate the comment of my honourable friend. The situation is that the legislation is not moving through the House of Commons as quickly as anticipated. That is why I commented last night that the proposed schedule that I had mentioned to the Senate last week might not be followed. At the moment, I do not know exactly when the anticipated legislation will come to us.

I discussed the adjournment that I am proposing now with my honourable friends opposite. If committees had not been meeting, I would have proposed carrying on with the normal schedule. However, the Banking Committee is meeting tomorrow. The Governor of the Bank of Canada is to appear. It seemed to me, after discussion, that it would be better to proceed with that tomorrow rather than with a longer sitting of the Senate.

As soon as I have a better idea of what the House of Commons may send to us, I will advise my honourable friends.

Senator Lynch-Staunton: I hope we are not getting into a situation where the tail is wagging the dog — in other words, that the Deputy Leader of the Government is saying that, because committees have already scheduled meetings for Wednesday afternoon, we must adjust our schedule to theirs. I think it would be more appropriate for committees to ensure that the Senate need not sit for a full day on Wednesday before scheduling their meetings.

Senator Molgat: I understand my honourable friend perfectly, having made the same speech on numerous occasions from the side of the house on which he now sits. Obviously, the Senate must determine its own schedule, which is what we shall do.

However, the facts at the moment are such that I cannot guarantee what legislation we will have tomorrow. I believe it is an Order of the House that two financial bills will pass this evening. They could be given first reading tomorrow. With agreement, we could then move them forward and deal with them quickly. We will have to wait to see.

[*Translation*]

Hon. Jean-Maurice Simard: Honourable senators, regarding the matter of scheduling the business of the Senate, I would like the deputy leader not to take for granted the unanimous consent

necessary in this chamber to speed up certain procedures so that we may accomplish the task at hand. Unanimous consent may not be granted.

I, for one, will review each case individually. It will be my way to put pressure on the Chrétien government so that it speeds up the review of the issue of the Collège militaire de St-Jean. The Leader of the Government should take this notice into account even if I arouse the ire of some honourable senators on both sides of the chamber by encouraging the Senate to sit a few days longer. The government's reaction on this issue could probably change the way I proceed. You will have understood, honourable senators, that on this side of the chamber one must fight with the arms at one's disposal.

Hon. Gildas L. Molgat (Deputy Leader of the Government): I can assure Senator Simard that I never take anything for granted, no matter what the circumstances. Of course, senators are always free to agree or disagree with the government, and I respect their right to do so.

On the other hand, I will try to keep the Senate up to date regarding what I know and what we can expect, and it will be up to the honourable senators to decide.

Like Senator Simard, I spent several years in a provincial legislative assembly, and I know from experience that you can never take anything for granted.

[*English*]

Motion agreed to.

• (1420)

TRANSPORT AND COMMUNICATIONS

NOTICE OF MOTION TO AUTHORIZE COMMITTEE TO ENGAGE SERVICES

Hon. M. Lorne Bonnell: Honourable senators, I give notice that on Wednesday next, March 23, 1994, I will move:

> That the Standing Senate Committee on Transport and Communications have power to engage the services of such counsel and technical, clerical and other personnel as may be necessary for the purpose of its examination and consideration of such bills, subject-matters of bills and estimates as are referred to it.

PRIVATE BILL

CANADIAN ASSOCIATION OF LUTHERAN CONGREGATIONS—PRESENTATION OF PETITION

Hon. H.A. Olson: Honourable senators, I have the honour to present a petition from Garth Wagner of the city of Calgary in the province of Alberta and others, praying for the passage of an Act to Incorporate the Canadian Association of Lutheran Congregations.

VETERANS AFFAIRS

CANADIAN VIETNAM VETERANS' MEMORIAL—PRESENTATION OF PETITION

Hon. Jack Marshall: Honourable senators, I have the honour to table petitions with 580 names, showing the support of the people of Canada for the Canadian Vietnam veterans' national memorial.

Honourable senators, without going into the whole petition, perhaps I will read paragraph 3, which will explain the purpose of the petition:

> WHEREAS this memorial will be a fitting tribute to those courageous Canadian men and women who sacrificed their lives serving as members of the United States Armed Forces in Southeast Asia. The pain that is felt at the loss of lives in war may be eased by the knowledge that the deeds of those taken from us are not to be forgotten. For the devotion exhibited while in military service, each person whose name appears on the memorial deserves nothing less than our respect and admiration.
>
> WHEREFORE the undersigned, your Petitioners, humbly pray and call upon Parliament to urge the Government of Canada to provide a suitable site in the Nation's Capital.

QUESTION PERIOD

ATOMIC ENERGY OF CANADA LIMITED

APPOINTMENT AND COMPETENCE OF CHAIRMAN—GOVERNMENT POSITION

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, I do have a preamble to my question, but I am sure even Senator Olson would allow it since it is from his party's Red Book.

> ...the Conservatives made a practice of choosing political friends when making the thousands of appointments to boards, commissions, and agencies that the cabinet is required by law to carry out.... To fill the vacancies that remain, a Liberal government will review the appointment process to ensure that necessary appointments are made on the basis of competence.

That is from the Red Book which is still available, strangely enough, despite all its contradictions of reality.

I would ask whether the Leader of the Government can confirm that the appointment of Robert Nixon, a former leader of the Liberal Party of Ontario, former Treasurer of Ontario in its last Liberal government, longtime prominent, active and faithful supporter of the Liberal Party of Canada, as chairman of Atomic Energy of Canada Limited meets the criteria set out in the Red Book; namely that Mr. Nixon is not a political friend and that the appointment is based on competence.

In other words, does Mr. Nixon have the technical and professional background to be responsible for AECL, the second largest investor in Canadian research and development in corporate Canada, the designer and marketer of the world's best nuclear reactor, the producer of more than 75 per cent of the world's molybdenum-99, the designer and constructor of the world's largest and best commercial accelerators, and the employer of 4,300 Canadians, of whom 3,000 are directly involved in research and development?

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, the answer is yes. Mr. Nixon's competence is beyond question. Mr. Nixon's appointment is one of those which will do credit to the Government of Canada, the people of Ontario, and the people of Canada.

This is an important appointment. Mr. Nixon is an extremely qualified, experienced public servant, and his appointment will do this country a lot of good.

Senator Gigantès: And he is honest.

Senator Lynch-Staunton: Honourable senators, it may be that we are speaking of two different Robert Nixons. I would ask the Leader of the Government if she can confirm that this Robert Nixon, this distinguished, apolitical Canadian citizen of whom she speaks, is the same Robert Nixon who, on direct instructions from the Prime Minister, prepared a report to support foregone Liberal Party conclusions on what is known as the Pearson International Airport agreement? Is the new chairman of AECL not, perhaps, the same Robert Nixon who, without giving a single name, by innuendo and unsubstantiated allegations soiled the reputations of many individuals involved in the agreement?

And if both Robert Nixons are one and the same, what other conclusion does the leader suggest we come to, except that the closer the political friendship with the Liberal government, the greater the competency to do its will?

Senator Fairbairn: Honourable senators, there is one Robert Nixon who is a very dedicated —

Senator Lynch-Staunton: Liberal.

Senator Fairbairn: — public servant, a dedicated Canadian with great experience in the public sector.

Mr. Nixon performed a service to Canadians in his study on the Pearson International Airport. He was not instructed to come to conclusions. Because of his experience and his fairmindedness, he was given the assignment to review what clearly was felt to be a questionable arrangement.

I am surprised that the Leader of the Opposition would raise this matter, because that particular agreement on the Pearson International Airport, made in mid-campaign, was a rather sorry incident, and one that required a very close review by the government. Mr. Nixon did an extremely good job —

Senator Lynch-Staunton: A hatchet job!

Senator Fairbairn: — of reviewing that particular transaction. He came to a conclusion which is, I believe, supported by a vast majority of Canadians.

Senator Lynch-Staunton: Of Liberals.

ELECTORAL BOUNDARIES COMMISSION

SUSPENSION OF OPERATION UNDER PROPOSED LEGISLATION— GOVERNMENT POSITION

Hon. Gerry St. Germain: Honourable senators, this question is to the Leader of the Government in the Senate.

Honourable senators, under Bill C-18, the government will suspend the work of the Electoral Boundaries Commission for a period of two years. Knowing that 50 per cent of the $7.8-million budget has already been spent by the commission and that the existing electoral boundaries are based on the 1981 census and do not represent the current population trends in Canada, why is the government not proceeding with the redrawing of the electoral boundaries which would better ensure the appropriate representation of Canadians in the Parliament of Canada?

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, that is a bill which is now before the House of Commons. I believe it would suspend the operation of this review for 18 months, not two years.

At any rate, the honourable senator alluded to the findings of the Lortie commission. That, too, was conducted at an enormous public cost of, I believe, over $20 million. That commission made very important recommendations that have never been subjected to a proper study by Parliament into the whole question of representation in the House of Commons.

It is the government's view that the commission's work should be put aside for a period of time to enable a Parliamentary committee to conduct a study and to look into the suggestions of the Lortie commission. That is why Bill C-18 is currently before the House.

Senator St. Germain: Honourable senators, I have a supplementary question. First let me point out to the Honourable Leader of the Government that I did not make mention of the Lortie commission. Second, my understanding is that the term involved is two years, but I stand to be corrected.

Here is my basic question: If we do not act upon the findings of this commission now, and we postpone it for 18 months to 2 years, provinces such as British Columbia, my home province, will not have the benefit of redistribution before the next federal election, as I understand it. As a consequence, British Columbia, a province that has already been penalized by the Liberal government, will be further penalized. There is already a list of things that have taken place since you took office.

• (1440)

As a British Columbian, I feel that it is very important that we experience the benefit of proper representation in the House of Commons. I would urge the Leader of the Government in the Senate to make representations, and I would ask her if she is prepared to do so on our behalf, with respect to deliberations that I am sure will be taking place in cabinet.

Senator Fairbairn: Honourable senators, I will be pleased to convey to my colleagues Senator St. Germain's views on this issue. There is certainly no intent on the part of the government to penalize any province in Canada.

ATLANTIC CANADA OPPORTUNITIES AGENCY

FUTURE OF AGENCY—OBJECTIVES AND SCOPE OF GOVERNMENT REVIEW

Hon. Erminie J. Cohen: Honourable senators, I direct my question to the Leader of the Government. Since the honourable senator informed this chamber last night that the future of the Atlantic Canada Opportunities Agency and of the Western Diversification Program is assured, and because of the importance of ACOA to the Atlantic region, will the honourable senator state in specific terms the objectives and the scope of her government's review of ACOA?

Hon. Joyce Fairbairn (Leader of the Government): Thank you for the question, Senator Cohen. Perhaps you will understand if I say to you that I should like to take your question as notice and provide a detailed answer to it.

NATIONAL FINANCE

BANK OF CANADA RATE—EFFECT ON INTEREST RATES

Hon. Lowell Murray: Honourable senators, I want to ask this question only because Senator Olson is too shy to do so.

Is the Leader of the Government in a position to confirm a rather disturbing report I heard on the way in here today to the effect that the bank rate was set at more than half a percentage point higher at noon today?

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I regret to say I am not able to confirm that, but I will ask immediately.

Senator Murray: Honourable senators, at the rate they are going, it will not be long before we will be back to the historic Liberal highs of 18- to 20-per-cent interest rates. That is just a comment.

When the minister is enquiring into this matter, will she undertake also to get a statement from the bank or from the Minister of Finance as to the factors that are in play here? As it happens, there was a widespread expectation of an increase in the United States interest rates today, but that did not materialize. The governors of the "Fed," as it is called, apparently decided to leave interest rates at approximately their present level.

That being the case, I wonder what the Minister of Finance and/or the central bank have to say about the factors that are at play in today's increase in the Canadian bank rate.

Senator Fairbairn: Honourable senators, I would be glad to seek the views of my colleague the Minister of Finance. I think all of us in this house know that there has been general uncertainty within financial markets in recent days, so I would feel indefinitely more comfortable if I spoke to the Minister of Finance and obtained a response from him.

Senator Lynch-Staunton: Add more consultation. Form a task force.

CANADIAN BROADCASTING CORPORATION

EVALUATION OF OPERATIONS OF CORPORATION

Hon. Jack Marshall: Honourable senators, I have a question for the Leader of the Government in the Senate. *The Ottawa Citizen* today carries comments made by CRTC Chairman Keith Spicer that Canadians will not be content forever with today's CBC programming, however excellent it is. He also recommended that changing technologies and further cuts to the CBC subsidy require a complete evaluation of everything about the network.

Would the Leader of the Government ask her colleague in cabinet responsible for the CBC whether they are taking that comment to heart, and would they be considering an examination or evaluation of the entire operation of the CBC?

Hon. Joyce Fairbairn (Leader of the Government): I would be pleased to make that enquiry from the Minister of Canadian Heritage.

ORDERS OF THE DAY

CANADIAN FOREIGN POLICY

MOTION TO APPOINT SPECIAL JOINT COMMITTEE—DEBATE ADJOURNED

Hon. Joyce Fairbairn (Leader of the Government), pursuant to notice of Thursday, March 17, 1994, moved:

> That the Senate do unite with the House of Commons in the appointment of a Special Joint Committee of the Senate and the House of Commons to consider Canada's foreign policy including international trade and international assistance;
>
> That the document entitled: "Guidance Paper for the Special Joint Parliamentary Committee reviewing Canadian Foreign Policy," be referred to the committee;
>
> That the committee be directed to consult broadly and to analyze the issues discussed in the above-mentioned document, and to make recommendations in their report concerning the objectives and conduct of Canada's foreign policy;
>
> That the committee be composed of fifteen members of the House of Commons and seven members of the Senate;
>
> That the committee have the power to sit during sittings and adjournments of the Senate;

That the committee have the power to report from time to time, to send for persons, papers and records, and to print such papers and evidence as may be ordered by the committee;

That the committee have the power to retain the services of expert, professional, technical and clerical staff;

That the committee have the power to adjourn from place to place inside Canada and abroad and that, when deemed necessary, the required staff accompany the Committee;

That a quorum of the committee be twelve members, whenever a vote, resolution or other decision is taken, so long as both Houses are represented and that the Joint Chairpersons be authorized to hold meetings, to receive evidence and authorize the printing thereof, whenever six members are present, so long as both Houses are represented;

That the committee be empowered to appoint from among its members such subcommittees as may be deemed advisable, and to delegate to such subcommittees all or any of its power, except the power to report to the Senate and House of Commons;

That the committee or its representatives meet on occasions it deems fitting with the Special Joint Committee or its representatives charged with reviewing Canada's defence policy;

That the committee be empowered to authorize television and radio broadcasting of any or all of its proceedings;

That notwithstanding the usual practices of this house, if either the Senate or the House of Commons is not sitting when an interim report of the committee is completed, the committee shall deposit its report with the clerks of both houses; and said report shall thereupon be deemed to have been presented to both Houses;

That the ccommittee present its final report no later than October 31, 1994; and

That a message be sent to the House of Commons to acquaint that House accordingly.

The Hon. the Speaker: It is moved by the Honourable Senator Molgat, seconded by the Honourable Senator Fairbairn:

That the Senate do unite with the House of Commons —

An Hon. Senator: Dispense!

Senator Fairbairn: Honourable senators, before proceeding with the motion, pursuant to rule 31, I would ask leave to modify the motion by adding immediately after the fourth paragraph thereof the following:

That, notwithstanding rule 86(1)(*b*), the members to act on behalf of the Senate on the committee be the Honourable Senators Andreychuk, Bolduc, Carney, Gigantès, Kelleher, MacEachen and Perrault.

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

Hon. Senators: Agreed.

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

Hon. Senators: Agreed.

Senator Fairbairn: Honourable senators, once again I am pleased to speak to a motion for the creation of a joint committee, this time for the study of foreign policy for Canada. I think many senators will agree that it is appropriate to undertake a special review of our foreign policy in light of the many changes that have taken place in the world in recent years.

As has been noted here and in other places, the end of the cold war has opened up new areas of opportunity, but it has also exposed us and other nations to great risks. There are new levels of complexity in our relationships with other countries. The simple fact that our former adversary, the Soviet Union, now consists of several independent and very different countries is only the most obvious manifestation of that change.

While issues surrounding those countries in particular have been in our minds most recently, there have also been other changes in the international arena which make this review both timely and necessary. Not the least of those changes is the enormous growth in our interdependence as nations.

As a middle power with limited economic and military influence, a middle power with a small population living beside an enormous country with perhaps the greatest mass of power in the world, we have a special challenge in maintaining an independent point of view while still being an active member of the international community.

• (1450)

Canada, as all of us know, has traditionally filled that middle power role with great success and pride. We believe that Canadians want an active, independent, foreign policy, a policy that reflects our values and serves our interests as a nation. To produce such a policy, we believe that at this point in time, as has happened periodically in the past, we must again consult Canadians; in so doing we will fulfil one of our major campaign commitments in this area.

One aspect of that commitment to consult is already under way even today, and that is the occasion of the First Annual National Forum on Canada's International Relations. This forum, which is taking place at the Government Conference Centre, began yesterday and concludes today. It has brought together about

120 different participants, from business, labour, the academic community, nongovernmental organizations, aboriginal Canadians and the media, to offer their views and expertise on the directions which we should be pursuing. The views of the forum participants will be presented to the members of the joint committee as they undertake their own review of our foreign policy.

As my colleague the Minister of Foreign Affairs, the Honourable André Ouellet, has said in the other place, the forum and the work of the joint committee will certainly not be the last step in that consultative process. We want that process to continue, and we want the forum to examine ongoing issues as they develop.

As the motion before us today indicates, the Joint Committee on Foreign Policy will meet from time to time with members of the Joint Committee on Defence Policy. As I mentioned when I introduced the motion on defence policy last month, there obviously is a crossover between the two areas. The government considers it advisable to propose two separate joint committees, primarily because questions related to the development, the outfitting and the deployment of our forces at home and abroad are somewhat more specific and technical than the more general questions regarding our international outlook through our foreign policy. In addition, the findings of the Joint Committee on Defence Policy are intended in themselves to be the foundation of a government white paper on that particular subject. In both cases, however, the special joint committees are being asked to look at a list of issues and to report their findings within a few months. Those who serve on those committees will find them extremely action-oriented exercises. Members know that the Joint Committee on Foreign Policy is expected to report by October 31 of this year, while the Joint Defence Committee will report by September 30.

Honourable senators, I want to emphasize a point that has been raised by Senator Stewart. These joint committees are not intended to usurp or replace the ongoing work of the Standing Senate Committee on Foreign Affairs or, for that matter, the complementary committee in the other place. On the contrary, the work of the joint committee and its report next fall, I hope, will be extremely useful to the Senate committee in its studies.

Honourable senators, I would like to insert a personal comment here. I have read, as have many of you, the discussion in the House of Commons on this particular issue. The view was expressed by some members there that the Senate had no place in these discussions; that only the people who were legitimately elected had a responsibility to discuss and debate and to offer their experience and points of view on issues that go to the very heart of the security of our nation and its not inconsiderable role historically abroad. I simply want to say that I profoundly disagree with that point of view. I believe that this chamber and the members within this chamber have shown, time and again, through their committees and their studies, that the experience and the wisdom here is of tremendous importance to the shaping of these great issues in national public policy. I am glad that the Senate will play an active and important role on both of these committees.

Hon. Senators: Hear, hear!

Senator Fairbairn: Honourable senators, in many respects the history and geography of Canada have put Canadians in a unique position in the world. We have strong ties to our largest trading partner and closest neighbour, the United States. However, we also have very strong ties to Europe and Asia and we are building stronger links with the countries of South and Central America.

Some of the questions that need to be discussed at this point in international affairs are: How can we assist the continuing movement towards greater democracy and market economies in the former Soviet Union and Central and Eastern Europe? How can we manage our relationship with the countries of the European Community as they move toward a greater degree of integration? How can we manage our response to the increased globalization of corporate activity in world markets and the impact that that is having on investment as well as on technological and financial linkages? How can we participate in the establishment of the World Trade Organization that will implement the new trade and investment agenda set out by the Uruguay Round of multinational trade negotiations? What should our role be — and this question has been asked over and over again in recent weeks and months — in the United Nations as it takes a more active position in directly addressing issues such as the famine in Somalia, the Gulf war and the situation in Bosnia, in which Canada has been a competent and dedicated player?

At the same time as we are reviewing our overall directions, we must also continue to be participants in world events. To that end, senators will know that the Prime Minister took part in the recent NATO summit in Europe. He will attend the annual G-7 Summit in Italy this summer, and in the fall he will attend the summit on Asia-Pacific Economic Cooperation or APEC, the summit of the Organization of America States and the Conference on Security and Cooperation in Europe.

• (1500)

It is important to note that as we set out to review all aspects of our foreign policy, the objective is not to reinvent the wheel; rather, the objective is to capitalize on the special place we have created for ourselves in the world and the respect we have earned throughout a history of active involvement in international events. Democracy, respect for human rights, the Rule of Law, the freedom of movement of goods and people, equality of opportunity, these are some of the values I believe Canadians share and want to see reflected in our foreign policy.

In particular, honourable senators, the committee will be asked to look at our assistance to other countries and how more of that assistance can be channelled to meet basic human needs, environmental sustainability, the alleviation of starvation and poverty, and other initiatives which encourage human development. For example, how can we respond more effectively to the increase in issues that cross national borders, such as persistent poverty in developing countries, the increasing

movement of peoples, environmental degradation, international lawlessness, international health and education concerns? These and many other issues and questions, which will form the substance of the committee's deliberations, are outlined in a document entitiled: "Guidance Paper for the Special Joint Parliamentary Committee Reviewing Canada's Foreign Policy." I should like to table that paper at this time.

Honourable senators, I hope senators on both sides of the chamber will support this motion, thus allowing honourable senators to assume an active and important role in shaping Canada's foreign policy for the coming years.

Some Hon. Senators: Hear, hear!

Hon. Jack Marshall: Honourable senators, while I agree with everything the Honourable Leader of the Government has said, under what strategy was it proposed to strike two committees, one on defence policy and one on foreign affairs? Those subjects are intertwined. Past history shows that the Standing Senate Committee on Foreign Affairs under Senator Stewart and the Subcommittee on Security and National Defence under Senator Balfour were intertwined. Why have two committees tax the staffing resources of the House of Commons and the Senate? What is the purpose?

Senator Fairbairn: Honourable senators, there was a great deal of discussion and thought among colleagues in the government when the question of the review was addressed shortly after the election. It was concluded that although the two issues obviously intertwine at certain points — and this will be reflected in the work of the committees, because at times they will work jointly together — the task of the defence committee was specific, and therefore the two committees should divide their work, set out their areas of study, and then come together when issues warrant.

The committees will have different agendas; they will operate in different ways. That was the conclusion drawn by the Prime Minister and ministers involved.

Senator Marshall: In past joint committees, the Senate has always been subservient to the House of Commons. You mentioned an example of immaturity in that someone said that senators should not be on the committee because they were not elected. That shows the immaturity and childishness of some members in the other place. Why should there not be an equal number of senators as members from the other place, and co-chairmen rather than a deputy chairman from the Senate? Should we be subservient to the other place?

The work of the Senate committees on defence and foreign affairs has been hailed across the country. Why should we not stick out our chests and say "Who do they think they are?"

Senator Fairbairn: Honourable senators, I do not believe we are in any way subservient to the House of Commons with respect to these committees. Other senators who have been here longer than I can perhaps correct me, but in very many of our joint committees there is a different balance of membership. There are co-chairpersons for both committees. There will be co-chairmen, one from the House of Commons and one from the Senate. That is very important. Indeed, we worked very hard to get a better balance of membership on these committees than perhaps there has been in the past.

Senator Marshall: Senator Stewart could teach them more than they will ever know.

Senator Fairbairn: I would agree with that.

Hon. B. Alasdair Graham: Honourable senators, with respect to the membership of the committee, Senator Marshall suggested that there is an imbalance, despite the assurances of the Leader of the Government in the Senate that, officially, we do have co-chairs. How will budgetary matters relating to the operation of the committee be handled? Will they be handled on a 50/50 basis or a one-third/two-thirds basis? Could you provide us with more information in that respect?

Senator Marshall: That is a good question.

Senator Fairbairn: Regrettably, Senator Graham, I do not have the details for you. Under normal circumstances, it would be one-third/two-thirds. I would be glad to seek out the exact ratio and report back to you.

Hon. John B. Stewart: Honourable senators, those of us who have had an opportunity to look at the document tabled by the Leader of the Government entitled, "Guidance Paper for the Special Joint Parliamentary Committee Reviewing Canada's Foreign Policy" are all impressed by the inclusiveness of that guidance paper. No subject has been ignored therein. I believe there is no mention of outer space, but beyond that, almost everything else is included.

Senator Lynch-Staunton: Or the polar ice cap.

Senator Molgat: Are you proposing an amendment?

Senator Marshall: Go ahead. I would second that motion.

Senator Stewart: Yet, we are told that this committee is to report within a few months.

The committee will examine Canada's policy in relation to international trade, Canada's policy with regard to international assistance, Canada's policy with relation to the United Nations, and Canada's policy with regard to other alliances and defence arrangements.

Honourable senators, how can all of this be done in the way it ought to be done before the deadline? Or will the committee concentrate on those aspects of its mandate which seem to be most urgent, with the thought that the committee will come back to the two Houses and ask for an extended mandate to deal with the other matters? How much thought has been given to the timetable of the special joint committee in view of the fact that its waterfront is so very broad?

• (1510)

Senator Fairbairn: I do agree with you, Senator Stewart, that the waterfront is broad, as demonstrated in this document.

Perhaps you will appreciate my reluctance to get into any discussion of how priorities might be set within the joint committee. That is the responsibility of the membership of that committee. I do know that the intention is for the committee to work, not at a leisurely pace, but at an intensive pace with this October deadline in view.

I cannot enlighten you on whether the committee will decide at the end that it needs an extension. I cannot comment on that. I am sure that during the period of hearings and the period of deliberations every effort will be made to cover, if not every position, certainly the groupings of issues that are in this guidance paper. It is indeed a guidance paper to be of assistance to the committee as it charts its course and its work. How the committee chooses to set the priorities of the issues is really up to the members of the committee.

On motion of Senator Lynch-Staunton, debate adjourned.

SPEECH FROM THE THRONE

ADDRESS IN REPLY ADOPTED

On the Order:

> Resuming the debate on the motion of the Honourable Senator Gigantès, seconded by the Honourable Senator Cools, for an Address to His Excellency the Governor General in reply to his speech at the Opening of the First Session of the Thirty-fifth Parliament.—(*8th and last day of resuming debate*)

Hon. W. David Angus: Honourable senators, apart from a brief question several weeks ago, this is the first time I have had the privilege of speaking in this chamber since my swearing in last June 15. I rise to do so today with pride and pleasure, but also with humility and trepidation, being respectful of this institution's great history and traditions and conscious of my own status as a genuine senatorial neophyte.

Since I first took my designated Tory seat here on the Liberal side of this chamber, I have been encouraged and inspired by the friendly welcome all honourable senators have accorded me. Thank you all for that.

As well, I have benefited from, and been truly grateful for, the helpful and understanding direction and guidance I have received from the Senate's professional and cooperative officers and staff.

I extend special thanks to my friends Senator Lowell Murray and Senator John Lynch-Staunton for their kindness, reassurance and generosity to me, not only on swearing-in day, but also during my first several uncertain days in these then unfamiliar surroundings.

[*Translation*]

Also, I wish to thank sincerely my friend and associate Senator Maurice Riel, former Speaker of the Senate, and Senator Marcel Prud'homme, a former colleague in the University of Montreal parliament — some 25 years ago — for their warm words of welcome when I took my seat.

[*English*]

To the many other such expressions already accorded to them, I am happy to add my own sincere congratulations to His Honour on his well-deserved accession to his new position of honour, prestige and responsibility, and to the Honourable Senators Joyce Fairbairn and John Lynch-Staunton upon their becoming Leader of the Government and Leader of the Opposition in the Senate, respectively. I wish all three of them much wisdom, cooperation and success as they carry out their key leadership roles during this critical period in the Senate's history.

Following my appointment to this place, I had occasion to consult briefly with my eminent predecessor, who was the Quebec senator from the district of Alma for 38 years. I speak of the Honourable Senator Hartland de M. Molson. I consulted him on the current state of the Senate and sought his counsel in my capacity as a new and enthusiastic, but thoroughly inexperienced, senator. He expressed to me several deep and substantial concerns about changes that he felt had occurred here in recent years.

This will come as no surprise to you, honourable senators, given that when he announced his resignation as dean of the Senate here last May 26, just three days short of his 86th birthday, Senator Molson referred to these changes, stating that some of them had left him with a "sense of regret and disappointment." He observed that there had been "a very obvious deterioration in the atmosphere of the house...with a substantial, almost catastrophic, decrease in public respect and support."

What he deplored the most to me, honourable senators, was his sense that basic good manners and heretofore mutual respect and decency among senators had deteriorated substantially in recent years. Not wont to using hyperbole or misplaced emphasis, I have no doubt Senator Molson knew whereof he spoke. His sage suggestion to me was that, if Senate reform is to succeed, if we wish to make a difference in building the future Canada, we must, as a first step, start acting with more dignity at the human level.

Honourable senators, we might do well to recall Senator Molson's admonition when we sense that our enthusiasm over some partisan or other point is starting to get the better of us.

At this point, honourable senators, I wish to record a brief word of tribute and thanks to Senator Molson. We can all learn a great deal from this remarkable Canadian who has devoted so much of his life, both in peacetime and in wartime, to distinguished public service in this nation. He is a unique individual who has been able to combine his qualities as a patrician gentleman of high intelligence and talents with a real zest for life and living, a quixotic sense of humour, humility, tolerance, compassion for and understanding of his fellow human beings and a responsible but self-effacing sense of public service and duty.

Senator Molson is a discreet, modest and private individual whose quiet and often anonymous eleemosynary works and activities are legion in this country. As well, he is tough-minded, courageous, loyal and of strong moral and physical fibre. He is a man you would always want to have on your side, whether in wartime or at the Montreal Forum cheering on your favourite hockey team. The Senate is surely a better place for his having been here. Let us heed his counsel and not disappoint him.

I am here because I love Canada, Canadians and the Canadian way of life. I am also here because I earnestly wish to contribute to and participate in this nation's economic renewal, the national reconciliation of our profound regional and cultural diversities and the Canadian people's adaptation to fundamental change, all of which are so necessary if our wonderful country is to flourish and prosper, and remain independent and free in the twenty-first century and beyond.

Canada is characterized by extraordinary regional, social, cultural, geographic and economic disparities. We have become a truly pluralistic society and are becoming more so almost every day. These features are not liabilities; they are assets, and they are strengths which distinguish us from other nations. We must preserve these assets by continual accommodation, combined with sensitive mutual understanding and respect amongst our various regions and peoples.

[*Translation*]

I have been living in "la belle province" for 48 years. My family and I moved there in 1946, after some short stays in Toronto, where I was born, and later on the coast in Chester, Nova Scotia and Shediac, New Brunswick, during the last world war. I consider myself a Quebecer.

[*English*]

• (1520)

I am one of that diminishing species, honourable senators, an English-speaking Quebecer; an anglophone.

[*Translation*]

Honourable senators, I had the good fortune to be in a situation where I learned to know my French Canadian compatriots and was able to discover, appreciate and respect their way of thinking, their concerns and their aspirations.

In my opinion, all — or at least the vast majority — are proud Canadians who would not support, or even consider, separation unless provoked or frustrated beyond reason, to the extent that if a referendum were held, their decision would be based more on emotional considerations than on logic and reason. They are sensitive and sensible, with a wealth of common sense and insight, and they can usually be counted on to make the right decision in the crunch.

[*English*]

They will be there in the crunch, honourable senators. French Canadians, at least the ones I know — and I intended to address this to the Honourable Senator Thériault — are a loyal, passionate and creative people who understandably revere their language, their culture, and their distinct status as guaranteed at the time of Confederation. To accommodate their legitimate aspirations is not, in my respectful view, an unreasonable price to pay to preserve the integrity of our country.

[*Translation*]

Acts of provocation like the rejection of Meech Lake and the untimely decision to close the Collège militaire in St-Jean are imprudent, and do not contribute to the national reconciliation we would like to see. I share the concerns of my colleagues Senators Rivest and Beaudoin and other honourable senators, who during the last few days have appealed for prudence in this house. In Quebec today, we have a situation that is potentially unstable.

[*English*]

I would thus urge the government to keep the national unity file open and on the government agenda, in lieu of ill-conceived and poorly timed shut-downs of highly visible and symbolic institutions.

Over the past 35 years, but more particularly in the last decade, we have witnessed rapid and almost unbelievable change at all levels in Canadian society. This has not been exclusive to us, but rather has been part of a global phenomenon brought about by the "shrinking of the world," the development of the "global village," the communications revolution, and all of the other related, extraordinary technological breakthroughs. For example, today "information superhighway" are buzzwords. It is difficult to imagine that only two or three years ago the expression was virtually unknown.

Our most basic institutions and values are being affected, questioned and challenged. Canada's legal and constitutional framework is being critically tested over and over again; our educational and health systems now are feeling remarkable pressures. Much of the infrastructure and the technology of our natural resources and other basic industries has become obsolete. Our economy has been, and continues necessarily to be, restructured; old alliances and mutual support systems between the regions have broken down; international trading patterns have been revolutionized and our transportation network is in total disarray. Canadians are being called on daily to meet enormous challenges involving the need to adapt to fundamental change at all levels of society; challenges which involve as well finding a way to maintain the underlying fabric which is Canada — respecting and supporting each other as we go forward together, still accommodating and compromising from time to time, as is necessary in the interests of national survival and integrity.

As I indicated earlier, the Senate has not been exempt from the stresses of change. We too must meet the challenges which beset this institution. We must adapt to the changing times and adjust to the new order of things in a responsible and effective fashion so that, as in the past, this unique element of our Parliament can enjoy the trust, the respect and the confidence of the Canadian people and play a role — perhaps different, but useful and significant — in the positive growth and development of Canada into the twenty-first century and beyond.

Honourable senators, I hope you will not find it overly presumptuous of me, as a new senator, to say that I have been most encouraged these past few months to observe here, on both sides of the chamber, a genuine will to meet these challenges, a spirit to reform and preserve this fine institution and to have it regain the public respect and confidence it so evidently has lost. This spirit will, I trust, be maintained and nurtured. In this regard, I heartily subscribe to the message so articulately expressed in Senator Ghitter's February 9 contribution to this Throne Speech debate, especially when he summed up on Senate reform with the following words:

> We are focusing on the wrong issues. We should be focusing on ways to get better people into political life, people of background, talent, wide experience and business acumen. Our parliamentarians are running the biggest enterprise in Canada. We have the challenge of dealing with a debt of half a trillion dollars. We must spend less time fighting each other on issues of little consequence or financial moment and more time building up our institutions and the people who serve them.

Honourable senators, I have mixed feelings about the Speech from the Throne, and will be observing with much interest as the government attempts to flesh out or provide some substance around what was very much a thin or bare-bones listing of alleged policy objectives. Like Senator Ghitter and several other honourable senators who have spoken before me in this debate, I applaud the government's commitment to enhance the credibility of Parliament. My earlier comments about what we can do, and seemingly have already started to do in the Senate reflect this. Also, I am encouraged that the new government claims to be focused on preparing Canada and Canadians for the new century which will soon be upon us.

In this regard, I sincerely hope the government will pursue and build upon the important initiatives begun through the difficult but correct decisions taken by the previous government led by the Right Honourable Brian Mulroney. So far, I have detected some positive signs that it will. After much initial negative rhetoric before, during and immediately after the election campaign, the Liberals now appear to have recognized the many virtues of those decisions, and the profound importance for the future of Canada and its people of the free trade agreement with the United States and of NAFTA. As well, the Liberals seem now to acknowledge the importance for Canada of having finally joined the Organization of American States and thus becoming a full-fledged player in the social, cultural and economic interaction within our own continent and on the north-south axis.

As to Canadian-American relations, I submit, honourable senators, that one of the Mulroney government's truly outstanding and necessary accomplishments was to re-establish open, civil and pleasant relations with our good friend, neighbour and key trading partner to the south. By the early 1980s, Canada's relations with the United States and its peoples on many levels was in a deplorable state. In some major international matters of mutual concern, we were not even being consulted by the Americans, and the atmosphere between our senior government people and departments was cordial but frosty and strained, at best. Prime Minister Mulroney and his government addressed this pitiful state of affairs right from the outset as a priority foreign policy issue. This was carried out in a determined and professional manner, not in an obsequious or kowtowing manner, as the naysayers, cynics, ultra-nationalists, and political opportunists would have us believe. The result is a happy one indeed, for today Canada and the U.S. are working positively and openly together on a wide range of common issues —

The Hon. the Speaker: Honourable senators, I am reticent to interrupt an honourable senator when he is making his maiden speech, but the rules oblige me do so. However, anyone who has lived in Shediac should be entitled to have a chance to conclude.

• (1530)

Senator Angus: I thank honourable senators for their consideration. I will try to be brief.

The result of this improved relationship with our neighbour to the south has had a happy result, for today Canada and the U.S. are working positively and openly together on many issues. The mistrust and negative Big Brother attitude have disappeared and have been replaced by a spirit of cooperation, mutual respect and constructive understanding. This augurs well for the future. We should all hope that this government will nurture and sustain this most valuable relationship.

As I conclude, honourable senators, I come to one of my great disappointments with the Speech from the Throne. Although the government's agenda is said to be based on an integrated approach to economic, social, environmental and foreign policy, there is no mention whatsoever — not a word — about Canada's troubled transportation system, or of any plans or policies to deal with it. Canada has developed and become strong and prosperous in no small way as a result of its vast transportation network on land, at sea and in the air. The massive infrastructure that was built up includes great railway lines, maritime ports and terminals, grain elevators, shipyards, airports, the St. Lawrence Seaway, huge roads and highways, bridges and tunnels. These have all contributed to the growth of our nation.

Honourable senators, the system is fast becoming dysfunctional. It is deteriorating. In some cases it is becoming obsolete. In others it is needing to be closed down because of better and more cost-effective and competitive alternatives elsewhere, usually in the U.S. Canada has sadly neglected its transportation sector. Repeated warnings have not been heeded. If something is not done immediately, we are in danger of not having a viable and competitive system for moving our goods in international trade.

This government needs to act urgently on the many recommendations that are already before it from government and private sector bodies alike, as well as from joint government-industry task forces. In the maritime sector alone there has been no clear statement of policy by our federal government since 1949. Mixed messages are constantly being

sent out — messages of hope on the one hand, but messages of despair on the other. If current trends continue, the St. Lawrence Seaway-Great Lakes system could soon become a non-viable trading route. The result is much uncertainty and a lot of pain in our once proud transportation sector.

Honourable senators, we need now a comprehensive and integrated policy for all modes of our transportation industry. Time does not permit me to elaborate on this today, but I intend to do so here at the first appropriate opportunity. In the meantime, I urge this government to heed the increasingly strident warning signals, and to develop a transportation policy both worthy of our vast trading nation and appropriate for the new order of things now, and as we enter the twenty-first century.

In closing, honourable senators, I wish the government well in its endeavours to prepare this great nation and the Canadian people for the twenty-first century and to help us deal with the monumental and often disruptive changes that are affecting all aspects of our daily lives. At the same time, I give notice that I will be doing my utmost, in the spirit of cooperation referred to earlier, to ensure that this government carries on the many sound policies and essential initiatives commenced by the government of Brian Mulroney.

I thank honourable senators for their attention and for their indulgence as I exceeded the time limit.

Some Hon. Senators: Hear, hear!

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, if no other senators wish to speak on this debate, I move:

> That the Address be engrossed and presented to His Excellency the Governor General by the Honourable the Speaker.

The Hon. the Speaker: Honourable senators, is it your pleasure to adopt the motion?

Hon. Eric Arthur Berntson (Deputy Leader of the Opposition): On division.

Motion agreed to, and the Address in Reply to the Speech from the Throne adopted, on division.

On motion of the Honourable Gildas L. Molgat, ordered that the Address be engrossed and presented to His Excellency the Governor General by the Honourable the Speaker.

MERCHANT NAVY VETERAN AND CIVILIAN WAR-RELATED BENEFITS ACT

BILL TO AMEND—SECOND READING—DEBATE CONTINUED

On the Order:

> Resuming the debate on the motion of the Honourable Senator Marshall, seconded by the Honourable Senator Lavoie-Roux, for the second reading of Bill S-4, to amend the Merchant Navy Veteran and Civilian War-Related Benefits Act. — (*Honourable Senator Molgat*)

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, last night I indicated that I had a message from Senator Marshall in which he said that he would propose some changes to the bill following on some comments I had made earlier about the difficulties I saw with it. Regrettably, I was not here when he made those comments earlier today under Senators' Statements. I assume the statement he made was the one he passed on to me last night.

Let me say at the outset that it is with the greatest of regret that I point out some problems with this bill. When I say the "greatest of regret," it is because I am aware of the interest that Senator Marshall has in the field of veterans affairs and, indeed, the debt that veterans and many of us here owe to Senator Marshall for the interest he has shown in the cause of veterans. There are not too many veterans left in Parliament. It is comforting to know that there is someone of Senator Marshall's stature who has this interest and who is prepared to follow it up.

Having said that, honourable senators, I must say that I have grave reservations with respect to the bill. My reservations have nothing to do with the intentions of Senator Marshall, but are about the effects of the bill.

Today, as a result of my earlier reservations regarding how this measure would affect other veterans and other bills, Senator Marshall proposed to remove clause 3 of the bill. It is most valid to remove it. If the bill is left intact, we will have the anomaly of having merchant seamen qualify as war veterans. In all our other legislation we do not refer to war veterans, but simply to veterans. That would place us in the invidious situation of saying there is one group of veterans that is in some way different from, or better than, others.

However, if we do that, then what are we left with in the bill? We are left with only a change to the title. I then question whether there is any real value in doing that. Are we putting one single cent into the pockets of veterans by doing that, or are we simply making a cosmetic change that will cost money? If the bill is changed and passed, it will mean that a number of acts will have to be changed.

My information is that if the title is changed simply to "Merchant Navy War Veterans," consequential amendments will have to be made to the following acts: Children of Deceased Veterans Education Assistance Act, Schedule, item 2; the Income Tax Act, paragraphs 81(1)(*d*) and 241(4)(*f*.1); the Old Age Security Act, paragraph 33(2)(*b*); the Pension Act, subsection 71.1(1) — paragraph (*a*) of the definition "civilian"; paragraphs (*b*) and (*d*) of the definition "prisoner of war of another power"; paragraph (*c*) of the definition "prisoner of war of Japan"; the Tax Court of Canada Act, subsection 12(2) and paragraph 18.29(1)(*d*); and the Veterans Appeal Board Act, section 17.

If we make all of these changes, something which will involve a good deal of clerical work throughout the system, will we achieve anything worthwhile? As I said, I know the intentions of Senator Marshall. I do not question them for one moment. What I question is the result of going through such an exercise.

We must remember that changing the title of a bill does not change the bill or its impact. However, such a change impacts on

other things that we have to do to make the title correspond to other acts of Parliament.

I ask Senator Marshall to consider withdrawing the bill. It may be that some people will have an emotional reaction to being labelled a war veteran. Will the cost to the government of doing this not be beyond the benefit to be achieved?

• (1540)

Perhaps Senator Marshall might reconsider the situation, and talk to those who are urging that this be done. I am not quite sure who is urging this course of action. Is there a demand here from the Merchant Navy coalition? Are they supporting this? Who exactly is supporting it? Perhaps they will reconsider the matter and agree that, as Canadians, we have accepted all along that when we talk about veterans we are talking about war veterans. There should not be an attempt to classify one group of veterans as being different from another group of veterans.

I know what Senator Marshall has been able to accomplish for the Merchant Navy veterans. Indeed, at the moment a new book is being prepared for the Peace Tower recognizing the Merchant Navy. That is thanks to his efforts. Have we not really done what is required here by that recognition, which was a long time coming, admittedly. However, now that we are proceeding with it, is that not sufficient recognition? Why is it necessary for the government to incur the costs involved in changing a great number of statutes simply to insert one word? That excercise will not really benefit those veterans in any way.

Hon. Jack Marshall: Honourable senators, despite the very kind words of Senator Molgat, he read out an interpretation of what the result would be if the word "war" was inserted in the Merchant Navy veterans legislation. I quarrel with that suggestion, which must have come from the Department of Veterans Affairs, as I quarrel with many of the things that the Department of Veterans Affairs does.

In the meantime, I will adjourn the debate.

The Hon. the Speaker: Honourable senators, I had been informed to advise you that if Senator Marshall spoke, his speech would close the debate. However, I did not do so because I felt that he was responding to Senator Molgat's intervention. I may have been out of order, but at least my intentions were good.

Now Senator Marshall wishes to move that this debate be adjourned.

Senator Molgat: Might it be advisable for some other senator to take the adjournment rather than Senator Marshall? It would then leave the matter open.

On motion of Senator Berntson, debate adjourned.

[*Translation*]

THE BUDGET

STATEMENT OF MINISTER OF FINANCE—DEBATE CONTINUED

On the Order:

> Resuming the debate on the inquiry of the Honourable Senator Phillips, calling the attention of the Senate to the Budget Statement made by the Minister of Finance, on Tuesday, February 22, 1994.—(*Honourable Senator Berntson.*)

Hon. Jean-Maurice Simard: Honourable senators, the first budget of Jean Chrétien's Liberal government was supposed to reflect the Red Book of the Liberal Party of Canada and restore hope to unemployed Canadians, ensure that the economic growth initiated by the previous government would continue and, finally, reduce the deficit.

However, that is not the case. Workers and the unemployed have been severely affected by this budget, and the elderly as well. For the Atlantic provinces, the budget is a real disaster. Because of the number of unemployed in those provinces, the budget comes down even harder.

On top of all that, the Liberal budget provides for the closing of five military bases and reducing the strength of two other bases in Atlantic Canada. Closings and strength reductions represent a loss of several thousand jobs in the Atlantic region. A five per cent cut in the budget for ACOA represents a loss of $16 million and will be felt particularly in northern New Brunswick, a region that did not really need more bad news of this kind.

The reduction in Special Investment Tax Credits is another disaster for the Atlantic provinces, and I am not exaggerating, because this particular measure will be very costly for northern New Brunswick and the whole Atlantic region.

In fact, the New Brunswick Deputy Minister for Economic Development, Mr. Lauzier, indicated recently that $225 million worth of investment will be lost to northern New Brunswick alone. Where the PC spent an average of $500 million annually on the groundfish program, the present budget has set up a five-year program that will spend an average of $340 million.

We cannot remain uncritical of a budget whose impact is so negative and so disastrous for our regions and our fellow citizens. As far as integrity is concerned, with this budget Jean Chrétien's Liberals have done the exact opposite of what they promised before last October.

Despite all these budget cuts, despite substantial tax hikes at the expense of the unemployed, the elderly and small business, Mr. Martin expects a drop of one-tenth of one per cent in the unemployment rate for next year. What a spark of hope for the unemployed! If only the government had been able to gain the confidence of financial markets and international markets with these measures — but that was not the case!

I want to quote part of an article that appeared in the *Financial Post* on March 11, 1994, under the heading: Liberals lose their innocence abroad:

[*English*]

> In the fourth quarter of last year, jitters about Canada's fiscal situation resulted in $7.8 billion in foreign sales of Canadian bonds.
>
> Concern deepened last week when Prime Minister Jean Chrétien was quoted as telling listeners to an Alberta radio show that no more government spending cuts were coming other than those laid out in Paul Martin's recent budget.
>
> ...Chrétien's comments had hit international news screens quickly and sparked foreign selling of our assets, contributing to a fall in the Canadian dollar to a seven-year low.
>
> That fall has persuaded the central bank to intervene more forcefully to protect the C$, raising short-term interest rates to try to bolster the currency.

[*Translation*]

Honorable senators, on March 10 last, our major financial institutions announced a fairly large increase in mortgage interest rates. These rates jumped as much as three quarters of one per cent for a five-year mortgage. As honourable senators will recall, when our party came into power in 1984, the interest on a five-year mortgage was 14.25 per cent. Under the Mulroney government, however, monetary and fiscal policies were such that this rate came down to 8.75 per cent.

This indicates, honourable senators, that this government and this first Martin budget have caused both national and international money markets, like the unemployed and the elderly, to lose confidence in the policies and directions governing this country.

Are we to witness the return of the astronomical interest rates of the early 1980s? The question does come up, and Canadians want to know. As usual, the cost will be borne by small ratepayers, who will be paying twice over since interest rates will be higher on both their own borrowings and on the national debt. The Finance Minister's budget has doubled the burden on the small ratepayer's shoulders.

This morning, the Bank of Canada increased its bank rate from 4.22 per cent to 5 per cent. This happened today and it is disturbing.

In short, this budget penalizes small ratepayers, the unemployed, small business, fishermen, farmers. It does nothing to start the fight against the annual deficit.

This government announced in the budget that during the next three years it will need to borrow more than $100 billion, most likely on the international market.

Finally, this budget includes the closing of the only institution providing military training in French for our Acadian, Franco-Manitoban and Québécois officer cadets. I am referring to the closing of St-Jean military college. Honourable senators will have realized that on this side, we will continue the fight with every means at our disposal. We recognize, as our leader Jean Charest said last week, that the democratically elected government must have the final say. But on this side, and Canadians expect nothing less from us, we shall show that the government has made a mistake in this case.

Once it has been proven that it would be a mistake and would not be much of a savings, we hope that the governement will not be so stubborn as to maintain its decision to close St-Jean college.

The Minister, Mr. Ouellet, said the other day that it was a question of money. His words were quoted in almost every newspaper in Quebec and elsewhere. It is not a question of money; it is a question of principle.

This closing attacks one of Canada's pillars. Through its cadets, through those who work for it and who are responsible for the country's defenses and for peace-keeping missions, the Department of National Defence must reflect the country's linguistic duality, and allow francophones access to military training in their own language. It must also allow anglophones who wish to do so to go to Quebec to learn a second language in a French environment, so that they can become better soldiers. We will continue this fight.

In concluding, for the Liberals, promises have given way to stark reality. For Canadians, hope for a better future has been replaced by disappointment and even despair.

For us, members of the Progressive Conservative Party, the Liberals, class of '93, bear a strange resemblance to the Liberals of Pierre Elliott Trudeau, to the Liberals of Jean Chrétien as he was at the time, to the Liberals of Allan MacEachen and of Marc Lalonde, whose main legacy was all-time high interest rates, unacceptable unemployment rates and a record federal deficit, in terms of gross national product.

As the motto of Quebec says, we will remember this first Martin budget, and a majority of Canadians will also remember it at the appropriate juncture.

[*English*]

Hon. Jerahmiel S. Grafstein: Honourable senators, the budget deals with economic pain to our citizenry.

Some in this chamber and elsewhere have been pained and deeply disturbed by my recent speech on the dangers of nationalism to Canada and to the world. Indeed, one Montrealer, a most articulate and thoughtful proponent of nationalism as an organizing idea, has defended Quebec nationalism on the basis of the "democratic foundation of Quebec nationalism." Thus, observers analyzing nationalism in Quebec as an organizing idea are met with the grand defence of democracy. And who, honourable senators, would readily argue against democracy?

In effect, we are told democracy can justify nationalism. A nationalist program can be legitimized by a democratic majority, rooted in nationalist ideas. This is a defence theory of some great delicacy.

Let us assay the underpinnings, the sources, the foundation of democratic thought to discover whether nationalist notions are legitimized or rationalized by democracy.

Nationalism, we have argued, is organized for the advancement and protection of one group, one collectivity, at the expense of others, at the cost of equality for all. What, then, is the essence of democracy, we must ask ourselves. Can nationalism complement — or compliment — democracy? To whom may we first turn for advice? Two individuals come to mind as being amongst the most perceptive thinkers about democracy. Both were French in origin: the writers Montesquieu and Tocqueville. Both have carefully assessed the philosophical foundations and the workings of democracy.

It was Montesquieu, of course, who drew our attention to the obvious point that democracy was not an end of society but an imperfect means to a just society. The end was as important as the means. Tocqueville agreed:

> For a rebellion, as in a novel, the most difficult part is to invent the end.

Both Montesquieu and Tocqueville were skeptical about the human condition and deeply concerned about the nature of democracy itself. Both cautioned about the inherent dangers in democracy. One great danger, one paramount danger, Tocqueville called the "tyranny of the majority." The purpose of democracies was not to reach decisions by numerical opinion alone:

> What struck me in the United States was the difficulty of shaking the majority in an opinion once conceived.

For Montesquieu, the purpose of democracy was the achievement of public "virtue." The heart of democracy for Tocqueville was the "public interest," melding the private interest of each individual with the public interest.

Both Montesquieu and Tocqueville were imbued with the theory that there can be no democracy in a state without liberty and equality for all its citizens and, as Tocqueville carefully added, "conditions for equality."

The goals of a democratic society can only be realized in a context where each citizen can evolve to his highest potential, where the state removes the impediments to individual happiness, where the opportunity for power for the powerless is open. Only then is the path open to increasing the sum of human liberty and the sum of happiness. Both of these great men recognized the inherent dangers in a purely egalitarian state, and welcomed the limitations and creative tensions between liberty and equality.

• (1600)

We are reminded by Arthur Schlesinger, Jr., the noted American historian:

> Democracy encouraged a dangerous addition to the inflated style. We must be careful in our language.

Dialogue, language in a democracy can hurt and maim and destroy. Tocqueville wrote:

> An abstract term is like a box with a false bottom: You put in verbal ideas you please and take them out again without being observed.

Care must be taken with language and ideas. Indeed, Tocqueville stressed that self-restraint was essential, was necessary in a democracy.

Tocqueville concluded, after carefully studying French, American and English democracies, that the best structure for a democratic state for individuals to achieve equality was federalism — to balance the centralization of the government against the equality of the individual. Minorities within society could be empowered in this way to enjoy all facets of equality. Is this the democracy of nationalists? In a democracy, can minorities even give consent to reduce their rights save and except in state emergencies?

Tocqueville never denied the power of groups to associate for particular needs or special purposes. Free association increased the richness of the democratic tapestry. Indeed, groups were encouraged to associate, were encouraged to collect together, were encouraged to share common interests, common desires, common economic, religious and cultural interests. But to place the power of the state in the majority for the paramount benefit of one collectivity and compel the minorities to pursue their lifestyles only through the filter of that collectivity or not at all was, for both Montesquieu and Tocqueville, an idea alien to democracy and egalitarianism.

The character of democracy based upon the political notion of "public virtue" as defined by Montesquieu originated with the Greek thinker Democritus, who wrote these words:

> Not out of fear but out of a feeling of what is right should we abstain from doing wrong... Virtue is based upon, most of all, respecting the other man... Every man is a little world unto his own... We ought to do our utmost to help those who have suffered injustice... It is good deeds, not words, that count... The poverty of a democracy is better than the prosperity which allegedly goes with aristocracy or monarchy, just as liberty is better than slavery... The wise man belongs to all countries, for the home of a great soul is the whole world...

Well before Plato's *Republic*, Pericles gave his famous funeral oration and set out his classic views of the ideal state. He said:

> Our political system does not compete with institutions which are elsewhere in force. We do not copy our neighbours, but try to be an example. Our administration favours the many instead of the few: This is why it is called a democracy. The laws afford equal justice to all alike in their private disputes, but we do not ignore the claims of excellence. When a citizen distinguishes himself, then he will be called to serve the state, in preference to others, not as a matter of privilege, but as a reward of merit; and

> poverty is no bar... The freedom we enjoy extends also to ordinary life; we are not suspicious of one another, and do not nag our neighbour if he chooses to go his own way... but this freedom does not make us lawless. We are taught to respect the magistrates and the laws, and never to forget that we must protect the injured. And we are also taught to observe those unwritten laws whose sanction lies only in the universal feeling of what is right...
>
> Our city is thrown open to the world; we never expel a foreigner... We are free to live exactly as we please, and yet we are always ready to face any danger... We love beauty without indulging in fancies, and although we try to improve our intellect, this does not weaken our will... To admit one's poverty is no disgrace with us; but we consider it disgraceful not to make an effort to avoid it. We consider a man who takes no interest in the state not as harmless, but as useless; and although only a few may originate a policy, we are all able to judge it. We do not look upon discussion as a stumbling-block in the way of political action, but as an indispensable preliminary to acting wisely... We believe that happiness is the fruit of freedom and freedom that of valour, and we do not shrink from the dangers of war... To sum up, I claim that Athens is the school of Hellas, and that the individual Athenian grows up to develop a happy versatility, a readiness for emergencies, and self-reliance.

As historians have explained, Pericles, the democratic Athenian leader, was spelling out not only a program but also a defence, an attack against what he called "the arrested tribalism of Sparta." Karl Popper called it "the strongest statement ever made in opposition to this kind of movement."

Honourable senators, does history repeat itself? Are there cycles in history? The debate between an "open" society and a "closed" society raged at the time of Socrates. Then the debate swirled around two city states, Athens and Sparta, driven by two vastly different organizing ideas.

Socrates, the Athenian, was accused of undermining democracy in Athens' war against tribal Sparta. Since he had taught some of those who conspired with Sparta against Athens, Socrates was given the choice to escape and go into exile. Socrates refused. As Popper pointed out, only by defending himself under the democratic laws of Athens would he prove his loyalty to the city state, to a democracy. He showed that man could die not only for fame but for freedom of critical thought and individual self-respect, which was, for him, the essence of democracy.

After Socrates' death, Plato criticized Socrates for his attempt to construct the theory of "the arrested society." Plato supported the arguments that free thought, criticism of political institutions, teaching new ideas to the young, were all capital crimes. Why? Popper, who painstakingly analyzed this jolting contest of organizing ideas in his seminal book *The Open Society and its Enemies* speculated that Plato felt, after the Athenian victory, that a different program had to replace the democratic status quo. Something different! The appetite in the public was for something different, something new! The status quo was not sufficient. The democratic status quo was not exciting enough, not enticing enough for Plato. Using Socrates, perhaps abusing Socratic ideas in the *Republic*, Plato preached a return to the "old ideas." The "old ideas" reaffirmed the "old values of tribalism," opposing them to the faith in an "open society."

> Men must be taught that justice is inequality and that the tribe, the collective, stands higher than the individual.

So argued Plato. Since the egalitarian ideas of Socrates were too strong, too refreshing, too compelling to be challenged openly, Plato was driven to reinterpret them as support for his elitist, closed society.

No doubt Plato was sincere. No doubt he sincerely believed in preserving the "old ways." He grafted Socratic ideas onto his notions of a "closed" society:

> According to the humanitarian creed, one should be ready to help one's neighbours.

But Plato feared an "open" society. Plato feared individualism. Plato feared the masses. To keep the door closed and arrest society, Plato added alluring, brilliant, simple arguments. Arguing against equal justice but a form of justice for all, he sought to convince all righteous men that he was an advocate of justice. While combatting freedom of thought, he became a champion of freedom of thought. According to Popper, he used the technique of appealing to the "moral humanitarian sentiments for anti-humanitarian purposes." Popper pointed out that Plato "transfigured" the idea of individual justice and his wish to arrest changes in his society from tribalism into "a love of justice and temperance" in a "heavenly state" in which everyone would be happy.

> This dream of unity and beauty and perfection... this collectivism, is the product as well as the symptom of the lost group spirit of tribalism.

It was these conflicting principles, these conflicting ideas, that added to the confusion of the youth, and resulted in the stress and distress to them, rather than to their happiness.

• (1610)

Confusion created detours on the road to a higher state of political perfection, a state of equality. Whenever equality was strained and distorted through the sieve of a society premised on the protection of a certain collectivity and the advancement of one set of values important to one group, confusion and distortion always followed.

What, then, is the goal of modern-day democracy? An "open" society? This debate is as old as Athens and Sparta and as new as Ottawa and Quebec City. The raging debate between the schools of thought of Plato and Socrates continues. Let us recall that Socrates preached for an "open" society while Plato fought for a "closed" society for certain elites. It was on this "closed" society that Plato sought to paint democratic notions to make the picture of the "closed" society more palatable, more acceptable, more accommodating, less threatening to the masses, to the minorities and to their neighbours. Plato sought to tranquilize the democratic impulse for his own purposes.

We must remind ourselves that Socrates' central thesis of politics was his theory of individuality or, as he called it, "the soul." As Karl Popper points out:

> Individualism should not be merely the dissolution of tribalism but that the individual should prove worthy of his liberation.

There is more in man than tribalism.

> There is a divine spark, reason; a love of truth, of kindness, of humaneness, a love of beauty and of goodness. It is these that made a man's life worthwhile.

It is man's reason more than his tribalism that makes man humane. For Socrates, caring for one's soul, one's individuality, was what mattered. This was the essence, this was the foundation, this was the heart of democracy. Popper concluded his first volume with the following insight:

> Once we begin to rely upon our reason, and to use our powers of criticism, once we feel the call of personal responsibilities, and with it, the responsibility of helping to advance knowledge, we cannot return to a state of implicit submission to tribal magic. For those who have eaten of the tree of knowledge, paradise is lost. The more we try to return to the heroic age of tribalism, the more surely do we arrive at the inquisition, at the secret police and at a romanticized gangsterism. Beginning with the suppression of reason and truth we must end with the most brutal and violent destruction of all that is human.

Some honourable senators have suggested that that may be an exaggeration.

The Hon. the Speaker: I apologize for interrupting the honourable senator, but 15 minutes have elapsed. However, with leave, the honourable senator may continue.

Hon. Senators: Agreed.

Senator Grafstein: Thank you, honourable senators. Some honourable senators have suggested to me that they feel that my criticism of nationalism abroad and at home was exaggerated. For a moment, let us examine Quebec nationalism as filtered through the eyes of one narrow-minded Torontonian. Let us lay aside the historic economic evolution of the Province of Ontario as a donor province in federalism, and Quebec in economic terms as a donee province through the mechanics of transfer payments, federal grants and other cross-border and linguistic subsidies.

If not with history or economics or even profitable federalism, where should one start? What of modern symbols? What do symbols tell us of democracy? Let us start with the most pervasive symbol in the modern age, the automobile licence plate. Ontario has impressed on its licence plate these words "Yours to Discover," reflecting, I believe, an internal as well as an external invitation of pluralism for the greatest freedom and happiness for all.

Quebec's automobile plates reflect a different symbolic notion, "Je me souviens." The questions this Torontonian has are: Who is the "Je"? Who is the "I"? What is the "I" being asked to remember? What is meant by the earlier slogan, "Maîtres chez nous"? Who are the masters? What is the house? Whose house is it? If there are masters, who are to be the servants?

These symbolic notions, these slogans, appear fraught with a hierarchy of values different in substance and kind from what Montesquieu had in mind. Montesquieu's spirit of the law was based on equality. The French Revolution itself was premised on the ideas of liberty, equality and fraternity for all citizens. In no small measure, all the leading patriots in the Western World of their day felt that they were French in spirit and in kind because of this trilogy of organizing ideas. To be French meant to be infected by, to be imbued with, to be galvanized with the ideas of equality. A citizen of France meant ripping away the notions of class, race and discrimination. To be French then, for that brief, shining moment in history was to be a citizen of the world. There was no confusion; there was no ambivalence; there was no lack of clarity.

Nationalism and democracy can march side by side; but they follow the beat of different drummers. They follow different lyrics and different tunes. One becomes confused because one hears not a symphony but a cacophony of conflicting, dissonant sounds. Why, then, be surprised when the youth of Canada, the youth of Quebec, remain confused about themselves and their neighbours as they march toward a more complex, difficult economic future following the confusing ideas of their leaders?

Nationalists cannot be shaken in their belief in the primacy of one group, while democracy's credo was simply summed up two thousand years ago with these words: "The last shall be first and the first shall be last."

T. S. Eliot, in his masterful play *Murder in the Cathedral*, wrote these words: "The last sin was the greatest treason, to do the right thing for the wrong reason." Who can deny the sincerity of those who call themselves nationalists? Not I. Who can deny that nationalists' hope for a better and fuller life for themselves and their national collective? Not I. But the original sin of nationalism lies buried in the intellectual ferment that results in confusion rather than clarity in the minds of the youth. That confusion rests with the dual promotion of equality on the one hand and collectivity on the other. Who can hope to understand nationalists who would seek to help their youth exploit their full potential as individuals, yet would destroy the federal bridges to equality through bilingualism? Is the bridge of bilingualism one bridge just too far for nationalists? If so, they must answer to their youth and to their history, not I.

Honourable senators, I am indebted for for support for some of these ideas to Karl Popper, a brilliant mind, in his classic work *The Open Society and Its Enemies*, Arthur Schlesinger, American historian of democracy, in a book entitled, *Cycles of American History*, Julian Benda in his chilling book, *The Betrayal of the Intellectuals*, and a wonderful collection of essays on Tocqueville printed by Rutgers press under the title *Reconsidering Tocqueville's Democracy in America*. Of course, one is always indebted to the Greek classical theorists whose ideas remain evergreen. Even though the world continues to change, their ideas remain as alive and vital today as when they were first written centuries ago.

Hon. Lowell Murray: Would the honourable senator permit a question or two?

Senator Grafstein: Of course.

Senator Murray: Unfortunately, I have already taken part in the budget debate, so I will not be able to engage in the discussion that the honourable senator launched during the Throne Speech debate and has continued today; not that, in any case, I could approach the level of erudition that he has attained here. I ask him whether, in his contribution to the Throne Speech debate and again today, right at the beginning, he has not given a definition of nationalism that is completely pejorative, after which, of course, it becomes duck soup to denounce it.

• (1620)

Senator Grafstein: No.

Senator Murray: I will read the honourable senator's speech again, but within the first minute or two of his speech, he offered a definition of "nationalism" that involved the feelings of superiority of one group over another and, at the same time, a loss of the principle of equality in society. That seems to be the definition of "nationalism" he offered.

At the same time, I ask the honourable senator whether he has not been unfair to Lise Bissonnette. I presume it was to Madame Bissonnette that he was referring in his early remarks. He attributes to her a defence of Quebec nationalism on the basis that it is legitimized by democracy. He imputes to Madame Bissonnette a majoritarian impulse that is quite unfair. Her argument is not nearly as narrow as the honourable senator suggests.

Senator Grafstein: First of all, honourable senator, I wish to comment on the notion of superiority. I do not think I have used the word "superiority" in my text. If I have, I did not mean it in the terms that the honourable senator suggests. I am talking about "primacy," "giving paramountcy," "giving priority to" as opposed to "supremacy." They are different notions.

As to the question of the editorial writer in Quebec, I took an important comment from her text. In fact, it was a direct quoté from her text. Her response to my speech on nationalism was based on the principle that I should carefully examine the fact that there is a democratic, nationalist program based on democracy in Quebec. I was attempting to respond to that notion, and pointed out that democracy is more complex than suggesting that a majority having come to a decision makes that decision democratic. That was one purpose of my speech today.

Senator Murray: I appreciate that, honourable senator, but in the same vein, what might be described as the "nationalist impulse" is also more complex. Madame Bissonnette's argument is more complex and sophisticated than that.

I am attempting to ascertain whether the honourable senator can think of anything good to say, or whether there is, in his view, anything positive about nationalism.

I heard the honourable senator some years ago stand in this place and pay an eloquent tribute to the late Honourable Walter Gordon. Walter Gordon would have described himself quite proudly as a Canadian nationalist. While one might disagree with his analysis or his prescription, I certainly would not recognize him — or the views of people who think like him and talk like him in this country — in the anti-nationalist polemic that I have heard now on two occasions from my honourable friend.

Senator Grafstein: I was, and am, a great admirer of Walter Gordon. In 1963 I wrote an article in *The Toronto Star* that argued precisely the opposite position to Walter Gordon's views. My position at that time was that by fomenting nationalism in Canada, how could we deny nationalism in Quebec? I thought the roots were exactly the same. Therefore, while I am a great fan and supporter of Walter Gordon in many of his good works, I am not suggesting that I was a follower of his narrow nationalist views.

Senator Murray: The answer to the question, honourable senator, is that you cannot deny either Quebec or Canadian nationalism, and that you must harmonize them and make them compatible. I have always regarded this as possible and, under our circumstances, desirable.

At the GATT negotiations a couple of months ago, the government of France fought and fought to obtain the same cultural exemption, in effect, that Canada now has under the NAFTA. France wants to protect the French culture against the completely free invasion of American culture, particularly television and film. Does the honourable senator see something negative or wrong with that?

Senator Grafstein: No, I do not. This is not the time —

Senator Murray: Senator, it is an expression of nationalism and loyalty to the group, to the nation, or what you would pejoratively describe as "the tribe," and one that I do not see as necessarily negative.

Senator Grafstein: That is a fair question. The response requires some complexity. I find myself staunchly Canadian in terms of promoting Canadian culture. That, in my view, does not make me a Canadian nationalist in the sense that the honourable senator alludes to. I feel strongly about culture in Canada because of equality. The issue is equality. Given the economic infrastructure in North America, I do not believe that we are being fair to Canadian culture in Canada. In fact, there is a lack of equality for Canadian culture. Therefore the motivation for my "culturalism" is based on equality. I want Canadians to have a fair share — not a total share — of the cultural highway in our country. That makes me a patriot. It does not make me a nationalist.

Hon. Philippe Deane Gigantès: Honourable senator, are you implying that it is acceptable for a political unit, through its government, to equally promote the interests of all inhabitants of that unit, but if you detect favouritism towards one of the components of the population of that unit, then it is not acceptable?

Senator Grafstein: In part.

Hon. Roch Bolduc: How can you reconcile agreeing with Senator Gigantès, in part, and the notion of affirmative action by various governments?

Senator Grafstein: Again, I personally do not have any problem with examining issues of equality and designing programs to develop conditions of equality, as Tocqueville said. An example would be the native people of Canada. I have no problem seeking to promote policies that increase economic opportunity and conditions of equality for native people. That is a priority. However, if you then ask me if I am in favour of self-determination, that is where I begin asking questions because I do not think it is necessary to embrace those principles to accomplish the economic equality that each Canadian is entitled to, and deserves.

Therefore, honourable senator, I do not have a problem reconciling that issue. I have a problem with the larger question of where you take the issue from there, and how you organize that part of our society in a different way. They are different notions.

On motion of Senator Ghitter, debate adjourned.

• (1630)

HEALTH

IMPACT OF CHANGES TO TOBACCO TAXES— NOTICE OF INQUIRY STANDS

Hon. Consiglio Di Nino rose pursuant to notice of February 24, 1994:

> That he will call the attention of the Senate to the impact of the Government of Canada's changes to tobacco taxes.

He said: Honourable senators, I am not quite ready to make my comments on this inquiry, but I do not wish to deter anyone else from speaking on this issue. I hope that by next week I will be prepared to make my presentation.

Notice of Inquiry stands.

The Senate adjourned until Wednesday, March 23, 1994, at 1:30 p.m.

THE SENATE

Wednesday, March 23, 1994

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

Prayers.

ROUTINE PROCEEDINGS

APPROPRIATION BILL NO. 3, 1993-94

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-19, for granting to Her Majesty certain sums of money for the public service of Canada for the fiscal year ending March 31, 1994.

Bill read first time.

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

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, I have had a consultation with my honourable friends opposite, and the Chairman of the Standing Senate Committee on National Finance is here. The proper procedure would be for me to say "With leave, later this day." Then, immediately following the presentation of a report by the Chairman of the Standing Senate Committee on National Finance, I would proceed with the motion for second reading of this bill, if that is agreeable.

The Hon. the Speaker: Honourable senators, is leave granted?

Hon. Senators: Agreed.

On motion of Senator Molgat, bill placed on the Orders of the Day for second reading later this day.

APPROPRIATION BILL NO. 1, 1994-95

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-20, for granting to Her Majesty certain sums of money for the public service of Canada for the fiscal year ending March 31, 1995.

Bill read first time.

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

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, as with Bill C-19, I would ask, with leave of the Senate and notwithstanding rule 58(1)(*f*), that the bill be read the second time later this day.

The Hon. the Speaker: Honourable senators, is leave granted?

Hon. Senators: Agreed.

On motion of Senator Molgat, bill placed on the Orders of the Day for second reading later this day.

VETERANS AFFAIRS

CANADIAN VIETNAM VETERANS' MEMORIAL—PRESENTATION OF PETITIONS

Hon. Jack Marshall: Honourable senators, I have the honour to table petitions with 524 names showing the support of the people of Canada for the Canadian Vietnam veterans' national memorial. It is interesting to note that one of the petitions is from the Eskasone Band Council in Nova Scotia and has been signed by 36 residents, including three chiefs. Another petition is from North Bay, Ontario, with over 400 signatures, including that of the Liberal Member of Parliament for Nipissing, Mr. Bob Wood.

HEALTH

PROTECTION OF CONSCIENCE IN MEDICAL PROCEDURES—PRESENTATION OF PETITION

Hon. Stanley Haidasz: Honourable senators, I have a petition consisting of 188 names of signatories in Ontario and Saskatchewan, praying that the Senate protect these health care workers with regard to freedom of conscience in the workplace.

ORDERS OF THE DAY

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS AND FEDERAL POST-SECONDARY EDUCATION AND HEALTH CONTRIBUTIONS ACT

BILL TO AMEND—THIRD READING

Hon. Gildas L. Molgat (Deputy Leader of the Government) moved the third reading of Bill C-3, to amend the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act.

Motion agreed to and bill read third time and passed.

APPROPRIATION BILL NO. 3, 1993-94

SECOND READING—ORDER STANDS

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, if we have agreement, and I believe we have, I suggest that we stand the Orders respecting Bill C-19 and Bill C-20 until we reach Reports of Committees, at which time we will hear from the Chairman of the National Finance Committee. We would then revert to these items.

The Hon. the Speaker: Honourable senators, you have heard the proposal of Senator Molgat. Is it agreed?

Hon. Senators: Agreed.

Order stands.

• (1340)

CANADIAN FOREIGN POLICY

APPOINTMENT OF SPECIAL JOINT COMMITTEE

On the Order:

Resuming the debate on the motion, as modified, of the Honourable Senator Fairbairn, P.C., seconded by the Honourable Senator Molgat:

That the Senate do unite with the House of Commons in the appointment of a Special Joint Committee of the Senate and the House of Commons to consider Canada's foreign policy including international trade and international assistance;

That the document entitled: "Guidance Paper for the Special Joint Parliamentary Committee reviewing Canadian Foreign Policy," be referred to the committee;

That the committee be directed to consult broadly and to analyze the issues discussed in the above-mentioned document, and to make recommendations in their report concerning the objectives and conduct of Canada's foreign policy;

That the committee be composed of fifteen members of the House of Commons and seven members of the Senate;

That, notwithstanding rule 86(1)(*b*), the Members to act on behalf of the Senate on the committee be the Honourable Senators Andreychuk, Bolduc, Carney, Gigantès, Kelleher, MacEachen and Perrault;

That the committee have the power to sit during sittings and adjournments of the Senate;

That the committee have the power to report from time to time, to send for persons, papers and records, and to print such papers and evidence as may be ordered by the committee;

That the committee have the power to retain the services of expert, professional, technical and clerical staff;

That the committee have the power to adjourn from place to place inside Canada and abroad and that, when deemed necessary, the required staff accompany the Committee;

That a quorum of the committee be twelve members, whenever a vote, resolution or other decision is taken, so long as both Houses are represented and that the Joint Chairpersons be authorized to hold meetings, to receive evidence and authorize the printing thereof, whenever six members are present, so long as both Houses are represented;

That the committee be empowered to appoint from among its members such subcommittees as may be deemed advisable, and to delegate to such subcommittees all or any of its power, except the power to report to the Senate and House of Commons;

That the ccommittee or its representatives meet on occasions it deems fitting with the Special Joint Committee or its representatives charged with reviewing Canada's defence policy;

That the committee be empowered to authorize television and radio broadcasting of any or all of its proceedings;

That notwithstanding the usual practices of this House, if either the Senate or the House of Commons is not sitting when an interim report of the committee is completed, the committee shall deposit its report with the clerks of both houses; and said report shall thereupon be deemed to have been presented to both Houses;

That the committee present its final report no later than October 31, 1994; and

That a message be sent to the House of Commons to acquaint that House accordingly.

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, a careful reading of the statement by the Minister of Foreign Affairs when introducing this motion in the House of Commons, as well as that of the Minister of International Trade during the debate on the motion, and finally of the document entitled "Guidance Paper for the Special Joint Parliamentary Committee Reviewing Canadian Foreign Policy" can only leave honourable senators feeling some concern for the seemingly impossible task which the government is asking of those who will serve on the joint committee. The remarks made yesterday by the Leader of the Government in the Senate only serve to confirm this impression. The joint committee's mandate is vague and broad, without any specific direction, and leaves the unfortunate impression that the whole idea was put together in haste, and with little preparation.

The government's answer to this assessment will no doubt be that it is living up to its promise to consult, consult and consult. One wonders whether this is to be an endless exercise. With so many task forces announced — well over a dozen in the budget alone — the government has embarked on a privatization program never seen before: that of public policy.

One looks in vain in Mr. Ouellet's statement for some positive inkling of what the government itself sees as Canada's role in international affairs. He promises "an independent foreign policy" but does not say of what it is to be independent. In fact, this high-sounding slogan is soon contradicted by his more realistic assertion that:

> ...whether we talk of the economy, of international security, of respect for international law, no nation can stand alone. We face common burdens and share links that cannot be severed.

If the Liberal's Red Book can still be considered a reliable guide, then it is there that one will find what Mr. Ouellet is talking about. It says that Canadians —

> ...do not want Canadian foreign policy to be determined solely through special personal relationships between world leaders.

and in a typically snide comment, one reads that the Liberals will reject —

> ...a camp-follower approach in favour of pursuing a partnership with the United States...

This is a not too subtle reference to the excellent working relationships which existed between the Reagan and Bush administrations and the Mulroney government, on which Senator Angus so eloquently expanded yesterday. The Liberals somehow resent the fact that the two countries with the closest trade and social ties in the world had their respective leaders develop personal relationships between them. I suppose that they long for the days when Prime Minister Trudeau and President Nixon were sniping at each other, conveniently forgetting that a number of policies implemented by the United States at the time were detrimental to this country and, as Senator Angus reminded us, more often than not implemented without prior consultation. I suppose the Liberals want to forget that Prime Minister Pearson had a special relationship with President Kennedy, St. Laurent with Truman, and Mackenzie King with Franklin Roosevelt. I am not aware that Canada has suffered as a result; on the contrary.

I suspect that by "independent foreign policy," Mr. Ouellet and his party want to cater to that narrow form of Canadian nationalism which is largely based on a distrust of anything American, period. In his lengthy address, which lasted one hour and 10 minutes, Mr. Ouellet spent only four short paragraphs on Canada's relations with the United States, and in an embarrassingly patronizing fashion at that. Let me quote just a couple of his gems:

> We believe Canadian experience, particularly our approach to multilateralism, can prove useful to the Americans as they develop new perspectives.

How true, but not in the sense intended, coming as it does from a senior member of the Liberal Party which fought NAFTA tooth and nail.

Mr. Ouellet then trumpets again his favourite catch phrase:

> I also indicated to Mr. Christopher that this government was determined to set its own independent course in foreign policy.

How Mr. Christopher must have been shaken by this pledge as, along with so many others on both sides of the border, he tried to assess whether Canada's new government had any foreign policy at all. It was not so long ago that the Prime Minister was taking our troops out of Bosnia, then changed his mind. It was only recently that the Prime Minister and the Minister for Foreign Affairs said that Canada would not support air strikes by NATO, and then signed a protocol agreeing to them. For years the Liberals vehemently opposed cruise missile tests over Canadian territory; but no sooner had they formed the government than they acquiesced to them.

"But you don't understand," Liberals will reply. "We had a debate in Parliament and the general consensus was to stay in Bosnia and allow the cruise missile testing." Is this what the Liberals call leadership? Consult, always consult, before doing anything, and then only after counting who is for and who is against — that and the occasional phone call from the President of the United States.

The Liberals have a complex about the United States. Instead of recognizing the unique advantages Canada derives from having the U.S. as a neighbour, advantages unlike those existing between any other two countries, they do what they can to create scares, suggesting that agreements of any sort with our neighbour are another abdication of sovereignty. The party that historically has promoted free trade fought the free trade agreement largely because it was with the United States, thereby catering to that narrow view of Canadian nationalism that so permeates its ranks.

Senator Gigantès: We opposed it because it was a badly written, badly negotiated agreement.

Senator Lynch-Staunton: Then it was accepted without change.

Another indication of their attitude toward the United States is found in a most curious statement in *The Gazette* of this morning, referring to Mr. Chrétien's trip to Mexico. This is his first official visit outside the country since he became Prime Minister. It reads in part:

> Choosing Mexico over the traditional first state visit to the United States is significant, said Canadian ambassador David Winfield.

Yes, it is certainly significant.

One must pray that the committee will give a high priority to our relations with the United States and confirm the great value Canadians derive from them, rather than take its lead from the pettiness of this government.

On the positive side, in his speech supporting this motion Mr. Ouellet made some thoughtful comments on human rights and economic interests. It is too facile, as he said, to have "a

foreign policy aimed solely at promoting human rights and their values while ignoring Canada's other interests" or "a foreign policy that would serve only Canada's economic interests." As he said then:

> It is far too easy and dangerous to simplify the debate in this manner. In so doing, we would only compromise this country's foreign policy. Of course, our economic interests are important. Of course, we want to promote human rights. Nevertheless we do not have the right to impose one at the expense of the other. Insecurity, instability and war are detrimental to international trade. Human rights, democracy and good governance are the best defences of peace and security.

To find an acceptable balance between our values and our economic interests is probably the committee's biggest challenge, and we must all hope that it can meet it.

[*Translation*]

Unfortunately, the minister seems to have already prejudiced the debate on this fundamental issue, based on an interview granted to *Le Droit* and published in the March 16 edition of that newspaper, which was the day after the minister's statement in the House.

In that interview, the minister is quoted as saying categorically that:

> ...the government will certainly not link its assistance to the respect of human rights, which was the policy stated by the previous government at the Commonwealth Summit in Harare, back in 1991.

According to Mr. Ouellet, Prime Minister Mulroney made:

> ...a serious mistake by publicly making a big fuss and passing judgment on the behaviour of some governments.

Mr. Ouellet concludes by saying that:

> ...it is preferable to maintain respectful, if not friendly contacts with these governments so as to pursue the dialogue.

What naive simplicity, not to say simplism; what disdain for the millions throughout the world who are deprived of their most fundamental rights; what blatant contradiction with the spirit of openness demonstrated only 24 hours earlier.

[*English*]

• (1350)

When questioned in the House of Commons on this flagrant contradiction, Mr. Ouellet could only fall back on the suggestion that the newspaper report might not have been factual, although he did not deny it.

The Prime Minister, however, was more forthcoming:

> ...if we refuse to do business with every country having a political system that is not to our liking, thus we will not be doing business with very many countries. We are monitoring the human rights situation in China, but it is equally important — and this may be the best way to improve human rights in countries such as this — that we do business with them to open the country up to the world.

Honourable senators, I do not envy the joint committee having to examine such a crucial matter with such grossly simplistic statements before it.

Mr. Chrétien is going to China in November. Mr. Christopher has just returned, and his main mission was to gather information on China's human rights record to guide President Clinton in his decision as to whether or not to renew preferred trading privileges presently enjoyed by China with the United States, and which run out on June 3. Mr. Christopher's trip was not a success. He was snubbed and effectively told to mind his own business.

Mr. Chrétien has obviously been following this matter carefully and, accordingly, has decided not to raise the matter of Chinese dissidents and the violation of their human rights by his hosts. Let the Americans burn themselves on that one. Canadians will not touch it because, you see, we have an independent foreign policy.

Senator Kinsella: Based on principles.

Senator Lynch-Staunton: What a contrast with the position the Liberals took when in opposition. Following the tragedy of Tiananmen Square, the Conservative government expressed its strong disapproval by imposing measures aimed at cutting back on economic and official contacts with China. "Not enough," said the Liberals at the time. "Canada must be more blunt in its reprimand." And now? "Well you see," says Mr. Chrétien, "we are a small country. I cannot even get provincial premiers to listen to me. How do you expect me to do better with China?" Well, then, what about the support of the embargo on Haiti? "Oh," says Mr. Chrétien, "that is different. They are a small country, and we do not trade with them very much." He and his ministers repeat, in no uncertain terms, that the government has but one priority: jobs, but jobs at any price.

In this morning's *Gazette* there is a very disturbing report.

> Chinese community leaders say they fear Immigration Minister Sergio Marchi plans to send 4,500 rejected refugee claimants back to China to curry favour with the communist regime in Beijing.
>
> It's all part of a cynical plan by the new Liberal government to sacrifice Canada's traditional human rights concerns to help smooth the way for Canadian companies eager to do business in China's huge, fast-growing economy, the Chinese Canadian leaders say.
>
> "For Canada to degrade itself to this level, just for a few dollars in economic gain, is very sad," Kenneth Cheung, president of the Montreal Chinese Professional and Business People's Association, said in an interview yesterday.

> Instead of pandering to the regime in Beijing, Cheung said, Canada should "live up to its traditional position of playing a leadership role in international human rights commitments" — particularly at a time when Washington is considering trade sanctions against China.
>
> The asylum-seekers have been in Canada since the 1989 Tiananmen Square massacre. They weren't deported by the former Conservative government because of concerns they could suffer reprisals.
>
> Marchi said yesterday he wants to decide once and for all whether to deport the Chinese asylum-seekers by next summer.
>
> A decision to deport them might make for a smoother meeting between Prime Minister Jean Chrétien and Premier Li Peng in China this fall.
>
> But Marchi denied the government is considering deporting the Chinese to create good will with the Chinese government.
>
> "We want to clarify that status whether the Prime Minister goes to China or whether he does not," he said. "That's not in the equation."
>
> Still, Marchi claimed that the human-rights situation in China has improved.

The article refers to Walter Chi Yan Tom, a refugee lawyer and president of the Chinese Neighborhood Society of Montreal, asking this question:

> "If these people are not refugees, why the hell has Canada not sent them back before?"

He continued on in the article to say:

> "That's the real question. What has changed today? Is China's human-rights record all that much better today? The only real change is economic change."
>
> Ottawa, he charged, "is sacrificing rights for dollars."

Later, the article states:

> Tom said local Chinese leaders have detected other "worrying signs" that Ottawa is preparing to send the claimants home.
>
> Tom cited Foreign Minister Andre Ouellet's statement last November that the Tiananmen Square massacre, in which hundreds were killed, should now be seen in a different light.
>
> He also cited Chrétien's statement last week that Canada doesn't have the muscle to sway the Chinese, except through the positive influence of increased trade.

Finally, a quotation from *The Toronto Star* of today. At a meeting of the policy forum, Minister of International Trade Roy MacLaren concluded his remarks by saying:

> And don't expect the government to raise human rights issues one-on-one with important trading partners like China.

Honourable senators, one must wonder how many of the unemployed Canadian citizens and residents who came to Canada to flee homelands because of human rights violations, and who are now despairing for relatives and friends still living under repressive regimes, will be pleased to know that the Liberal Party has completely reversed its concern with fundamental rights — the very party that gave Canada its own Charter of Rights — in order to increase this country's trade surplus.

Honourable senators, I urge the minister not only to read the statement made by Senator Di Nino yesterday, following his return from the World Parliamentary Convention in Tibet, but to distribute copies of it to his cabinet colleagues so that they can reflect on the brutal change in traditional Liberal caring for the unfortunate people in the world — "sacrificing rights for dollars," as Mr. Tom so well put it.

• (1400)

The committee certainly has its work cut out for it, and one wishes it well, although the government could have made its task easier by forming only one committee to examine both defence and foreign policies, as the two are inextricably linked. It even recognizes this in the terms of reference which include authority for this committee to meet with the one charged with reviewing Canada's defence policy.

Why did the government not urge a joining of the two already existing parliamentary committees on foreign affairs, rather than duplicating them and effectively putting the existing ones in limbo? It is obvious that when it comes to consultation, costs in both time, money and duplication are not subject to the same discipline as those imposed by the Minister of Finance on the unemployed and senior citizens.

The Leader of the Government was asked yesterday about the costs and did not have a ready reply, although, as she reminded us, in situations similar to this one the House of Commons has been called on to pay two-thirds and the Senate one-third, a reflection of the representations of each house. I am not aware that there is any provision for this joint committee in the Senate's budget. I hope that our representatives on both the defence and foreign policy committees will alert those responsible of this, and not commit the Senate to any expenditure without a budget having been approved and at least submitted to the Committee on Internal Economy. Our committee budgets will hardly suffice for our own purposes in the next fiscal year, and I doubt if senators would like to see any of those funds diverted to the joint committees under discussion.

Finally, a few remarks on the participation of senators on this committee. Both the Bloc Québécois and Reform Party severely chastised the government for creating a joint committee on foreign policy. Mr. Bouchard deplores our presence because we:

...are not in tune with the contemporary everyday reality of electoral democracy; it is not really worth knowing what the senators think. We can do anything and not bother about what the senators think.

Not to be outdone, the Reform Party spokesman, Mr. Mills, added his comments as follows:

The public view —

of the Senate

— is one of being a bunch of members overpaid, big spenders, political appointments, no credibility, no accountability, and no constituents to represent, they —

that is, senators,

— have no credentials other than political. They are out of touch and they have no constituents. Their only role is as consultants and advisers but not as equal participants. They will immediately affect the credibility of this review.

Let me just comment on that last sentence, the other blatherings not being even worthy of such, they being authored by a member of a political party whose much vaunted code of ethics is obviously seriously lacking in anything resembling an effort at civility.

Senator Andreychuk, who has many distinguished accomplishments in law, the academics, human rights and the public service, was Canada's ambassador to Portugal when she was summoned to the Senate. Senator Bolduc held senior positions in the government of Quebec and in the Quebec public service at a time when Quebec was expanding its trade and cultural presence abroad. Senator Carney and Senator Kelleher have both served with distinction as ministers of International Trade.

I am not very good at praising Liberals, but who can ignore the experience and knowledge gained as Secretary of State for External Affairs on two occasions that Senator MacEachen will bring to the committee? The opposition in the House of Commons knows that its narrow view of Canada will be overwhelmed by the abilities that the Senate is sending to the joint committee, and that is the real reason they resent our presence on that committee.

I have no doubt that their annoyance will increase constantly as they are overwhelmed by our colleagues in the months ahead. By their reaction, they will help justify the important place of the Senate in Canada's parliamentary system.

Some Hon. Senators: Hear, hear!

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

Hon. Senators: Agreed.

Motion agreed to.

THE ESTIMATES, 1993-1994

REPORT OF NATIONAL FINANCE COMMITTEE ON SUPPLEMENTARY ESTIMATES (B) ADOPTED

The Senate proceeded to consideration of the second report of the Standing Senate Committee on National Finance (Supplementary Estimates (B)), presented in the Senate on March 22, 1994.

Hon. C. William Doody: Honourable senators, the report of the National Finance Committee on Supplementary Estimates (B) is now before us. The committee's report, which was circulated yesterday, indicates that the Supplementary Estimates (B) are the second and final set of Supplementary Estimates for the 1993-94 fiscal year. The government is seeking Parliament's approval for appropriations of $868.253 million from its reserves, of which $835.118 million is budgetary expenditures and $33.135 million is non-budgetary expenditures.

I should emphasize that these Estimates are really a tidying up of the Main Estimates in which a number of figures are allocated to various departments through these Supplementary Estimates. Statutory expenditures, which appear in the Estimates for information purposes only, are lower by $3.49 billion — $3.483 billion budgetary and $7.3 million non-budgetary — than the amounts tabled in previous Estimates for 1993-94.

There is a fascinating phrase in here. It says that there is a negative amount of $2.622 billion. A negative amount, I understand, means that the government will be actually spending that much money less than it had anticipated in the original Estimates.

Senator Olson: Senator Murray should be listening to this.

Senator Doody: Yes, but when one sees how we arrive at these numbers, it becomes quite different.

The budgetary estimates to date total $158.761 billion, some $700 million less than the expenditure framework of $159.5 billion that was set out by the previous government in the budget of April of 1993.

The committee's report explains that the Minister of Finance, in his budget of February 22, 1994, made some major provisions — and this is sort of interesting — for expenditures in future years that increase total budgetary expenditures and the deficit for the 1993-94 fiscal year, even though they do not appear in the Estimates.

• (1410)

There is an amount of $903 million set aside for potential provincial claims under the Fiscal Stabilization Program of the Department of Finance, which is a notional amount, I understand. A further $700 million has been set aside to provide for the cancellation of the helicopter program, for costs associated with the closure and reduction of Canadian forces bases and units, and other restructuring within the Department of National Defence.

These amounts of $903 million and $700 million have been added on to the deficit for the current year, although the money will not actually be spent until later and, indeed, no one is quite sure what the numbers will be. As a result, total budgetary expenditures for 1993-94 are now expected to be $160 billion, or a little more than that.

I would draw the attention of honourable senators to the tables prepared by the Treasury Board secretariat that form part of the committee's report. These are appended to the report that was tabled yesterday. These include a listing of voted items over $5 million, a summary of the 1993-94 expenditure framework and estimates tabled, a summary of supply to date, and a listing and categorization of the 36 $1 votes included in these Supplementary Estimates.

Supplementary Estimates (B) include a substantial number of expenditure increases, as well as reductions in statutory expenditures, covering some 52 departments and agencies as well as Parliament itself. I note a $5-million increase for the House of Commons. I might say that there is no increase for the Senate, which has been our custom over the years. Indeed, over the past three years we have managed to reduce our expenses, and I fully expect that, under the new chairmanship, this admirable pattern will continue.

Senator Frith: The chairmanship of which committee?

Senator Doody: Of the Internal Economy Committee. It should be expanded to become an "external" economy committee to look after the finances of the other place as well. Apparently we do a much better job!

The Supplementary Estimates (B) include a substantial number of expenditures, some of which I have outlined. The previous set of Estimates was approved early last June, and Treasury Board has had to rely on its Government Contingencies Vote, Vote 5 — which Senator Stewart and I, and others, have always found to be a fascinating source of entertainment and information — to fund urgent government department spending requirements since that time. Pages 24-27 of the Supplementary Estimates, pages 25-29 in the French version, list the expenditures by department. They total a little over $309 million, for which funds were advanced from the Treasury Board Contingencies Vote.

I might note that this table was introduced last year in response to a specific recommendation by the Senate's National Finance Committee. The effect of approving the appropriation bill for Supplementary Estimates (B) will be to replenish the Contingencies Vote by the $309.2 million previously advanced.

Honourable senators will also have noticed that these Supplementary Estimates refer to the departments and agencies as they existed in the 1993-94 Main Estimates and Supplementary Estimates (A), prior to the major departmental reorganization of June of 1993. This will ensure consistent reporting in the 1993-94 Public Accounts to be tabled next autumn. The new department structure is reflected in the 1994-95 Main Estimates documents that were tabled last month.

Your committee reviewed the Supplementary Estimates at its meeting on Thursday, March 17, at which officials of the Treasury Board secretariat appeared as witnesses. A number of questions were raised concerning some of the $1 votes and the $13-billion increase in the expected 1993-94 deficit. In particular, these officials were asked to explain some of the expenditures and asset revaluations to be charged to 1993-94, shown in the Public Accounts but which do not appear in any of the Estimates tabled to date. There were also questions about the effects of the higher deficit on the government's borrowing requirements.

I should point out to honourable senators that there will be further opportunities to examine the deficit and the government's fiscal policies in general during debate and committee review of the 1994-95 borrowing authority bill that has just been introduced, and which will be received in this house shortly.

Honourable senators, I move the adoption of this report.

The Hon. the Speaker: It is moved by the Honourable Senator Doody, seconded by the Honourable Senator MacDonald, that this report be adopted now. Is it your pleasure, honourable senators, to adopt the motion?

Hon. Senators: Agreed.

Motion agreed to and report adopted.

PRIVATE BILL

CANADIAN ASSOCIATION OF LUTHERAN CONGREGATIONS— BILL TO INCORPORATE—FIRST READING

Leave having been given to revert to Introduction and First Reading of Private Bills:

Hon. H.A. Olson presented Bill S-5, to incorporate the Canadian Association of Lutheran Congregations.

Bill read first time.

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

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

APPROPRIATION BILL NO. 3, 1993-94

SECOND READING

Hon. Gildas L. Molgat (Deputy Leader of the Government) moved the second reading of Bill C-19, for granting to Her Majesty certain sums of money for the public service of Canada for the fiscal year ending March 31, 1994.

He said: Honourable senators, I rise to speak on second reading of Bill C-19. My comments on this bill follow directly the comments made by my honourable colleague Senator Doody, the Chairman of the National Finance Committee. The Supplementary Estimates (B) were referred to that committee on March 15, and officials from Treasury Board appeared on March 17 and gave explanations which I believe were satisfactory to the committee.

Senator Doody gave details concerning the Supplementary Estimates, so it is not necessary for me to go into that matter. However, I wish to point out that there were increases of $140 million to the Department of Fisheries and Oceans because of the problems in Newfoundland and the need to support the difficulties arising as a result of the moratorium on northern cod. There were also increases of some $106 million because of the additional peace-keeping initiatives in Bosnia.

There were some notable decreases: $1.9 billion in unemployment insurance payments; $1.3 billion to the costs of servicing the federal debt because of lower interest rates; $718 million in fiscal equalization payments because provincial revenues subject to equalization are expected to decrease; and $291 million in old age security, guaranteed income support and spouse's allowance payments due to lower inflation and fewer recipients than expected.

Honourable senators, I recommend second reading of this bill to the Senate.

Motion agreed to and bill read second time.

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

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

• (1420)

APPROPRIATION BILL NO. 1, 1994-95

SECOND READING

Hon. Gildas L. Molgat (Deputy Leader of the Government) moved the second reading of Bill C-20, for granting to Her Majesty certain sums of money for the public service of Canada for the fiscal year ending March 31, 1995.

He said: Honourable senators, Bill C-20, which is Appropriation Act No. 1, 1994-95, provides the interim supply for the first three months of the new fiscal year that will begin on April 1. The form of the bill is the usual one for interim supply bills.

The 1994-95 Estimates were tabled in the Senate on February 24 and were immediately referred to the Standing Senate Committee on National Finance, which will provide a detailed examination of the Estimates as time goes on.

This appropriation bill contains $13,754 million worth of voted items that are required to meet government expenditures to the end of June, while the Main Estimates are being reviewed by the various committees. A second appropriation bill will be tabled prior to June 30, 1994, to secure the release of the balance of the spending authorities outlined in the Estimates.

This bill contains a general proportion of three-twelfths of all the votes, plus additional proportions for some 36 votes. The additional proportions are required mainly to meet payments in accordance with certain agreements, and the need in other instances to make major payments before the end of June.

I want to point out clearly, however, that, as usual, in no case is Parliament being asked to pass the entire amount of a vote, nor is it being asked to support the entire amount of a vote. That is a matter which will be studied by the committee, with the exception of the two votes that have been referred to other committees. I refer to those that deal with Official Languages and the Library of Parliament.

What we are asking for now is enough money to be able to carry on until June 30, pending final approval. If honourable senators wish any further information, I shall do my best to provide it.

Hon. C. William Doody: Honourable senators, there is little to say at this point in the supply process. This is the usual interim supply bill that comes to Parliament at around this time of year to bridge the gap between now and the passing of the main supply bill or appropriation bill in the parliamentary calendar. I suggest that if Senator Molgat were to assure us that this bill is, to paraphrase Senator Frith as closely as I can, in the standard form and condition and there are no surprises contained therein, we would be most pleased to pass the bill. We could then get into more detailed debate on the Main Estimates as the year progressed.

Senator Molgat: Honourable senators, I have to depend here on the department —

Senator Doody: I never weaseled about like that. I always gave my complete assurance.

Senator Molgat: I must confess that I have not compared every comma and semicolon to guarantee that it is so, but to the best of my knowledge and according to the assurances I have received, it is in the standard form.

Motion agreed to and bill read second time.

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

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

TRANSPORT AND COMMUNICATIONS

COMMITTEE AUTHORIZED TO ENGAGE SERVICES

Hon. M. Lorne Bonnell, pursuant to notice of February 24, 1994, moved:

> That the Standing Senate Committee on Transport and Communications have power to engage the services of such counsel and technical, clerical and other personnel as may be necessary for the purpose of its examination and consideration of such bills, subject-matters of bills and estimates as are referred to it.

Motion agreed to.

BUSINESS OF THE SENATE

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, before the Senate adjourns, I wish to remind honourable senators that the Governor of the Bank of Canada will be appearing at 3:15 p.m. this afternoon before the Standing Senate Committee on Banking, Trade and Commerce. This is the first time the new Governor will appear in Parliament. Obviously, all honourable senators are invited to the hearing, which is to take place in Room 250 of the East Block.

The Senate adjourned until tomorrow at 2 p.m.

THE SENATE

Thursday, March 24, 1994

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

Prayers.

ERIK J. SPICER, ESQUIRE

TRIBUTES ON RETIREMENT AS PARLIAMENTARY LIBRARIAN AND DESIGNATION AS PARLIAMENTARY LIBRARIAN EMERITUS

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, today it is my pleasure to pay tribute in this chamber to a very special individual who has given more than three decades of dedicated service to Parliament and parliamentarians. I am speaking, of course, of our Parliamentary Librarian, Mr. Erik Spicer, who has joined us today in the gallery with his wife, Helen.

Hon. Senators: Hear, hear!

Senator Fairbairn: As all honourable colleagues in this chamber will agree, the Parliamentary Library is much more to us and to Canada than just a storage facility for books. Back in 1960, at the age of 34, the youngest Parliamentary Librarian ever appointed in our country, Mr. Spicer set about moving the library into the modern age. He introduced new methods, new computerized systems and, most important, new books, new periodicals, new publications; so that all parliamentarians had at their fingertips the kind of information and expertise they needed to do their jobs.

As a colleague said yesterday in the House of Commons, we cannot separate a library from the business of making laws, and that is something which Erik Spicer understands perhaps better than anyone else on the Hill. In fact, by providing legislators with, if not the best, then one of the best parliamentary libraries in the world, Mr. Spicer has helped all of us to make better laws because we were able to base those laws on clear, accurate and comprehensive information. I am sure each one in this house can recall an instance, or several instances where, at the last minute with 10 minutes to go, we have put the library to the test and have always received the kind of accurate and fast response without which we cannot do our jobs.

Keeping the library on the cutting edge and always current has, of course, meant handling the odd controversy over the years about certain publications. Some may remember the headline in the Vancouver *Sun* in November of 1961 in reference to the library obtaining a copy of Henry Miller's book, *Tropic of Cancer.*

Some Hon. Senators: Oh, oh!

Senator Frith: Pretty stodgy stuff by today's standards!

Senator Fairbairn: Listen to this: The headline read, "It's Too Spicy for Spicer but He Keeps it for MPs."

I have some personal recollections of those heady moments when I started as a young reporter in the Press Gallery in 1962, so I have grown up on the Hill with Mr. Spicer.

I can recall a time when we were all extremely interested to learn that the Parliamentary Library had a subscription to *Playboy* magazine.

Some Hon. Senators: Oh, oh!

Senator Frith: What is that?

Senator Molgat: For Mr. Spicer's exclusive use?

Senator Fairbairn: Oh, no, not for the use of the chief librarian, honourable colleagues. Evidently, a number of parliamentarians had expressed an interest in reading about the philosophy that lay behind that particular magazine. The trouble was that the copies would be lent out, but they seldom made it back into the library. Showing his ever-present sensitivity and presence of mind, therefore, Erik Spicer took the decision to hold that particular magazine in a very special place so that it would be available for parliamentarians. In short, it was put in with the rare book collection! That, I am sure, is one of the memories Mr. Spicer will carry with him into a well-earned and very well-deserved retirement.

During his time on the Hill in the Parliamentary Library, Mr. Spicer has served eight prime ministers, hundreds of ministers, members, senators, and literally thousands of staff members. He has been a friend to everyone, and has always been ready and willing to share his knowledge, humour and expertise.

Honourable senators, if I may be allowed a personal observation, I have never seen anyone retain such continuous joy in their work as did Mr. Spicer. His joy and enthusiasm remained undiminished throughout the years of his time on the Hill. He simply loved his work and the tools with which he worked, which were the books. He respected tremendously the knowledge and self-fulfilment that comes with reading and being able to read. He has been an unfailing supporter and advocate of the cause of literacy, for which I will always be profoundly thankful.

Honourable senators, Mr. Spicer leaves this place with our admiration and, most of all, our sincere and warmest thanks for a job well done.

Mr. Spicer, we salute you, and wish you and Helen and your family all the best in the years ahead. You will always have a place in our memory and a place in this chamber on special occasions.

To that end, honourable senators, I am delighted to present the following motion, seconded by the Leader of the Opposition, Senator Lynch-Staunton:

> That the Senate desires to record their deep appreciation of the long and distinguished service of Mr. Erik John Spicer as the Chief Executive Officer of the Library of Parliament; and
>
> That in acknowledgement of the dignity, dedication and profound learning with which he has graced the office, he be designated an honourary officer of the Senate as "Parliamentary Librarian Emeritus," with an entree to the Senate on occasions of ceremony.

Hon. Senators: Hear, hear!

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, I feel very privileged to second this motion because the Senate today is a much brighter and more cheerful place. It is brightened measurably by the presence in the gallery of the man whom Prime Minister John Diefenbaker appointed in November 1960 as Canada's fifth Parliamentary Librarian, the youngest to hold that position — and the fifth has been there the longest.

Anyone ambitious enough to outdistance the incumbent must be prepared to spend more than 30 years stamping outgoing books and pleading with senators reluctant to return the library's treasures within six months of the due date.

• (1410)

There are some other requirements: Framed degrees from a batch of well-chosen schools and universities, a major's rank in a very proper regiment, a string of interests that includes not only history and library science, but politics, foreign affairs, and — note this one with care because I will come back to it — investigative journalism. Combine these exotic preoccupations with an insatiable yen to travel and a generous determination to pass on his skills by teaching others in the developing countries.

Fortunately for us, we have no urgent need to have a new Parliamentary Librarian prove his talents and intentions by April 8. The good news is that Erik Spicer, on the eve of his retirement, has consented to act as Librarian Emeritus. The apparatus for creating such a new, important and very senior post is already in place.

My own admiration for our distinguished friend goes back to the time when I knew him only by reputation — a snappy, knowledgeable, versatile librarian who, of all things, knew that there were times when you had to throw the book away and follow your instincts and hunches. Had this not been the case, Erik Spicer would never have built for Canada the Centre for Research which is now the jewel of the library, unequalled in its special facilities for the operation of Parliament and those charmed people who serve it.

My first contact with Mr. Spicer was during the GST debate — one of the few pleasant moments I can recall during that sad episode — when Senator Meighen and I, on one of the few occasions when we could escape from the whip's clutches, decided to visit the library which neither one of us had seen before. Like all first-time visitors, we stood in awe of what has been called — and quite rightly — the most beautiful room on the Hill, with its marvellous dome, and with Queen Victoria supervising its privileged occupants so that they do not stray from their important tasks.

We timidly identified ourselves and asked the receptionist if the Parliamentary Librarian could receive us. He no doubt had better things to do and, as it took the receptionist a good five minutes to return to us, he obviously was doing them. Perhaps it took him that long to get over his irritation at leaving more productive pursuits to meet with two craven-hearted senators who were about to support the taxation of books. However, he could not have received us with more courtesy and warmth, so much so that we even considered asking him for refugee status rather than returning to our whip's suffocating embrace.

My admiration swelled when, not long after my arrival in this chamber, I learned that if you knew and used Erik Spicer's library in the way you should, it was possible, upon catching a senator opposite in a gross error early on in an important speech, to have a fleet-footed Page carry a request to the library and return with an answer before the poor orator had finished speaking. One could then rise, humbly ask if the opponent would take a question, and only then let the guillotine fall. That, honourable senators, is really library service.

For all of this, the Parliamentary Librarian carries the rank of a Deputy Minister and is surrounded by experts of every sort. He freely admits to "social and administrative advantages which give the job a highly desirable degree of independence."

The degree increases, of course, with the added cachet of emeritus rank. Perhaps now Mr. Spicer will be able to give vent to his status as investigative journalist and find the answers to some of those questions that have bothered even him from time to time.

One would like to know, for instance, who turned out the gas lights at 3:30 in the morning on February 28, 1876, at the costume ball to mark the opening of the Spicers' other home in Ottawa.

One would also like to know why it has never been proved or disproved that wartime saboteurs started the great fire of 1915 from which the library — wonder of wonders — escaped with hardly a smudge.

Erik Spicer understands better than anyone the Senate's need and right to know such things. He has spoiled us beyond reason and we thank him and his wife Helen, who is also a librarian, but in a more traditional sense since she still borrows books while Erik keeps buying them. We thank them, and we thank their family for sparing him the time to do all that he has done and will do for us.

Hon. Richard J. Doyle: Honourable senators, since November of 1960, Erik John Spicer has been this country's Parliamentary Librarian. His retirement is one of those occasions when anyone who knows the man would agonize over the proper approach to comment: whether to celebrate the worth of all those contributions he has made or to lament the in-house loss of a mover and shaker, the departure of a key administrator of our democratic process. Choosing is made easier by the conviction that Mr. Spicer would not have failed to prepare for continuation well into the future of the splendid operational procedures he has introduced and presided over for 34 years.

Yesterday, many of those who have worked closely with our librarian feted him and his wife and family, and many of them mentioned that he is the last of the famous officers whose order-in-council appointments were made by Prime Minister John George Diefenbaker. Through the terms of Prime Ministers Pearson and Trudeau, Prime Ministers Turner and Clark, Prime Ministers Mulroney and Campbell, and Prime Minister Chrétien, our librarian, with almost vice-regal demeanour, has overseen the safeguarding of all the records and commentaries, opinions and adjudications, protests and damnations of this place, the other place, and all the places round about.

When I talked to him the other day about the revival, after 20 years, of the Joint Committee on the Parliamentary Library, he was in great form. Alert. Organized. Impatient. I had no doubt, honourable senators, that this selfless Canadian, had we asked him, was equipped, prepared and willing to serve just a little bit longer into the term of Prime Minister Charest.

His duties here have been stretched far beyond the requirements of the job. We find him, over the years, hard at work in places like Geneva, Paris, Vienna, and Strasbourg. Bonn, Lagos, Rome, Nairobi — pushing the technological development of libraries not only in his own country but throughout the free world.

At one point in his curriculum vitae, you will find that Major Erik John Spicer did work for the Centre for the Presidency. Small wonder that he would be considered an expert on the office itself. He has been president of most of the associations and committees that have occupied his interest in a lifetime of public service.

In the last week or two, I have talked about Spicer to a number of people here and in Toronto. Almost all of them have interrupted me to say: "Erik Spicer? Oh, he's a friend of mine." It would be difficult to find a higher tribute than that. I know all of my colleagues here will join me in wishing him health, happiness and Godspeed with his memoirs.

• (1420)

Hon. Heath Macquarrie: Honourable senators, perhaps I could say that I claim a proprietorial interest in Erik Spicer. Of all who have spoken today, I am the one who was here when he arrived. The story is told of an aboriginal American who, when asked if any of his relatives came over on the *Mayflower*, said, "No, but all of them were on the beach when the ship came in." Honourable senators, I was here on the Hill when Erik Spicer came.

He was the most highly qualified Parliamentary Librarian ever. Indeed, some nasty people would say he was the only qualified one in the succession of Parliamentary Librarians.

I have gained much from the library, not that I was a total intellectual nonentity when I came, but it is always important to sharpen up those capacities and facilities which one has. We must recognize the importance of the library because we have engraved in stone across the way a quotation of Bacon: "Reading maketh a full man, conference a ready man, and writing an exact man."

God knows how much the library has had to do with the literary emanations of senators and members of the lower House. Even I have called on it from time to time. Even I have checked a quotation from time to time. If my memory serves me right, there were a couple of times I did not have them precisely!

Ralph Waldo Emerson said that meek young men grow up in libraries — not so Erik Spicer. He is not a meek man by any means. He is not a retiring man. He is enormously popular. In that I agree with Senator Doyle. Wherever you go in the world, some people may mention Pierre Trudeau, older ones remember Lester Pearson, some who like hockey will mention Gretzky, but they all know Spicer, a great fellow. I agree with them.

My leader told us where he went during the GST debate. I wish to God I had thought of that. Certainly, this was not a place I wanted to be at that time. It reminded me, but only a little, of what F. Scott Fitzgerald had one of his characters say: "I've been drunk for a week and I thought sitting in a library might sober me up." That is not why I go to libraries. It is not why I borrow books.

I do recall that David MacDonald, my fellow Islander, came to visit me one time in the West Block where I had a big office and said, "I hear Spicer is sending over one of his staff here." I said, "Why?" He replied, "Well, they say about half the library's books are over in Macquarrie's office." I returned most of them promptly. I profited from them. There is still one quote they have not found for me, and I guess they will not do so, now that I have only six months left in this place.

This man has been an excellent person, a friend. I speak now not only of him but of all the library people who, through the years, at the other end of the telephone, proved to be helpful, knowledgeable and considerate. Without them, the work of these parliamentary places would suffer a great deal.

I join with my colleagues in celebrating this event. I am delighted to wish these two most excellent people all the best in the years ahead.

Hon. Senators: Hear, hear!

The Hon. the Speaker: Honourable senators, I will not make a habit of trying to add to such great testimonials as the ones we have heard today. However, there is a reason not only why I should but why I want to join in the tribute that is being paid to Erik Spicer.

The Library of Parliament Act spells out the duties of the Speaker of the House of Commons and the Speaker of the Senate in relation to the Library of Parliament and the obligation on them to approve its estimates. In the case of Mr. Spicer, however, I am sure that Speakers regarded such interaction not as an obligation but rather as an opportunity to share in his knowledge and experience.

[*Translation*]

The motion — which I am sure will be agreed to today — shows our deep respect for the professionalism and energy that he demonstrated in order to make the Library of Parliament what it is today.

[*English*]

Mr. Spicer, we thank you for serving Parliament so well. We wish you and Mrs. Spicer many years of health, happiness and enjoyable occupations. We shall miss you, but then we are reassured because, as Parliamentary Librarian Emeritus we shall see you often.

Hon. Senators: Hear, hear!

Motion agreed to.

• (1430)

SENATORS' STATEMENTS

COMMUNICATIONS

CANADIAN MAGAZINE INDUSTRY— PROPOSED SPLIT-RUN ENFORCEMENT MEASURES

Hon. Keith Davey: Honourable senators, shortly after one o'clock I received a copy of "A Question of Balance: Report of the Task Force on the Canadian Magazine Industry." Obviously, it has not been possible to read it all, or to begin to read it all, but it does not all look bad.

I should like to quote from a release by the Canadian Magazine Publishers Association in Toronto on March 24, 1994, which states:

> No new split-run magazines: that would be the effect of changes to the Excise tax Act proposed in the final report of the federal Task Force on the Canadian magazine industry. And while the Canadian Magazine Publishers Association says it would welcome the measure, a brief by the Association calls the decision to exempt *Sports Illustrated* from the proposed new rule "baffling".
>
> *Sports Illustrated* is being rewarded for exploiting a regulatory loophole, even though the magazine's split-run edition has been in clear contravention of Canadian cultural policy from its very first issue, says Jeff Shearer, chair of the association's political affairs committee.
>
> The task force was set up by the former Conservative government last spring after U.S.-owned *Sports Illustrated* announced its intentions to circumvent existing Canadian regulations prohibiting the importation of split-run magazines. In split-run advertising editions, the editorial material is substantially the same as in the original edition, but foreign ads are replaced by Canadian ads.

The article goes on to state:

> Under customs regulations, importing split-run editions into Canada has been prohibited for almost 30 years. But *Sports Illustrated* got around the existing regulations by electronically transmitting the magazine to a Canadian printer, so that the magazine itself never physically crossed the U.S.-Canada border.

Honourable senators, there are other references in this document that seem to be quite positive, but I am shocked at the proposed grandfathering of *Sports Illustrated.* I trust that this government will take this into consideration at its earliest opportunity.

VETERANS AFFAIRS

STALAG LUFT III—FIFTIETH ANNIVERSARY OF "THE GREAT ESCAPE"

Hon. Jack Marshall: Honourable senators, as we approach the fiftieth anniversary of D-day in a couple of months I call the attention of the Senate to another fiftieth anniversary in which we commemorate a famous and important episode of World War II, one in which Canadians again played a prominent role. I refer to the breakout of Allied prisoners of war from Stalag Luft III in Poland in March 1944, otherwise known as "The Great Escape," when 76 Allied airmen brazenly tunnelled their way out of a German prisoner of war camp. They fled into the surrounding countryside in a desperate attempt to evade their pursuers, but all but three were quickly rounded up, 50 of them never to return to tell of their exploits. It is a tale of heroic and, at the same time, tragic proportions.

Starting in the early spring of 1943, the Allied air officers who were held prisoner began to construct one of the most sophisticated escape tunnels of the war. It was an engineering marvel. A Canadian, Pilot Officer Wally Floody, supervised the tunnelling. Working 30 feet beneath the surface in order to avoid detection, the POWs worked night and day in dangerous conditions to build a 336-foot tunnel that came complete with underground railways, work shops, ventilation and lighting.

Over 600 men, representing many Allied countries, worked on its construction. The moment for escape finally arrived on the night of March 24-25, 1944. While it was envisioned that upwards of 200 prisoners would crawl through the tunnel to freedom, only 76 were able to make it beyond the wire before the Germans were alerted.

For all but three of the escaped POWs, the journey was to be a short one. Within days the vast majority were rounded up. It required an enormous effort by the Germans to thwart the escape, and on that basis alone the escape should be considered an unqualified success.

However, the German high command was determined to exact a savage revenge. With the approval of Adolf Hitler, the Gestapo executed 50 of the officers, including six Canadians, as an example to other prisoners of war.

Like Allied soldiers on the battlefield, these prisoners gave their lives in the name of freedom. These men should not be forgotten, nor should all the other prisoners of war who suffered the physical and emotional hardships of the POW camps.

Tomorrow the Ex-Air Force Prisoners of War will gather from across Canada to lay a wreath at the National Cenotaph in Ottawa in memory of the 250 Allied Air Force POWs whose young lives were taken from them. I am sure that the Senate would want to acknowledge this anniversary of an example of the heroism and valour of our Canadian airmen.

ROUTINE PROCEEDINGS

CUSTOMS TARIFF

BILL TO AMEND—REPORT OF COMMITTEE

Hon. Michael Kirby, Chairman of the Standing Senate Committee on Banking, Trade and Commerce, presented the following report:

Thursday, March 24, 1994

The Standing Senate Committee on Banking, Trade and Commerce has the honour to present its

FOURTH REPORT

Your committee, to which was referred Bill C-5, an Act to amend the Customs Tariff, has examined the said Bill in obedience to its Order of Reference dated Thursday, March 17, 1994, and now reports the same without amendment.

Respectfully submitted,

MICHAEL KIRBY
Chairman

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

Hon. Michael Kirby: With leave, later this day.

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

Hon. Senators: Agreed.

Motion agreed to and bill placed on the Orders of the Day for third reading later this day.

• (1440)

INTERNAL ECONOMY, BUDGETS AND ADMINISTRATION

FIRST REPORT OF COMMITTEE PRESENTED AND ADOPTED

Hon. Earl A. Hastings, Chairman of the Standing Committee on Internal Economy, Budgets and Administration, presented the following report:

Thursday, March 24, 1994

The Standing Committee on Internal Economy, Budgets and Administration has the honour to present its

FIRST REPORT

Your committee has examined and approved the budget for the Standing Committee on National Finance for the proposed expenditures of the said committee, for the fiscal year ending March 31, 1994, to engage the services of such counsel and technical, clerical and other personnel as may be necessary for the purpose of its examination and consideration of such bills, subject-matters of bills and estimates as are referred to it, as authorized by the Senate on Tuesday, February 22, 1994. The budget is as follows:

Professional and Special Services	$ 16,550
All Other Expenditures	450
TOTAL	$ 17,000

Respectfully submitted,

EARL A. HASTINGS
Chairman

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

Senator Hastings: Honourable senators, with leave of the Senate and notwithstanding rule 59 (1)(*g*), I move that the report be adopted now.

The Hon. the Speaker: Honourable senators, is leave granted?

Hon. Senators: Agreed.

Motion agreed to and report adopted.

SECOND REPORT OF COMMITTEE PRESENTED AND ADOPTED

Hon. Earl A. Hastings, Chairman of the Standing Committee on Internal Economy, Budgets and Administration, presented the following report:

Thursday, March 24, 1994

The Standing Committee on Internal Economy, Budgets and Administration has the honour to present its

SECOND REPORT

Your committee has examined and approved the budget presented to it by the Joint Chairman of the Standing Joint Committee for the Scrutiny of Regulations for the proposed expenditures of the said committee, for the fiscal year ending March 31, 1994, with respect to its review of statutory instruments, as authorized by section 19 of the *Statutory Instruments Act*, R.S.C. 1985, c. S-22. The budget is as follows:

Contract consulting	$ 9,916
Temporary Help Services	5,729
Hospitality	0
Witness Expenses	0
Printing	0
Committee Travel	0
Advertising and Media Relations	0
Miscellaneous	1,250
TOTAL	$ 16, 895

Respectfully submitted,

EARL A. HASTINGS
Chairman

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

Senator Hastings: Honourable senators, with leave of the Senate and notwithstanding rule 59 (1)(*g*), I move that the report be adopted now.

The Hon. the Speaker: Honourable senators, is leave granted?

Hon. Senators: Agreed.

Motion agreed to and report adopted.

THIRD REPORT OF COMMITTEE PRESENTED

Hon. Earl A. Hastings, Chairman of the Standing Committee on Internal Economy, Budgets and Administration, presented the following report:

Thursday, March 24, 1994

The Standing Committee on Internal Economy, Budgets and Administration has the honour to present its

THIRD REPORT

Your committee has examined and approved the budget presented to it by the Joint Chairman of the Standing Joint Committee for the Scrutiny of Regulations for the proposed expenditures of the said committee, for the fiscal year ending March 31, 1995, with respect to its review of statutory instruments, as authorized by section 19 of the *Statutory Instruments Act*, R.S.C. 1985, c. S-22. The budget is as follows:

Contract consulting	$ 57,785
Temporary Help Services	33,100
Hospitality	600
Witness Expenses	600
Printing	0
Committee Travel	0
Advertising and Media Relations	0
Miscellaneous	5,550
TOTAL	$ 97,635

Your committee also recommends that, notwithstanding the *Procedural Guidelines for the Financial Operation of Senate Committees*, no more than 6/12 of the approved funds be released until the end of September 1995.

Respectfully submitted,

EARL A. HASTINGS
Chairman

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

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

BUSINESS OF THE SENATE

Hon. Gildas Molgat (Deputy Leader of the Government): Honourable senators, this might be a good moment for me to tell you what the likely order of business will be for the next while.

As honourable senators are aware, the House of Commons will adjourn tomorrow for two weeks and will return on Monday, April 11. As far as I know at this time, there is no further legislation to come to us from the House of Commons this week, with the exception of Bill C-14 which we will be receiving this afternoon.

I have had a discussion with my honourable colleague opposite about the situation, and we are agreed on the following facts: There is no further legislation pending. The House of Commons is returning on April 11, and there is no indication that there will be any legislation from the House of Commons for us to deal with until, probably, Thursday, April 14. Logic dictates that we consider the economy of not having senators here in Ottawa, with all of the attendant travel requirements, unless there is work to do. Provided that we can deal completely with Bill C-14 this afternoon, and considering that Bill C-5 has been reported and will be completed this afternoon, then our business will also be completed here this afternoon.

Thereafter, we could return on, say, Thursday, April 14, in order to give first reading to bills and to give the necessary two days' notice before coming back again the following week. However, that did not seem too logical to us.

We have agreed, therefore, to return on Tuesday, April 19, with the understanding that we would proceed to the second reading stage of whatever bills we had received by that time. To us, in our discussions, it seemed illogical to come back three days ahead simply for the routine business.

With that understanding then, honourable senators, later this day I will propose that the Senate adjourn until Tuesday, April 19, subject always, of course, to recall if circumstances change.

BORROWING AUTHORITY BILL, 1994-95

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-14, to provide borrowing authority for the fiscal year beginning on April 1, 1994.

Bill read first time.

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

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, with leave of the Senate, I move that the bill be placed on the Orders of the Day for second reading later this day.

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

Hon. Senators: Agreed.

Motion agreed to, and bill placed on the Orders of the Day for second reading later this day.

• (1450)

VETERANS AFFAIRS

CANADIAN VIETNAM VETERANS' MEMORIAL—PRESENTATION OF PETITIONS.

Senator Jack Marshall: Honourable senators, I have the honour to table petitions with 127 names showing the support of the people of Canada for the Canadian Vietnam veterans' national memorial.

QUESTION PERIOD

PARLIAMENT

PROGRAM OF LEGISLATION—GOVERNMENT POLICY

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, I ask the Leader of the Government if we can expect any significant legislation from her colleagues in the next few months, or, for that matter, at any time this year. I ask this in all seriousness, since, except for the bill ordering Vancouver dock workers back to their jobs, the few bills that have come before us to date have been what I would call mandatory and routine — and all this five months after the election. After what we have just heard from the Deputy Leader of the Government, there seems to be nothing of substance ahead.

Contrast this appalling record with what took place after the September 1984 election. On December 20, three and a half months after the election, Royal Assent was given to nine bills, and most of them arose from the new government's election commitments. Here, five months after the election, we have had nothing.

The question is important: How long will this state of inertia, not to say paralysis, continue?

Senator Frith: Let us have bills, even bad bills. That is the way the Tories did it. In their case, especially bad bills.

Hon. Joyce Fairbairn (Leader of the Government): I thank the honourable senator for his question.

The government has brought forward a budget, and the legislation flowing out of that is now in the other place. We have introduced important legislation concerning the tobacco issue, and that is now passing through the system over in the House of Commons. We have also engaged in a number of extremely important exercises that will themselves produce legislation in the area of job creation and a task force that is considering the kind of reforms that we will be putting through in respect of our social programs.

Those are not issues that can be put into legislative form within a month or two. We are consulting with Canadians, and we are consulting with the provinces. Out of these consultations there will be significant legislation in these very important areas.

I can understand the frustration of the Leader of the Opposition with the way the system is working, but we know there is activity on the other side; there have been changes on the other side in terms of their rules. I am happy to say we are dealing expeditiously with the legislative schedule as it moves ahead, and I can assure you that there will be continuing legislation coming from the government in the other place.

Senator Lynch-Staunton: You have just made a reference to the tobacco legislation as significant legislation. From what you are saying, I take it that we might just as well throw the Red Book away. However, if the Liberals are ignoring what they put in that document, I am not. It is full of all sorts of actions that are to be taken to correct what the Conservatives did in the past. It talks about an ethics counsellor and lobbying legislation, and about all the things that we did wrong that are about to be corrected. We want to see how those corrections will be made.

All we hear is the repeated refrain, "We are going to consult; we are going to create task forces. We are going to consult; we are going to create task forces; and then we are going to create task forces and consult."

We want to know when the key elements of the Red Book, those scurrilous insinuations regarding the previous government, will be debated here through legislation.

Senator Molgat: As soon as we can clean up the mess.

Senator Fairbairn: Honourable senators, one of the important ingredients of the election campaign and of the Red Book was a commitment to develop our legislative program with the assistance of interested Canadians, and that is what we are doing. I certainly do not consider the legislation surrounding the tobacco taxes, the regulations on the availability of cigarettes for young people and the health issues involved in that particular program as insignificant.

At any rate, honourable senators, as indicated in the Throne Speech and in the budget, which is most important, we are following very closely the recommendations contained in that document to which my honourable friend refers so frequently.

Indeed, not all of the programs that we put forward in that document have a legislative capability initially. I refer to the committees that we have set up in this Parliament to look at the important areas of national defence and foreign affairs. In the future, those areas could generate legislation, or perhaps a white paper on defence, for example.

We have a full agenda ahead of us and I am sure it will keep both this house and the other place busy.

We have also discussed among ourselves on both sides of this house other issues of importance to Canadians, which the Senate has already taken steps to address. I refer to the special references to our Senate committees of issues that are not being followed by the House of Commons. These include euthanasia and the right to die, as well as Senator Marchand's initiative on behalf of aboriginal veterans. I hope there will be more of those kinds of initiatives to occupy the time, experience and wisdom of senators on both sides of the house.

NATIONAL ELECTION

RED BOOK COMMITMENT TO APPOINT ETHICS COMMISSIONER—GOVERNMENT POSITION

Hon. Eric Arthur Berntson (Deputy Leader of the Opposition): Honourable senators, my question is to the Leader of the Government in the Senate. It is a quite a simple question. It is to the point and requires no study.

There was a commitment in the Red Book to appoint an ethics commissioner. When will that be done? The answer requires no study; it is just the meeting of a commitment.

Hon. Joyce Fairbairn (Leader of the Government): That commitment will be met, honourable senators. I cannot give you the exact timing, but I am sure it will be soon.

ELECTORAL BOUNDARIES COMMISSION

SUSPENSION OF OPERATION UNDER PROPOSED LEGISLATION—PROPOSED USE OF CLOSURE—GOVERNMENT POSITION

Hon. Gerry St. Germain: Honourable senators, this question is to the Leader of the Government in the Senate. It is my understanding and information that the government, for the first time, has had discussions regarding invoking closure to cut off debate on Bill C-18, to suspend the operation of the Electoral Boundaries Readjustment Act.

Honourable senators, section 3 of the Charter of Rights and Freedoms states that:

> Every citizen of Canada has the right to vote in an election of members of the House of Commons or of a legislative assembly and to be qualified for membership therein;

In addition, in the case of *Dixon v. British Columbia* (1989), Chief Justice McLachlin of the B.C. Supreme Court, now a member of the Supreme Court of Canada, stated:

> Equality of voting power is the single most important factor to be considered in determining electoral boundaries...
>
> Because equality of voting power is so important, it is appropriate to set limits beyond which it cannot be eroded by giving preference to other factors and considerations, such as the 25-per-cent limit applied in Canada to the federal electoral districts.

Thus, my question: Is the government aware that under the 1991 census date many of the existing federal electoral boundaries do not fall in line with the 25-per-cent deviation limit, and, therefore, not proceeding with redistribution may be a violation of the Charter of Rights and Freedoms, or, at the very least, a denial of proper weighting of voting?

• (1500)

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, with regard to the legislation that the government has put forward in the House of Commons, I have no doubt whatever that it has been done with great care and with the appropriate legal advice. The honourable senator is correct that the bill has been moving in the House of Commons and is today under the rules of time allocation.

Senator Berntson: Is that closure?

Senator Fairbairn: No, that is a little different.

Senator Frith: Only when you do it.

Senator Fairbairn: There has been an effort made to get the legislation moving in order to accommodate the rules of the commission holding public hearings. The legislation will come to this house, I believe, immediately after we resume, and we will have an opportunity to study it.

Senator St. Germain: It is my understanding that the legislation would delay the redistribution process. I understand from the reply of the Honourable Leader of the Government that, in her view, the legislation will further the cause, but in fact it will delay the cause. In an earlier answer that I received on this question there was reference to a connection to the Lortie commission, a very expensive commission. I do not believe that, inasmuch as they are related, one can go without the other. Does the Honourable Leader of the Government not believe that democracy would be denied to some if we did not proceed with the recommendations of the Electoral Boundaries Commission and carry out the redistribution, as has been done historically?

Senator Fairbairn: Honourable senators, if one looks back into the records, one will find that there have been delays in this process on other occasions. In this case, there is a desire on the part of many members of the House of Commons to have an opportunity to see whether or not some of the recommendations that have been put forward in another very important commission, the Lortie commission, could be looked at and perhaps incorporated in the next round of redistribution of boundaries.

Senators will have an opportunity to express their agreement or disagreement with these proposals as soon as that bill reaches this house, which will be very soon.

Hon. Ron Ghitter: Honourable senators, I have a supplementary question.

The Hon. the Speaker: I am sorry, is the honourable senator posing a supplementary question?

Senator Ghitter: Yes, I am.

The Hon. the Speaker: Please go ahead.

Senator Ghitter: Honourable senators, recognizing that Alberta now has some 97,000 voters per riding, and considering that the largest riding in Alberta has 114,000 voters, the highest in Canada; and considering that the province of Alberta, under the Constitution, should have at least two more seats in order to have representation by population, I find it unacceptable that we would delay this provision for a further number of years, thus depriving the provinces of British Columbia, Alberta, and Ontario of their rightful representation in the House of Commons.

Perhaps the Honourable the Leader of the Government would use her influence to explain that situation to the government, in the hope that they will proceed with this legislation and not carry on for another five years on the basis of the 1981 census. That would be totally unfair to several regions of this country.

Senator Fairbairn: Senator Ghitter, I will be more than pleased to put your representation forward.

REVISIONS TO RIDING BOUNDARIES—STATUS OF HEARINGS

Hon. Finlay MacDonald: Honourable senators, I have a supplementary question for the Leader of the Government in the Senate. As I understand it, the leader has said that Bill C-18 will be awaiting our return on April 19. According to a recent press report, the independent commissions that are overseeing revisions to the riding boundaries in the ten provinces and the territories will have to decide for themselves whether or not to proceed with the public hearings scheduled to begin next month. I ask the Leader of the Government for her assurance that the government is not taking the Senate for granted in this situation.

Hon. Joyce Fairbairn (Leader of the Government): I profoundly hope they will not take the Senate for granted. As is the usual case, the Senate will have an opportunity to study this legislation and put forward its —

Senator Doody: Amendments.

Senator Fairbairn: — points of view on both sides of the issue.

TOURISM

EFFECT OF BUDGET CUTS—GOVERNMENT POSITION

Hon. Norman K. Atkins: Honourable senators, I have a question for the Leader of the Government in the Senate. The tourism industry in Canada employs, directly or indirectly, 1.2 million people and generates approximately $28 billion in total sales annually. In fact, tourism provides approximately $11 billion in tax revenue and $8 billion in foreign exchange.

My question is: Why is the government falling into the trap of cutting its tourism budget at a time when additional financial support, especially in the area of tourism marketing, would help create jobs and additional tax revenue?

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I should hope the government is not falling into a trap. I know that the view of the government and its ministers on the question of tourism is that it is a vital part of our economy, not just with regard to people visiting from other countries but also with regard to job creation across this country. That interest, and the desire to promote to the maximum degree the incredible advantages of this industry to Canada, is important to this government. I believe that in future months that hope will be realized by the government.

Senator Atkins: Honourable senators, the return on every dollar invested in tourism marketing will lead to substantial increases in jobs and revenue, at a time when the economy needs a boost. Will the government consider seriously a presentation made by the Tourism Association of Canada to the Liberal Party

caucus members on February 9, 1994 and, if so, would it consider directing the additional monies where they might count the most in generating tourism customers, namely, through a well-developed marketing program?

The evidence is clear at the moment that they are reducing the budget at a very critical time. Given that the emphasis in the Red Book is on jobs, jobs and jobs, this is, in my opinion, an opportunity to change the direction of tourism and improve the situation.

Senator Fairbairn: I will be pleased, Senator Atkins, to put that plea before the government. I have to admit that I have not received a copy of that document, and I would be glad to have such.

Senator Atkins: It went to your caucus.

• (1510)

AGRICULTURE

TRANSPORTATION OF GRAIN—SHORTAGE OF HOPPER CARS—GOVERNMENT POSITION

Hon. Leonard J. Gustafson: Honourable senators, a serious situation has arisen in respect to transportation of grain. The *Winnipeg Free Press* characterizes it in this way: "Grain sales in peril."

We are apparently short 5,000 grain hopper cars to meet the requirements of delivering gain to markets — markets we stand to lose. We have already lost, according to the report in the *Winnipeg Free Press*, approximately 45,000 tonnes of barley sales to Japan. That loss raises a major problem, because grain prices have increased.

The Leader of the Opposition indicated earlier that the government might find an intriguing matter to be dealt with in the next little while. Honourable senators, this is a very serious situation that will cost the country millions of dollars. It is a difficult time for our farmers. What is the government prepared to do about this problem?

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, the government and the ministry are aware of this difficulty in the transportation system, particularly as a result of the recent longshoremen's labour disruption.

I would say to the honourable senator that the Minister of Transport is very conscious of the problem. He is working on it. I cannot give you a detailed answer at this point. I will see what details I can put together, and perhaps I can communicate with you during our adjournment.

Senator Gustafson: Would the government be prepared to look promptly at the extension of the shipping year beyond July, if we cannot meet the requirements?

Senator Fairbairn: I will certainly ask that question of my colleagues, honourable senators.

FOREIGN AFFAIRS

HUMAN RIGHTS ISSUES—GOVERNMENT POLICY

Hon. Gerald R. Ottenheimer: Honourable senators, my question is for the Leader of the Government in the Senate. It is on the same general subject as that of my question of a few days ago, but it is not the same question. It deals with human rights in the context of foreign affairs.

Press reports today indicate that the Prime Minister may raise the issue of human rights when he meets with President Salinas of Mexico. Is it correct to state that present government policy is to continue to raise human rights issues with foreign governments in a continental context in North America, or is it the policy of the government to raise human rights issues within a hemispheric context?

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, the government's intention is to raise our concerns with respect to human rights issues in both a hemispheric and an international context. The Prime Minister, when asked in the House of Commons the other day, did say that he would be raising these issues in Mexico during his trip.

Two or three days ago, the honourable senator asked me if there had been a change in policy in Canada. My answer to him is that we have consistently raised concerns about human rights situations bilaterally, multilaterally and wherever they have occurred, be it Mexico or China. That is the firm intention of the Prime Minister. I am sure he will raise these issues with President Salinas.

As a side comment, honourable senators, I wish to note the profound shock and horror felt by all of us at the events that took place yesterday in Mexico causing the death of a presidential candidate.

Senator Ottenheimer: Honourable senators, I and my colleagues are shocked as well at the attack on the Mexican presidential candidate, Mr. Colosio.

I ask this supplementary only because the Honourable Leader of the Government got into the area, and it was a matter she had taken as notice a few days ago. I refer to the honourable senator's statement that it is a policy of the Government of Canada to make representations with respect to human rights abuses to foreign governments internationally, which I assume is more or less globally.

Would it be correct, therefore, that the statement attributed to the Prime Minister, that he would not be making representations during his visit to the People's Republic of China with respect to human rights abuses, was an aberration, or has there been a change of policy since that statement?

Senator Fairbairn: Not at all, honourable senators. The Prime Minister, in the context of the original statement, reaffirmed Canada's representations on human rights to representatives of the People's Republic of China; that is something that has been done on a number of occasions between ministers and officials meeting with representatives of that country.

The Prime Minister also indicated that one very forceful way of moving into a situation where China, and other countries, may better observe issues of concern to Canada is to engage China in activities of trading rather than to isolate that country, as has been suggested by some, although not by my honourable friend. Canada has engaged in discussions with China to assist that country in reforming its legal and judicial system, for instance.

Honourable senators, the Prime Minister has been very clear that Canada has always been, and will always remain, as persuasive as it can be on the issue of human rights. Moreover, this government will pursue economic and trading activities with countries rather than isolating them and consequently having no influence on them whatsoever.

THE ENVIRONMENT

PROCLAMATION OF ENVIRONMENTAL ASSESSMENT ACT—STATUS OF DRAFT REGULATIONS—GOVERNMENT TIMETABLE

Hon. Lowell Murray: Honourable senators, the presence in this chamber on opening day two months ago of the Deputy Prime Minister, the Honourable Sheila Copps, served to remind me of a number of issues that will confront her in her capacity as Minister of the Environment.

On one of those issues, the Speech from the Throne stated:

> The Canadian Environmental Assessment Act will be proclaimed.

Honourable senators, my question is this: What is the plan and the timetable of the government with respect to this matter? Second, what is happening with regard to the regulations under this act?

I recall that the former government published regulations in draft form, but that the national Liberal Party expressed its entire dissatisfaction with those draft regulations and pledged to rewrite them.

Would the Leader of the Government in the Senate find out what the status of this matter is? When may we expect proclamation and when may we expect to see a new set of regulations? I am aware that our own committee in the Senate is looking at the generality of the process, but I should like a clear statement of the state of play in the government on this matter.

Hon. Joyce Fairbairn (Leader of the Government): Thank you, Senator Murray. As you observed, the intention is to proclaim, and I will endeavour to deliver the relevant information to you in that time frame.

ATLANTIC CANADA OPPORTUNITIES AGENCY

METHOD OF AWARDING PROJECTS—GOVERNMENT POLICY

Hon. Gérald J. Comeau: My question is with respect to ACOA, an organization that has been in place for a number of years and has served Atlantic Canada extremely well.

I have read of a number of projects that have been awarded by the Atlantic Canada Opportunities Agency over the past number of months. I do not argue with the projects themselves. That is the subject for a different study. What concerns me is that these projects were awarded even though, as far as I know — and I am fairly confident of this — ACOA has not met once since the new government was formed.

With respect to this agency, are we returning to a method of doing business whereby the minister, together with a number of his MP colleagues in closed meetings, makes the decisions relating to the attribution of projects in Atlantic Canada? We specifically designed the Atlantic Canada Opportunities Agency to avoid political interference by ministers and others. These projects were to be awarded by the agency in consultation with citizens.

Would the minister look into the new workings of ACOA and try to encourage her ministerial colleagues to return to a method of awarding these projects that involves more consultation with citizens?

Hon. Joyce Fairbairn (Leader of the Government): Senator Comeau, I will seek information from my colleague the minister responsible for ACOA in that regard. As you know, he is a very vigorous colleague from Nova Scotia. I will be pleased to seek information from him and also to pass on your concerns to him.

DELAYED ANSWERS TO ORAL QUESTIONS

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, I have delayed answers to three questions from honourable senators. The first is a response to a question asked by the Honourable Senator Lavoie-Roux in the Senate on February 10, 1994, regarding social security reform. The second is a response to a question raised on February 22 by the Honourable Senator Ottenheimer, regarding Canadian policy on NATO air strikes in Bosnia. The third is in response to a question raised in the Senate on March 15 by the Honourable Senator Norman Atkins regarding necessary repairs to the Lester B. Pearson International Airport.

HUMAN RESOURCES DEVELOPMENT

SOCIAL POLICY WHITE PAPER—GOVERNMENT POSITION

(Response to question raised by Hon. Thérèse Lavoie-Roux on February 10, 1994)

> The Minister of Human Resources Development launched the social security reform process in February. That process will build on Red Book commitments emphasizing the importance of investing in people and sharing the responsibility for our future, and will derive input from a number of sources.
>
> A Task Force, chaired by the Minister and utilizing analytical support from HRD officials, is working intensively to examine and assess various options for reform. The House of Commons Standing Committee on Human Resource Development is consulting widely with Canadians on issues related to redesigning social security. In addition, the Minister has consulted with provincial and territorial labour market and social services ministers, who have agreed to work together in initiating joint strategic initiatives in the social security field.

The Action Plan for social security reform that the Minister of Human Resources Development will present to Parliament in April will draw upon ideas generated in all these forums. This Action Plan will outline issues and propose options for reform, and will form the basis for continued consultations with Canadians over the summer. The Action Plan is, at this point, the only major consultation document planned for release on the broad directions for social security reform.

BOSNIA

COHERENCE OF NATO STRATEGY—GOVERNMENT POSITION

(Response to question raised by Hon. Gerald R. Ottenheimer on February 22, 1994)

Canada provides one of the largest contingents of the United Nations Protection Force in the former Yugoslavia. The primary aims of this effort are to provide better protection for the civilian population and to support the channelling of humanitarian aid to this population suffering heavily from the continuing conflict.

Canada has always expressed serious reservations over the use of NATO air strikes in cases other than legitimate defence, i.e. to protect United Nations forces from a direct attack by one of the warring parties. The Canadian Government is concerned over the impact such measures would have on the peace process, on the supplying of humanitarian aid, on the safety of Canadian troops in the field, and on the role of the UN and NATO, which would be perceived and treated as parties to the conflict.

As a member of NATO, Canada has been especially active in discussions on the use of air strikes to support United Nations Security Council resolutions, and has influenced the Alliance to the point where Canadian concerns are taken into account in its Council meetings.

Most of Canada's concerns were addressed in the decision finally ratified by NATO on February 9 last concerning Sarajevo. This was why Canada supported the decision. The success of the operation showed the validity of our position and of the final NATO decision, since it increased the security of Sarajevo's civilian population while giving fresh impetus to the peace process in Bosnia.

TRANSPORT

NECESSARY REPAIRS TO PEARSON INTERNATIONAL AIRPORT—GOVERNMENT POSITION

(Response to question raised by Hon. Norman K. Atkins on March 15, 1994)

The government recognizes Lester B. Pearson International Airport's role as the predominant Canadian airport and one of the largest economic engines in Southern Ontario. In this context, the government is currently considering all options for Pearson International Airport. This examination includes the management structure, the need for expanded and improved facilities, and the future developments for aviation in the Greater Toronto Region. It is essential that the government hear from all stakeholders and interested parties before making any decisions concerning the future of Lester B. Pearson International Airport, as its future is too important to the local and national economies to be decided in Ottawa alone.

ORDERS OF THE DAY

APPROPRIATION BILL NO. 3, 1993-94

THIRD READING

Hon. Gildas L. Molgat (Deputy Leader of the Government) moved the third reading of Bill C-19, for granting to Her Majesty certain sums of money for the public service of Canada for the fiscal year ending March 31, 1994.

Motion agreed to and bill read third time and passed.

[*Translation*]

APPROPRIATION BILL NO. 1, 1994-95

THIRD READING

Hon. Gildas L. Molgat (Deputy Leader of the Government) moved the third reading of Bill C-20, for granting to Her Majesty certain sums of money for the public service of Canada for the fiscal year ending March 31, 1995.

Motion agreed to and bill read third time and passed.

[*English*]

CUSTOMS TARIFF

BILL TO AMEND—THIRD READING

Hon. Michael Kirby moved third reading of Bill C-5, to amend the Customs Tariff.

He said: Honourable senators, the bill before you contains only one clause. That clause effectively extends what we would be inclined to call, in ordinary parlance, legislation which enables the government to grant certain developing countries favoured nation status. In fact, in the bill that status is called "generalized preferential tariff." The normal media version of it would be "favoured nation status."

The clause would extend for ten years the right of the government to give preferential tariffs on specific items to Third World countries so that they can expand their possibility of exporting to Canada. That right would normally expire on June 30 of this year.

This provision has been in existence for some 20 years. It was extended once before for a 10 year period, from 1984 to 1994. This is simply an extension of that same provision from 1994 to the year 2004. The importance of bills such as this is declining somewhat with the emergence of new GATT rules covering a very large number of countries, and with the emergence of NAFTA.

That is the purpose of the bill. It does not change any of the existing tariffs. It merely extends the status quo, pending, of course, a potential change in government policy following the report of the Joint Senate and House of Commons Committee on Canadian Foreign Policy.

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

Motion agreed to and bill read third time and passed.

BORROWING AUTHORITY BILL, 1994-95

SECOND READING

Hon. Royce Frith moved the second reading of Bill C-14, to provide borrowing authority for the fiscal year beginning on April 1, 1994.

He said: Honourable senators, Bill C-14 grants borrowing authority to the government. I suppose many might think it properly subtitled "boring authority" because the bill is couched in rather arcane, esoteric language. However, the significance of those clauses is really quite straightforward and, of course, very important.

Honourable senators, I intend to go through those clauses with some explanation of the rather esoteric language that is used in order to explain what those sections mean.

• (1530)

This is a short bill with five sections, and the second section has three subsections. I wish to say a word about timeliness and why it is important for the bill to be passed as soon as honourable senators can bring themselves to do so.

I also wish to make some comments about the relationship between the borrowing authority, the budget and the Estimates. To highlight a few additional points, I will touch on the budget as it relates to fiscal outlook, reductions, broadening the tax base, a thought about personal income tax balance, and a word or two about domestic debt programs. I will then ask honourable senators to consider giving this bill approval at second reading.

Honourable senators, the first section simply states the title of the bill. The second section is the basic section on borrowing authority and it provides the government with authority to borrow up to $34.3 billion in the 1994-95 fiscal year. That amount is needed to meet financial requirements of $30.2 billion; to cover foreign exchange account earnings of $1.1 billion, earnings that are retained in the exchange fund and are not available for government operations; and $3 billion to cover contingencies such as foreign exchange operations.

The provisions for foreign exchange account earnings in the contingency reserves are standard provisions. The reason any government has to have borrowing authority to cover the earnings in the exchange fund is that the profit that is made on exchange funds is used to reduce the deficit, but it is not available for program spending, or for any spending, and has to be kept there. Therefore, borrowing authority is necessary for that.

Clause 2(2) provides additional borrowing authority to refund roll-over treasury bills that were issued during the 1993-94 fiscal year, subject to section 47 of the Financial Administration Act, up to a maximum of $3 billion. In other words, some treasury bills that were issued under a previous borrowing come due and the government needs a further borrowing to pay them off. The amount that is requested is $3 billion. The reference to section 47 comes up again, and again it sounds pretty arcane, but section 47 of the Financial Administration Act is there to cover only short-term situations.

Clause 2(3), if we follow the Deputy Leader of the Government's schedule today, is really of no importance to us because it is only applicable if the bill is not passed before April 1, 1994 — or April 1 of any year, for that matter. There has to be a deduction of any 1993-94 carry-over that is unused from the 1994-95 authority. That is the purpose of that section, and I do not think it will mean anything to us today if the schedule that the deputy leader has set out is followed.

That takes us then to clause 3 which deals with expiration, and it ensures that all unused borrowing authority granted by this bill in excess of $3 billion will be cancelled on March 31, 1995. It allows the $3-billion non-lapsing contingency reserve to be carried forward into 1995-96, a year from the end of this month, to be used for funding operations if a new borrowing authority bill has not yet been provided. Again honourable senators will see a connection between that clause and clause 2(3). In other words, next year, if the bill is not passed by April 1, then there is a provision to carry that forward.

Section 4 provides the effective date for the calculation of charges. That ensures that all maturities — another expression for any debts, any borrowings that have come due — have to be paid off. That clause ensures that all maturities in the fiscal year are covered by a fiscal year borrowing authority. As an example, that arose for the first time in the 1992-93 fiscal year under the previous government whereby the refunding authority provided in the Financial Administration Act for maturities and redemption was lost because it occurred after the start of the fiscal year but prior to Royal Assent.

Clause 5 covers the expiration of previous borrowing authority and fits together with the other sections because it ensures that any unused borrowing authority from 1993-94, the year we are now in, is cancelled once the new authority is given.

Although those sections are phrased in somewhat Byzantine or esoteric terms, they all fit together very well and cover all of the eventualities. As can be seen, we are not worried about some of those eventualities if we carry out the program suggested for today.

Honourable senators, that takes me to the second of the three-plus parts, and that is the relationship between the borrowing authority and the budget. One of the reasons that the borrowing authority legislation and these few standard clauses are so cryptic is that the basic information that is needed for the borrowing is all in the budget and in the Estimates. It means that without borrowing authority in place for a new fiscal year, there will be severe constraints placed on the government's financing program. Essentially, the government would be limited to use the section to which I referred earlier, section 47 of the Financial Administration Act, which provides only limited authority and restricts the funding to short-term funds. That would mean that no bond issues would be permitted except to fund maturing issues — the term of art used to describe debts that come due — of which there are few in the first quarter of 1994-95, so it would not help very much.

Any delay in the passage of the bill beyond the end of the current fiscal year could prove costly to the government, and perhaps to taxpayers, and would expose the government to additional interest rate risks. That is why any government wants a borrowing authority to be secured as soon as possible after the budget, and that again illustrates the connection between the budgets, the Estimates and the borrowing authority.

The policy principles and detail behind the borrowing authority are all in the budget and the Estimates. The borrowing authority — the bill we are debating today — is merely a mechanism for implementing the budget and the Estimates.

Honourable senators, that means that the debate in which Senator Murray and others participated, which is still an item on our Order Paper dealing with the budget, is all quite relevant to the borrowing authority and is the reason that, in parliamentary tradition, the presentation of a borrowing authority bill is often an occasion to examine the government's fiscal policies, its budget and, to some extent, the Estimates.

I want to say a few words about the budget. The government's proposal is for the most substantial spending reductions by governments in the last 10 years. The budget relies on cautious, prudent projections of economic growth for this year and next, so the deficit projections are much higher than those given to the house last April. The economic projections presented in the budget are based on a consensus of private sector forecasts, which consultation we read about, and not on overly optimistic — some might say unrealistic — expectations of growth presented in some previous budgets; expectations that resulted in deficit forecasts that were wrong, in some cases, by tens of billions of dollars. The use of prudent projections of economic growth, therefore, helps to generate budget numbers that Canadians can trust.

• (1540)

In the few additional comments I wish to make, I want to touch on the fiscal outlook: reductions; the broadening tax base, which is an important principle in the budget and therefore important for the borrowing authority; personal income tax; balance; and the domestic debt program.

The minister is confident that the 1994 budget actions, coupled with the moderate economic growth projected, will reduce the deficit from $45.7 billion in 1993-94 to $39.7 billion in the coming fiscal year. A further drop to $32.7 billion is expected in 1995-96. We will see if that comes to pass because we will be debating this borrowing authority a year from now.

As a percentage of Canada's economy, the deficit will fall from 6.4 per cent of gross domestic product for this year to 4.2 per cent of GDP in 1995-96. Looking further ahead, the budget sets the deficit on a path to meeting the government's interim deficit target for 1996-97 — 3 per cent of GDP or some $25 billion.

The emphasis is on actions that will support economic renewal and confidence and, thus, reductions in government spending. Net expenditure cuts will total $17 billion over the next three years. The minister proposed some measures to increase revenue, but there are $5 in spending cuts for every $1 in new revenue.

What are these reductions in government spending? First, there is the operating budgets of government departments reduced by $400 million in the next fiscal year with savings rising to $620 million annually in 1995-96 and beyond. Second, there is a freeze in government salaries affecting public servants, the Prime Minister, MPs, senators and other officials which will total almost $1 billion annually by 1996-97. Also trimmed are the budgets of ministers' offices and reduction in the parliamentary budget. Total savings from cuts in government operations will rise from $468 million in 1994-95 to $1.6 billion in 1996-97.

The third reduction is in the area of defence expenditures. The cancellation of the EH-101 helicopters, as promised during the last federal election, will save $1.7 billion over the next three years. This budget calls for a further $1.9 billion in spending reductions during that period.

Fourth, grants and contributions made by government, including foreign aid and grants to business, will also be trimmed for savings of $253 million in the fiscal year starting this April, rising to $409 million in 1996-97.

The fifth item on my list deals with the restructuring of Canada's social security system, about which we have been reading a lot recently, to improve it, to make it more efficient and responsive and to ensure that it remains affordable, including important targets for both UI reform and social security transfers to the provinces.

Sixth, the government has announced changes to the unemployment insurance system that will reduce expenditures by $725 million in 1994-95 and $2.4 billion annually thereafter. The measures will also allow UI premiums to decline, thus helping to create jobs and put Canadians back to work.

Seventh, federal transfers to provinces currently total some $40 billion annually, with some $14 billion of that related to social security programs. The budget calls for a two-year period of predictability and modest growth in these transfers. The

plan is to cooperate with the provinces in studying reforms and testing new approaches with extensive public consultations and input along the way. However, the budget makes clear that social security transfers will be no higher in 1996-97, after reform, than they are this year. This will save the federal government at least $1.5 billion in 1996-97.

Honourable senators, that brings me to a comment about broadening the tax base, which is the third in my five additional points. The challenge to the deficit is not only one of spending, of course. We have heard about that in the very informative debate that we have already had on the budget. It is also one of revenues.

It is generally agreed that the opinion of Canadians is that taxes are already too high. The government's priority objective, therefore, is to stimulate economic growth, which will help curb the deficit and allow us to reduce taxes in the years ahead.

The tax and deficit relationship is a direct and not an inverse ratio; that is, a higher deficit leads to higher taxes while a lower deficit is the road to lower taxes. I do not think anyone disagrees with that. In order to reduce the deficit now, some revenue increases are necessary. The government has decided that the fairest way to raise revenue is to broaden the tax base and bring greater equity and fairness to the tax system.

The fourth of my five points is a comment about personal income tax. The $100,000 lifetime capital gains exemption will no longer be available for gains realized after budget night. For individuals, the full value of employer-paid life insurance premiums will be taxable. The income tax credit provided to persons over the age of 65 will be income tested. However, only one senior in four will be affected by this change.

Senator Lynch-Staunton: You were always against clawbacks, and universality was always a model of the Liberal Party. What has happened?

Senator Berntson: Have you changed your mind?

Senator Frith: No, I have not. I am telling you what this budget provides, and why it is relevant to the borrowing authority. If you want to bring me before a committee and ask for my opinions on universality and clawbacks, they might be the same as those of the minister that I am reporting to you today and that are reflected in the budget, or they might not.

Senator Lynch-Staunton: You are not really sponsoring the bill; you are just reading the speech.

Senator Frith: Yes, I am sponsoring the bill because the bill is a bill, as I have said, which implements the budget. I am telling you what the budget provides. As I know Senator Lynch-Staunton and all other senators want me to do, I am trying to keep all sentimentality out of it.

Senator Berntson: Try to keep a straight face.

Senator Frith: I am trying to give you the facts so that you can exercise your finely honed intellects in order to make up your minds.

Senator Lynch-Staunton: We know what is in it, because most of it is our policy.

Senator Frith: This is purely an attempt to help honourable senators decide whether they do or do not want to give this government the borrowing authority that flows from the approval of the budget and the Estimates.

Senator Doody: It is very difficult to keep sentimentality out of a borrowing bill.

Senator Frith: As a matter of fact, it is a very interesting challenge as to how one could get sentimentality into a borrowing bill, but thank you for suggesting that I had done so, and in doing so provoked a sentimental reaction from those on the other side.

Senator Doody: There is a touch of nostalgia here.

Senator Frith: A number of changes are also being proposed to the corporate tax system to make it fairer and to better target the tax assistance made available to certain businesses. I do feel a bit sentimental about this, as I am sure we all do. They include a reduction in the goods and services tax credit and the business income tax deduction for meals and entertainment expenses; the elimination of certain tax preferences aimed at small businesses that are enjoyed by some large private corporations; a change in the tax treatment of certain securities transactions by financial institutions; and the elimination or reduction of certain regionally based investment tax credits that have not been cost effective in attracting new investment. The proposed changes will add $575 million to federal coffers in 1994, and almost $1.4 billion the following year.

I celebrate this part of the budget because I think all parliamentarians, and all Canadians, have grown tired of hearing, year after year, by how much the deficit could be reduced and government revenues could be increased if some of these loopholes were closed. The attempt is to tighten them up and increase revenue as a partner to the objective of reducing expenditures.

• (1550)

The idea is to strike a balance, weighing a number of concerns and targeting a number of goals — that is the same balance, one of the elements of which is the question of clawbacks and universality. These are the factors that every Minister of Finance must take into account.

The present Minister of Finance has successfully brought forward a balanced approach, weighing a number of concerns and targeting a number of goals to create jobs, to stimulate economic growth, to reduce the deficit and to ensure the long term financial viability of the social programs that define this country.

Now, of course, some might call for a different balance. But the focus here is on one of the special issues or another, and the complete picture. The government has opted for a balanced picture and has done it successfully. The Minister of Finance cannot please everyone, and has not necessarily pleased every member of the Senate, but he has tried to take into account all of those factors and come up with a balance that Canadians have applauded. As he put it:

> ...for those who would have us spend more, Canadians deserve to know where the money would come from. And for those who demand we cut more, Canadians deserve to be told the extent to which that would hurt growth, hurt jobs, hurt the less fortunate.

Honourable senators, in conclusion, I have a word about domestic debt management that should be on the record. I will quote from the comments made on behalf of the government in the other place. At page 1844 of Hansard, it states:

> As background information I would like to review the government's debt operation in the current fiscal year up to the end of January.

This is a legitimate question on the debate of the borrowing authority, the government having been in office for several months up to this point. It goes on to state:

> At this point in the domestic debt program about $25 billion in new net market debt has been issued. Of this total, $21 billion was in the form of marketable bonds, $5.5 billion in treasury bills, and $925 million in real return bonds.
>
> The real return bond program was first announced in October 1991 and is a modest and cost effective diversification of a debt program. The bonds offer investors a real rate plus an inflation compensation component.

That is very attractive from the investor's point of view. Mr. Walker then states:

> I would like to report to the House on last fall's Canada Savings Bond campaign...

That is a relevant item for borrowing authority and budget debate. He goes on to state:

> That campaign with bonds bearing an interest rate of 4.25 per cent had total sales of $5.4 billion. After taking into account the Canada Savings Bonds that matured or were redeemed in that period, net purchases of new bonds amounted to $842 million.
>
> Regarding foreign currency debt, outstanding Canadian bills increased by U.S. $2.7 billion to $4.7 billion at the end of January. These are short-term U.S. dollar denomination bills which are issued from time to time in the U.S. market to fund Canada's foreign exchange reserves. In addition, a 80-billion-yen bond issued in 1986 matured in July 1993.

The last paragraph of Mr. Walker's intervention states:

> In January the government launched a U.S. $2-billion five-year floating rate note. This issue will be used to pay down outstanding Canada bills thereby diversifying the source of U.S. dollar funding of Canada's exchange reserve. It will not increase the level of reserves or Canada's overall indebtedness.

That is the end of the quote that I wanted to put on the record dealing with domestic debt management.

Honourable senators, I doubt that you want to ask questions about these matters, but I have a briefing book containing material on the following additional points if you have questions about them: The borrowing authority recent history and statutory framework; use of the borrowing authority from April 1993 to March 10 of 1994; a special note on section 47, which is the section that deals with short term borrowing; and more detail on debt operations and the exchanges fund account profits.

The last item concerns the profits that I mentioned. I did not know about this until I got the briefing material. I did not realize that those exchanges profits are used to reduce the deficit but are not available for funding. That is why they come in under borrowing. They cannot be used, in other words, but they have to be taken into account because the money is there. Therefore, they have to be taken into account in setting up the deficit accounts.

I also have additional briefing on the public debt charges, on official reserves and the exchange rate on interest rates in 1993 and the beginning of 1994. That is something that you probably already have if you have the up-to-date issue of the Quarterly Fiscal Monitor. I also have the February 1994 issue, and we all probably have the March 1994 issue by now. I then have something generally on Government of Canada securities.

Honourable senators, those are all the points I want to make in attempting to persuade honourable senators to grant the government the borrowing authority. I have explained as best I can the connection that it has with the budget and the Estimates.

I would ask all honourable senators to support Bill C-14 and give it second reading today.

Hon. C. William Doody: Honourable senators, I was quite taken by Senator Frith's explanation of why the government needed the borrowing authority so speedily, and urged us to get it through in the interests of saving money on short term borrowings and going outside to try to finance it. It all sounded so familiar and it would be so tempting to say, "Well, perhaps you should wait for a little while," but we are not like that.

Senator Frith: Now senator, the only time we did that was when you did not have Estimates and did not have a budget.

Senator Doody: Honourable senators, the need for the budget was every bit as urgent at that time as it is right now, and the Minister of Finance of the day was no less concerned than is the present Minister of Finance.

Senator Frith: We intended to give you the budget, and we offered to give it to you.

Senator Doody: Honourable senators opposite are pretty secure in knowing that the borrowing authority will not be delayed, even though it quite obviously could be. The $34.4-billion borrowing authority which is being requested today is in the standard form of borrowing authorities as I remember them.

I noted with some dismay that Senator Frith would, on several occasions, look forward to having another borrowing bill before us at this time next year. I found that a little bit depressing. I thought they might have found a way to get us out of this downward spiral.

The fact of the matter is that the money must be found somewhere, and it must be borrowed, and the government must find a way to meet its deficit.

The deficit, I am told, will fall to just under $40 billion in the next year from the $45.7 billion projected this year. Many of us suspect that the $45.7 billion is an inflated amount. The government, I think, found ways to push every possible cost that might be incurred in the coming year into the current year's deficit so as to establish, perhaps, a benchmark against which their progress in future years could be measured.

Of course, it will also help to justify the tax increases which we can expect in the next three years. I think there is something like $3.4 billion in new tax increases projected for the country in the next three years. That is not a very pleasant pill to have to swallow.

Inflating the deficit? Yes, I think so. There is a $1.2-billion amount included in that deficit for the stabilization fund. That is the provincial stabilization figure, money which has not actually been spent but has been set aside in anticipation of claims from the provincial governments on the stabilization program, which is a very important program. I would think that the provincial governments would have a great deal more difficulty borrowing money in the marketplace if the Government of Canada's stabilization program was not standing behind the debt. Nevertheless, it is not an expenditure that has to be made in the current year, but it is being set aside in the current year and added to the deficit for utilization next year.

Then there is the faster processing of income tax returns. Once again, I cannot quarrel with that. There is nothing illegal about it. There is nothing wrong with it. The previous government put the mechanism in place to make it possible. However, the fact remains that it was a decision made by the current government to include that money in the deficit in anticipation of paying it in the next year. Of course, it takes quite a bit of pressure off the coming year's numbers.

There is a $500-million increase as a result of the failure of the previous government to pass a measure to change the timing of GST credits. That also could easily have been included in next year's numbers. The government elected to include it in this year's numbers for good reason from their point of view; however, it does distort the deficit number.

There is at least $700 million of last year's deficit that is the result of decisions made by the current government. That is the cost of cancelling the helicopter contract and the early retirement incentives for the military and the added costs of base closings and so on. I suspect $700 million is a notional amount. It will probably be a great deal more than that when the final reckoning is in. We will see what happens as we get further down the road on that one.

I should also point out for the record that this is not the only borrowing bill before Parliament at this time. The thirty-some billion dollars in this borrowing bill before us is in addition to a $13.5-billion borrowing authority which is given to CMHC, Canada Mortgage and Housing Corporation. The $13.5-billion authority is to borrow for their own purposes with the guarantee of the government. The CBC, of course, also has a borrowing authority of some billions of dollars, the exact amount of which I do not now remember, but it is included in the Supplementary Estimates (B), which adds to the number. There is really something like $53 billion or $54 billion in borrowing authority being granted to the government and to the Crown corporations that I mentioned.

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, can Senator Doody advise us whether that $13.5 billion is for the one fiscal year alone?

Senator Doody: Yes. I believe it is $13.5 billion, plus the CBC number, which I think is three or four but which I do not have in front me.

All of these authorities are covered, of course, in the supply bill, but the supply bill is not debated in the other place. It goes through on a wink and a nod before the end of the season and there is no meaningful debate on the supply bill itself.

Of course, traditionally, the Senate does not interfere with supply bills or appropriation bills unless there is good and sufficient reason for doing so. However, I have to wonder if the system we have developed over the past few years is conducive to an intelligent debate on the spending powers of various successive governments.

The idea of giving a Crown corporation a $13.5-billion borrowing authority without a minute's debate is, on the face of it, improper. It may be a very good program. I expect it is. I was told in the committee that the CMHC can probably borrow the money with a government guarantee at 50 to 80 basis points lower than the public sector. There may be merit in that. On the other hand, however, I do not know what the reaction of the private sector will be to that, or what the result will be with the people who have been the traditional lenders. Once again, it may be reasonable and sensible, but as far as I can tell, nobody has been told any of this. It is all just a sheet of paper in the Estimates.

The projections that have been given for future years in the budget are, in my estimation, very incomplete and too short-term by far. I remember 1975 when John Crosby introduced his budget. A remarkable man, he learned to pronounce the word the same way I do. His projections at the time were far more wide-ranging in terms of the future. It is a pity that that process has not been followed more faithfully. I think it could help in the stability of the marketplace generally. Indeed, the Auditor General has voiced the same opinion.

In any event, honourable senators, quite a few measures in that budget are taken to control spending. We certainly do not disagree with all of them. Indeed, many of them are a continuation of policies that were introduced by the government we supported.

I must say there are exceptions. Among them is the rather mindless and senseless closing of the military college in the province of Quebec. That, to me, makes absolutely no sense at all. There is the almost knee-jerk slashing of the helicopter program without examining the alternatives in terms of search and rescue facilities and so on. That was unfortunate. There are other knee-jerk reactions in there as well. However, these are matters we can look into as the year progresses. The government supporters can rest assured that this side will not interfere with the passage of the borrowing authority.

The Hon. the Speaker pro tempore: Honourable senators, I must advise you that, if Senator Frith speaks now, his speech will have the effect of closing the debate.

• (1610)

Senator Frith: First, I congratulate Senator Doody on an intelligent and, more particularly, knowledgeable intervention. He is an experienced person in these fields. He was Minister of Finance in Newfoundland —

Senator Doody: That's where I learned about borrowing.

Senator Frith: You taught them a thing or two, I am sure. That is a position I have never held, either provincially or federally, and so I think the Senate should appreciate the honourable senator's intervention, coming as it does from his experience and knowledge. We may be able to discuss some of the questions he raised in committee, which is an opportunity we will have shortly.

There were some other points he raised, such as the helicopter question and other items quite properly raised in debate on a borrowing authority, but I expect that some of those will be examined more closely either in the continued debate on the budget or in his own committee when dealing with the Estimates.

I knew when I talked about the importance to the government and to all Canadians of having early borrowing authority that I might provoke from him a reference to events in the Senate related to the timeliness of borrowing authority. I do want to underline for the record that in 1985, when the Liberals were in the opposition and borrowing authority was asked for spending that was not covered by a budget or by Estimates, the opposition did oppose the bill but offered to grant the borrowing authority for all amounts that were covered by Estimates and by budget. They quoted, in fact, the then Minister of Finance Michael Wilson, when he had been in opposition, as saying that borrowing authority should not be granted without budget and Estimates to cover the amounts that the borrowing authority was asked for.

That, as the honourable senator has said, is not the situation today, and I say it is not the situation today. As we have seen, there are detailed estimates and a budget covering everything that is being asked for in this borrowing authority bill.

I would ask honourable senators to support the bill at second reading.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE OF THE WHOLE

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

Hon. Royce Frith: I move that the bill be referred to a Committee of the Whole, and that the Senate do now resolve itself into a Committee of the Whole for that purpose.

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

Hon. Senators: Agreed.

Motion agreed to.

CONSIDERATION IN COMMITTEE OF THE WHOLE

The Senate was accordingly adjourned during pleasure and put into a Committee of the Whole on the bill, the Honourable Earl A. Hastings in the Chair.

Pursuant to rule 21 of the *Rules of the Senate*, Mr. David Walker, Mr. Peter DeVries and Mr. Jon Cockerline were escorted to seats in the Senate chamber.

Senator Fairbairn: Honourable senators, I welcome into the chamber David Walker, who is the Parliamentary secretary to Paul Martin, Minister of Finance.

We are delighted to have you here to help with the deliberations on this bill. Proceed, Mr. Walker, if you have some opening remarks, and then the senators will put their questions. You may wish to introduce the officials who are with you to the house.

Mr. David Walker, Parliamentary Secretary to the Minister of Finance: Thank you very much, Senator Fairbairn. I would like to thank the senators for the opportunity to discuss this borrowing authority bill with them. I was listening with interest to second reading, and I appreciate your support in seeing that the government receives approval of this bill before the break.

I just want to spend a few minutes going through the bill clause by clause. The bill is technical in nature, but obviously has a tremendous impact on our capacity to borrow and to organize the financing of the government properly. I just want to go through each of the clauses.

Clause 2(1) requests borrowing authority in the amount of $34.3 billion for the 1994-95 fiscal year. This amount is required to meet the financial requirements of $30.2 billion, to cover foreign exchange earnings of $1.1 billion, and to provide a $3-billion reserve to cover contingencies. This non-lapsing reserve is the same amount requested in borrowing authority bills in recent years. This clause also ensures that the borrowing authorities provided in this bill may only be used after the 1994-95 fiscal year begins.

Clause 2(2) covers the funding of treasury bills issued in 1993-94 under section 47 of the Financial Administration Act up to a cap of $3 billion. Without this clause, these refundings would be charged against regular 1994-95 borrowing authority, even though the money was raised in the 1993-94 fiscal year. This provision cannot be used to generate additional borrowing authority for 1994-95.

Clause 2(3) ensures that any portion of the $3-billion reserve granted by the Borrowing Authority Act 1993-94 that is used in 1994-95 will be deducted from 1994-95 borrowing authority. This prevents any use of the 1993-94 non-lapsing reserve, effectively adding to borrowing authority in 1994-95.

Clause 3 states that all unused borrowing authority granted by this bill in excess of $3 billion will be cancelled on March 31, 1995. This allows a $3-billion non-lapsing reserve to be carried forward into 1995-96.

Clause 4 stipulates that the borrowing authority cover the full fiscal year beginning April 1, thereby ensuring refunding authorities for the securities maturing in fiscal 1994-95.

Finally, Clause 5 ensures that any unused borrowing authority from fiscal 1993-94 is cancelled on March 31, 1994, or the date that the new bill comes into force, whichever is later.

Borrowing authority is a normal part of the operation of the government. It is important to the smooth functioning of our government's borrowing program that authority be in place at the beginning of the new fiscal year.

I have with me two officials from the department, Mr. DeVries and Mr. Cockerline, who will help me answer questions from the honourable senators. I am now available to answer your questions.

The Chairman: Honourable senators, the Senate is now in Committee of the Whole on Bill C-14, to provide borrowing authority for the fiscal year beginning on April 1, 1994.

Shall the title of the bill be postponed?

Hon. Senators: Agreed.

The Chairman: Shall the short title, clause 1, be postponed?

Hon. Senators: Agreed.

The Chairman: Shall clause 2 carry?

Senator Lynch-Staunton: Can we move into a more general question period, Mr. Chairman? I should like to ask Mr. Walker just a few questions.

• (1620)

Is it too early to gauge the effect of the lowering of the tobacco tax on the receipts of that tax? The lowering was done in early February. Is there an indication at this stage that the drop in smuggling could have offset the drop in the tax, or has the drop in the smuggling been such that the receipts for the tax are starting to increase?

Mr. Walker: Mr. Chairman, we made the changes in the financial projections at a time when a decision was made on the tobacco tax. We took into account then the projections for the loss in income and factored them into our projection. It is too early for the department to assess how close we are to those targets, because the change is working its way through the system, which involves rebates, sales and so on. We have only one month of sales at this time, and it is too early to make a projection.

Senator Lynch-Staunton: Are you still holding to a deficit of $45.7 billion for the current fiscal year, given the unusually optimistic forecast we can read from the January results?

Mr. Walker: We have been hesitant to change our forecasts based on the month-to-month projections. January's was more favourable. From a departmental point of view, we would like to think that some of the measures put into effect by the earlier government and ourselves are having an influence on the regime, but we will remain hesitant to change the projections until we see the figures from February and March. We do not want people in the market place thinking that we are up and down. We are holding to our $45-billion to $46-billion range at this time.

Senator Lynch-Staunton: It would be a great disappointment to the Minister of Finance if he had to announce a lower deficit after having padded it so craftily.

Mr. Walker: He would welcome every opportunity to save Canadians money.

Senator Lynch-Staunton: My final question is regarding the estimates in the forecasts in the budget. The minister, on more than one page, makes it quite clear that he based his forecast on a sort of average lower range of the consensus of 38 economists. Senator Frith made reference to that in his presentation. The reason for relying on these economists is that previous budgets, at least those under the Conservative government, were guilty of overly optimistic forecasts.

I assume that, overly optimistic or not, those forecasts were made by government economists. Therefore, all I can read from Mr. Martin's statement, repeated today by Senator Frith, is that the finance minister and the government are now rejecting advice on economic forecasting from the department.

The question is not meant to be more than what it is, because it is quite clear in the budget that there is a rejection of government economic forecasters. I find that rather strange as, out of hand, they have been taken out of the picture.

Mr. Walker: Mr. Chairman, it is a very interesting question. I can tell you from my background as an academic that forecasting by different economists is, of course, a sensitive and poorly defined field. The range we have in some indices can be 100 per cent, if you look at the difference between two and four, and that sort of thing.

When we formed the government, we wanted to make sure we would not get into the problem of being too optimistic about the economic recovery in Canada vis-à-vis the United States. The officials shared that view; consequently, we have attempted to discount any overly optimistic views about the economy. The department, like other economists over the past decade, is getting more experienced in forecasting. Everyone was comfortable with being cautious about what the economic recovery in Canada would be in this twelve-month period.

Senator Lynch-Staunton: How did the forecasts of the government come out against those of the 38 experts who are now the government's advisors?

Mr. Walker: Mr. Chairman, generally speaking we are below the median of the economic forecast. That is not only the objective assessment; we also spent a long day in December talking to them.

Senator Lynch-Staunton: How do the government's internal forecasts for 1994-95 compare with the forecasts of the 38 economists who were at the one-day conference?

Mr. Walker: Our estimates are on the conservative side as compared to the general feeling among the economists.

Senator Frith: Small "c".

Senator Lynch-Staunton: Then the two are fairly together on this?

Mr. Walker: Yes. The range is not that great, but if you are off by a percentage point or two, the fiscal impact is quite dramatic. We decided to base our projections on the cautious side; if we had any room to manoeuvre, or interest rates changed, or any of those other variables came into play, we would not be going back to the people in the market with excuses just as the fiscal year was beginning, let alone halfway through it.

Senator Lynch-Staunton: Is it the intention of the government to use private forecasters for the preparation of future budgets and exclude its own government economists?

Mr. Walker: Mr. Chairman, we do not want to exclude anybody in this country from participating in the budget process. In fact, next year, starting in September we will use the House of Commons committee to look at the budget. We will encourage economists from different fields to come forward and give us their projections.

Senator Lynch-Staunton: Then anybody can play the game?

Mr. Walker: Yes.

Senator Frith: Canadians will be listened to, economists and others.

Senator Doody: Mr. Chairman, the fiscal requirements, excluding foreign exchange transactions for 1994-95, estimate a budget deficit of almost $40 billion, reduced by nonbudgetary transactions of, say, $10 billion for about a $30-billion deficit. Public debt charges for 1994-95 are estimated to be $41 billion. How sensitive are these charges to the deficit and financial requirements and possible changes in interest rates, for instance? What effect would an upward surge in interest rates of, say, three or four percentage points have on the deficit as it is projected?

To make it simple, for every percentage point in interest rates, how much do interest payments on the public debt increase?

Mr. Walker: Mr. Chairman, again we were cautious in the way we presented the interest rate projections to ensure that we could, as much as possible, account for any upward swing and that it would not cause undue pressures to be put on our fiscal projections.

In the budget plan, on pages 64 and 65, there is a fiscal sensitivity analysis based on 100 base points in lower interests rates and the impact that has on the budget. Perhaps, rather than go through it myself, I could refer the senator to pages 64 and 65, tables 22 and 23 of the budget papers, where we indicate the dollar implications of such a change and what we would have to do to respond.

Essentially, 100 base points in the form of lower interest rates would reduce revenue in year one by $.3 billion, in year two by $.3 billion, in year four by $.4 billion, and so on and so forth. The department was very thorough in how sensitive we would be to any interest rate change in our budget projections.

Senator Doody: The deficit projections are based, then, on the assumption that interest rates will drop —

Mr. Walker: We went both up and down. For example, the impact on the deficit of 100 base points on the interest rates would be $1.7 billion in the first year, $2.5 billion in the second year, $3.0 billion in the third year and $3.5 billion in the fourth year.

Senator Doody: There would be a negative effect on projections to that extent?

Mr. Walker: Yes.

• (1630)

Senator Doody: In the equalization bill we dealt with a few days ago, there was an estimated 5.5-per-cent growth figure in projecting equalization payments to the provinces. I believe that figure was an average for the ten provinces. Does that figure reflect the growth figures you have factored into the federal budget?

Mr. Walker: Yes, it does. It is part of the expenditure plan of the government.

Senator Doody: These projections are all based on 5.5-per-cent growth, then?

Mr. Walker: No. The equalization bill, Bill C-3, is a stand-alone piece of legislation in which we set the target for expenditure increases of 5.5 per cent with the intention of stabilizing the provincial budgets across the country.

Senator Doody: Therefore 5.5 per cent is not necessarily a real growth rate but a nominal growth rate for the sake of the projections?

Mr. Walker: It is a nominal economic growth rate.

Senator Doody: It is not a real growth rate?

Mr. Walker: That is correct.

Senator Doody: I am told that $1.2 billion of the higher deficit is due to an allocation set aside for possible claims from provinces under the income stabilization plan. On what do you base that figure? Is there some reason to suspect that provincial revenues will decrease to a degree where, at one point, you would need a $2-billion payout? It is included this year as deficit.

Mr. Walker: That is correct.

Senator Doody: Although, when it is payable — if it is payable — it will not be for the coming year. On what have you based that $1.2-billion figure?

Mr. Walker: The amount is based on claims made by the provinces in 1992-93. Those claims are not yet settled. Following the recommendations of Auditors General over the years as to booking these claims against the budget when they are made, they are, in fact, booked now but are to be settled and paid out when the actual books are done.

Senator Doody: I understand that. Is it public knowledge which provinces have made claims and the amounts of those claims? Is that a public document?

Mr. Walker: No, it is not public. That is a decision made by the provinces once the claims are settled. Some provinces make a public announcement; some do not.

Senator Doody: You would not be able to make a unilateral proclamation. You would need the authority of the provinces to do that?

Mr. Walker: That is correct.

Senator Doody: A $13.5-billion borrowing authority in the Supplementary Estimates (B) has been granted to the CMHC. I understand that will increase their borrowing authority to $15 billion, or something of that nature. Could you explain to us the rationale for that borrowing authority? We were told that the CMHC could probably obtain these funds at a considerably lower rate from the banks than the private sector could. What effect will this have on the private sector? Will there be a negative impact on their section of the housing business? How is the CMHC equipped to handle this rather dramatic increase in their authority?

Mr. Walker: The last government changed the strategy for CMHC financing during the last fiscal year. The CMHC was given the authority to go directly into the bond market, with the backing of the Government of Canada, to arrange its own financing. Based on that, they have accumulated a considerable savings in the refinancing of social housing in this country. I believe the savings amounted to $100 million last year.

The Crown corporation and the Government of Canada are negotiating as to how those funds are used. Most of that money was assigned last year to the financing in the current year of the Residential Rehabilitation Assistance Program. The money saved through refinancing on their own is to be put directly back into the housing market across this country.

Senator Doody: Therefore the government's control over the disposition of these funds is through the annual statement of the CMHC, which is tabled in Parliament each year?

Mr. Walker: I believe it is through the minister's approval of the corporate plan.

Senator Doody: But the general accounting for the disposal of these funds —

Mr. Walker: Absolutely, yes.

Senator Doody: What I am saying is that this does not have to come back to Parliament for approval. This money is now in the hands of the CMHC. They can make their decisions, and at the end of the year when their financial statements are prepared, they will table.

Mr. Walker: It is in the hands of the Governor in Council, not just the Crown corporation. In other words, it is subject to cabinet approval.

Senator Doody: In what way? My understanding of this — and I may be wrong — is that individuals, but more likely credit corporations, religious groups, or co-ops who are interested in subsidized housing, will apply to CMHC for financing, which they will be able to get cheaper than if they had gone to the private sector, even though both are guaranteed by the government. In what respect, then, does this come to an Order-in-Council decision? Does that mean every application must come to the cabinet for approval?

Mr. Walker: No. The overall authority limit of the corporation is subject to the Governor in Council. The purposes of the corporation are defined on an annual basis by the government

through the corporate plan. Discussions on social housing, co-op housing, aboriginal housing are ongoing between the corporation and the government related to spending limits and so forth.

Senator Doody: Then the individual decisions are made by the corporation?

Mr. Walker: Yes.

Senator Doody: And the overall budgetary amount is approved by Order in Council.

Mr. Walker: Yes.

Senator Murray: The Department of Finance has done a study on the GST and the underground economy. I may have missed something. Has that study been shared with the House of Commons committee chaired by Mr. James Peterson? If not, is there any reason why it should not be made public now?

Mr. Walker: That study has been released to the provinces. If the Finance Committee has not asked for it, there is no reason why it cannot be shared with this committee. It certainly can be shared. I do not know whether the study has been tabled with the Finance Committee.

Senator Murray: I mentioned in the Senate last week that we would like to see that study. Perhaps Senator Fairbairn could bring it to this chamber.

I note that the Minister of National Revenue, Mr. Anderson, has put a number of between $56 billion and $60 billion a year on the underground economy. I have also observed that Mr. Martin has steered clear of putting a number on the underground economy. Is the number stated by Mr. Anderson the official view of the government on the size of the underground economy? Perhaps the answer to that question lies with the Department of Finance.

Mr. Walker: The department has shied away from giving specific figures because our sources are so diverse. Reports from Stats Canada are somewhat different than those from Revenue Canada. Efforts made by the Quebec government to estimate the underground economy by changing the rules and regulations dealing with home renovations have been inclusive. As well, how do changes to the rules regarding tobacco affect the volume of underground business?

We are receiving a lot of contradictory information as to the size of the underground economy. It is a concern for everyone because of the tax leakage, but we are having difficulty pinpointing a figure.

Senator Murray: I would be interested to know the source of Mr. Anderson's number. Perhaps Senator Fairbairn could give us that in a written reply one day.

Mr. Walker: I am sure the senator could check with her colleague and find out whether or not that figure is from an official departmental study.

The Chairman: Shall clause 2 carry?

Hon. Senators: Agreed.

The Chairman: Shall clause 3 carry?

Hon. Senators: Agreed.

The Chairman: Shall clause 4 carry?

Hon. Senators: Agreed.

The Chairman: Shall clause 5 carry?

Hon. Senators: Agreed.

The Chairman: Shall clause 2, the short title, carry?

Hon. Senators: Agreed.

The Chairman: Shall clause 1 carry?

Hon. Senators: Agreed.

The Chairman: Shall I report the bill without amendment?

Hon. Senators: Agreed.

The Chairman: Honourable senators, on your behalf, I should like to thank Mr. Walker and his staff for their attendance.

The Hon. the Speaker *pro tempore*: Honourable senators, the sitting is resumed.

REPORT OF COMMITTEE OF THE WHOLE

Hon. Earl A. Hastings: Honourable senators, the Committee of the Whole, to which was referred Bill C-14, to provide borrowing authority for the fiscal year beginning on April 1, 1994, has examined the said bill and has directed me to report the same to the Senate without amendment.

THIRD READING

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

Hon. Royce Frith: Honourable senators, with leave of the Senate and notwithstanding rule 59(1)(*b*), I move that this bill be read the third time now.

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

Hon. Senators: Agreed.

Motion agreed to and bill read third time and passed.

ROYAL ASSENT

NOTICE

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

RIDEAU HALL

March 24, 1994

Mr. Speaker,

I have the honour to inform you that the Honourable Beverly McLachlin, Puisne Judge of the Supreme Court of Canada, in her capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 24th day of March, 1994, at 4:45 p.m., for the purpose of giving Royal Assent to certain bills.

Yours sincerely,

Anthony P. Smyth
Deputy Secretary, Policy, Program and Protocol

The Honourable
The Speaker of the Senate
Ottawa

[*Translation*]

ADJOURNMENT

Leave having been given to revert to Notices of Motions.

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, with leave of the Senate and notwithstanding rule 59(1)*h*), I move:

That when the Senate adjourns today, it do stand adjourned until Tuesday, April 19, 1994, at 2 p.m.

[*English*]

The Hon. the Speaker *pro tempore*: Honourable senators, is leave granted?

Hon. Senators: Agreed.

Motion agreed to.

BUSINESS OF THE SENATE

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, perhaps there is a disposition to allow all other matters to stand. I do not believe there are any urgent matters before us at the present time. We could then proceed immediately to Royal Assent. I believe that the judge has been here for some time, and I do not wish to delay her any further, if there is agreement.

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

Hon. Senators: Agreed.

The Senate adjourned during pleasure.

ROYAL ASSENT

The Honourable Beverley McLachlin, Puisne Judge of the Supreme Court of Canada, in her capacity as Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned, and being come with their Speaker, the Honourable the Deputy Governor General was pleased to give the Royal Assent to the following bills:

An Act to amend the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act (Bill C-3, *Chapter 2, 1994*)

An Act to amend the Customs Tariff (Bill C-5, *Chapter 3, 1994*)

An Act to provide borrowing authority for the fiscal year beginning on April 1, 1994 (Bill C-14, *Chapter 4, 1994*)

The Honourable Gilbert Parent, Speaker of the House of Commons, then addressed the Honourable the Deputy Governor General as follows:

May it please Your Honour:

The Commons of Canada have voted certain supplies required to enable the Government to defray the expenses of the public service.

In the name of the Commons, I present to Your Honour the following bills:

An Act for granting to Her Majesty certain sums of money for the public service of Canada for the financial year ending the 31st March, 1994 (*Bill C-19, Chapter 5, 1994*)

An Act for granting to Her Majesty certain sums of money for the public service of Canada for the financial year ending the 31st March, 1995 (*Bill C-20, Chapter 6, 1994*)

To which bills I humbly request Your Honour's assent.

The Honourable the Deputy Governor General was pleased to give the Royal Assent to the said bills.

The House of Commons withdrew.

The Honourable the Deputy Governor General was pleased to retire.

The sitting of the Senate was resumed.

THE SENATE

RECOGNITION OF THE ROLE OF WOMEN DURING ROYAL ASSENT

Hon. Gildas L. Molgat (Deputy Leader of the Government): Before the Senate adjourns, I should like honourable senators to take note of this historic day. Three women were the representatives here in the Senate during the Royal Assent: our own Leader of the Government in the Senate, a cabinet minister; a judge from the Supreme Court of Canada, and a Table Officer from our own staff who received the documents.

Hon. Senators: Hear, hear!

Senator Molgat: This is truly women's day in the Senate. I am pleased to see it.

The Senate adjourned until Tuesday, April 19, 1994, at 2 p.m.

THE SENATE

Tuesday, April 19, 1994

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

Prayers.

SENATORS' STATEMENTS

VETERANS AFFAIRS

CANADIAN VIETNAM VETERANS' MEMORIAL

Hon. Jack Marshall: Honourable senators, as senators are aware, the Canadian government, the National Capital Commission and the City of Ottawa refuse to provide land to the Canadian Vietnam Veterans' Association for the location of a memorial to pay respect to those young Canadians who offered their lives during the Vietnam conflict. They conveniently forget history. In their apparent complacency and refusal they should read the words expressed by Prime Minister Mackenzie King in 1925 regarding Americans who served in the Canadian Forces in World War I:

> Few countries enjoy the bonds of goodwill and friendship that the United States and Canada share. Our common border remains the longest unguarded frontier on earth, and our nations have shared triumphs and tragedies throughout history.

It was in this spirit that, in 1925, Canadian Prime Minister Mackenzie King first proposed a memorial to the large number of United States citizens who had enlisted in the Canadian Armed Forces and had lost their lives during World War I. It was owing to the fact that Canada had entered the war long before the United States that many Americans enlisted in Canada to join the fighting in Europe.

Honourable senators, with a land mass of some 466,200 hectares, if we cannot give up a little piece of land to provide a location for a memorial to be presented by our American allies on behalf of the thousands of young Canadians who served in the Vietnam war, something is wrong with the bonds of friendship and goodwill that we share with our neighbours. Is this the spirit of "Canada Remembers"?

SPORT

WOMEN'S WORLD CURLING CHAMPIONS— CONGRATULATIONS TO SANDRA PETERSON'S RINK

Hon. David Tkachuk: Honourable senators, I should like to congratulate wholeheartedly Saskatchewan's two-time world curling champions on their victory in Oberstdorf, Germany, on Sunday.

Hon. Senators: Hear, hear!

Senator Tkachuk: The Sandra Peterson rink, including Jan Betker, Joan McCusker, Marcia Gudereit, and Anita Ford as fifth, made history by becoming the first Canadian women's team to win back-to-back world titles.

The Peterson rink hails from the Regina Callie Curling Club and has already committed itself to attempting a "three-peat" — something that Canadian teams like the Blue Jays are becoming very good at. The team dominated the tournament with an eight and one record. That achievement is, indeed, testimony to the strength of will and talent of these fine women who have faced and conquered a gruelling schedule of events and appearances in their quest for the title.

These very talented ladies have brought Saskatchewan great pride and honour, and have helped to give the province the kind of exposure that no advertising or public relations can buy. Once again, they have shown the world that Saskatchewan is home to the best curlers in the world. They are living proof that the competitive spirit is alive and well in our province.

MEN'S WORLD CURLING CHAMPIONS— CONGRATULATIONS TO RICK FOLK'S RINK

Hon. David Tkachuk: Honourable senators, I should like to congratulate another Saskatchewanite, former member of the Legislative Assembly and minister of the Crown in the government of Grant Devine, world curling champion from Saskatoon, Rick Folk. His men's team, including Pat Ryan, Hert Gretzinger and Gerry Richard, were also victors over the weekend. Given that Rick Folk is really from Saskatchewan and got his start at the Nutana Curling Club in Saskatoon, I thought it only appropriate to extend our very sincere congratulations on their tremendous success.

Hon. Senators: Hear, hear!

VETERANS AFFAIRS

JEWISH WAR VETERANS OF CALGARY— UNVEILING OF COMMEMORATIVE PLAQUE

Hon. Dan Hays: Honourable senators, I should like to draw to your attention that on Saturday last the Jewish War Veterans of Calgary produced and unveiled a plaque to commemorate the loss of lives of Jewish war veterans in the First and Second World Wars.

I also have the privilege of bringing their greetings to Senator Jack Marshall, a past president of that association.

It was an important event, one that will help us to remember.

Hon. Senators: Hear, hear!

CANADIAN CITIZENSHIP WEEK

Hon. Nöel A. Kinsella: Honourable senators, this week is set aside to mark in a special way the great treasure that we as Canadians share in common, namely, our Canadian citizenship.

Canadian citizenship is not just waving a flag on Canada Day, and it is not just holding a Canadian passport. It is not paying taxes and dining on tourtière and perogies, or listening to Leonard Cohen with a Leafs-Habs game playing in the background in a room at the Château Laurier. It is Canadian citizenship, and it means a whole lot more than we think. In many ways, it is a treasure yet to be fully discovered.

When asked to name the most important aspect of being a Canadian citizen, many of us would respond without a moment's hesitation: "It is our freedom." For Canadians, that freedom means more than the freedom to vote every five years; it is the freedom to define the ways in which we wish to be Canadians. As one great Prime Minister, John Diefenbaker, put it, upon the introduction of the Bill of Rights in 1960:

> I am a Canadian, a free Canadian, free to speak without fear, free to worship God in my own way, free to stand for what I think right, free to oppose what I believe wrong, free to choose those who shall govern my country. This heritage of freedom I pledge to uphold for myself and for all mankind.

The words of that great Canadian Prime Minister touch on many of our most cherished rights as Canadians. In pledging to uphold these freedoms for other Canadians, present and future, that Prime Minister also acknowledged an important and often neglected component of our rights — the responsibilities each and every one of us has to preserve those freedoms.

Honourable senators, each and every one of us has a role to play in making Canada work now and for future generations. This week is an appropriate week for us to reflect upon the greatness of that which we share in common from coast to coast to coast, namely, our Canadian citizenship.

HONOURABLE DANIEL A. LANG

WELCOME UPON RETURN TO CHAMBER

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I am sure that everyone in this house will join with me today in extending a very warm and affectionate welcome to our colleague, Senator Dan Lang, who has returned to this chamber after a period of some difficulty with health.

Senator Lang has the deep respect of members on both sides of this house for the contribution he has made, and will continue to make. On behalf of this side and all senators, we welcome you back, we wish you well, and are delighted to see you here with us today.

Hon. Daniel A. Lang: Honourable senators, I thank the Leader of the Government for her welcoming remarks.

First, I must extend my congratulations to Your Honour and to the Leader of the Government and the Leader of the Opposition in assuming your new responsibilities in a new Parliament. But while I am here today, I should also say that I have something in common with Lazarus. Lazarus and I have shared an experience — that of being happy to be alive. However, Lazarus was more lucky than I; he only had leprosy.

Honourable senators, if I were to summarize my feelings in being back amongst you, I would raise my right hand in the signal of "V" for victory, and my left hand with fingers crossed, in the signal for "Good luck!"

Hon. Senators: Hear, hear!

ROUTINE PROCEEDINGS

OFFICIAL LANGUAGES

ANNUAL REPORT OF COMMISSIONER TABLED

The Hon. the Speaker: Honourable senators, I have the honour to table the annual report of the Commissioner of Official Languages for the calendar year 1993.

•(1410)

NOTICE OF MOTION TO REFER REPORT OF COMMISSIONER TO STANDING JOINT COMMITTEE

Hon. Gildas Molgat (Deputy Leader of the Government): Honourable senators, I give notice that tomorrow, Wednesday, April 20, I will move:

> That the report of the Commissioner of Official Languages for the calendar year 1993 be referred to the Standing Joint Committee on Official Languages, and that a message be sent to the House of Commons to acquaint that house thereof.

ADJOURNMENT

Hon. Gildas Molgat (Deputy Leader of the Government): Honourable senators, with leave of the Senate, I move:

> That when the Senate adjourns today, it do stand adjourned until tomorrow, Wednesday, April 20, 1994, at one thirty o'clock in the afternoon.

The Hon. the Speaker: Honourable senators, is leave granted?

Hon. Senators: Agreed.

Motion agreed to.

ELECTORAL BOUNDARIES READJUSTMENT SUSPENSION BILL, 1994

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-18, to suspend the operation of the Electoral Boundaries Readjustment Act.

Bill read first time.

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

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, with leave of the Senate and notwithstanding rule 58(1)(*f*), I move that the bill be placed on the Orders of the Day for second reading later this day.

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

An Hon. Senator: On division.

Motion agreed to, on division.

INCOME TAX ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-9, to amend the Income Tax Act.

Bill read first time.

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

On motion of Senator Molgat, bill placed on the Orders of the Day for second reading later this day.

VETERANS AFFAIRS

DIEPPE RAID—NOTICE OF MOTION TO HONOUR VETERANS BY CREATING COMMEMORATIVE DECORATION

Hon. Jack Marshall: I give notice that tomorrow, Wednesday, April 20, 1994, I will move:

> That, in the opinion of this house, the government should honour the contribution made by those who served Canada's Armed Forces during World War II at the Dieppe raid by creating a distinctive decoration for Canadian veterans of this battle.

AGRICULTURE AND FORESTRY

COMMITTEE AUTHORIZED TO MEET DURING SITTING OF THE SENATE

Hon. Dan Hays: Honourable senators, with leave of the Senate and notwithstanding rule 59(1)(*a*), I move:

> That the Standing Senate Committee on Agriculture and Forestry have the power to sit at four o'clock in the afternoon today, even though the Senate may then be sitting, and that rule 96(4) be suspended in relation thereto.

Motion agreed to.

NATIONAL FILM BOARD

FAILURE TO FULFIL COMMITMENT—NOTICE OF INQUIRY

Hon. Jack Marshall: Honourable senators, I give notice that on Thursday next, April 21, 1994, I will call the attention of the Senate to the unreliability of the National Film Board in that it failed to fulfil its commitment, made in 1987 by the then commissioner, to produce an historical documentary about Canada's WWI hero, Air Marshall W.A. Bishop, VC. That commitment has as yet not been honoured by the present National Film Board.

VETERANS AFFAIRS

CANADIAN VIETNAM VETERANS' MEMORIAL—PRESENTATION OF PETITION

Hon. Jack Marshall: Honourable senators, I have the honour to table petitions with 1,438 names showing the support of the people of Canada for the Canadian Vietnam Veterans' National Memorial. Included in those names, honourable senators, are the Honourable Senator Phillips, the Honourable Senator Balfour, Jack Frazer, MP; Bob Ringma, MP; Art Hanger, MP; Jake Hoeppner, MP; Philip Mayfield, MP; Dale Johnston, MP; Jan Brown, MP; and Rose-Marie Ur, MP. As well, there are 115 signatures from students at Carleton University.

QUESTION PERIOD

NATIONAL FINANCE

AMOUNT OF DEFICIT—GOVERNMENT POSITION

Hon. John Lynch-Staunton (Leader of the Opposition): As the financial results of the government for the first 11 months of the 1993-94 fiscal year showed a deficit that was $1 billion less than that for the corresponding period in the previous fiscal year, perhaps the Leader of the Government would agree that her colleague the Minister of Finance, who brazenly padded the figure for the 1993-94 deficit to $45.7 billion, should now revise that estimate in light of reality rather than political opportunism.

Hon. H.A. Olson: Point of order. The preamble is inaccurate. That is your opinion. It is not a fact.

Senator Corbin: Hire another researcher.

Senator Lynch-Staunton: The preamble is taken from *The Fiscal Monitor*, issued by the Department of Finance, which tells us that the deficit for the first 11 months of this year, the fiscal year ending March 31, 1994, is $1 billion less than in the previous year. That is my preamble.

Senator Olson: That bit about padding the books is what is wrong.

Senator Lynch-Staunton: We can make that the subject of another debate.

In the meantime, in light of the 11-month result, would the Leader of the Government not agree that the Minister of Finance should, with humility, revise his deficit projection downwards?

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, first of all, I think everyone will take some joy in the reduction of the deficit of this country, no matter in what month it occurs.

•(1420)

I believe the Minister of Finance has indicated that an increase in revenue has been registered which has shown, at a period in time, an effect on the deficit. He has not, however, indicated that he would alter his predictions because of the various one-time charges that my honourable friend knows about that would be recorded in that period of time. However, I again stress that any reduction in the deficit is welcomed, I am sure, by everyone in this house and in this country.

Senator Olson: You should be applauding!

Senator Lynch-Staunton: We are not applauding the minister's trickery, which he has included in his deficit projections, in the same way as he told us that the real unemployment rate in Canada was 20 per cent, a figure from which he subsequently backed away.

To help the Leader of the Government in the Senate appreciate the problem, let me point out that meeting the minister's deficit projection of $45.7 billion, which he has yet to revise, would result in a deficit for the month of March alone of over $12 billion. Is that the government's estimate for the month of March alone? Is the $45.7 billion therefore the government's official figure?

Honourable senators, we will be the laughing stock, not just politically, but of the world, when we come out with these outlandish statements for strictly narrow, political purposes.

Senator Fairbairn: I am tempted to recall a number of years in which deficit forecasting was wildly —

Senator Lynch-Staunton: Now, Senator MacEachen is not here. It is not fair to say that in his absence.

Senator Fairbairn: — out of sync with reality.

Honourable senators, I will simply repeat to the Leader of the Opposition that the Minister of Finance stands by his projection, which, as you recall, he placed between $44 billion and $46 billion. He will be the happiest man in this country if the deficit is considerably lower than that.

The Minister of Finance has had cause for some encouragement in recently released statistics on unemployment. I realize that they represent only a small portion of time, but again they represent some cause for encouragement. These are extremely difficult times, and at this point in time the minister is not veering away from his deficit projection.

BOSNIA

UNITED NATIONS—REQUEST FOR NATO AIR STRIKES—GOVERNMENT POSITION

Hon. Gerald R. Ottenheimer: Honourable senators, I have a question for the Leader of the Government in the Senate dealing with a specific aspect of the situation in Bosnia.

As I am sure the honourable senator is aware, the Secretary General of the United Nations has asked NATO to authorize certain air strikes to protect UN-designated safe areas — which is a misnomer, if there ever was one. This is distinct from the use of NATO air support to protect UN troops. The NATO Council will therefore have to make a decision whether to authorize air strikes or not to authorize air strikes.

My specific question is this: What position has the Government of Canada taken with respect to the decision to be made by the NATO Council?

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I might preface my answer by stating the concern and horror with which we have been watching the situation in parts of the former Yugoslavia as it has deteriorated over the last few days. It has been of grave concern to those nations involved in peacekeeping operations, and there has been a plea to Bosnian Serbs that the only satisfactory and humane way of dealing with this issue is to come back to the negotiating table and attempt to work out, through diplomatic circuits, a ceasefire in an honest effort at peace negotiations.

•(1430)

On the specific question of the proposed NATO air strikes, it is now being suggested by the UN Secretary-General that we move, as the honourable senator has said, from strictly the protection of our peacekeeping forces to the protection of a variety of safe areas in that country. NATO is discussing that issue today and tomorrow. Our approval will be required before any action can be taken. The evaluation will have to take place on the basis of the safety of troops, the disruption of humanitarian aid deliveries and damage to the peace process.

As senators know, we have supported the use of defensive air strikes to protect our UN peacekeepers in response to military attack, but as a country, we continue to have very serious concerns about more broadly based air strikes, and that will be the topic of discussion and exchanges of views in reaching a conclusion within the NATO Council today and tomorrow.

Senator Ottenheimer: Would it be correct to infer from the minister's reply that the Government of Canada has not, as of now, made a decision with respect to the position it will take in the NATO Council?

Senator Fairbairn: I think it is safe to conclude, honourable senators, that Canada will be voicing very serious concerns in its discussions with its NATO allies. It will be in the context of those discussions and the sharing of concerns and the sharing of information, which has been changing almost hourly this morning and yesterday, that those decisions will be made.

THE ENVIRONMENT

ST. LAWRENCE VISION 2000—REDUCTION OF POLLUTION—GOVERNMENT POSITION

Hon. Mira Spivak: Honourable senators, I want to congratulate the government on the plan announced yesterday in Montreal, St. Lawrence Vision 2000, to clean up the St. Lawrence River and, at the same time, spend $250 million.

This is a follow-up to the initiative by the previous government, of Phase 1, which created 11,000 jobs and $1 billion in indirect economic benefit. The second phase is expected to produce similar results, proving that environmental correctness always pays.

My question for the Leader of the Government in the Senate is several-fold. Is it the government's intention to clean up the St. Lawrence and the Great Lakes by the year 2000, or to spend $250 million by the year 2000? In that regard, can we clarify whether the objective is to achieve zero discharge or to achieve virtual elimination? I do not think that they are exactly the same, contrary to what the Minister of the Environment has stated.

Second, will the government now be willing, within this plan, to impose the "reverse onus of proof" standard which the International Joint Commission has urged for decision-making, that is, that chemicals are not presumed safe but must be proven safe before use?

Third, what are the targets for the reduction of air and soil pollution?

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, each one of those questions is very important. I want to be absolutely candid with my colleague: I do not have the detailed answers, but I will be pleased to get them for her.

FISHERIES

ATLANTIC GROUND-FISH STRATEGY—CHANGE IN BENEFITS—GOVERNMENT POSITION

Hon. Eileen Rossiter: My question is directed to the Leader of the Government in the Senate, the Honourable Senator Fairbairn. It is with regard to an announcement in St. John's, Newfoundland, today about the Atlantic Ground-Fish Strategy.

Under the previous program, $1 billion was allocated over two years, which was an average of $500 million per year. The new program is for $1.9 billion over five years, which, on average, is less than $400 million per year. Of those who are now receiving benefits, some will receive benefits for two years, some for three years, some for four years and some for five years.

How many of those who are now receiving benefits will lose them under the new program? As well, how many will qualify for the two, three, four and five years of benefits?

As well, could the honourable senator give us the year-by-year totals of how the $1.9 billion will be spent? For example, what is the anticipated budget of this program for next year, and what would be the anticipated budget for year five?

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I will be pleased to get as detailed answers as possible to those precise questions.

The honourable senator is right in saying that the program announced today will be brought forward by the government. It is a five-year program with a $1.9-billion price tag, and her questions are based on those dollar terms.

As the honourable senator knows, in addition to the strict compensation to those involved, there is another aspect to the program, and that is an ambitious plan to try, through other avenues of programs and pilot projects involving retraining and literacy, to turn an incredible difficulty in Atlantic Canada into a new job opportunity for as many people as possible. That is in addition to supplying a slightly reduced compensation.

I will seek information from my colleagues with regard to the precise questions about the yearly expenditures and the numbers.

[*Translation*]

OFFICIAL LANGUAGES

REPORT OF COMMISSIONER—RECOMMENDATION TO DISCONTINUE BILINGUAL BONUS—GOVERNMENT POSITION

Hon. Jean-Maurice Simard: Honourable senators, my first question for the Leader of the Government concerns the annual report of the Commissioner of Official Languages and the tabling of this document in the other place a week or ten days ago.

In this report, reference is made to breaches of the Official Languages Act and injustices suffered by the people of New Brunswick and other provinces.

When that report was tabled in the House of Commons, the usual opponents of institutional bilinguism, whom we know well, decided, true to character, to support the commissioner's recommendation to discontinue the payment of a bonus to those civil servants who, owing to the nature of their work, had to know and use both of Canada's official languages in the performance of their duties. I did not hear many members from the Bloc Québécois speak in support of the existing policy. That is not part of their plans, their agenda or their vision of things, for that matter.

In view of the fact that the Reform Party practically begged — without success, for the reasons that we know — to get the government to follow on up this recommendation

regarding the elimination of the bonus, can the Leader of the Government in the Senate tell us what the government intends to do about this recommendation of the Commissioner of Official Languages?

[*English*]

•(1440)

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I will preface my remarks by stating that I have had a little difficulty hearing through my earphone.

On the matter of the bonus, I believe the Prime Minister indicated that he personally supported its continuation. I should like to review his exact words, but I believe that his view is that this has been a valuable tool, and should be continued.

The other statement that I will make to my honourable friend is that the government continues to support very firmly the official language programs and policies. That is a definite commitment by the federal government, and it will continue to be.

[*Translation*]

Senator Simard: I wish to thank the government leader in the Senate for her answer. In case I have not made myself clear, I want to say that I am one of those who are in favour of maintaining this bonus for our employees.

THE BUDGET

PROPOSED CLOSURE OF ROYAL MILITARY COLLEGE OF ST-JEAN—CANCELLATION OF DECISION—GOVERNMENT POSITION

Hon. Jean-Maurice Simard: Honourable senators, with your permission, my second question is as follows.

Last week the Prime Minister, speaking on manpower training, called this demand a whim. This demand has long been made by successive governments in the province of Quebec. This demand is to ensure that manpower training, in fact, remains in provincial jurisdiction. Through federal-provincial agreements, Quebec and all other provinces that wish to make use of such an agreement can do so, no doubt on the basis of national standards.

The Prime Minister called this demand a whim. I think, from what we have heard, that the people disapprove of this use of the term by Mr. Chrétien.

My question concerns the urgent demand from federalists in Quebec and elsewhere to the government to review its decision to close the military college in St-Jean. Does the Leader of the Government in the Senate still think that this is a whim, even if federalists in Quebec and elsewhere continue to demand the continuation of military training in French in St-Jean? Is it one of those whims of which we are guilty, and will always be guilty? Is it the main reason that the government seems to be intransigent? Could the Leader of the Government in the Senate tell us if there is anything new on this specific issue of the Royal Military College in St-Jean?

[*English*]

Senator Olson: That one question contained two preambles.

Hon. Joyce Fairbairn (Leader of the Government: Honourable senators, I would assure the honourable senator that his questions on both subjects are extremely important, and are being taken extremely seriously.

On the question of the military college, we have exchanged views on this matter in the chamber on a number of occasions, and I understand it will be the subject of active consideration in the Senate committee that is studying the Estimates.

In that case, the government took a very serious decision which has saddened a great number of people. That decision was taken for budgetary reasons. The efforts that have been made in subsequent weeks continue with the province of Quebec, the Premier of Quebec and other interested parties in an effort to reach the best possible conclusion on the question of utilization of the facilities of that college. At the moment, I have nothing new to report to my honourable friend.

Senators — and I am sure my honourable friend will be one of them — will have an opportunity in committee to place their views on this matter, as forcefully as they wish, before those of my cabinet colleagues who are most directly involved in this area. Perhaps when those colleagues appear before the committee they will be in a better position than I am today to give new information.

On the question of manpower training, as my honourable friend knows, that is a shared jurisdiction in Canada. For a number of weeks the Minister of Human Resources Development has been engaged in consultation with his colleagues in every province, in an effort to put together the options that will guide the government in its decisions later this year. The consultations with the provinces have revolved around how we can better direct our social policy, and the issue of manpower training will obviously be part of that initiative.

This initiative stems from a very broad agreement reached last December at a first ministers conference that such a move is long overdue. There could not be a more difficult topic on which to begin study. It will take a lot of consultation and advice from all of the provinces, and very definitely from the province of Quebec, and that is what is in progress now.

FISHERIES AND OCEANS

ESTABLISHMENT OF INDUSTRY RENEWAL BOARDS—GOVERNMENT POSITION ON BUY-BACK OF QUOTAS AND LICENCES

Hon. Brenda M. Robertson: Honourable senators, pursuant to my review of the information that the Minister of Fisheries gave to the population this morning, I have a couple of questions for the Leader of the Government in the Senate.

In the backgrounder, there are some curious phrases. One of the most important components of the dialogue between the fishing industry, the minister and the department was the establishment of what started out to be rationalization offices. These were originally discussed in the Cashin report, and their definition broadened since then as the dialogue progressed. I see now that they are called "Industry Renewal Boards." That is fine.

I do not care what they are called, as long as they are there. However, the word "could" proliferates throughout the backgrounder, and there is no commitment to the establishment of such boards.

Will the minister approve the establishment of these rationalization offices, or Industry Renewal Boards, that were promised to the industry in the early stages of this dialogue? I think it is very important that we have a definitive answer on that.

In addition, will the buy-back of quotas and licences be respected? What funds are available for such buy-backs? Those are some important questions on which the industry is waiting for clear, precise answers.

Hon. Joyce Fairbairn (Leader of the Government): I thank the honourable senator for her question. On this very difficult policy there have been intensive and constant conversations and dialogue among all of the parties, because that is the only way in which this situation can be addressed. This dialogue has been guided, to a large extent, by advice from the workers and those who are involved in the fishery.

•(1450)

With regard to the Industry Renewal Boards, it is my understanding that consultations are continuing with the provincial governments and the industry with respect to the structure of those boards, the details of which are expected to be announced in June.

Those boards will be composed of members chosen jointly by Ottawa and the provinces involved. The underlying purpose of the boards is to ensure that there is local, on-the-ground direction in the whole restructuring process.

Concerning the buy-back question, I should like to obtain more information on that subject for my honourable friend.

PRECINCTS OF PARLIAMENT

PROPOSED RENOVATIONS TO EAST AND CENTRE BLOCKS—GOVERNMENT POSITION

Hon. Richard J. Doyle: Honourable senators, my question is directed to the Leader of the Government in the Senate. It relates to vague and unexplained undertakings to repair, remodel and revise the use of the East Block and the Centre Block of these Parliament Buildings without any recent consent or agreement of this chamber.

An earlier question elicited the leader's promise to give attention to the situation in which officials in the Public Works Department, if not the minister himself, seem to believe that senators are no more than tenants in these buildings, and that tenants must do as they are told, when they are told, or face eviction.

While waiting for an answer to the earlier question, honourable senators have received a notice from an official in the Senate's Services Directorate under the heading, "1910 Wing of the East Block to be Renovated." We are told, "Work is scheduled to begin in May and will be carried out during regular business hours."

The Senate's Services Directorate tells us in a printed notice that our cooperation will be greatly appreciated. Appreciated by whom? In whose name are these decisions being taken? It is certainly not with the authority of this chamber, which last heard of this subject on Thursday, February 10, when Senator Lavoie-Roux, the retiring chairman of the Internal Economy Committee, added her voice to mine in a plea that the matter of East Block and peripheral expenditures should be the subject of an open debate by all senators.

In the interval, some aspects of the subject have been discussed by the Internal Economy Committee, but that committee's decisions are subject to the approval of this chamber when its reports are submitted.

My question is the following: Is there to be an opportunity for senators to give their views on how very necessary repairs should be made to the East Block, and whether that work should be directly linked to the committing of millions of dollars on Centre Block changes at a time when, for want of money, Canada is shutting down employment opportunities throughout the public service?

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I thank the Honourable Senator Doyle for his question. I have not forgotten his earlier question. I have been seeking more information than that which I was initially given for the purpose of responding to it.

I should like to read his remarks of today in the *Debates of the Senate*, add them to the pot and come up with a quick response for the honourable senator.

Senator Doyle: Honourable senators, I should like to ask a supplementary question of the Leader of the Government in the Senate.

At the last meeting of the Internal Economy Committee, the chairman, Senator Hastings, advised members that "Your subcommittee agreed that we concur in the recommendation of Public Works and Government Services Canada to provide a committee room in the Victoria Building for the temporary use of the Senate" and "concurred in the recommendations of Public Works for the use of office space in the 1910 wing of the East Block." Senators will note the severe limits of the two recommendations, which subsequently were adopted by the Internal Economy Committee as a whole, but which, to this moment, have not been approved by the Senate.

I would respectfully direct the attention of the Leader of the Government and all senators to the statement made before the committee by the representative of the department and Minister of Public Works; the representative who carries messages to this house. The official transcript quotes him as having said:

> The overall plan for the development of the parliamentary precinct over the next 12 years was presented to honourable senators over the last number of years. The last time all of this was presented was in December of 1991, when the plans put forward at that time were approved by the Committee of Internal Economy and Budgets.

What constituted "approval" on that occasion? The matter — or various aspects of it — was discussed at a long and tedious meeting of Internal Economy on December 12, 1991, at which Senator LeBlanc offered the very good advice:

> If it is not affordable, we then argue for a delay. Let us not bring in a whole series of distractions to what has been accepted.

Oddly, I can find no record of the report and transcript of that meeting being approved or even presented in this chamber. Nor, to my knowledge, was there an occasion on the presentation of other budget material when reports on this multimillion dollar project were debated.

The fact remains that the government of the day decided well before December 1991 not to proceed with the program. It agreed that repairs and remodelling would have to be done, but declined to underwrite the multimillion dollar project while the economic health of the country was moving into recession.

I can report to honourable senators that the recession has not abated in my constituency.

My question to the Leader of the Government is this: Is it government policy to reach back to a time of relative affluence to revive, without question, a project that was delayed with no complaints in this chamber or the other place by a previous government?

Senator Fairbairn: Honourable senators, I will take the comments of the honourable senator and the transcripts to which he has referred and see what I can come up with.

The ultimate comment to make is that when reports on this issue from the Internal Economy Committee are reported to this house — and I suffer from not having Senator Hastings here at the moment to advise me — they may certainly receive a full airing.

I will take what Senator Doyle has said as notice and see what I can come up with.

•(1500)

The Hon. the Speaker: Honourable senators, I regret that the time allocated for Question Period has expired. Perhaps we should try to make the questions shorter so that more questions could be asked and answers given.

I apologize especially because I was forced to extend the time slightly, as Senator Doyle was standing to put forward a supplementary question and I did not think that it would be fair to interrupt him in the middle of his phrase.

Perhaps, honourable senators, we might have some discussion as to how we might accommodate our colleagues who were standing and wished to ask questions.

Hon. H.A. Olson: We need more discipline. It is a flagrant disregard for the rules.

Senator Berntson: We should have unlimited time.

POINT OF ORDER

Hon. William M. Kelly: I should like to raise a point of order pertaining to what His Honour has just said. That point concerns the rules that currently exist relating to Question Period. I call your attention to rule 24(4), which states:

> A debate is out of order on an oral question, but brief explanatory remarks may be made...

Rule 26 states:

> A preamble to a question, whether it is asked orally or in writing, is out of order.

This is not to criticize anything that has just taken place, or that may occur on any day. Senator Olson invented the long preamble; we know that. He was developing sheets of paper and documents to send out to his constituents every week. We sympathized with that, but we did not have strong rules at that time. We would simply complain every now and again. We found with Senator Olson that once we raised a point of order on his long preamble, we would just get another long preamble, so complaining did not work.

Perhaps we should review our rules, with a view to changing them in an effort to dignify what we are doing, because we are now getting into long debates; we are entertaining long discussions that should be the subject of Notices of Inquiries and a full discussion. We are getting it mixed up. I urge whoever has responsibility for the rules to take a close look at them, and I urge all senators to take a look at page 29 in the rule book and think about it.

Hon. H. A. Olson: I want to support Senator Kelly in the admonition that he has just given to the Senate. Changing the rules in the rule book is one thing, but what is required most of all is the discipline necessary to adhere to the rule book.

The rules are fairly clear. Senator Kelly is something of an expert on this because he has been practising admonishing people to obey the rules for quite a long time. I am glad he is back; we missed him.

What senators saw here today was a flagrant disregard for the rules that turned Question Period into a debating period. That is what Senator Doyle and Senator Simard did a few minutes ago. But there is nothing new about that. They did it almost every day while you were gone, Senator Kelly. I want to support you completely. I hope that the admonition you have made today will result in senators exercising self-discipline in adhering to the rules. We could change the rule book, but obviously members opposite do not pay too much attention to it, in any event.

Hon. Gerald R. Ottenheimer: Would Senator Olson permit a question?

The Hon. the Speaker: The issue was raised on a point of order. I appreciate the fact that I was not asked to give a ruling on that matter. Perhaps at this time we should go into a period of reflection and quiet discussion, with a view to finding a solution to our problem in recognizing the clock at the appropriate times.

Senator Olson: Yes, and also out of respect for other members who wish to ask questions.

Senator Berntson: Exactly.

Senator Ottenheimer: Would Senator Olson conduct some seminars in discipline for the benefit of other senators?

Senator Olson: I will get Senator Kelly to help.

DELAYED ANSWERS TO ORAL QUESTIONS

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, I have several delayed answers to questions from honourable senators. One question was asked by Senator Lavoie-Roux on February 23, regarding the closure of St-Jean Military College; another was asked on February 23 by Senator Spivak, concerning the International Joint Commission — Recommendations on Toxicity Reduction in Great Lakes. Senator DeWare asked a question on March 15, regarding New Brunswick — Changes to Unemployment Insurance. Another question was asked by Senator Kinsella on March 15, regarding expected savings from the closure of the Collège militaire royal de St-Jean, and another was asked by Senator Jessiman on March 17, regarding the admission of students from Maritime provinces to Royal Military College in Kingston. On March 17, Senator Lynch-Staunton asked a question regarding grants in lieu of taxes.

NATIONAL DEFENCE

EFFECTS OF CLOSURE OF ST-JEAN MILITARY COLLEGE

(Response to question raised by Hon. Thérèse Lavoie-Roux on February 23, 1994)

After all one-time expenses have been taken into account, the closure of Collège militaire royal is expected to yield net savings of approximately $23.1 million annually, in 1993-94 dollars.

There are 92 military personnel, 173 full time and 154 short term and part time civilian personnel at Collège militaire royal employed in the education and training of 623 military students. In addition, there are an estimated additional 45 military and 50 civilians employed by CFB St-Jean who support the CMR operation.

The decision to consolidate military training at Royal Military College and to close CMR and Royal Roads Military College was taken for budgetary and operational reasons. The Collège militaire royal will not be closed until the end of the next school year. In the meantime, the federal government is working with the Quebec government officials to find a way to put the facility to good use and are prepared to provide assistance.

The Government is committed to maintaining the current overall francophone population in the military college system which is 30 percent. RMC currently has a bilingual capacity and it has been graduating bilingual officers. By combining all three colleges, and increasing the number of francophone students and faculty, RMC will have a bilingual capacity in all disciplines. We intend to change the name of RMC to reflect the bilingual nature of the school.

DND will work actively with the community in continuing to build an environment that will welcome francophones to the Kingston area. The Canadian Forces are committed to the goal of a bilingual officer corps and we believe the consolidation of english and french-speaking cadets at a single military college will help us achieve our goal.

THE ENVIRONMENT

INTERNATIONAL JOINT COMMISSION—RECOMMENDATIONS ON TOXICITY REDUCTION IN GREAT LAKES—GOVERNMENT POSITION

(Response to question raised by Hon. Mira Spivak on February 23, 1994)

The Government of Canada, in cooperation with stakeholders, will be proactive by reducing or eliminating those discharges of toxic substances, including chlorine-based compounds that are determined, on the basis of sound science, to be persistent and bioaccumulative. This is an integral part of our strategy under the Canadian Environmental Protection Act, namely, to scientifically assess the potential harm posed by specific substances and to evaluate measures that can be used to reduce the exposure to humans or ecosystems, and to determine what actions are warranted, including regulation.

The Minister of Environment has indicated in the House of Commons that she is prepared to table within the next four to six months a plan which will lead to the development of a list of timetables and schedules for the sunsetting of specific problem chemicals, some of which are organo-chlorines.

THE BUDGET

NEW BRUNSWICK—EFFECT OF CHANGES TO UNEMPLOYMENT INSURANCE—GOVERNMENT POSITION

(Response to question raised by Hon. Mable DeWare on March 15, 1994)

The UI program is an integral part of the social security system and will be a key part of the comprehensive overhaul that is now getting under way. However, the budget measures are necessary now in order to protect jobs. The changes to the UI program will mean lower costs for Canadian employers which will contribute to both export growth and more effective competition, with imports in both cases generating more jobs in all regions of Canada. The reduced premium rate for 1995 and 1996 will provide tax relief for all contributors and preserve or create more than 40,000 jobs.

The impact of the increase in entrance requirements cannot be viewed in isolation. The effects will be mitigated by job creation resulting from premium reduction, the infrastructure program, youth service corps and the youth internship initiative.

- Joint initiatives such as N.B. Job Corps (announced on March 23) will also go a long way in providing meaningful work opportunities.

The government is also committed to work with the provinces to use the funds made available in the budget for social security strategic initiatives to help address the impact of these UI changes.

PROPOSED CLOSURE OF COLLÈGE MILITAIRE ROYAL DE ST-JEAN—REVERSAL OF DECISION—GOVERNMENT POSITION

(Response to Question raised by Hon. Noël A. Kinsella on March 15, 1994)

The savings from closing the college given at the time of the budget were an estimate. The net personnel savings from closing Collège militaire royal St-Jean were included in the departmental military and civilian personnel reductions announced in the budget. The attached fact sheet explains the estimate of savings from closing CMR.

PERSONNEL

College Staff	
Military establishment	92
Civilian	
- Full Time Employees	173
- Short Term and Part Time Employees	154
Total	419

In addition, there are military and civilian staff employed by CFB St-Jean who support the CMR operation. This support is estimated at about 45 military and 50 civilians. The personnel cost of this support is calculated at $4.8 million and is included in the personnel costs set out below.

Officer, Officer Cadet and Post-Graduate Students

Undergraduate	617
Graduate	6
	623

COSTS AND SAVINGS

Pre-Consolidation Costs

$ M	
CMR Military Staff	4.7
CMR Civilian Staff	13.8
CFB St-Jean Military	2.6
CFB St-Jean Civilian	2.2
Personnel and related costs	23.3
College Operating Costs (informatics, laboratory, sports, etc.)	1.7
	25.0
Facilities Operating Costs	5.0
	30.0
Less: Consolidation Costs	
Training in Civilian Universities	2.1
Transfer of funds to RMC to facilitate consolidation	2.0
Funds held in reserve for college equipment, and personnel-related and miscellaneous costs pending finalization of the RMC consolidation plan	2.8
	6.9
SAVINGS	23.1

Note 1: Grants in lieu of taxes of approximately $1 million per year are not paid by DND and therefore are not reflected as either a cost or saving to DND.

NATIONAL DEFENCE

ST-JEAN MILITARY COLLEGE—EFFECTS OF PROPOSED CLOSURE ON MARITIME STUDENTS

(Response to question raised by Hon. Duncan J. Jessiman on March 17, 1994)

It is recognized that the educational system varies from province to province, or sometimes within provinces, and the military college system must take this into account. Under the current system, some candidates are accepted into first year as senior entrants; some enter the preparatory year as junior entrants; some senior entrants are required to complete a five-week "Academic Bridging Programme"; and a few senior entrants are granted advanced standing into second year. The single military college at Kingston will retain all these methods of entry. Collège militaire royal will admit one more preparatory year class in the fall of 1994. The Department of National Defence is still considering exactly how and where the preparatory year will be conducted after CMR closes in 1995. In conclusion, candidates from the maritimes will still be eligible to enter the Canadian Forces as military college candidates directly after high school graduation.

THE BUDGET

GRANTS TO MUNICIPALITIES IN LIEU OF TAXES—GOVERNMENT POSITION

(Response to question raised by Hon. John Lynch-Staunton on March 17, 1994)

Grants in lieu of taxes are paid to about 2,200 municipalities across Canada at an annual cost of about $600 million.

In December 1992, the previous government froze grants at the 1992 levels for 1993 and 1994 and launched consultations with the Federation of Canadian Municipalities (FCM) to examine ways of restructuring the program.

The 1994 budget contained no action on grants in lieu because it did not want to pre-empt the outcome of consultations with the FCM.

The program of grants in lieu of property taxes experienced very rapid growth in the 1980s and early 1990s, prior to the imposition of the freeze.

In order to ensure that the costs of the program do not spiral out of control, the government is attempting to find a balance, in concert with the FCM, between reasonable federal government expenditure and fairness to Canadian municipalities.

We look forward to a satisfactory resolution of the negotiations between the FCM and the federal government.

ANSWERS TO ORDER PAPER QUESTIONS TABLED

ORDER OF CANADA—STATUS OF ADVISORY COUNCIL

Hon. Gildas L. Molgat (Deputy Leader of the Government) tabled the answer to Question No. 3 on the Order Paper—by Senator Marshall.

VETERANS AFFAIRS—WAR MEDALS AND AWARDS

Hon. Gildas L. Molgat (Deputy Leader of the Government) tabled the answer to Question No. 5 on the Order Paper—by Senator Marshall.

INDUSTRY, TRADE AND COMMERCE—HIBERNIA DRILLING MODULES

Hon. Gildas L. Molgat (Deputy Leader of the Government) tabled the answer to Question No. 7 on the Order Paper—by Senator Marshall.

VETERANS AFFAIRS—SHAUGHNESSY HOSPITAL, BRITISH COLUMBIA

Hon. Gildas L. Molgat (Deputy Leader of the Government) tabled the answer to Question No. 16 on the Order Paper—by Senator Marshall.

VETERANS AFFAIRS—DENTAL CARE FOR VETERANS

Hon. Gildas L. Molgat (Deputy Leader of the Government) tabled the answer to Question No. 19 on the Order Paper—by Senator Marshall.

NEWFOUNDLAND—CANADIAN FORCES RESERVES

Hon. Gildas L. Molgat (Deputy Leader of the Government) tabled the answer to Question No. 23 on the Order Paper—by Senator Marshall.

OFFICE OF PRIME MINISTER—STATUS OF CAR TRANSPORTATION

Hon. Gildas L. Molgat (Deputy Leader of the Government) tabled the answer to Question No. 25 on the Order Paper—by Senator Grimard.

NATIONAL FINANCE

INTEREST RATE—GOVERNMENT POLICY

Hon. Lowell Murray: Honourable senators, on March 22 last, I asked the Leader of the Government to consult with the Minister of Finance and obtain a reasoned, prepared reply on the question of the bank rate and the increases that had taken place in the bank rate. Unfortunately, however, the delayed reply is not among those given today.

Would the Leader of the Government ask the minister, in preparing the reply, to take into account the fact that today, April 19, the bank rate has been increased a further 42 basis points, which is, in total, a two per cent increase since the February 22 budget. He may wish to take these matters and subsequent increases into account in preparing his reply.

Further, I should like to know what the impact of this increase is on the minister's fiscal plan, given that he has provided a certain amount of money in a contingency fund for such a purpose. At this rate, how long will the contingency fund last?

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I would be pleased to do so. I should tell Senator Murray that there is not a delayed response today because I received a response that I felt needed updating. I will tell those involved to further update it.

•(1510)

ORDERS OF THE DAY

ELECTORAL BOUNDARIES READJUSTMENT SUSPENSION BILL, 1994

SECOND READING—DEBATE ADJOURNED

Hon. P. Derek Lewis moved the second reading of Bill C-18, to suspend the operation of the Electoral Boundaries Readjustment Act.

He said: Honourable senators, I am pleased to move the second reading of Bill C-18, to suspend the operation of the Electoral Boundaries Readjustment Act. The bill itself is very short, being only five clauses in length, including the short title. The bill is quite clear, concise, to the point, and effects to do exactly what it states: to suspend the electoral boundaries readjustment process.

Honourable senators, the current process of adjusting constituency boundaries has been in place since 1964, and it is felt that, after 30 years, the time is opportune for a fundamental review of all aspects of the process.

It is considered that all aspects of the matter should be reviewed in a thorough way by a committee of the other place. It appears to be an appropriate time to do so while we are still at an early stage in the present process.

However, I must emphasize that the existing electoral boundaries commissions have already started to hold public hearings on their proposals for new electoral boundaries. Therefore, it is important to adopt Bill C-18 as soon as possible in order to ensure that no further effort and resources are expended.

The electoral boundaries readjustment process was suspended in June 1992 to give the government of the day and Parliament time to consider the relevant recommendations of the Royal Commission on Electoral Reform — that is, the Lortie commission.

The Special House Committee on Electoral Reform, which was mandated to study the Lortie recommendations, issued two reports on electoral matters, one of which formed the basis of government Bill C-114, which came into force on June 25, 1993. The special committee had not yet dealt with the electoral boundaries readjustment process when the house was dissolved for the last general election.

The suspension of the Electoral Boundaries Readjustment Act was not extended, and the readjustment process was started in September 1993. Although the readjustment process is technical, I believe it is worthwhile taking a few minutes to outline how it works.

There are two stages in redistribution of seats in the House of Commons. The first stage is governed by section 51 of the Constitution Act, 1867, which specifies the formula for determining the total number of seats in the House of Commons and the allocation of those seats among the provinces. The second stage of the process is provided for in the Electoral Boundaries Readjustment Act, which establishes the process for drawing the constituency boundaries for the individual provinces.

Section 51 of the Constitution Act, 1867 requires redistribution after each decennial census and sets out the formula for determining the number of seats per province.

The Electoral Boundaries Readjustment Act sets out the detailed process for the readjustment of the boundaries. As the first step in the process, the Chief Statistician of Canada sends the results of the decennial census to the minister responsible for the Electoral Boundaries Readjustment Act and to the Chief Electoral Officer. The Chief Electoral Officer then calculates the number of seats allocated to each province by using the formula set out in section 51 of the Constitution Act, 1867 and publishes the results in the *Canada Gazette*.

After having received the results of the 1991 census from the Chief Statistician, the Chief Electoral Officer published in the *Canada Gazette* the allocation of seats to each province. According to this seat allocation, and if this process is completed under the current formula, the number of seats in the house would increase from 295 to 301 seats. There would be two more seats in British Columbia and four more in Ontario.

On September 2, 1993, eleven electoral boundaries commissions, one for each province and one for the Northwest Territories, were created under the terms of the Electoral Boundaries Readjustment Act, the chairs being nominated by the respective chief justices of the provinces, and two other members of each commission by the Speaker of the House of Commons.

The commissions must set the boundaries for the specified number of electoral districts in the province for which they were established. In doing this they may take into account community of interest, community of identity, historical patterns and geography.

Using population data from the 1991 decennial census, the eleven commissions have published their proposals for new boundaries in each province, with notice of the time and place of the sittings to hear representations on the proposed boundaries. The public hearings started in mid-April 1994 and will continue until June 1994. Each commission must complete its report on the new electoral districts no later than one year after receiving the population data. The commissions' reports are sent to the Speaker of the other place, who must ensure that they are tabled and referred to a committee of the other place designated to deal with electoral matters.

Written objections, each signed by at least ten MPs, may be filed by the committee after the tabling of a report. The committee has 30 days to discuss any objections to a report. The committee's minutes of proceedings are sent back to the commissions, which then decide whether or not to adjust their reports accordingly.

The Chief Electoral Officer then drafts a "Representation Order," describing and naming each electoral district established by the commissions, and sends it to the minister responsible for the Electoral Boundaries Readjustment Act. The Governor in Council must publicly announce the new boundaries in a proclamation within five days after the receipt by the minister of the draft representation order.

The new boundaries cannot be used at an election until at least one year has passed between the date on which the representation order is proclaimed and the date on which Parliament is dissolved for a general election.

As you can see, a number of steps remain to be undertaken in the examination of electoral boundaries by the existing commissions.

It appears that some dissatisfaction has been expressed with regard to the current process of readjustment. For example, the commissions publish their initial proposals without having had a chance to obtain input from interested parties. Thus, when published, these proposals often come as a complete surprise.

Although some commissions explain the reasons for their proposals, they are not required to do so. It is therefore very difficult for a person who intends to make representations to a commission to know the reasons behind the proposals and to make objections or present alternatives in an effective manner.

It is felt that the criteria that the commissions use to set the boundaries may have to be rethought. The present criteria are quite general and, depending on the approach taken by each commission, the rationale for drawing electoral boundaries can differ considerably from one province to another.

Another issue of concern is the continual increase in the number of members of the House of Commons after each census. For example, since Confederation, the number of seats in the House of Commons has increased steadily from 181 in 1867 to the current level of 295. The above are only examples of areas that it is felt should be thoroughly reviewed.

The government has therefore decided to ask the other place to refer the electoral boundaries readjustment process to its Standing Committee on Procedure and House Affairs for review, and to develop improvements to the current procedure. The committee is expected to report no later than December 16, 1994. I understand that there is already a motion before the other place for such a reference to the committee.

In order to allow for this thorough review of all aspects of the process, the current process has to be suspended. Accordingly, we have before us Bill C-18 which, if passed, would suspend the operation of the Electoral Boundaries Readjustment Act for a period of 24 months.

Finally, the bill specifically provides that new commissions will have to be established within 60 days after the end of the 24-month period of suspension. They will follow the existing rules unless, in the meantime, legislation is enacted establishing changes which may result from the work of the standing committee. This is to ensure continuity of the requirement under the Constitution to readjust electoral boundaries after every decennial census.

•(1520)

When it undertakes its review of this matter and makes recommendations for possible new legislation, the Standing Committee on Procedure and House Affairs may make recommendations regarding the time frame of 24 months or the method by which commissions are established.

Before I close, let me deal with one further point. Some have suggested that there may be some difficulty with the constitutionality of Bill C-18. Let me affirm that Bill C-18 does not contravene the Constitution. Section 51 of the Constitution Act requires that the number of members of the House of Commons and the representation of the provinces in the house be readjusted after each decennial census.

The suspension of the electoral boundaries readjustment process provided for in Bill C-18 does not in any way contravene the requirements of section 51 of the Constitution. According to section 51, the readjustment process must take place after each decennial census. Section 51 does not require that the readjustment be made at a specific point in time after each decennial census. It only requires that there be one after each decennial census.

After both the 1971 and 1981 censuses, the readjustment process was suspended to permit amendments to section 51 of the Constitution, setting out the formula for representation of provinces in the house, and to make some changes to the readjustment process. In both cases, the process was suspended at a later stage in the process when the house was considering the commissions' reports.

In conclusion, the adjustment of electoral boundaries touches important questions of democratic representation in Parliament. Now is an ideal time to have a thorough review of the process undertaken while we are still at an early stage, and to have Canadians heard through the standing committee. The committee hearings are planned to be public, and outside witnesses will be heard. I therefore recommend quick passage of this bill.

Hon. Lowell Murray: Honourable senators, that such a miserable piece of legislation should have such a reputable and distinguished sponsor is almost enough to make one suspend disbelief — almost, but not quite.

I thank my honourable friend for the generally factual approach that he has taken to this bill, and to explaining it to us. As he has said, it is a bill with not much nuance or subtlety to it. It is clear, it is concise and, as he said, it achieves what it set out to achieve. Well, in common parlance, you're bloody right it does. This is fitting, I suppose, for a bill that had its inspiration in an uprising on the Liberal back bench and its execution in a government bill brought in by the Solicitor General and Leader of the House of Commons in response — I think in rather hasty response — to that uprising.

Honourable senators, let us be clear about the principles that are at issue in this bill. The principle of proportionate representation of the provinces in the House of Commons on the basis of population was established by the Constitution Act of 1867, the BNA Act. That principle contained within it the response to the agitation for "rep by pop" The very phrase calls to mind the impassioned debates of the 1850s and 1860s in the united Province of Canada.

Representation by population was one of the pillars of the Confederation agreement of 1867. It was no less important a contributing factor and condition of Confederation than those other pillars: a federal system of government with the division of powers, the concept of partnership and equality between French and English Canadians; the terms that brought Nova Scotia and New Brunswick into the union and thereby made Confederation possible.

However, if the Constitution established proportionate representation, it was left to Parliament to draw the constituency boundaries within the provinces on the basis of the decennial census every ten years. For almost 100 years in this country, the redistribution process was in the hands of elected members of the House of Commons. That is to say, it was controlled by a majority government of whatever stripe, Liberal or Conservative, in the other place. Not much attention was given to the idea that constituencies should be of relatively equal population size. That seemed to be of less importance than a number of other factors, such as the geographic size of rural constituencies that members of Parliament had to serve.

One should not, perhaps, be too harshly critical of 19th century arrangements in applying to them the democratic standards of a later age, and one certainly should not do so if one is a senator. However, even allowing for that, the fact is that the old system of redistribution, the partisan-dominated system of redistribution, endured long beyond the time when it was recognized as being wrong in principle and susceptible to the most outrageous abuses in practice.

Redistribution under those circumstances was sometimes a bad joke; at worst it was a travesty of democracy. One of the most notorious examples in relatively modern times was the attempt in three consecutive redistributions in the 1940s and 1950s by a Liberal majority government, under the guidance of the "master machine" politician, James Gardiner of Saskatchewan, to gerrymander John Diefenbaker out of a seat in the House of Commons.

It was not until 1964 that Parliament, at the initiative of the Pearson government, cleaned up that act and gave Canada a redistribution process that would be worthy of a modern democratic state. As a result of the Electoral Boundaries Readjustment Act, we have had in this country for 30 years a process that is impartial, that is open and fair and, generally speaking, has served Canada well through three redistributions.

In 1982, the principle of proportionate representation by population was considered so important a part of our democratic society that any change to it was put beyond the reach of the federal Parliament acting alone. Any amendment to the Constitution relating to the principle of proportionate representation requires the consent of seven provinces with at least 50 per cent of the population.

•(1530)

In 1982, the Canadian Charter of Rights and Freedoms in section 3 guaranteed to every Canadian citizen the right to vote in federal and provincial elections. That right to vote that each of us enjoys as individuals extends well beyond the simple casting of a ballot on election day. The courts have found that the right to vote includes the relative equality of voting power; the notion that each of us has an equal portion of democratic power. On that, Madam Justice Beverly McLachlin has said:

> The concept of representation by population is one of the most fundamental democratic guarantees. And the notion of equality of voting power is fundamental to representation by population.

In other words, equality and democracy go together, honourable senators.

We all know that from the beginning these principles, the strict mathematical application of "rep by pop" or the equality of voting power, have been modified. They have been modified to protect the smaller provinces. They have been modified to accommodate particular geographic and demographic situations. They have been modified to recognize community of interest and some of the factors to which Senator Lewis referred in his speech. These modifications have passed the test of commonsense, and have been found by courts to be justifiable in a country as diverse as ours.

However, honourable senators, the dominant consideration in our system is still population. Any departure from it and from what the courts now call "the relative equality of voting power" violates the Charter and has to be justified under section 3 as a justifiable limitation of our rights in a free and democratic society. Therefore these principles are at the core of our history, of our democratic values as they have evolved over the years, and of our democratic parliamentary system. If governments can override these principles, if a government can gut these principles or put them in the deep freeze, which is what is being proposed in this bill, then democracy is on its way to becoming a shell.

Senator Lewis has described quite fully the redistribution process that, in essence, we have had in this country since 1964, and I will not repeat what he has said. I simply draw your attention to a couple of elements of it.

The chairman of each of these 11 commissions is appointed by the chief justice of the province or territory from among the judges of the superior court of that province or territory. The other two members of the commission in each province or territory are appointed by the elected Speaker of the House of Commons. The number of seats for each province or territory is determined in accordance with the Constitution and the Act on the basis of decennial census. The number of seats for each province or territory is divided into the total population of that province or territory to produce a quotient of voters for each constituency in the province or territory. Variances are permitted by the law up to 25 per cent above or below the quotient in order to take account of community of interest, historic factors and special circumstances of the kind that Senator Lewis mentioned in his speech.

The commissions then proceed to draw up the maps. The maps are published, public hearings are held and representations are made, after which the commissions may, and usually do, make changes — in many cases massive changes — to their first proposals. When that is done the revised maps, the second draft, go to the House of Commons and there members of Parliament have an opportunity to comment, and to send the maps back for a third consideration by the impartial commissions. It is only after this careful, extensive, eminently open and fair process that the maps are put into final form and proclaimed to take effect 12 months later.

That is the process by which, every ten years, we apply the principles first affirmed in the Constitution of 1867, improved upon in 1982, and reinforced by recent decisions of the courts. That is how we keep those principles up to date: a decennial redistribution process. If we fail to respect that process, if we fail to apply it to the changing times, then the principles become meaningless; become a dead letter.

Bill C-18 will suspend that process in such a way as to ensure that the process will not apply to the next election, expected in 1997 or 1998. If this timetable holds, an election in 1997 or 1998 will be fought on the basis of boundaries from the 1981 census. In a country where population growth and internal migration are so dynamic — I have been told that 20 per cent of Canadians change their residence every year — this result of a 1981 census for a 1997 or 1998 election has to be a violation of the spirit and the integrity of the Constitution, if not of its letter.

Senator Lewis has argued the constitutionality of this bill according to the letter. His argument is, if I understand it correctly, that while section 51 requires that a redistribution take place after every decennial census, it does not specify a particular time frame within which that must be done. Government officials from the Privy Council Office have attended the House of Commons committee on this bill. They seemed to suggest, relying on testimony heard at the Senate committee a few years ago on Bill C-67, that so long as the government initiated a redistribution process before the next census, it was fine as far as the Constitution was concerned.

•(1540)

Honourable senators, I think that is stretching the point. I do not know any more than anybody else does how the courts might treat a bill like this if it ever went to them, but the kind of statement that Madam Justice McLachlin made when she was on the bench in British Columbia, and that other justices in the superior courts of two provinces and the Supreme Court of Canada have made, lead me to believe that their interpretation might not be as casual, as liberal or as permissive as Senator Lewis suggests.

Honourable senators, consider the result of this bill in the context of the principles of "rep by pop" on the relative equality of individual voting power. The two provinces that are the big losers are Ontario and British Columbia. Ontario will be deprived of four additional seats at the time of the next election; British Columbia will be deprived of two additional MPs at the time of the next election. I am told that the rate of population growth in British Columbia is twice as fast as the national average, and we will be asking those people to be content until the year 2002 or 2003, perhaps, with representation in the House of Commons based on the 1981 census. As if there was not already enough sense of grievance in that part of the country!

If British Columbia and Ontario are the big losers as provinces, there are millions of losers in virtually every province. These are the people who live in the faster growing and more populous areas of almost every province in the country. Their portion of democratic power becomes smaller and smaller as time goes on. The exercise of their ballot becomes less meaningful — yes, a less meaningful exercise.

Honourable senators, consider the distortions and the abuse of representative democracy that will result from this bill. The present boundaries based on the 1981 census were out of date when they were proclaimed in 1986. By the time of the 1993 election, which was the second election fought on those boundaries, one constituency in five was above or below the 25 per cent tolerance level. By 1997, given present population projections, an election held on the 1981 census — on those boundaries — will result in one constituency in four being above or below the 25 per cent variance. The 25 per cent variance is already, in my view, a very generous deviation.

Let us look at a couple of specific cases to see how it works in terms of the principles we are talking about today. In the Ottawa area, it will take two votes in Kanata to equal one vote in Westboro; two votes in Orleans will be worth one vote in the Glebe. How can you justify this kind of distortion in ridings that are within a relatively small area? It is one thing to allow some variance for the Northwest Territories, or large rural ridings in relation to urban ridings, but these distortions are within this relatively small area.

The population of North York by 1997 will be three and a half times the size of the neighbouring constituency of York Centre. Seven voters on the north side of Steeles Avenue will be equal to two voters living across the street on the south side. This bill sets up a situation in which there is a degree of manipulation and distortion of representative democracy that would be more typical of a backwoods state in the Deep South a half century ago. I mean, it is nonsense.

Honourable senators, this bill dilutes in a serious way the democratic right of millions of Canadians living in the faster growing areas of Halifax, Montreal, Toronto, Ottawa, Calgary and Vancouver. Their right to vote and their right to a relative equality of voting power is being treated with contempt in this bill.

What justification is offered by the government for this bill? The responsible minister, Mr. Gray, says that the time has come to review the entire redistribution process. Of course we agree. A royal commission under Pierre Lortie has made numerous recommendations, most of which will provide a good basis for consideration by the parliamentary committee.

Our friend Senator Lewis today enumerated some of the shortcomings of the present process as he sees them: There is not enough input from the public before the preliminary maps are drawn up; the criteria are too general; there is a lot of concern about the size of the House of Commons. Even if we acknowledge all of those shortcomings, all of the shortcomings of the present process put together are not as significant as the violation of representative democracy that would result from this bill!

Some Hon. Senators: Hear, hear!

Senator Murray: Honourable senators, I am afraid that the shameful truth about the motivation and the purpose of this bill had already come out before Senator Lewis had an opportunity to examine it, or examine the motivation and the purpose more carefully. Mr. Peter Milliken, MP, who is the parliamentary secretary to Mr. Gray, is quoted in the *Vancouver Sun* as saying that this bill is a result of a revolt by MPs against the boundary changes proposed by the commissions, particularly in Atlantic Canada and southern Ontario.

Some Hon. Senators: Shame!

Senator Murray: Indeed, the statement was confirmed. If you read the second reading debates in the House of Commons or the committee hearings, one after another the Liberal MPs stood up, most of them newly elected, to complain about the boundaries of the new maps. They gave the game away.

Honourable senators, this bill is not about revising the process. This bill is about the discontent — understandable in a political context — of new members who see changes being made to their ridings in an impartial way. Even some Liberals are ashamed of this bill. John Nunziata, MP, is quoted by *The Globe and Mail* as saying:

•(1550)

> It is hard to see what was done here as anything other than self-interested politics. It makes no sense other than for self-preservation and MPs convenience.

The Globe and Mail says that at a caucus meeting last month:

> Liberal MPs from Central Ontario said the boundary revisions would adversely affect local campaign organizations, especially in weakly held ridings.

The article continues:

> The MPs burst into applause when Solicitor General Herbert Gray, the minister responsible for elections legislation, promised that the government would block the process.

That is what this bill is all about.

Honourable senators, the duty of Mr. Gray, as a minister of the Crown, was to defend the integrity and the impartiality of the redistribution process. He could have told the Liberal MPs that if they had problems with those boundaries, they and their constituents could go and make their representations in a public forum to the open hearings of the redistribution commissions in their provinces. He could have told the Liberal MPs that, in the past, substantial changes have been made by the commissions to the maps on the basis of representations heard in the public hearings.

He could have told the Liberal MPs that, even after the maps are revised and the second draft comes to the House of Commons, the MPs have an opportunity to comment and send them back to the commission for another look. He could have told the MPs that, for 30 years, this process has been impartial, open, fair, and is respected for its impartiality by Canadians, and that the government will not interfere in it for partisan political reasons. But he did not do so. Instead of that, he brought forward this bill with the applause of the Liberal caucus ringing in his ears.

This bill suspends the operation of the Electoral Boundaries Readjustment Act for two years. It abolishes the 11 commissions that have already completed a good part of their work. A House of Commons committee is to be appointed. It will report in December. They may draft new legislation.

The bill provides two years of suspension from the date of Royal Assent, and a further 60 days for the Governor in Council to appoint 11 new commissions. No one seriously believes that, with that timetable, an impartial redistribution will be possible before an election in 1997 or 1998. Indeed, the intent of this whole elaborate, shoddy exercise is to ensure that no redistribution will happen before the next election.

This bill has been produced by a government that is less than six months into its first mandate. It is a government that is still enjoying a honeymoon with the Canadian people, still riding high in the polls. People want this government to succeed in areas where other governments have failed. People want to think well of this government.

Whatever the partisan advantage that the Liberal back-benchers may think they will derive from this bill, surely longer heads in the Liberal Party know that it will be more than cancelled out by the damage that a bill like this does to a government's integrity and its reputation for fair dealing.

This is a government that promised to turn the page on some of the partisan excesses of the past. Instead, it reached back more than 30 years to resurrect one of the most odious and disreputable practices of an almost forgotten and best forgotten past: the practice of blatant political interference with electoral boundaries. They would lose nothing; they would only gain in stature and public respect if they walked away from this bill now, and got on with the business that the people elected them to do.

On motion of Senator Berntson, debate adjourned.

INCOME TAX ACT

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

Hon. Michael Kirby moved the second reading of Bill C-9, to amend the Income Tax Act.

He said: Honourable senators, I rise to make a few remarks at the beginning of the second reading debate on Bill C-9 by way of explanation as to what this bill contains.

Bill C-9 contains a number of changes to the Income Tax Act, which changes originated in the former government's financial statement of December 1992 and the budget of February 1993. In other words, this bill implements changes to the Income Tax Act which were announced by the previous government well over a year ago.

The previous government introduced Bill C-136, which contained the changes that are contained in this bill. However, these measures died on the Order Paper when the election was called and Parliament was dissolved last year. Therefore, in order to ultimately have legal effect, these changes must now be passed into law by this Parliament.

Let me explain very briefly why the government is proceeding with these changes, particularly in light of the fact that they relate to a budget of a previous administration, and the fact that some of these changes have actually run their full course; that is to say, they are now no longer required. They effectively expired at the end of March of this year.

The reason for proceeding with the legislation, honourable senators, is that Canadians, both individuals and corporations, made decisions based on the assumption that a budget introduced by a majority government would, in fact, ultimately be put into effect. They made decisions, for example, to use RRSP money to buy new homes, trusting that a budget introduced by a majority government would be implemented. It is this government's view that because many of the decisions that both individuals and corporations made in good faith a year ago, and longer, are irreversible, it is important for this government to clean up this housekeeping problem by passing legislation which puts into effect measures from these previous budgets.

•(1600)

That being said, I should also add that the government believes that the measures contained in this bill are justifiable and should be supported in their own right. There is only one measure which was dropped from the previous bill, Bill C-136, which was introduced in the last session of Parliament. It is a measure that would have had the government giving GST credits to low income Canadians twice a year as opposed to quarterly, as has been the case since the GST was introduced. The measure was dropped because the government believes that as long as the GST is in effect, it is appropriate that low income Canadians should receive their credits on a quarterly basis and not semi-annually.

Having said that, I should like to reiterate what all members of this chamber know. That is to say, the House of Commons Finance Committee is currently holding hearings to explore ways in which the GST can be changed dramatically.

With that background, I should like to point out to honourable senators two or three matters that are in the bill, and about which they should be aware. First, there was an extension of the home buyers' plan by one year from the date of the February 1993 budget. That one-year extension expired on March 1, 1994. A number of taxpayers took advantage of this provision. In order to justify retroactively those actions for tax purposes, it is necessary to pass this legislation.

Second, there is a measure contained in Bill C-9 which was also in Bill C-136 that has to do with the way in which higher income Canadians make quarterly instalment payments on the annual income tax which they owe. This measure affects people whose payable tax is $2,000 more than the total amount of tax withheld at source. In other words, if total tax payments for a year exceed by $2,000 the amount of tax withheld at source, either in the current year or in the preceding two years, then quarterly payments will be required. On the other end of the income scale, some 300,000 low-income earners will be excused from making quarterly payments and be required to pay once a year, at the end of the fiscal year.

There are two or three other minor elements in the bill about which honourable senators ought to be aware. One concerns an investment tax credit for small business which extended the original investment tax credit for purchases of eligible machinery and equipment from December 2, 1992 through to the end of the 1993 calendar year. Corporations took advantage of this measure at the time it was announced by the minister in December of 1992. What this bill seeks to do is to put into effect a measure of which many small businesses took advantage, and which has now expired.

In a similar way, the budget of 1993 extended the Small Business Financing Program for another year. That measure has also expired. This bill will legitimize the activities of which companies took advantage during that period of time.

The removal of any limits on holdings of small business shares in RRSPs and RIFs, which was announced in 1993 and which is still in effect, is included in this bill.

Finally, there is an extension of the 35 per cent investment tax credit available to small Canadian-controlled private corporations for eligible research and development expenditures.

This bill includes more flexible rules for investments in labour-sponsored venture capital corporations, a measure which was introduced over a year ago and which has been in effect since then, although it has not been legitimized by law.

The failure of this bill to pass would leave Canadians to question whether or not every time a budget is brought down they ought to act on statements in it as if they will become law. One of the trust issues between Canadian taxpayers and governments has always been that a majority government budget will ultimately become law, and that taxpayers, therefore, are justified in acting on budget announcements as if they are already law.

While I recognize that it has been nearly 18 months since the first of these announcements were made on December 2, 1992, it is important to clean up this backlog in the legislative process which was caused by the dissolution of Parliament and the fact that Bill C-136 died on the Order Paper. It is necessary to clean this up in order to move on with the new measures announced in the government's budget of a couple of months ago.

I therefore ask honourable senators to support swift passage of Bill C-9.

On motion of Senator Angus, debate adjourned.

SCRUTINY OF REGULATIONS OFFICIAL LANGUAGES LIBRARY OF PARLIAMENT

MOTION TO AUTHORIZE JOINT COMMITTEES TO MEET DURING ADJOURNMENTS OF THE SENATE WITHDRAWN

Hon. Gildas L. Molgat (Deputy Leader of the Government), on notice of motion of Wednesday, March 16, 1994:

> That the Standing Joint Committee for the Scrutiny of Regulations, the Standing Joint Committee on Official Languages, and the Standing Joint Committee on the Library of Parliament have power to sit during sittings and adjournments of the Senate; and
>
> That a Message be sent to the House to Commons to acquaint that House thereof.

He said: Honourable senators, I ask that this motion be withdrawn. The idea of the motion in the first place was to permit these standing joint committees to meet when the Senate is sitting. However, we have now received reports from two of the three committees which have incorporated into their reports the request that my motion seeks. Thus, this motion is meaningless, and I suggest that it be withdrawn.

The Hon. the Speaker *pro tempore*: Is it agreed, honourable senators, that the motion be withdrawn?

Hon. Senators: Agreed.

Motion withdrawn.

HEALTH

IMPACT OF CHANGES TO TOBACCO TAXES—DEBATE ADJOURNED

Hon. Consiglio Di Nino rose pursuant to notice of Thursday, February 24, 1994:

> That he will call the attention of the Senate to the impact of the Government of Canada's changes to tobacco taxes.

He said: Honourable senators, I rise to continue discussion on a very serious issue that affects every Canadian. The issue is cigarette smoking, and specifically the Liberal government's recent move to lower tobacco tax, a move from which I am sure my colleagues across the way are trying to distance themselves. I wish to make it clear that it is my intention to keep this issue in the forefront of future deliberations in this chamber.

The recent actions of the Chrétien government will have serious repercussions on the health of Canadians and the health sector itself. Currently, tobacco directly and indirectly accounts for approximately $15 billion in annual health costs. More important, the cost in terms of human life is estimated to be 44,000 deaths annually. The experts tell us that 30 per cent of all heart-related deaths are attributable to cigarette smoking, 30 per cent of all cancer-related deaths are attributable to cigarette smoking, and 90 per cent of all deaths due to lung disease are attributable to cigarette smoking.

•(1610)

Honourable senators, the government's decision to lower the tobacco tax is, to say the least, negligent. As pointed out by national organizations such as the National Campaign for Action on Tobacco:

> ...the federal plan is a public health disaster. It will undoubtedly add billions in costs to the health care system. The decision will probably prove to be the most irresponsible decision in the history of Canadian public health.

Honourable senators, I too would keep my head down if I supported this government, as many of my colleagues across the way obviously do. For it was decided in cabinet, and presumably with the participation of the Leader of the Government in the Senate, that this government would, with a stroke of a pen, undo the courageous efforts of previous governments, including Liberal governments. It is this recurring theme of hypocrisy, so rooted in the Liberal government, to which I will speak at a later date.

Honourable senators, you will no doubt recall the passing of Bill C-111 at this time last year. That piece of legislation dealt with the smoking habits of young Canadians by increasing the legal age for purchasing cigarettes from 16 to 18 years and by increasing the maximum fine from $100 to $50,000 for anyone selling tobacco products to persons under the legal age.

Among other things, Bill C-111 restricted the locations of tobacco vending machines, thus limiting access of young persons to tobacco product. This legislation received all-party support, was widely applauded by the media, by interest groups and by the tobacco industry itself. In fact, honourable senators are aware that no new initiatives were taken by this government regarding health issues. Rather, this government decided to integrate Bill C-111 under its anti-smuggling policy.

Bill C-111 was due to be proclaimed despite this government's anti-smuggling policy. It was actions taken by the previous government, such as Bill C-111 and prior legislation, that required all cigarette packages to carry one of four specific health warnings, that restricted or prohibited federal public servants from smoking anywhere in most federal buildings, that prohibited the advertising and promotion of tobacco products, that assisted tobacco farmers to diversify, and brought forth legislation that launched awareness campaigns such as the anti-smoking program aimed at the youth of Canada.

Why do I mention these initiatives taken by the previous government? Because these initiatives, coupled with a high taxation policy on tobacco products, resulted in reducing the smoking rate among Canadians. Because of that strategy, Canada became a world leader in reducing tobacco use.

As reported in *The Globe and Mail* on February 8 of this year:

> ...some of the credit —

for reducing consumption —

— has to go to the public education programs... But a large part of the credit, perhaps most of it, must go to Canada's high-tax policy.

As mentioned, the present government, with a stroke of the pen, reversed Canada's high-tax policy and, as such, eliminated much of the benefit that derived from the policies of previous governments. It would seem that the government of my colleagues across the way no longer places a high priority on the health of Canadians.

If my colleagues who support the present government disagree with my analysis of the government's priorities, then let them explain how they can justify a policy that will result in an estimated 840,000 more Canadians choosing to smoke, of which 175,000 will be teenagers and, as a result, 250,000 will die of their addiction to tobacco products.

I do not agree with those who are calling for more research or analysis of the problem. The Government of Canada has access to many studies that clearly show the negative effects of tobacco consumption. One can draw this conclusion from the rumblings of the Department of Health and Welfare, which has long supported the high-tax policy of previous governments and now feels betrayed by the initiative taken by the Liberal government, which clearly flies in the face of the information available.

A study undertaken by Harvard University to look at the effects of tobacco consumption in Canada concluded that a decrease in the tax applied to tobacco products could increase health spending by $3 billion annually. Honourable senators, because of a single, ill-informed initiative undertaken by the present government, Canadians may see an increase of $3 billion in annual health spending as a direct result of 840,000 more Canadians smoking, in addition to the $15 billion already spent each year to treat the effects of tobacco consumption.

It is not my intention to stand in this chamber and pretend that there is only one issue at play here. The underground economy is a real threat to the future of our social programs and our ability to govern this country effectively. However, the government has decided to take a narrow view of the problem and, as a result, has completely disregarded the severe health costs associated with cigarette smoking. The anti-smuggling plan does not present a clear strategy for addressing the health concerns other than the proclamation of Bill C-111 of the previous government, which would have been enacted anyway.

On February 8, 1994, the Prime Minister said that tobacco smuggling accounted for more than $1 billion in lost federal tax revenue and $1 billion in lost provincial revenues. The province of Ontario alone is estimating a tax revenue loss of $500 million because of this initiative.

Honourable senators, I know many of you will agree — at least I hope so — that the Liberal government has sent the wrong message to the criminals of this country. I will quote an article that appeared in *The Toronto Star* on February 9 of this year. It would appear that the Liberal government has also managed to alienate its traditional supporters such as *The Toronto Star*. The article reads as follows:

> Is the government powerless to combat criminal behaviour, the difficulties too great, the conspiracy too great to be condemned by the laws of the land or by the government agencies which have been the ultimate public defense against anarchy and lawlessness?

This, of course, is not true. However, the Liberal government, through its actions, has suggested that they will yield to the criminals of this country.

•(1620)

I am fully aware of the basic economic principles as they relate to the taxation of tobacco consumption. During the last election, Prime Minister Kim Campbell addressed this issue by saying that the taxation of tobacco products had reached the upper limit, and that any further taxation may not be effective in curbing tobacco consumption.

Further, we addressed this issue of smuggling with the planned transfer of Revenue Canada's border control activities to a new public security portfolio. The PC Party of Canada has always maintained that the high tax policy, in coordination with health awareness programs and law enforcement, is effective in discouraging cigarette smoking amongst Canadians.

Honourable senators, clearly the government is acting in a cowardly manner by giving in to organized crime in Canada. Organized crime brutally exploits ordinary law-abiding Canadians for personal gain. One need only look to my province where organized crime has been strengthed by smuggling, and principally smuggling of cigarettes and other products. Does the government honestly believe that lowering the tobacco tax will effectively rid them of criminals? The clear answer is no. These groups will move to other products that offer similar opportunities. Will the government also cave in to those criminals who are dealing in products such as drugs, alcohol, guns?

The government will claim that it is addressing the issue of enforcement in its strategy. I beg to differ. We are all aware that enforcement is a major factor in any strategy to reduce tobacco consumption, but does the government really believe that enforcement, to this point, has been so deficient that the initiative taken by this government will greatly affect smuggling? How does this government intend to get police forces across Canada to agree to devote more of their limited resources to the enforcement of anti-smuggling laws? It is these types of questions that I intend to raise with my colleagues opposite in the future.

I must strongly object to the way in which the province of Ontario has been treated by this government. The Chrétien government has displayed complete disregard for the Government of Ontario and, as a result, may have strained future federal-provincial relations. In essence, the federal government put a loaded gun to the province of Ontario, forcing the province to end its policy of high taxation, and undermining provincial measures designed to curb smuggling.

More important, the federal health minister Diane Marleau has lost all credibility with the provinces because of her government's actions. The Minister of Health claims she went to the wall in an attempt to persuade her government not to continue with the strategy. I agree with the health organizations in Canada who have said that the Minister of Health should have resigned, since this is the most damaging piece of legislation ever introduced in Parliament as it relates to the health of Canadians. Her credibility is lost as a defender of health issues.

Ontario health minister Ruth Grier stated the following, which clearly shows the ill-conceived thinking of the Chrétien government in dealing with the smuggling issue:

> If you —

referring to the health minister —

> — have just taken action that undermines the actions of all the provinces in their efforts to fight cancer by reducing smoking, how can you be taken seriously? I really find it hard to believe that at the first opportunity for all health ministers to meet and discuss the National Forum on Health, the federal government would pre-empt that by making an announcement that flies in the face of health care...and it will be really insulting for them to make their announcement before the health ministers have even a chance to talk about it.

Honourable senators, as I mentioned, I strongly object to the way in which my province is being treated by the Chrétien government. However, the fact remains that my province surrendered to the federal government by lowering the taxes on tobacco products. I, therefore, applaud those provinces who have taken a position to continue the courageous struggle against cigarette smoking and the related health costs, both in terms of lives and dollars.

Further, I support alternative solutions put forward by various levels of government, experts, media and non-governmental organizations. Of the many solutions suggested, I would like to touch on two which I believe warrant immediate discussion. One is the removal of the exemption for tobacco under the Hazardous Products Act. This would give the federal government more leverage in dealing with tobacco companies by enabling the government to regulate tobacco products to a much larger degree. For example, the government could enact regulations requiring the tobacco companies to disclose all additives found in cigarettes and other tobacco products. We have been reading about that in the last few days. The other solution is to legislate the use of plain packaging for all tobacco products. These and other measures will not, in themselves, reverse the harm done by the Chrétien government, but will undoubtedly curb tobacco consumption.

Honourable senators, as I said at the beginning of my speech, it is my intention to keep this issue in the forefront of future deliberations in this chamber. I encourage all honourable senators to speak out against this ill-conceived initiative that will have very serious repercussions on the health of Canadians, and will encourage criminals to continue their illegal activities.

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, perhaps Senator Di Nino would permit a question?

Senator Di Nino: I will try to answer it.

Senator Molgat: I believe earlier in your comments you gave some figures as to the increasing numbers who would be smoking. I meant to make a note of the numbers then but I did not quite catch them. Can you give those numbers to us again?

Senator Di Nino: Honourable senators, I will check as I am responding to make sure that I am correct.

It is estimated that your government's actions will result in 840,000 more Canadians smoking, of which 175,000 will be teenagers, resulting in some 44,000 annual deaths from this initiative, added to the tragedy that already occurs.

I will just make sure. Yes, that is correct, sir.

Senator Molgat: Perhaps Senator Di Nino could give us the source of that information?

Senator Di Nino: I will supply that to you. I think it is mainly from different government sources and non-governmental agencies, but I will get that information for you. I do not have it here.

On motion of Senator Bosa, debate adjourned.

The Senate adjourned until Wednesday, April 20, 1994, at 1:30 p.m.

THE SENATE

Wednesday, April 20, 1994

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

Prayers.

SENATOR'S STATEMENT

NEW BRUNSWICK

TWENTY-FIFTH ANNIVERSARY OF OFFICIAL LANGUAGES ACT

Hon. Erminie J. Cohen: Honourable senators, I rise today to draw the attention of the chamber to an auspicious anniversary for my home province and the country as a whole. Last weekend marked the twenty-fifth anniversary of the proclamation of New Brunswick's Official Languages Act. I am sure that all honourable senators will agree with me that the presence of two official languages is both the greatest blessing and the greatest challenge of our nation.

When properly approached, our two official languages make the Canadian community greater than the sum of its parts. When dealt with unwisely, our linguistic diversity has been manipulated by those who would seek to divide our nation against itself. I will leave it to others to determine who has dealt with these matters poorly, but I claim for my home province the title of "those who have dealt with it best."

A tradition of goodwill and understanding was built over our long history so that in 1969 one of our colleagues, former Premier Louis Robichaud, proclaimed in law the principles of fairness that I now point to proudly, namely that all New Brunswickers should have the right to live, learn, work and play in their own language. This principle was upheld and enhanced by Senator Robichaud's successor and our former colleague the late Richard Hatfield, who continued to build on this foundation of understanding by passing Bill C-88, which last year was enshrined in our nation's Constitution.

We have been fortunate in New Brunswick to have a succession of leaders who have valued our linguistic heritage for the great prize it is, and who built their policies on harmony and cooperation rather than narrow or partisan advantage. In 25 years, under New Brunswick's Official Languages Act, we have built a framework of bilingualism that is fair and harmonious.

Of course, there are always areas of concern and there are always areas that could be handled better, but we are human beings, after all, and we do the best we can. When we look around the world, we can be proud of our achievement. As Marc Poirier, a journalist, wrote in last weekend's *Telegraph Journal*:

> When we look at countries where blood is the only answer to cultural differences, lack of understanding and fear and domination, we can be happy to be living where things have evolved a bit better.

Today I salute the work of those who guided that evolution, and I thank them for their wisdom in shaping our province's policy. I am proud to be from Canada's only bilingual province and prouder still to salute the twenty-fifth anniversary of the Official Languages Act of New Brunswick.

DISTINGUISHED VISITOR IN GALLERY

The Hon. the Speaker: Honourable senators, since there are no other speakers on Senators' Statements, as a New Brunswicker perhaps I will be allowed not only to associate myself with Senator Cohen's words but also to draw to your attention the fact that in the gallery is one of the actors of this important moment in New Brunswick's history. I am, of course, referring to Senator Charles McElman.

As a New Brunswicker, and as a former colleague of Senator McElman's, on your behalf I extend to him our heartiest welcome. I also wish to express my personal happiness in seeing him watching down upon me.

ROUTINE PROCEEDINGS

VETERANS AFFAIRS

STATUS OF MERCHANT NAVY VETERANS—NOTICE OF INQUIRY

Hon. Jack Marshall: Honourable senators, I give notice that on Tuesday next, April 26, 1994:

> I will call the attention of the Senate to omissions in Bill C-84, to amend the Civilian War Pensions and Allowances Act, the War Veterans Allowances Act and the Pension Act, and to amend other acts in consequence thereof, and in related regulations, which restrict the intent, meaning, and interpretations of such documents as they apply to the recognition of merchant navy veterans, including those who were prisoners of war, and particularly to the urgency of speeding up the process of claims and entitlements to awards.
>
> I will further call the attention of the Senate to the inconsistencies and the responsibilities of the Department of Veterans Affairs Canada, Transport Canada, National Defence and Government House as they relate to the above.

QUESTION PERIOD

AGRICULTURE

DELAY IN GRAIN SHIPMENT FROM PRAIRIES— GOVERNMENT POSITION

Hon. Leonard J. Gustafson: Honourable senators, I have a question for the Leader of the Government in the Senate, who will know of the serious problems we are facing in relation to grain handling and the movement of grain out of the prairies. I would ask the leader to tell us if she knows what position, if any, the government is taking with respect to getting the grain moving.

We can tell from experience on the prairies that the numbers of cars are inadequate. We have a glut of grain in the elevators. The bins are full and, for the most part, the grain that is being moved is from the piles on the ground.

It seems that there is a congestion of cars at the West Coast that are not returning to where they are required. There are reports of up to 2,000 cars waiting to be unloaded, and that there are boats there to receive the grain. This congestion means that the country is losing sales. My question to the Leader of the Government is: What does the government intend to do to rectify this situation?

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I thank Senator Gustafson for his question. I am aware of the serious problem on the West Coast at the Port of Vancouver. I suppose that that situation relates to something the Senate dealt with back in February, namely our first piece of legislation relating to the longshoremen's strike.

I have also been briefed, both yesterday and today, by Senator Olson who, during the break, visited the Port of Vancouver and is reporting back to all of us on the situation there, with possible suggestions as to what we might do constructively in this house to take some positive action in that situation.

In relation to your specific question, however, I will ask my colleague the Minister of Transport if he can give me a detailed answer on steps that may be in the works right now.

Senator Gustafson: Honourable senators, as a supplementary, I ask the question that our farmers are asking: What will this situation cost them, not only in demurrage but also in loss of sales? This is a very serious question on the part of the farmers, and people whom I represent in southern Saskatchewan in particular. We have three months left in this crop year to move the grain. This is a very serious problem. I urge the government to look into the situation.

•(1340)

Can the house leader tell us what reports the government has given her or the cabinet with regard to lost sales at this point in time?

Senator Fairbairn: Again, senator, I will check with my colleagues. I have not received such reports. I know that there are great concerns in Western Canada because of that situation, and I will do my best to get the details that he requires.

[*Translation*]

ELECTIONS CANADA ACT

ELECTORAL BOUNDARIES READJUSTMENT ACT— INTRODUCTION OF SUSPENSION BILL— EFFECT ON COMMISSIONS IN EACH PROVINCE

Hon. Pierre Claude Nolin: Honourable senators, my question is for the Leader of the Government in the Senate. To your knowledge or that of your government, has the tabling of Bill C-18 on electoral boundaries readjustment resulted in slow-downs in the work of the various commissions established in each of the provinces?

[*English*]

Hon. Joyce Fairbairn (Leader of the Government): Senator Nolin, I will have to ask a question on that. My understanding — and this may not be a uniform understanding — is that some commissions seem to be prepared to proceed, but perhaps others are not. I will ask this afternoon and perhaps get a direct report to you on the situation across the country.

[*Translation*]

Senator Nolin: I thank you for your answer, honourable senator. In light of the information you will receive in response to your query, would it be possible, since we are dealing with a quasi-judicial process which, until further notice, continues to be governed by the law of the land, that the various commissions be specifically directed by your government, through the Chief Electoral Officer, to carry on with their work?

The commissions should not interpret the tabling of this government bill as a sign that this quasi-judicial process could be interrupted.

[*English*]

Senator Fairbairn: I will be glad to clarify that point for you, Senator Nolin.

SASKATCHEWAN

APPOINTMENT OF LIEUTENANT GOVERNOR— NATURE OF APPOINTMENT—GOVERNMENT POSITION

Hon. David Tkachuk: Honourable senators, I want to ask the Leader of the Government about the appointment in Saskatchewan of Mr. Jack Wiebe —

Senator Berntson: A good man.

Senator Tkachuk: For those of you who are not from Saskatchewan and who may not know who Jack Wiebe is, he goes by an alias we all understand: Liberal appointee. He has been a Liberal campaign chairman, a Liberal organizer, a Liberal fund raiser, a Liberal candidate, and a former Liberal MLA.

An Hon. Senator: He has been pretty successful.

Senator Tkachuk: Successful, as it turns out, to the point of being appointed to the position of Lieutenant Governor of Saskatchewan.

This appointment has caused me some consternation, but not because of his Liberal affiliation. I cannot honourably criticize party appointments, being one myself, but I would like to change the essence of party appointments so that they can be properly celebrated in this chamber.

I promise not to call the Lieutenant Governor of Saskatchewan a Liberal hack, or other rather more disparaging terms we hear because of the excesses of Liberal patronage. In return, I would like the Leader of the Government in the Senate to ask the Prime Minister for an apology to one of ours every time they appoint one of theirs. Will the Leader of the Government in the Senate undertake to secure an apology from the Prime Minister each and every time he makes a partisan appointment? This apology could then be passed on to one of the former government appointees in recognition of the sheer hypocrisy of this Prime Minister's obviously paper-thin and transparent commitment to non-party, or, as they say in the media, non-partisan, appointments.

Senator Molgat: That's pretty sick.

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I will be very clear: I will not ask the Prime Minister to indulge in an apology for appointing a person of the calibre of Jack Wiebe to the position of Lieutenant Governor of the province of Saskatchewan.

Senator Berntson: That is not what he is asking for.

Senator Fairbairn: As a matter of fact, when the honourable senator spoke yesterday during Senators' Statements, he indicated that he was about to congratulate a very worthy person from the province of Saskatchewan, and I thought, "My God, he is going to congratulate Jack Wiebe." I was wrong, as he was congratulating — and rightly so — the curlers.

The issue was raised not by me but by my friend. Therefore, I should like to say something about Lieutenant Governor Wiebe. As colleagues will know, he is a very distinguished farmer from the province of Saskatchewan.

Senator Berntson: He is my friend, a great man. I am not critical of his appointment, I am critical of the hypocrisy.

Senator Fairbairn: He is a friend of the Deputy Leader of the Opposition, which in itself is a tribute. He is a former member of the legislature of Saskatchewan. He has been an active member of practically every farm association in the province. He is a gentleman —

Senator Berntson: But does he fit the Red Book criteria?

Senator Fairbairn: — and a qualified person, and under no circumstances should he be prevented from serving his province again because of his political label.

Senator Carney: Sounds like a Tory.

Senator Lynch-Staunton: Read the Red Book.

Senator Fairbairn: I have read the Red Book.

Senator Gigantès: She wrote it.

Senator Fairbairn: The appointments by this government will be of competent Canadians. I think this appointment reflects strongly that commitment.

Senator Tkachuk: Honourable senators, I did not get an answer to my question.

Senator Stewart: The answer was no.

Senator Tkachuk: I was not criticizing Mr. Wiebe. I was criticizing the hypocrisy of the Liberal Party and the hypocrisy of the Prime Minister who, on May 28, 1993, said of Prime Minister Mulroney that "he owes Canada an apology for an orgy of patronage." What I am getting at is that I think —

Senator Berntson: What is good for the goose...

Senator Tkachuk: Exactly. I think the Prime Minister owes the people who were appointed by the previous Prime Minister an apology for not taking into consideration whether or not they were qualified, but merely taking into consideration the fact that they were Tories. Now we are seeing Liberals being appointed. It seems to me that they were leading the people of Canada to believe that they would be heading in some more magnificent direction. I think the Prime Minister should apologize. Perhaps he would like a list of our people, maybe a form letter that would help make his apologies a little easier. We could address them for him, and so on, and send one over every time an appointment is made. I think the leader should take the matter up with the Prime Minister, and I ask her to do that.

Senator Berntson: Good work, and Jack Wiebe is a good man.

NATIONAL FINANCE

THE DEFICIT—BUDGETARY AND POLITICAL RISKS—EFFECT ON FOREIGN INVESTMENT—GOVERNMENT POSITION

Hon. Mario Beaulieu: Honourable senators, my question is for the Leader of the Government. This morning's *Financial Post* contains an article headed, "European selloff for bonds? Deutsche Bank recommends zero exposure to Canadian issues." I think everybody is worried. The prime interest rate has gone up by one quarter of one per cent.

[*Translation*]

If the deficit for the first eleven months was $35 billion, can the Minister of Finance explain to us some day soon where the figure of $46 billion comes from? A difference of $11 billion in one month makes no sense whatsoever.

Will the Minister of Finance make a statement on that some day soon, so that small businesses can survive through it all?

[*English*]

•(1350)

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, as I have said before in the Senate, all senators are aware of the state of the international markets in recent weeks. This week, there are uncertainties. That is also

reflected in the Canadian market. We are not immune to international circumstances.

As the Minister of Finance has indicated, there is underlying strength in the Canadian economy. Our consumer spending has increased, our unemployment rates have gone down, and we have maintained an extraordinarily low level of inflation. The Canadian economy is showing strength, and will, I am confident, weather the vicissitudes of the international marketplace.

Senator Beaulieu: My question relates specifically to the fact that the Deutsche Bank recommends zero exposure to Canadian issues. German investors own about $25 billion worth of Canadian bonds. They have recommended that their clients reduce their Canadian bond exposure to zero because of heavy budgetary and political risks in this country. I think the Minister of Finance should take this matter very seriously.

Senator Fairbairn: I would be pleased, honourable senator, to draw the article in the *Financial Post* to the attention of the Minister of Finance. Indeed, I am sure he is already cognizant of it, and I will seek any advice I can from him.

ATLANTIC CANADA OPPORTUNITIES AGENCY

LOCATION AND NATURE OF MANAGEMENT—GOVERNMENT POLICY

Hon. Noël A. Kinsella: Honourable senators, my question is for the Leader of the Government in the Senate. Could she clarify for Atlantic Canadians exactly what the government's policy is with reference to the manner in which the Atlantic Canada Opportunities Agency is managed?

There seems to be a great deal of confusion. The Liberal member of Parliament for Moncton and the Liberal member of Parliament for Fundy-Royal state that they believe the president of ACOA should live in the region and get to know the region, a view which I share. Yet the minister says no, that it is all right for the president of ACOA to live in Ottawa.

Has there been a change in government policy whereby we are returning to an era of centralized management, as opposed to regional development agencies managing their own affairs? Could the Leader of the Government in the Senate clarify these two visions that come from the caucus in the other place?

Hon. Joyce Fairbairn (Leader of the Government): I thank the honourable senator for the question. Other questions have been raised on the issue of ACOA, certainly by Senator Cohen. I am in the process of obtaining clarification on those questions as well.

On the precise issue raised by Senator Kinsella, it has been made clear by the Minister of Public Works and the minister in charge of ACOA that, particularly in the beginning part of this mandate, he was asking the head of ACOA to spend time in Ottawa, briefing him and organizing the activities of that organization, as well as carrying out responsibilities in the area. I will speak to the minister for any further comment he might have on that matter. However, I can say that this does not represent, in any way, a change in focus with respect to the importance of that regional body.

I say that with some feeling. Coming from the west, I know that we too put a very strong emphasis on the importance of the Department of Western Economic Diversification. I know the importance of the Atlantic Canada Opportunities Agency to Atlantic Canada, and I will speak to Mr. Dingwall about any further clarification.

[*Translation*]

NATIONAL FINANCE

AMOUNT OF DEFICIT—GOVERNMENT POSITION

Hon. Pierre Claude Nolin: Madam Leader of the Government in the Senate, yesterday, I heard the question that our leader, Senator Lynch-Staunton, asked. I understand that your political position requires you to give us answers that are both political and sensible, and I will understand if your answer is not fully satisfactory.

I wish to draw your attention to the problem of the actual deficit of the Government of Canada. Yesterday, Senator Lynch-Staunton, with supporting figures, showed us what the actual deficit is. I am not talking about projections or figures for the future; I am talking about actual figures, money actually spent or committed by the Government of Canada over 11 months.

How can you reconcile this actual figure? We are not talking about a forecast; we are talking about an amount actually spent of some $32 billion, compared to the projection of your Finance minister for the same 12-month period, which was $45 billion.

This will be the subject of my supplementary question, perhaps. When foreign markets instruct their national investors to sell their Canadian securities, their decision is based on their lack of confidence in statements made by our political leaders, and the man who is steering Canada's finances is not sending a clear and precise signal. He is not inspiring investors' confidence.

Therefore, I would like to have a more precise answer to the questions Senator Lynch-Staunton asked yesterday. There is a difference here of $13 billion, and that deserves an explanation.

[*English*]

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I am sure that my responses do not always satisfy Senator Nolin, although one continues to try.

On this point, however, the Minister of Finance has been sending very clear signals on the deficit. He also gave very definite indications, not only in the budget but also last fall in Montreal when he made a major speech on the economy and the deficit. At that time he made the point that one of the reasons for the jump in the deficit forecast was some specific one-time issues that would drive that deficit up. He still believes that those are there and will, regrettably, result in a higher deficit than we would like.

On the other hand, as I said yesterday, the indication that there is a greater income from revenue than had been forecast — and I hope will continue to be — can only be applauded by the minister, as well as by everyone in this house.

With deference to my friend Senator Lynch-Staunton, I think the signals that the minister has been sending on the economy are absolutely sincere and straightforward. No one would be happier than the Minister of Finance if the deficit were to come in at a substantially lower figure.

I would advise Senator Nolin that I have just received some information with reference to his earlier question relating to the electoral commissions on redistribution. I am advised that all of the commissions have decided to proceed with their hearings as scheduled, even as we move the bill through the Senate. This, I understand, applies to all of the commissions across the country.

[*Translation*]

Senator Nolin: I have taken note of the response made to my question by the Leader of the Government in the Senate, and it does indeed answer part of my question.

The problem is not the actual deficit or the increase in revenues. Of course we applaud the fact that the Canadian economy is rebounding. The problem lies elsewhere.

The fact of the matter is that events are being played out on the international stage. We can compare the situation to the relationship that you or I have with bankers or creditors who want to have confidence in our statements. Forty per cent of our creditors are foreigners. When the Germans, who hold $24 billion in bonds, are instructed by their central bank to sell, we are dealing with a problem of confidence. These investors have lost confidence in Canada.

How does the Minister of Finance intend to restore this confidence? His statements are to blame for this state of affairs.

[*English*]

Senator Fairbairn: Senator Nolin, I appreciate your point, and I would make a couple of others.

The Prime Minister has indicated, and I certainly agree with him, that one of the best indicators that Canada can give to the rest of our country, the rest of our continent and the rest of the world is a strong performance by its federal government, and by its federal Parliament.

Without belabouring the point, one may wish to put a heavy onus on the Minister of Finance, and that is fair game. However, there is another aspect to this equation, and that is that messages of a separatist party are being sent beyond our borders. That circumstance does impact on the activities here on Parliament Hill and in your province.

I make that point because, as you say, people who make judgments from far beyond our borders make them on signals they receive. All of those signals are not simply economic signals. Those signals may be misunderstood or poorly understood, but they are, nonetheless, signals that raise anxieties. This situation is certainly one such signal, and I profoundly regret it.

DELAYED ANSWERS TO ORAL QUESTIONS.

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, I have responses to three questions. The first is to a question raised on March 21 by the Honourable Senator Doyle regarding the future use of Downsview military base. The second was also raised on March 21 by the Honourable Senator St. Germain with regard to the downgrading of the government's credit rating. The third question was asked on March 22 by the Honourable Senator Jack Marshall, regarding the Canadian Broadcasting Corporation.

THE BUDGET

CLOSURE AND FUTURE USE OF DOWNSVIEW MILITARY BASE—GOVERNMENT POSITION

(Response to question raised by Hon. Richard J. Doyle on March 21, 1994)

These details are now being developed by the government in accordance with the intent announced by the Honourable David Collenette on February 22, 1994. The attached sketch map and fact sheet describe the current property uses at Downsview. It is not yet clear which lands will be surplus DND operational requirement because, although CFB Toronto will be closing, DND will require the use of parcels D, E, and F for the foreseeable future. Part G is required by the TTC for an expansion of the Wilson Yard. CMHC owns part A and the northern half of part C. These lands were to have been developed for housing purposes, but the planning for this is on hold as the government reviews the options for the Downsview lands. From the foregoing, it is evident that areas B and H on the map are currently the only parcels not encumbered in some way, and available, at least in the interim, for the fulfilment of the government's announcement.

Any lands to be disposed of will be disposed of in accordance with established government policy. Details are now being developed by the Minister of National Defence, in consultation with the President of the Treasury Board and the Minister of Public Works and Government Services.

The airport is wholly owned by de Havilland and is used for their manufacturing and aircraft servicing requirements.

(For sketch map and fact sheet see Appendix.)

NATIONAL FINANCE

DOWNGRADING OF GOVERNMENT'S CREDIT RATING—GOVERNMENT POSITION

(Response to question raised by Hon. Gerry St. Germain, on March 21, 1994)

The government is disappointed with the decision of Bond Rating Service (DBRS) to downgrade Canada's foreign currency debt, from AAA to AA (high).

The DBRS downgrade is on the foreign currency portion of our debt, which represents some 2% of the total. It should not have a huge impact on our interest costs. The 98% of federal debt payable in Canadian dollars maintains its AAA rating.

The downgrade is not related to the 1994 Budget, but rather follow downgrades by Standard and Poor's (in 1992) and the Canadian Bond Rating Service (in 1993).

The Liberal Budget has embarked on a two-stage process to deal with the deficit and debt, and to promote growth and jobs.

We clearly stated in the Red Book that: "Any responsible government must have as a goal the elimination of the deficit. That is our goal. Given the current state of the economy, a realistic interim target for a Liberal government is to seek to reduce the federal deficit to 3 per cent of GDP by the end of its third year in office."

The budget of February 22, 1994, puts us on the right track to achieve our target, a target that has never been achieved during the last ten years.

DBRS did recognize the strengths of the Canadian economy: low inflation levels, low interest rates, strong labour productivity and improved exports. All these underline the enhanced competitiveness of the Canadian economy.

CANADIAN BROADCASTING CORPORATION

EVALUATION OF OPERATIONS OF CORPORATION

(Response to question raised by Hon. Jack Marshall on March 22, 1994)

On February 3rd, 1994, the government announced that it would provide stable multi-year funding to the CBC as a way of returning to a healthy financial position. When the Minister of Canadian Heritage announced that the government does not intend to impose new cuts on the CBC over the next five years and that it was prepared to re-profile the cuts announced in April 1993, the minister also announced that he would consult with cabinet colleagues, the new President of the CBC and other players in the industry to identify new revenue-generating mechanisms for the CBC. Those consultations will undoubtedly involve discussion about various facets of the CBC's operations. The government, however, is not conducting a comprehensive review of the corporation's mandate.

In addition, at the CRTC hearing for the CBC's English and French television licence renewals held from March 21 to 25, 1994, the president of the corporation noted that he intends to engage in a process of zero base budgeting in the next six months to ensure that resources are used in the most efficient and equitable manner possible.

[*Translation*]

ORDERS OF THE DAY

ELECTORAL BOUNDARIES READJUSTMENT SUSPENSION BILL, 1994

SECOND READING—DEBATE CONTINUED

On the Order:

Resuming the debate on the motion of the Honourable Senator Lewis, seconded by the Honourable Senator Bosa, for the second reading of Bill C-18, an Act to suspend the operation of the Electoral Boundaries Readjustment Act.

Hon. Pierre Claude Nolin: Honourable senators, the House of Commons has sent us a bill which makes me wonder, even if I am new to the workings of the Parliament of Canada, whether I really understand the Canadian democratic process.

I listened very attentively to the speech made by Senator Murray yesterday. I find it hard to believe that the present Canadian government could sponsor a bill that would take us back to a practice which, out of respect for these honourable precincts, I would qualify as questionable.

In 1964, a Canadian Prime Minister managed to put in place a quasi-judicial process that would allow the democratic system in Canada to flourish, free of the too often exercised undue influence of elected members of Parliament.

The bill before us today gives the impression that we would go back to the situation that existed before 1964. This quasi-judicial process takes the final decision on redistribution out of the hands of our elected representatives.

Personally, as I said in caucus this morning, I am against this bill. I will vote against the principle of the bill. I think it would be very dangerous to agree to revert to a procedure we thought was a thing of the past.

When I arrived here in the Senate, I learned that, as senators, we are the defenders of the Canadian Constitution. I believe that this legislative document, the supreme law of Canada, contains provisions in section 51 on which this quasi-judicial process is based. I have the impression, but I am not absolutely sure, that this bill also goes against the provisions of section 51 of the Canadian Constitution.

As a political organizer — and I am not alone, since two more of my colleagues are here today — I have taken part in this quasi-judicial process. Because of its nature, it must observe the rules of evidence, certain rules as to the soundness of the arguments submitted to the commissioners. However, it is also a process in which logic and good faith can prevail.

Senator Rizzuto, Senator Prud'homme and I were involved, and in good faith I should say, at the time when we had the previous commission responsible for electoral boundaries readjustment in Quebec. We had our differences, but we managed to obtain a consensus, and we agreed, as Senator Rizzuto and Senator Prud'homme will corroborate, with the decisions made by the commissioners.

I must tell you that not all of the MPs from my political party agreed with the commission's arguments and decisions. They questioned the validity of the commission's recommendation. The commission took their arguments into consideration and made a final decision. The 1993 election was held according to the new electoral boundaries.

I am telling you these little historical facts to let my government colleagues know that the current, quasi-judicial — as I was saying earlier — process is permissible as long as the basic principle is respected. Elected representatives do not have the last word on readjusting first, the number, and second, the boundaries of electoral ridings. I personally think this is a good thing. I would go even further and say that the current process gives perhaps too many rights to elected representatives.

Why should a member of Parliament have more rights than an ordinary Canadian citizen, who must testify before the commission and table his arguments? Why should a member of Parliament have the right to a second hearing? During the initial stage, he is entitled to appear before the commissioner. Why should he have the right in the House of Commons to ask again that his arguments be heard? I have a problem even with that. I think the process should totally remove electoral boundaries readjustment from the hands of elected representatives.

It was in 1964 that Canadian parliamentarians realized how previous governments had distorted the intentions of the Fathers of Confederation. What the bill before us asks us to endorse is a return to this old practice. Personally, I will vote against it. I cannot accept this betrayal of principles. Impossible, since the current system already works well in spite of a few deficiencies. I do not understand the reaction of the new MPs. I should also draw from my own personal experience.

In 1986 or 1987, when we were involved in the redistribution process in Quebec, there were new members, elected for the first time in 1984, who did not like to see their constituency boundaries changed. I can understand their reaction to the publication in the newspapers of the new boundary proposals regarding their constituency. It was as if they owned the place.

However, we managed, each in our own caucus, to make these elected representatives understand that along with democracy came certain principles, and that these principles had to be obeyed. I do not know exactly how many new members of government are from the province of Ontario, but there must be quite a few, judging from how hard and fast the government is trying to ram its bill through. This may be its only reason for acting so diligently.

I think, honourable senators, that you have a duty. You must sit down with your colleagues within your caucus and explain to them that Canadian democracy entails obligations. It is up to you to make them understand this fact. It may well be that your bill will never materialize. That would be a blessing for Canada. There is no question of going back to the way things were before 1964.

I do not know whether Senator Prud'homme has something to add, but this is what I wished to convey to you today.

On motion of Senator Ghitter, debate adjourned.

[*English*]

INCOME TAX ACT

BILL TO AMEND—SECOND READING

On the Order:

> Resuming the debate on the motion of the Honourable Senator Kirby, seconded by the Honourable Senator Molgat, for the second reading of Bill C-9, to amend the Income Tax Act.

Hon. W. David Angus: Honourable senators, I find it surprising, indeed extraordinary, that this legislation, said to contain routine amendments to the Income Tax Act, reached the Senate only yesterday. As Senator Kirby suggested in moving second reading, Bill C-9 is housekeeping legislation designed principally to implement various Conservative government measures aimed at helping small business in Canada, as announced by the Right Honourable Don Mazankowski in his Economic and Fiscal Statement of December 2, 1992, and in his budget of April 26, 1993. Other measures covered in Bill C-9 are designed to make the tax instalment system fairer, and to help the resource and mining sectors of our economy.

We do not question either the urgency or the merit of this important legislation. What we do ask, though, is why has it taken this government so long to deal with this key but noncontroversial matter? The government was elected six months ago, on October 25, 1993, and yet Bill C-9 came to us from the other place only yesterday. What is happening to the legislative process? That is a question that we and interested Canadians may well ask.

This government's Minister of Finance, the Honourable Paul Martin, was most outspoken earlier this year in repeatedly promising Canadians a more open, efficient and effective budget process. Yet he proceeded to introduce his February 22 budget without first effectively taking urgent steps to get these outstanding tax amendments off the Order Paper. Clearly, Mr. Martin's new budget process does not apply to the important fiscal measures set forth in Bill C-9.

This is a dangerous precedent, one I trust and urge will not be repeated. It is extremely unhealthy to permit the ongoing consideration of Income Tax Act amendments from a previous budget after a further, perhaps contradictory, budget has been introduced.

The government cannot avail itself of the excuse of drafting delays, for Bill C-9 is, in reality, good Tory legislation that was already in place when this government was sworn in. It is the former government's Bill C-136, now disguised as the Liberal government's "slow-moving" Bill C-9.

Moreover, there can be no excuse based on rough passage or controversy. It was reported from the House of Commons committee without amendment. Where has it been? Possibly, I suggest, submerged in a sea of inefficiency and total legislative inexperience.

As is the case with those very few other Liberal government bills to come forward so far to this chamber, Bill C-9 is just another welcome example of the Liberals carrying forward almost word for word the Mulroney government's agenda. Other examples, and there are many, include Bills C-2, C-4, C-6 and C-7. Naturally, we in the opposition heartily applaud these excellent government initiatives and will cooperate fully in ensuring speedy passage of all such legislation.

However, honourable senators, when will we see some new legislation of substance? Where is the legislative evidence of those bold Red Book promises of a better life for Canadians? Are the iniquitous and undemocratic Bill C-18, to suspend the operation of the Electoral Boundaries Readjustment Act, and the Draconian Bill C-22, which purports to impose a unilateral so-called settlement on Canadian businesses that dealt in good faith on the Pearson airport deal, typical examples of the Brave New World promised by the Liberals? If so, we should grieve for our fellow Canadians.

Also, what about Bill C-10, one of the only other Liberal bills of substance to come to this chamber, an emergency bill to provide for the maintenance of West Coast ports operations? My recollection was that it would not have passed here had opposition senators not provided a quorum. We now hear from the Honourable Senator Gustafson that this emergency legislation is not working in practice, and that it is costing Canadians millions of dollars a day.

Senator Kirby indicated yesterday that this omnibus tax bill, Bill C-9, with only one exception relating to the timing of the payments of the GST credit, is virtually identical to the Conservative government's Bill C-136. However, I am given to understand, perhaps wrongly, that in fact there is a second exception whereby Bill C-9 does not include a certain Bill C-136 provision originally designed to provide fairer and more equitable tax treatment of business losses following vertical corporate amalgamation. No doubt the reasons for both these omissions and exceptions will be explored and explained during the study of this bill by the Standing Senate Committee on Banking, Trade and Commerce.

As Senator Kirby quite correctly stated, Canadian individuals and corporate taxpayers have made legitimately and in good faith, made important financial and business decisions — irreversible decisions — based on the important measures contained in Mr. Mazankowski's December 1992 Economic and Fiscal Statement and again in his April 1993 budget. Those Canadians were justly entitled to expect that the appropriate legislation would soon be passed to legitimize such decisions. That they have had to wait so long is most unfortunate, constitutes bad government and leads to a lack of confidence by the Canadian people in the stability of our fiscal system. As a matter of equity for those Canadians affected, and for the integrity of our budget process and our fiscal system, Bill C-9 needs to go forward without further undue delay.

In closing, honourable senators, let me simply state that it was gratifying indeed to hear Senator Kirby declare yesterday that, apart from the aforementioned basic legal considerations and considerations of equity, this government believes that the legislative measures contained in Bill C-9 are good ones. They are, as he said, "justifiable in their own right." To that I say "Hear, hear!"

Some Hon. Senators: Hear, hear!

Hon. John B. Stewart: Honourable senators, will Senator Angus deal with a question?

Senator Angus: Absolutely.

Senator Stewart: I, too, honourable senators, am interested in the fact that this bill, which eventuates from a budget delivered well over a year ago, is now before the Senate in a new session in a new Parliament. Senator Angus has told us that decisions were made by individuals and corporations in good faith on the assumption that the government would put before Parliament, and carry through Parliament, if it could convince a majority in each house, the measures set forth in the budget. That did not happen. He says this was most unfortunate. What he is doing is criticizing the former government, the government that brought in the budget; that committed themselves to enacting the bill now before this house.

I became uneasy about what had been done when I heard Senator Kirby speak on this bill yesterday.

There was a time when the House of Commons dealt with supply requests months after the money set forth in the Main Estimates had been spent. The Diefenbaker government, if I recall correctly, was defeated on February 5, 1963, when it was asking for the eleventh twelfth of the money requested in the Main Estimates for 1962-63. It was asking for interim supply for the month of February. The House of Commons dealt with the problem of belated approval of expenditure. In 1968, that house changed its rules, so that that sort of situation does not happen now.

However, let us turn to the revenue side, to the ways and means side. Here we find a situation where people — we are told by both Senators Kirby and Angus — made business decisions and personal investment decisions on the basis of the 1993 budget. We are told that they did so on the assumption that Parliament would enact a statute to give effect to the proposals in that budget.

•(1430)

I have two complaints: First, I find it passing strange that governments should encourage the notion that the Minister of Finance's budget statement alone is an adequate basis for major personal or corporate decisions.

Second, I find it passing strange that a government, having brought in a budget, would proceed to have Parliament dissolved without having made a serious effort to enact the legislation flowing from that budget. If there is any blame to be assigned to the present government for bringing this bill forward now, certainly it has to be said that there is a much heavier load of blame to be assigned to the previous government for not having carried through the proposals that they had put before the House of Commons well over one year ago.

Senator Berntson: Was that a question?

Senator Angus: Honourable senators, I would only say this in response to my honourable friend Senator Stewart: If we are talking about procedure, I submit that we have just had the *locus classicus* example of "a short preamble to a question." I do not know whether I should say more, other than that blame is always in the eyes of the beholder. I think that this government's performance is appalling.

Senator Molgat: It is a very factual preamble, though.

Senator Stewart: That is no response to a serious question.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

On motion of Senator Kirby, bill referred to the Standing Senate Committee on Banking, Trade and Commerce.

[*Translation*]

OFFICIAL LANGUAGES

REPORT OF COMMISSIONER REFERRED TO STANDING JOINT COMMITTEE

Hon. Gildas L. Molgat (Deputy Leader of the Government), pursuant to notice of April 19, 1994, moved:

> That the Report of the Commissioner of Official Languages for the calendar year 1993 be referred to the Standing Joint Committee on Official Languages; and
>
> That a message be sent to the House of Commons to acquaint that House thereof.

He said: Honourable senators, this is routine business. There was even some question as to whether this motion had to be formally presented in the Senate. Since there has been no joint committee for several years and the committee consisted only of members of the House of Commons, I thought it was preferable to present the motion in the Senate. If the motion needs to be debated, we will debate it.

This motion simply refers the report to the joint committee.

Motion agreed to.

[*English*]

THE BUDGET

STATEMENT OF MINISTER OF FINANCE—DEBATE CONTINUED

On the Order:

> Resuming the debate on the inquiry of the Honourable Senator Phillips, calling the attention of the Senate to the Budget Statement made by the Minister of Finance, on Tuesday, February 22, 1994.—(*Honourable Senator Ghitter*).

Hon. William M. Kelly: Honourable senators, first, in the spirit of positive cooperation, let me indicate what I like about the budget.

I like the fact that there were no personal or corporate tax increases. I firmly believe that a further personal or corporate tax increase would have snuffed out the faint spark of economic recovery that now appears to be under way. A tax increase would have driven more transactions into the underground economy. I am convinced that tax increases would have driven more businesses to pull up stakes and relocate in the United States, Mexico, or elsewhere.

I take from this budget, perhaps optimistically, that the government realizes that tax increases have reached the point of diminishing returns, and that in future, prudent fiscal management demands more of a focus on the expenditure side.

I was pleased that the budget statement did not mince words about the precarious fiscal and economic state in which we find ourselves. I was pleased that the budget did not reduce the maximum contributions for registered retirement savings plans. We need to do everything possible to increase the savings rate to add to the pool of capital for investment and to help people obtain financial security in their retirement years.

•(1440)

I am pleased that the government will review its policy on funding interest groups. For some time, I have been very concerned about the principle, the practice, and the amount of money spent in funding so-called advocacy groups. There is something faulty in the logic of governments funding groups so that those groups can, in turn, lobby governments.

How are groups selected for funding, and are we to believe that groups with positions at odds with government policy are likely to receive funding? Recent history tells us otherwise. Too often, such advocacy groups are funded to simply tell the government what it already knows or wants to hear. Then those views are characterized by ministers and bureaucrats as coming from independent, objective or expert sources in order to shore up some government policy.

I can imagine, however, the cries of anguish that will come from these groups and their political and bureaucratic patrons, and I hope the minister and government will be firm in their resolve.

I like very much the roll-back in payroll taxes. Increases in payroll taxes were a disincentive to hiring new people — perhaps more symbolic than real, but disincentives just the same.

I also like very much the first 18 paragraphs of the budget statement: the reference to determined fundamental change, the references to Canadians wanting their government to have a game plan and pursue it, the reference to the days of government simply nibbling at the edges being over, and to the budget setting in motion the most comprehensive form of government policy in decades.

I must say I very much liked the almost "Kennedy-esque" rhetoric. It certainly struck a responsive chord in me. However, I did not realize that I was being set up for a grave disappointment. It was almost as if the Minister of Finance had written the budget introduction several months ago, perhaps during the election campaign, only to be confronted later with the harsh realities and complexities of government and our fiscal and monetary situation; whereupon, somewhat chastened, he wrote the rest of the budget.

Honourable senators, where is the fundamental change? This budget could have been delivered without a hint of embarrassment or a U-turn by either of the two previous Conservative ministers of finance.

The minister talks about a game plan, but where is it? What is the vision that the minister refers to? The minister talks about the new economy, but what is that new economy and how do we ready ourselves for it?

Those who seek a vision or a game plan in this budget will be disappointed. They will have to content themselves with waiting for the results of some 16 task forces, reports, studies, meetings and forums announced in the budget dealing with a gamut of government policies.

Honourable senators, since when is setting up a committee evidence of either vision or determined fundamental reform? What are the common values, the principles, the philosophies and objectives that will bind these disparate studies together? On these questions, the budget statement is ominously silent.

Canadians can be forgiven if they conclude that this is but another stalling tactic, all too common with Canadian governments at all levels, where studies are a substitute for action. I personally find it disappointing that, in all cases but two, some fiscal action is postponed pending the outcome of a study.

One exception, of course, is defence, where massive cuts are made in advance of the outcome of a defence policy review. The other is the reduction in UIC payments, which I personally support but which are put in place before the massive social policy review is even under way. This does seem to be putting the cart before the horse. However, if fiscal actions can be taken in advance of studies in these sectors, why not in other sectors, too?

Honourable senators, I find irritating the number of deferred actions pending some kind of study. I do not believe, as I have said before in this chamber, that we as a country enjoy the luxury of abundant time. Today we find ourselves in a very precarious fiscal and economic position due, in large part, to the predilection of Canadian governments for muddling through, incrementalism and bureaucratic inertia.

In her autobiography, Lady Margaret Thatcher writes that immediately after she replaced Edward Heath as Conservative leader, she set in train a revision of the party manifesto and a detailed development of a fiscal and economic strategy. Upon her election as Prime Minister, that manifesto and strategy were handed to the bureaucracy to implement. Ministers, permanent secretaries, and others who proved less than committed or less than efficient in the implementation of that strategy were branded "wet" and quickly replaced by men and women with more steadfast hearts.

In Canada, the practice for incoming governments appears to be first to introduce oneself, politely of course, to the bureaucracy, and then ask what can be done or should be done. I firmly believe in a permanent, politically neutral public service, but I wonder if we are expecting too much of our permanent public servants to demand that they assume anything more than an administrative role in fundamental policy shifts. Such shifts require bureaucrats to disown or dismantle policies with which they have long been associated, and which, in some cases, they may themselves have originated.

The convention of a permanent public service, especially in these times, requires governments to come to power with clear plans and strategies which are given to the bureaucracy to fine-tune if necessary but otherwise to implement.

In our system, the official opposition is supposed to be the government in waiting, and to prepare and conduct itself accordingly. The message conveyed to me by this budget and by the announcement of all the task forces and studies is that this government did not adequately prepare itself for power. As a consequence, it has been neutralized by bureaucratic inertia and the practicalities of governing. Canadians have a right to expect better, particularly in light of the Red Book and the function ascribed to it during the election campaign.

Honourable senators, I know that the minister has characterized this budget as a first step in a two-phase project. I worry that the second phase, the studies, consultations, task forces, et cetera, will result in actions far less dramatic, far less resolute, and far less immediate than hoped, because that process will be exposed to vested interests, interprovincial wrangling and bureaucratic inertia. We can, I regret to say, anticipate another set of watered-down, compromised solutions. In these days, honourable senators, I do not believe that is good enough.

I suggest that bureaucratic inertia has manifested itself most in the announced cuts to the government's operating budget. Aside from defence expenditures, there are no dramatic cuts from actual expenditures. Much of the so-called savings or cuts are not

from actual expenditures but from planned expenditures. In actual fact, as the budget tables illustrate, operating expenditures will increase by $800 million in 1994-95 over actual expenditures in 1993-94.

The minister also seems to have accepted Department of Finance orthodoxy in relating operating expenditures to GDP growth. Obviously, revenues will rise as a function of GDP growth. But what is the logic of tying expenditures to GDP growth? The bureaucratic mindset, obviously, is that expenditure increases in line with GDP increases are acceptable. To me, this is the road to ruin. The logic makes no sense to me at all if we are ever to be successful at deficit management and have any hope of achieving a balanced or, dare I say, a surplus budget.

This also leads me to question the GDP forecasts in the budget documents that are, of course, central to the calculation of the annual revenue projections and budgetary shortfall. The minister is forecasting a very optimistic $27.9-billion increase in GDP in 1994-95 and an even more optimistic increase of $38.6 billion in 1995-96. If actual performance falls short of these projections, obviously everything starts to unravel.

The Department of Finance's GDP projections over the past decade have been distinguished by unbridled optimism. That optimism has subsequently been proven to be misplaced, more often than not. I can only hope that this time we have it right.

Honourable senators, this is not a sure-footed, resolute budget. It is a budget of compromise and incrementalism at best. The threshold for the 29-per-cent tax credit for charitable donations is lowered by $50 from $250 to $200. The tax exemption for employer-provided life insurance plans is eliminated, but only for the first $25,000 of coverage, ostensibly to achieve more fairness and equity in taxation. Business deductions and credits for meal and entertainment expenses are reduced from 80 to 50 per cent. Either such things are valid corporate operating deductions or they are not. If they are valid, they should be left alone. If they are not, they should be removed completely. The government's compromise 30-per-cent reduction is exactly the nibbling at the edges that the Minister of Finance said were over.

Fundamental and determined policy shifts are not made by half-measures, even though I recognize that this has traditionally been the Canadian way.

Honourable senators, there is one last point I should like to make. The budget statement promises to set up a Canada Investment Fund which is described briefly in one of the technical papers as providing, and I quote:

> ...an adequate supply of patient capital for the financing of innovation by leading-edge companies.

In my speech here on February 8, I referred to the need to improve our venture capital industry for just this purpose, but I had in mind a private sector venture capital fund governed by market principles and market disciplines.

•(1450)

In that same speech, I referred to the need to develop an industrial strategy to tie together government policies and initiatives, and to help guide venture capitalists in their investments.

I worry about a government-run investment fund. I worry that such a fund will inevitably become just another source of government subsidization under another name. I worry especially about a government-run investment fund investing in innovation or investing in leading-edge companies without an overarching framework to guide those investments — in short, without an industrial strategy. How otherwise will a government agency be able to identify either innovation or leading-edge companies? Innovation in what context? Leading-edge in relation to what?

The Canadian landscape is littered — from Bricklin car plants to Nova Scotia fish farms and computer-based translation software — with failed businesses that some politician or bureaucrat judged at some time to be innovative or leading-edge.

The budget also makes much of cutting back on subsidies to business, when in fact the budget contains more subsidy programs for business, albeit ones more focused on the small and medium business sector. Experience clearly indicates that if subsidies are available they will be used, regardless of need or even merit. Yet they are often ineffective either in helping business to get started or in helping it to grow. An Arthur Anderson poll of small business last year found that only 5 per cent of businesses credited a government strategy or subsidy program with getting them started, and only 17 per cent credited a government subsidy program with helping them to expand.

The problem is, I suspect, that a large number of subsidies and programs go to support a disproportionately small number of businesses. Those businesses that tap into these subsidies and programs are usually very adept in doing so and are, in effect, being rewarded for their government-relations capabilities rather than the value of their service or product or their business acumen.

Subsidies also put governments on a slippery slope, where they become financially committed to a business or project, regardless of experience and evidence that good money is being thrown after bad. Our recent experience with the Hyundai plant in Bromont is a clear manifestation of this slippery slope.

What business wants, particularly small business, is less government involvement rather than more, less taxation, fewer government programs, less government red tape, and less government paperwork.

The budget statement recognizes that by stating:

> The last thing business needs is another massive government program.

Although no single massive government program is announced for small business, ten new programs are.

Business is coming to recognize, and governments must too, that enhanced domestic and international competition happens with fewer government programs rather than more; with fewer subsidies and with lower deficits, because high deficits discourage investment by scooping capital from the private sector and by pushing up interest rates.

In this case I am not so much speaking to government as I am speaking to business. To those businesses who reflexively reach out for government subsidies simply because they are there, I say, "Hold back." Business cannot, on the one hand, decry government's poor record of deficit management while demanding social security cuts and, on the other hand, freely avail itself of government hand-outs. If government persists in providing business subsidies, business has to discipline itself to use them with great restraint.

Government subsidies come with a large and often hidden cost, and they tend to become addictive. They mute the discipline of the market and they bring a high measure of government scrutiny and control; and, once they are established, severing the subsidy umbilical cord can be very difficult.

In closing, I want to reiterate my main point. I firmly believe this budget had to contain a clear vision and a program to achieve that vision. If this budget had done so, I would have been content, not because I necessarily would have agreed with the program, but because there was one.

As I have said many times, we do not need more muddling through. We need resolute, determined action. While consultation is great in theory, I fear that in this case consultation is a substitute for action and will only result in entanglement, compromise and delay; and delay is the worst of these sins because, honourable senators, we simply do not have time.

The Minister of Finance, the Prime Minister and Finance officials know how precarious our situation is. They know that the fiscal situation of several provinces is cause for grave concern. We all know there is a prospect for increased political instability relating to Quebec over the next year or so that could have profound fiscal implications. We all know that the bond markets are increasingly wary about Canadian governments, and, to an extent, have already delivered the verdict on this budget.

Yet nowhere in this budget is there a road-map, a clear message that this government fully and realistically grasps the challenges that face us in all of their complexity, and that this government has a clear plan of action to confront and surmount those challenges. Nowhere, honourable senators; and that simply is not good enough.

On motion of Senator Lynch-Staunton, debate adjourned.

CHRISTMAS

WAY OF CELEBRATION IN CANADA—INQUIRY WITHDRAWN

Hon. William M. Kelly rose pursuant to notice of Tuesday, February 8, 1994:

> That he will call the attention of the Senate to recent developments in the way in which we celebrate Christmas in Canada.

He said: I should like to state here, honourable senators, that on the February 8, when I presented this inquiry, I had some very serious comments that I wished to make on what had been happening to the celebration of Christmas in this country. I have been advised that to discuss that in the middle of April could be considered somewhat frivolous, and I accept that suggestion. I want to say to you, however, that my thoughts are not frivolous, and my concerns are very deep.

If I may, I will withdraw this inquiry, but I will be restating it later on in the fall. I assure you once again, honourable senators, I was not having fun.

Hon. Eymard G. Corbin: You need unanimous consent to withdraw.

Senator Kelly: My discussion on the celebration of Christmas would probably take, with leave, about 45 minutes. I am quite prepared to go ahead with it, if you wish, at this time.

The Hon. the Speaker: Honourable senators, is leave given to withdraw this inquiry?

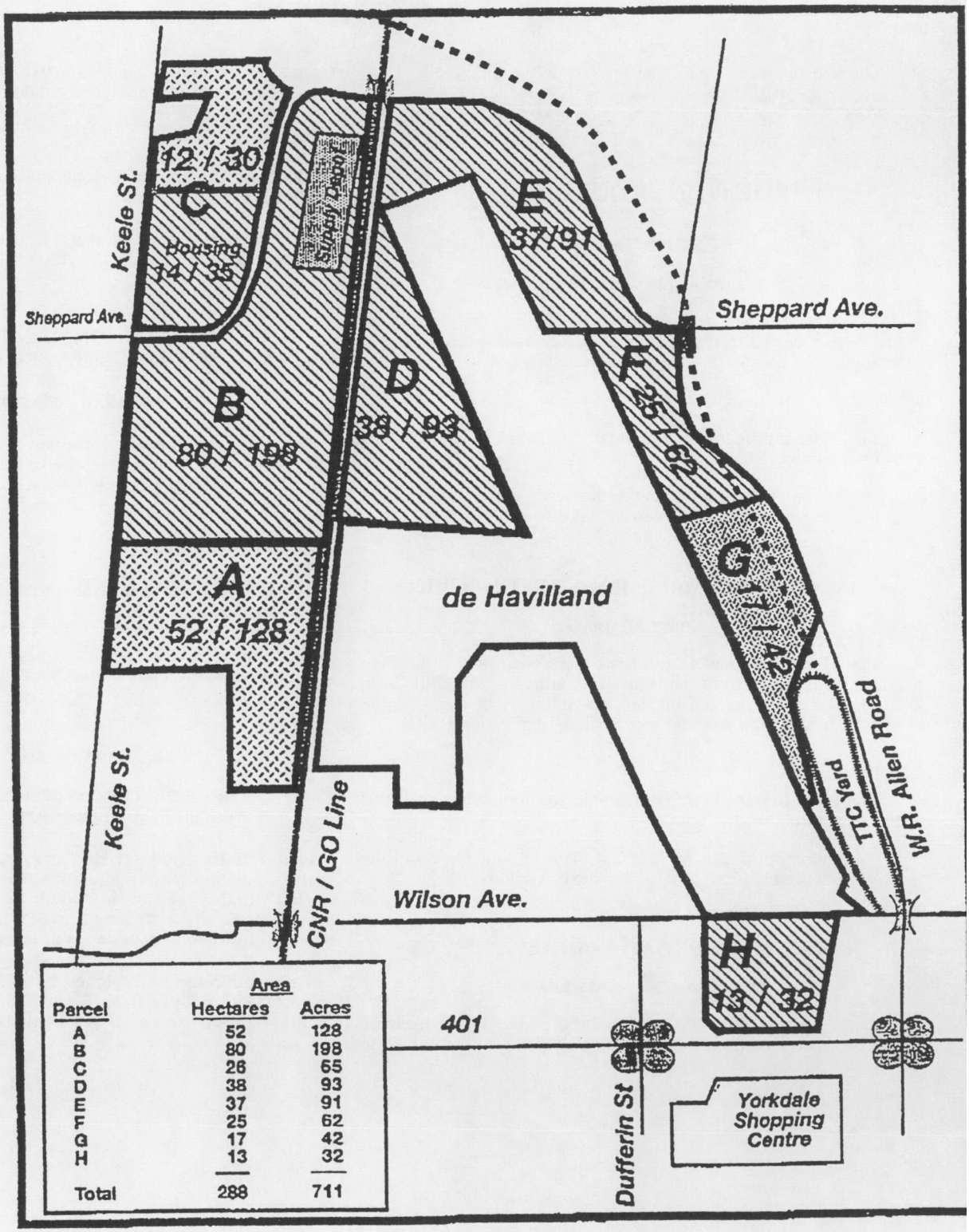
Hon. Senators: Agreed.

Inquiry withdrawn.

The Senate adjourned until tomorrow at 2:00 p.m.

APPENDIX
THE BUDGET
Closure and Future Use of Downsview Military Base—
Government Position—Delayed Answer—Map and Fact Sheet

Downsview Lands
(Not To Scale)



Parcel	Area Hectares	Acres
A	52	128
B	80	198
C	26	65
D	38	93
E	37	91
F	25	62
G	17	42
H	13	32
Total	288	711

THE SENATE

Thursday, April 21, 1994

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

Prayers.

ROUTINE PROCEEDINGS

EXCISE TAX ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-13, to amend the Excise Tax Act and a related Act.

Bill read first time.

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

On motion of Senator Molgat, bill placed on the Orders of the Day for second reading on Tuesday next, April 26, 1994.

INCOME TAX AMENDMENTS REVISION BILL

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-15, to revise certain income tax law amendments in terms of the revised Income Tax Act and Income Tax Application Rules.

Bill read first time.

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

On motion of Senator Molgat, bill placed on the Orders of the Day for second reading on Tuesday next, April 26, 1994.

DEPARTMENT OF NATIONAL REVENUE ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-2, to amend the Department of National Revenue Act and to amend certain other Acts in consequence thereof.

Bill read first time.

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

On motion of Senator Molgat, bill placed on the Orders of the Day for second reading on Tuesday next, April 26, 1994.

CRIMINAL CODE
COASTAL FISHERIES PROTECTION ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-8, to amend the Criminal Code and the Coastal Fisheries Protection Act (force).

Bill read first time.

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

On motion of Senator Molgat, bill placed on the Orders of the Day for second reading on Tuesday, April 26, 1994.

HEALTH

PROTECTION OF CONSCIENCE IN MEDICAL PROCEDURES—PRESENTATION OF PETITION

Hon. Stanley Haidasz: Honourable senators, I wish to place in the hands of the Clerk a petition expressing the identical plea to that which I read in this chamber on March 17 last. The petition prays that Parliament protect health care workers with regard to freedom of conscience in the workplace.

The petition has been signed by 143 people from Winnipeg and area, 55 people from Stratford, Ontario, and 54 from St. Marys. There are a total of 252 signatures on this petition.

QUESTION PERIOD

POST-SECONDARY EDUCATION

FINANCING ARRANGEMENTS FOR STUDENT LOANS—GOVERNMENT POLICY

Hon. Ethel Cochrane: Honourable senators, the government has announced increases in the funding available for student loans, thereby allowing individual students to increase their total monthly loan amounts. One female student has described this as "the gift of increased debt."

I ask the Leader of the Government in the Senate if there is any connection between this announcement and the rumour that the government is considering withdrawing from federal-provincial post-secondary education financing arrangements.

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I thank Senator Cochrane for her question, and respond to it in the negative. The student loans announcement made by the Minister for Human Resources Development a week ago stands on its own.

For a long period of time now, governments have been struggling with the whole question of student loans. This was a straightforward announcement on behalf of the government on the issue.

As far as the rumour part of the honourable senator's question is concerned, as she knows, the whole area of social policy is currently approaching a review. However, it is not yet in a review state. A great deal of consultation is going on concerning various areas of that vast issue.

I should like to stress that the student loans situation, as it was announced last Friday, is on its own.

EFFECTS OF WITHDRAWAL OF FEDERAL FUNDING—GOVERNMENT POSITION

Hon. Ethel Cochrane: Will the Leader of the Government tell us whether or not any department of the federal government has conducted or commissioned any studies on the effects on universities or colleges of the withdrawal of federal funding for post-secondary education?

•(1410)

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I will have to ask that question of my colleague, the Minister of Human Resources Development.

BOSNIA

NATO AIR STRIKES ON UN-DESIGNATED SAFE AREAS—GOVERNMENT POLICY

Hon. Gerald R. Ottenheimer: My question is to the Honourable Leader of the Government in the Senate. We are all aware that certain media reports have stated that Canada and Greece are opposing air strikes, as requested by the United Nations Secretary General. Does the honourable minister have anything new that she can report to the Senate on Canada's position regarding air strikes by NATO forces on UN-designated "safe areas"?

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I do not have much more to say than I said the other day.

Tomorrow, a meeting will be held in Brussels at which this matter and all others surrounding it will be carefully debated, including the request made by the Secretary-General of the United Nations on April 18 to authorize bombing to protect the safe enclaves in the former Yugoslavia and in Bosnia.

Yesterday, President Clinton, in outlining some of his concerns, suggested that in addition to air strikes there should be stronger sanctions and an increase in the number of peacekeepers. He also emphasized that there should be strong, new, diplomatic initiatives. Canada will be very active in these discussions. The Prime Minister and the President spoke yesterday, and they will speak again today.

We will be assessing the military implications of all of these suggestions with our allies tomorrow. We will then make a decision based on whether or not these propositions assist the peace process in Bosnia, and whether or not — and this is always a concern of major importance to our country — there will also be measures to ensure the protection of the peacekeeping forces that are still in the former Yugoslavia.

BAN ON SALE OF ARMAMENTS—GOVERNMENT POLICY

Hon. Gerald R. Ottenheimer: Honourable senators, I have a supplementary question concerning Bosnia. There is a policy banning the sale of armaments to Bosnia. Those in favour of the policy argue that it will prevent an escalation of the fighting. I am not sure what arguments they put forward to bolster that claim, though. Those who oppose the policy say that it has prevented Bosnia from defending itself.

Is the Government of Canada reviewing its policy with respect to the sale of armaments to Bosnia?

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, because of some of the statements that have been made in recent days, particularly by the President of the United States, I believe that those questions will be part of the discussions that will take place in Brussels early tomorrow morning.

One thing that I might add, however; it is my understanding that there will be a discussion of some of these issues later today, perhaps this evening, in the House of Commons prior to those events taking place in Brussels tomorrow. It might be an interesting occasion on which to listen in.

FISHERIES

SUPPORT FOR VESSELS DURING MORATORIUM

Hon. Brenda M. Robertson: Honourable senators, I have a question for the Leader of the Government in the Senate. On different occasions the Minister of Fisheries has repeated that it is his intention to keep a corps of fishing vessels and fishermen so that when the stocks return, there will be a small fleet to continue the industry.

However, in reviewing the information that was given at the press conference as background material, there is no mention of how the minister intends to support those vessels that are tied up. That could be an expensive proposition. As honourable senators probably know, such expenses include berthage, insurance, storage and vessel maintenance. Previously, money was available for such support under NCARP and ACAP, but there is no vessel support mentioned in the documents that were delivered to us the other day. I should like to know the plans of the government in this respect.

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I will certainly seek an answer to Senator Robertson's question. I have transmitted her question of the other day, seeking further information from the Minister of Fisheries, and I will relay this further question this afternoon.

Senator Robertson: I will reserve further comment, then.

THE BUDGET

PROPOSED CLOSURE OF COLLÈGE MILITAIRE ROYAL DE ST-JEAN—REQUEST FOR CLARIFICATION

Hon. Noël A. Kinsella: Honourable senators, my question is for the Leader of the Government in the Senate. Recently I received, in written form, a response to my question raised in the Senate on March 15. At that time, I was attempting to find out from the government about the savings which were publicized by the Department of National Defence relative to the closure of the Royal Military College in St-Jean-sur-Richelieu. I thank the minister for the answer that was presented.

However, as I read the answer, I am somewhat astonished by the data contained in it. If I may, honourable senators, in terms of the costs indicated in the answer provided to me, the section is called "Costs and Savings" and then "Pre-Consolidation Costs." That section makes reference to the military staff and the civilian staff at the CMR.

Then they tell us that at CFB St-Jean, there is a cost of $2.6 million. That, however, is the military base. It is not the Royal Military College. They happen to both be located in the same municipality, but they are different institutions.

If you take those two cost items of $2.6 million for the military personnel at the base, together with the $2.2 million for the civilian staff at the base, surely you cannot be assigning a saving at the base to a saving at the college?

•(1420)

If there is an explanation for that, I should like to hear it. Even if that is not a problem and can be explained, the cost for military staff, whether at the college or the base, comes to a total of $7.3 million. Then, according to the answer I was given, the consolidated cost for transferring is $6.9 million. If you add the two figures, you get a total of $14.2 million. Subtract that from the total cost provided by the government and you get a saving of $15.8 million. However, what was publicized in the backgrounder, which was the reason for my original question, was that there would be a saving of $23 million. The numbers show that that saving is not there. Would the minister —

Senator Berntson: Give us a short and snappy answer?

Senator Kinsella: Would the minister inquire further and let us know what the facts are?

Senator Fairbairn: The short and snappy answer is that I will take both of those documents and ask for a rationalization for the honourable senator, quickly.

[*Translation*]

OFFICIAL LANGUAGES

REPORT OF COMMISSIONER—QUALITY OF DEBATE—GOVERNMENT POSITION

Hon. Pierre Claude Nolin: Honourable senators, I want to draw your attention to the debate which is taking place in the other place regarding official languages in Canada. I deplore the quality of debate, as well as the level of the language used. Like many Canadians, I watched the news last night.

My question is: How does your government intend to bring this debate back to a more acceptable level?

I think the government is helping the cause of an opposition party whose only objective is to split up our country. It is important that the government at least try to improve the quality of this debate.

[*English*]

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, this week there was a debate in the other place on an opposition motion introduced by the Reform Party. I am not sure of the comments to which my friend is referring. There is no question that the issue as it was pursued produced some heat.

The position of the government has been very clear: it is fundamentally committed to and supportive of the official languages program of this country. I am not sure what language my friend is referring to, but the debate begun by the Reform Party of Canada was fought vigorously by members of the government, and our commitment remains unshakeable.

[*Translation*]

Senator Nolin: Honourable senators, the fact that an opposition party decides, almost legitimately, to challenge a law of our country, is no reason for a member of your party, which happens to form the government, to get carried away. The opposition in the other place can resort to such a tactic, but when a member of your caucus answers in the way that member did, it only makes things worse.

We do not need this kind of debate in Canada right now; neither does the province of Quebec need a debate on official languages. It has enough problems at the provincial level as it is.

[*English*]

Senator Fairbairn: Honourable senators, I take note of my friend's comments.

[*Translation*]

INFRASTRUCTURE PROGRAM

FINANCING OF PROFESSIONAL SPORTS INFRASTRUCTURE—GOVERNMENT POSITION

Hon. Jean-Maurice Simard: Honourable senators, I would like to ask the Leader of the Government in the Senate to explain to us the policy of her government on investing public funds from Canadian taxpayers. Is it her government's policy to favour the financing of professional sports teams which, for their part, intend to ask for more and more federal funds to pay for facilities such as an arena?

[*English*]

•(1430)

Hon. Joyce Fairbairn (Leader of the Government): Presumably Senator Simard is referring to our infrastructure program.

Senator Simard: Not necessarily.

Senator Fairbairn: Senator Simard, there is no specific policy of the Government of Canada to support a professional sports team. However, it is the policy of the Government of Canada to seek advice from the municipalities and the provinces across this country on what is, in their view, on the ground in their communities, the most appropriate way to create jobs and utilize the infrastructure money that has been agreed to in our program; a program which we hope will flourish, as it has begun to, and result in tens of thousands of Canadians being put back to work.

There are several imaginative programs and suggestions by municipalities large and small across this country on how best to utilize these funds. We have criteria which must be observed. The underlying core of that program is the creation of jobs and the establishment of infrastructure that will have a lasting value in the community. That is the basic criteria of our program, and the projects will be evaluated against those criteria.

Senator Simard: The explanation of the minister is that, right now, the federal government is prepared to listen to any funding proposal submitted, jointly or separately in conjunction with the provincial governments, whether within the infrastructure program or through other programs. In other words, the government is prepared to inject federal dollars for projects to help finance professional organizations — organizations that should already have all of the resources and financial capacity necessary to conduct their business, or they should get out of the business and sell their franchise. Is this what you are telling me?

Senator Fairbairn: No, Senator Simard. I was attempting to tell you that the federal government has embarked upon a program that we hope will have very good results for Canadian workers. The program will be conducted on the basis of cooperation between the municipal and provincial governments. The projects put forward at that level will be assessed in each province by a management committee, which will be following criteria that will be based on the importance of job creation and lasting infrastructure.

FINANCING FOR KANATA PALLADIUM—GOVERNMENT POSITION

Hon. Jean-Maurice Simard: My second question is related to my first one. I understand that this present federal government, elected in October 1993, has agreed to disburse $5 million or $10 million, if not more, for the construction of an arena in Kanata. The main user of that arena will be the Ottawa Senators.

Some members of this government, in trying to explain the inexplicable, are trying to blame the previous government for this decision. I want the minister to verify that situation, and table in this house the Order in Council and any other documents that could be considered an official government commitment, justifying this obligation that had to be assumed by the present federal government.

I will add in closing that, in the case of partly financing the Kanata arena, if the present government felt it had an obligation to deliver on this commitment made by the previous government, why did it choose to do what it did with regard to the Toronto airport, although there were contracts and commitments signed to build a modern airport at Pearson? Why treat these commitments in a different fashion — if, in fact, a commitment was made in the case of the Kanata Palladium?

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, we will have the opportunity to debate the Pearson issue in this house as the legislation moves from the other place to the Senate. We certainly took action on that particular issue, and I think we were supported overwhelmingly by the Canadian people in doing that.

To revert to your original question concerning the Ottawa Senators and Kanata, I myself do not have any precise knowledge of that situation. However, I will certainly seek out an answer to my friend's question.

ANSWER TO ORDER PAPER QUESTION TABLED

THE NATIONAL COMMUNITY TREE FOUNDATION PROGRAM

Hon. Gildas L. Molgat (Deputy Leader of the Government) tabled the answer to Question No. 21 on the Order Paper—by Senator Marshall.

ROUTINE PROCEEDINGS

INCOME TAX ACT

BILL TO AMEND—REPORT OF COMMITTEE

Leave having been given to revert to Presentation of Reports from Standing or Special Committees.

Hon. Michael Kirby, Chairman of the Standing Senate Committee on Banking, Trade and Commerce, presented the following report:

Thursday, April 21, 1994

The Standing Senate Committee on Banking, Trade and Commerce has the honour to present its

FIFTH REPORT

Your Committee, to which was referred Bill C-9, an Act to amend the Income Tax Act, has examined the said Bill in obedience to its Order of Reference dated Wednesday, April 20, 1994, and now reports the same without amendment.

Respectfully submitted,

MICHAEL J.L. KIRBY
Chairman

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

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

•(1440)

ORDERS OF THE DAY

ELECTORAL BOUNDARIES READJUSTMENT SUSPENSION BILL, 1994

SECOND READING

On the Order:

Resuming the debate on the motion of the Honourable Senator Lewis, seconded by the Honourable Senator Bosa, for the second reading of Bill C-18, to suspend the operation of the Electoral Boundaries Readjustment Act.

Hon. Ron Ghitter: Honourable senators, in rising to debate Bill C-18, the Electoral Boundaries Readjustment Suspension Act, I must be very candid at the outset and state that this bill causes me grave concern. I am troubled by it.

I consider my responsibilities in the Senate are to represent the citizens of my region, Alberta, to defend the Constitution of this nation, to defend minorities, and to ensure that Canadians are treated fairly and equally.

I find this bill to be contrary to the interests of the citizens of Alberta. I find this bill to be unfair and unequal in its treatment of Canadians. I find this bill to be arbitrary and interventionist in a fundamental democratic process where elected politicians are in conflict and must not be arbitrary and interventionist.

It is my desire to be non-partisan, constructive and non-obstructionist in the fulfilment of my duties here. Unlike members in the other place, I have no conflict in this matter, for we are not elected. Boundaries do not affect us, and I cannot be accused of being partisan, for even as a Progressive Conservative, I sadly have no boundaries to protect, other than those of Sherbrooke and Saint John, so I will exclude them from my remarks. In order to explain my concerns, it is important to reiterate the basic philosophy behind legislation such as the Electoral Boundaries Readjustment Act.

First, as was so eloquently expressed by my colleague the Honourable Senator Murray on Tuesday last, such legislation is intended to ensure representation by population and the basic equality of voting power. In addition, it is designed to ensure impartiality and lack of interference by elected politicians, who have an obvious vested interest in any legislation that readjusts the boundaries of their ridings.

This sense of impartiality and non-partisanship in the setting of boundaries is fundamental to this legislation. All one need do is read the debates that occurred in the other place on April 12 to get a sense of the intensity of the feelings that members of the House of Commons experience when they deal with legislation that will change the boundaries of their ridings or give them new electors. Member after member stood up to talk about the inequities of the boundary readjustments that were being presented, and one could clearly see, on reading those debates, that their main concern was their boundaries, and not the exercise of democracy.

This is an area where the ultimate decision-making process must be taken away from elected politicians for obvious reasons, for they are in conflict. They must be allowed input, but the final decision must be made elsewhere.

This was expressed in a most concise manner by the Honourable J. Pickersgill, Secretary of State under Lester B. Pearson. Some honourable senators opposite may remember the name Pickersgill; they may have heard of him. When the Redistribution Commission and the electoral boundaries legislation was debated in the other place in November of 1963, Mr. Pickersgill stated:

> The measure now before us and the other bill, of which notice has been given on the order paper, represent a serious endeavour by this government, after a full study of the matter, to eliminate abuses of the past, to make the House of Commons truly representative and at the same time give this commission certain ground rules and directions from parliament as to the principles it should accept. It is an endeavour at the same time to grant flexibility in the interests of fairness in order to ensure that the considerations that have always been in the minds of government since 1867 shall be maintained.

The Honourable Mr. Pickersgill continues, stating:

> All these considerations shall be based on the assurance that an independent commission will bring about a redistribution that is fair, just and reasonable; one that will be determined not on the basis of the frailties of human nature, which all of us have, but on a basic principle that the political advantage of the government or a majority in this house shall not be one of the considerations to be taken into account or given any attention.

Later he states, and this is important:

> Neither do I conceal from the house that probably all of us in our hearts would secretly like to leave the whole thing alone if we could, and if it were not our duty to do something about it. All of us probably tend to have a somewhat proprietary interest in our constituencies. Sometimes we may even think we have almost a proprietary right to them, and after we get comfortably situated in the constituency, especially if we keep on getting elected, all of us feel that having new areas added to which we will have to go around and spread our charm would constitute a strain we would rather avoid. However, the constitutional obligation is here, and I think all of us should remember that, whether they live in our own constituencies or not, no one can vote in this country who is not a Canadian elector.
>
> It is our duty to treat all the people of this country equally, so far as we can, and if we really mean what we profess about self-government, then roughly each of them should have an equal voice in this house, which has the responsibility for overseeing the government of our country.

It is to the credit of Mr. Pickersgill and the government of that day that this legislation has served us well without partisan interference for over 30 years and through three redistributions.

The legislation sets up a process that is impartial, keeps the politicians at arm's length, sets up quasi-judicial commissions to set the boundaries, and allows input from the political side, but ensures that the final decision of the eleven commissions across this land will be binding upon Parliament.

This is as it should be. This is wise. This is excellent legislation. It is flexible. It is not partisan, and it overcomes the temptation to set favourable boundaries by politicians anxious for re-election.

In addition, the legislation must be taken in the context of our Constitution, which, under section 51, calls for the boundaries to be redrawn following every decennial census.

As Senator Murray reminded us, following this legislation came the Canadian Charter of Rights and Freedoms, by which, through section 3, every Canadian citizen was granted the right to vote in federal and provincial elections. The courts have interpreted this to mean a notion of equality of voting power being fundamental to representation by population. Variances are recognized by the courts to take into consideration the rural and outlying regions of this country which do not have large population centres. In this regard, a 25-per-cent variation is generally regarded as the outer limit of what is acceptable.

Every ten years, following each decennial census, the legislation clicks in and the government is required by our Constitution to redraw the boundaries.

This process started automatically following the 1991 census, when the Chief Statistician of Canada sent the results of the census to the minister responsible for electoral boundaries. The results were then published in the *Canada Gazette* with the allocation of seats to each province. Automatically, eleven Electoral Boundary Commissions were set up, all matters were examined, and new boundaries were set and distributed throughout Canada in accordance with the legislation. Public hearings were advertised and scheduled to start this very month, continuing to June of this year.

An appropriate process was underway. Over $4 million had already been spent, and voters in such ridings as York North with a population of 233,000, Surrey North with 142,000, Surrey White Rock with 134,000, Vancouver Centre with 114,000, Edmonton Southwest with 117,000, and Calgary Southwest with 125,000, could all look forward to reduced ridings where their votes would have some sense of equality with other electors in their provinces.

Yet, surprisingly, with no demand, with no public input, with no compelling reasons and no sense of urgency, and, I might add, no mention in the infamous Red Book, the government has come forward with Bill C-18, to suspend the operation of the Electoral Boundaries Readjustment Act for two years and then start all over again.

That is a strange priority, I might add, when in the Senate to this date we have received no substantive legislation whatsoever from the other house. At a time when our country is crying for action on many fronts, the only substantive legislation we have received is a bill to suspend the operation of the Electoral Boundaries Readjustment Act.

This from a government that stated on page 92 of its Red Book that it would take a series of initiatives to restore confidence in the institutions of government, and from a political party that stated, and I quote:

> The most important asset of government is the confidence it enjoys of the citizens to whom it is accountable.

•(1450)

"If government is to play a positive role in society," says the Red Book, "as it must, honesty and integrity in our political institutions must be restored." Yet the first piece of legislation of any consequence we see is this bill before us.

What, then, are the reasons to suspend the operation of this act for two years? They are enumerated in the debate in the House of Commons by the Honourable Herb Gray, Leader of the Government in the House of Commons, and repeated by Senator Lewis here in the Senate. They are, and I quote, first:

> Some dissatisfaction has been expressed with regard to the current process and the rules under which it operates.

Then, further:

> The criteria the commissions use to set the boundaries may have to be rethought. These criteria are quite general.
>
> The continual increase in the number of members of the House of Commons after each census is another issue of concern to many... That is something we should be reconsidering.

On the basis of these three arguments, the government has decided to suspend the process for two years. The result of this suspension will be that the next election will be conducted on the present boundaries, on the basis of the 1981 census. The government is willing to trample the constitution and the basic fundamental tenet of our democracy of representation by population on the basis of arguments that "some dissatisfaction has been expressed," criteria "may" have to be rethought, and consideration should be given to the number of MPs.

These are hardly compelling arguments, honourable senators. These are arguments, tenuous at best, that frankly do not pass the smell test.

Could there be other reasons, unexpressed, behind this legislation? Could it be, and I do not know, that members in the Liberal caucus are unhappy about the suggested boundary redistribution? Could it be that political partisanship is entering into an area where that great Liberal J.W. Pickersgill correctly stated it should not enter?

I do not wish to appear cynical or partisan in my argument, but I must say that I am slightly suspicious. I have no problem with a reexamination of the legislation to review the appropriate size of membership in the House of Commons, or to better the legislation on a non-partisan, impartial basis. This can still be done and be in place for the next boundary readjustment following the census of 2001. However, to use that as an argument now for the suspension of the legislation is a sham and a deceit, and it is unacceptable.

It is completely unsupportable for this government to place upon this legislation a sense of urgency, after using time allocation in the House of Commons; a government which must now stop public advertising processes for hearings that are well under way, causing confusion throughout the land and wasting millions of dollars in so doing.

More particularly, what does this legislation mean to my province, Alberta? On the basis of the 1991 census, 7 out of the 26 Alberta ridings are either below or above the 25-per-cent variance from the provincial average which is regarded as acceptable. By way of example, the federal electoral district of Crowfoot in Alberta has 69,717 people, while Calgary Northeast, Calgary Southwest and Calgary North are at 124,000, 125,00 and 128,000, more or less, respectively. That means it will take approximately two votes in Calgary North to equal one vote in Crowfoot. That is unfair, inappropriate and probably unconstitutional, but I will leave that to the courts.

The situation is even more serious in the provinces of British Columbia and Ontario, which are the big losers if this bill is allowed to go through, for their portion of democratic power becomes smaller and smaller, and their vote becomes less and less meaningful than that of Canadians in other parts of Canada.

This Bill C-18 is unfair; it is unequal in its treatment of Canadians; it will make the problem worse, and drag this situation into the next century; and it is put forward without any valid or logical reasons expressed in the other place or, to this date, in the Senate.

Therefore, I come full circle as to what my obligation as a senator from Alberta really is. If it is my obligation to defend my region and to ensure equality for all Albertans, then I must vote against this bill. If my obligation is to defend the Constitution, then I must vote against this bill. If it is my obligation to protect minorities from partisan interventionist policies of a government with a majority, then I must vote against this bill.

Frankly, although the Constitution allows it and has done so for 127 years, it is not my wish to vote against legislation coming from the other place. I much prefer to be positive, persuasive and investigative, and to make constructive suggestions for amendments to the bill that will make it acceptable.

Personally, I would have no difficulty with amendments that would allow the bill to go forward, on the understanding that all the work that has been done already by the commissions will not be lost, and also on the understanding that by the time a new election comes about, there will be new boundaries. If such assurances can be legislated by amendments to this bill, then I would be pleased to support it. I do hope that members of the Legal and Constitutional Affairs Committee will examine these possibilities and then report back to us.

However, I must say that if the bill remains in its present form, for the reasons I have outlined in my comments this afternoon, not only can I not support it, I must not support it if I am to take seriously the obligations incumbent upon me as a senator representing the province of Alberta.

Some Hon. Senators: Hear, hear!

Hon. Pat Carney: Honourable colleagues, as a senator from British Columbia, I oppose Bill C-18, to suspend the operation of the Electoral Boundaries Adjustment Act, now before the Senate. I oppose the bill itself, I oppose the principles of the bill, and I oppose the process of closure used to ram this bill through the other place.

Bill C-18 will suspend for two years the practice of redrawing federal riding boundaries. It also disbands the commissions that were set up in each province to draw new boundaries; commissions which were to meet in British Columbia in May and June. That means that the current boundaries will be used in the next election, expected in 1997-98. Those boundaries reflect the 1981 population figures. And it delays the addition of two more seats for British Columbia and four in Ontario for years to come.

I oppose Bill C-18 because it is unfair to British Columbia, and because it is unfair in that it undermines our Confederation. It is unfair because it would deny our right to be democratically represented in Parliament, in Canada, and therefore in making the laws of Canada. It would do this by suspending B.C.'s right to its share of MPs until well into the twenty-first century. It is unfair because it denies our right to be represented in Parliament on an equitable basis with other Canadians, at a time when we are Confederation's fastest growing province.

It is unfair because British Columbia will be underrepresented for at least 20 years at a time when we are paying a share of the money we earn to supply services to other Canadians under the equalization formula. As a "have" province, we share our earnings with the "have-not" provinces. This is a principle of Confederation, but so is the principle of representative government.

The Constitution sets out the formula for representative government based on the concept of equality of voting power, as Senator Murray has pointed out, a concept that all Canadians should have an equal voice in governing themselves. As Senator Murray pointed out in his masterful speech, this concept has been modified over time to ensure that the smaller provinces have a greater representation in Parliament than their small populations warrant, but Bill C-18 would achieve the opposite effect; it would ensure that the biggest provinces, B.C. and Ontario, have less representation in Parliament than their larger populations warrant.

This has not gone unnoticed in British Columbia. I have a letter here from Joyce Balestra who lives in Mara, B.C. She urges me to vote against this bill and says:

> The fact that British Columbia, the fastest growing province, will be deprived of its legal and rightful representation in the next Parliament is, in itself, outrageous; but more outrageous is the fact that in passing Bill C-18, the House of Commons is depriving some Canadians of their constitutional rights.

Now, why does this matter? Some people argue that Parliament is too large and too costly as it is, and that Canada cannot afford the two new MPs due to B.C. and the four due to Ontario. It may be true that Parliament is too large, but denying Canadians living in B.C. their share of voting power for at least 20 years is not the answer. Reforming the entire parliamentary system on an equitable basis is the moral alternative. If costs were the criterion, we should note that about $5 million has been spent thus far to set up the commissions and to set new boundaries. All but $400,000 of this cost will be lost if the process is repeated.

•(1500)

David Anderson, B.C.'s only cabinet minister in the present Liberal government and one of the six Liberal MPs who voted to deprive British Columbians of their share of parliamentary power, has a different answer. The *Vancouver Sun* had this to say about him:

> Anderson voted in favour of the Bill saying that there would be no value in giving B.C. more seats because the calibre of the politicians here is not high enough to make any difference.

Some Hon. Senators: Shame, shame!

Senator Lynch-Staunton: He knows his fellow Liberals.

Senator Carney: That is a shocking statement for B.C.'s only voice in cabinet to make. David Anderson may be describing his present Liberal caucus, but his assessment of B.C.'s political representation does not bear scrutiny. I recall that B.C. has sent three prime ministers to Ottawa. They are John A. Macdonald, MP for Victoria from 1878 to 1882, John Turner and Kim Campbell.

Historically, many B.C. parliamentarians have made their contribution. I am thinking of John Fraser of the PC Party, which is my party; Pauline Jewett of the NDP, who was the best External Affairs minister we never had; and Grace MacInnes, the first woman MP in the House of Commons. The list is long and impressive.

Anderson's statement ignores the political reality that political representation equals political clout in Parliament. Look at the political clout Quebec MPs have traditionally exercised in Parliament and how their numbers now allow them, even as members of the Bloc Québécois and avowed separatists, to be Her Majesty's Official and Loyal Opposition.

Look at the political clout of the 98 Liberal MPs in Ontario, who triggered Bill C-18 because, as my colleague has described, they are fearful that changes to their riding boundaries could hurt their chances of re-election in five years' time. This is a cowardly approach to the reality that Canada is in constant change and constant motion.

In a democracy, changes to riding boundaries reflecting population shifts are to be anticipated and implemented. MPs, who should know their ridings, have a right to comment on proposed boundary changes to identify where a new boundary might split a neighbourhood, divide an ethnic group or isolate a group of voters. In my own case, as MP for Vancouver Centre, I found myself, along with Margaret Mitchell, MP for Vancouver East, in a situation where Chinatown was to be split between

Vancouver Centre and Vancouver East. We had no problem in realigning those boundaries. However, the involvement of MPs should not supplement the work of an independent commission, a system which has been in use for 30 years.

What does Bill C-18 matter to British Columbia? Why should we care about the shameful Liberal government's gerrymandering of election boundaries by MPs themselves?

In 1991, B.C. had a population of about 3,262,000, according to Statistics Canada. That figure represents an increase of 13 per cent in five years. Premier Harcourt points out that B.C. will gain about 1.5 million new citizens between 1981 and 2001, which is the date for the next census. That reflects an increase of about 50 per cent. If the next election is fought still on the 1981 census, as Bill C-18 implies, these British Columbians will be denied their rights; they will not be able to exercise their political rights because their voting power will be diluted. The biggest losers will be those British Columbians living in the rapidly growing urban regions, such as B.C.'s newest city, Surrey, and other centres in the Fraser Valley, the Delta area and the Okanagan.

In 1986, the riding of Surrey North had a population of 107,000. Five years later, in 1991, the population had grown by 33 per cent to 147,000. I ask honourable senators to think of what the rate of population growth would mean to Surrey North over the period from 1981 to the year 2001, when the next census is due to take place. Why should these voters be denied their political and constitutional rights for a period of at least 20 years, if Bill C-18 proceeds in its present form?

Another reason for my opposition to Bill C-18 is that it represents the relentless assault on B.C.'s role in Confederation, which has been a defining characteristic of the last few rounds of constitutional reform, an assault which appears never-ending. When I first came to Parliament as the newly elected member for Vancouver Centre, I gave my maiden speech on the second-class status awarded B.C. under Pierre Trudeau's proposed amending formula, which many in this chamber will remember. That formula ensured that B.C. would never have equal rights. The same would have held true for any western province as well as for the Atlantic provinces. To quote my maiden speech of October 23, 1980:

> The right to set the terms of our Confederation will live forevermore with Central Canada, and Central Canada only.

That amending formula was defeated. But it was followed by the Meech Lake Accord, with its distinct society for Quebec, a concept of concern to some British Columbians after Quebec changed its language laws to discriminate against the bilingualism which was imposed on other provinces.

The Meech Lake Accord was followed by the Charlottetown Accord, which would have denied B.C. for all time its fair representation in Parliament. Some 68 per cent of British Columbians, and as high as 75 per cent in some regions of the province, firmly rejected that accord. That margin of rejection was the strongest of any province.

B.C. has never asked for any special role in Confederation. We are special, and we are proud to acknowledge it. All British Columbia wants, and all we have ever asked for, is equal treatment. That is why we joined Confederation in the first place in 1871. The Liberal authors of Bill C-18 forget that B.C. joined Confederation as an equal, and only after vigorous and thoughtful debate about our future place in Canada.

When we joined Canada we had three options. In that way, our Confederation debate was different from that of the other provinces. We had the option to join the United States, to join Canada or to maintain the status quo, something which the government officials of the day naturally supported.

I ask you to consider B.C.'s situation at that time. It is useful to think about it, because we spend so much time in this chamber talking about the present that we forget the past that brought us here. It was more than 2,000 miles away from Canada — a Crown colony. Its western boundary of Canada was vaguely defined at a point somewhere east of where Winnipeg is today. Between the two outposts was a huge Hudson's Bay Company territory which was deemed to be too sparsely settled to become part of Canada. We are situated below the 49th parallel. Victoria was largely surrounded by American possessions, with the Pacific Northwest to the south and Alaska to the north.

Alaska had been purchased by Americans from the Russians in 1867, Canada's Confederation year, in a transaction that took place in a Washington hotel room, well supplied with liquor, between an American who did not want to buy and a Russian who did not want to sell. I often wonder if they had been teetotallers what would have happened. Possibly, we would have adopted the suggestion of B.C.'s Premier De Cosmos that Canada purchase the Alaska territory. Perhaps that is why there is such a terrific interest in B.C. in the concept of Cascadia, the Pacific Northwest Region.

What pro-union British Columbians desired above everything else was a more equitable distribution of political power with Central Canada, then and now. We know what is best for ourselves. We are able to legislate to that effect. We have no wish to pay central Canada to do our legislation. We would follow the lead of De Cosmos and Robson, who denounced the iniquities of the local administration and demanded the establishment of self-government. Historian Margaret Ormsby reports:

> Only by union with Canada, they thought, would liberal institutions be introduced, protection against American absorption guaranteed, and economic opportunity provided.

However, the debates were bitter. They took up a month in the spring of 1870. Opponents portrayed Canada as an evil giant eager to crush innocent B.C. in a fatal embrace, an argument which still works well today. The biggest factor, then as now, was distance. Dr. Helmcken, the elected MP for Victoria, summed it up when he said:

> It is absurd to attempt to ally ourselves with a people 3,000 miles away...Canada is for all practical purposes further removed from us today than England; we know less about her.

He echoed a typical British Columbian view of Central Canada, then and now: We know what is best for ourselves, and are able to legislate to that effect. We have no wish to pay Canada to do our legislation.

•(1510)

What shines through the Confederation debates of 1870 and of today is our desire in British Columbia to be treated as an equal partner in Canada. We have always rejected — and not always successfully — attempts to make us subservient to the more powerful and more populated provinces of Canada, while maintaining a strong and united Canada and respecting our diversities and differences in this, our home and native land. That was our ambitious task at the time of our union with Canada, and is the challenge we still face today. That is why I will vote against Bill C-18 in its present form.

Finally, I wish to comment on the role of the Senate. The great English constitutional theorist Walter Bagehot, once remarked with regard to the British parliamentary system that:

> ...if we had an ideal House of Commons...it is certain we should not need a higher Chamber.

I have always held the view that the Senate should not vote against the decision of an elected House of Commons except in certain circumstances. In 1980, the Legal and Constitutional Affairs Committee's "Report on Certain Aspects of the Canadian Constitution" listed the four roles of the Senate, all of which are complementary to the functions of the House of Commons. They were, first, revising legislation; second, an investigative role; third, a regional representative role; and, fourth, as protector of linguistic and other minorities. These are the roles that the Senate has historically played. Our jobs as senators are to perform these roles. We can revise, we can investigate, we can protect; but at the end of day, it is my role as a regional representative for British Columbia which counts the most, in my view.

This bill is bad for British Columbia. It is bad for Canada. Therefore, I will not support it.

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, before the question is put on second reading, I wish to make a few remarks regarding this side's position on Bill C-18, although it has been extremely well stated today by Senators Ghitter and Carney, and certainly on Tuesday by Senator Murray and yesterday by Senator Nolin. I will try not to repeat their very sound arguments against what Senator Murray has so aptly described as "this miserable piece of legislation."

Our caucus has had a full discussion on Bill C-18, and it should not come as any surprise to those in the government, if they listened to my four colleagues, that not a few of our members are so upset with this unprecedented trampling of a basic democratic process that they would like to see it disposed of immediately. And for good reason. This is bad legislation, inspired by Liberal malcontents who, no sooner elected, have become proprietorial of their constituencies. They now consider themselves untouchables, caring little whether ridings are overly represented or underrepresented. They do not want non-partisan commissions determining the electoral map of Canada, even if the commissions do it as fairly and as equitably as possible, in such a vast country with the bulk of its population concentrated in a few given geographical areas.

Who but these malcontents can be behind this affront to democracy? I have read the debates of 1973, 1974, 1985 and 1992, when the act was under discussion, looking for some indication that at least one participant in those debates was upset with the readjustment process itself which the government now wants to do away with. I have found nothing. I have searched the Liberal Red Book for some pledge to revise the process and, if need be, to overhaul it. I have found nothing. Why? Because the process is a good one. It has stood the test of time. It has flaws; certainly it could be improved, as any legislation can be improved, after its being in force for a given period of time. We have absolutely no objection to a full parliamentary review of the Electoral Boundaries Readjustment Act, as long as the next federal election is based on electoral boundaries arising out of the 1991 census.

Some Hon. Senators: Hear, hear!

Senator Lynch-Staunton: Bill C-18 supporters are trying to make us believe that a two-year suspension of the act must be in place before a parliamentary review can begin. This is sheer nonsense, as the government itself confirmed in the House of Commons when the following motion was introduced. This motion, which I am about to read, was introduced by the Minister of Justice last Tuesday morning, even before Bill C-18 was before this house. He moved:

> That the Standing Committee on Procedure and House Affairs be instructed to prepare and bring in a bill, in accordance with Standing Order 68(5), respecting the system of readjusting the boundaries of electoral districts for the House of Commons by Electoral Boundaries Commissions, and in preparing the said bill, the committee be instructed to consider, among other related matters, the general operation of the past thirty years of the Electoral Boundaries Readjustment Act, including:
>
> (a) an assessment of whether there should be a continual increase in the number of Members of the House of Commons after each census, as now provided in section 51 of the Constitution Act;
>
> (b) a review of the adequacy of the present method of selection of members of Electoral Boundaries Commissions;
>
> (c) a review of the rules governing and the powers and methods of proceedings of Electoral Boundaries Commissions, including whether these Commissions ought to commence their work from the basis of making necessary alterations to the boundaries of existing electoral districts wherever possible;
>
> (d) a review of the time and nature of the involvement of the public and of the House of Commons in the work of Electoral Boundaries Commissions;

That the committee have the power to travel within Canada and to hear witnesses by teleconference; and

That the committee report no later than December 16, 1994.

The Minister of Justice, as sponsor of the motion, said the following:

> On April 13, 1994, this House adopted Bill C-18. It provides for a suspension of the current electoral boundaries readjustment process for a period of 24 months in order to allow for a fundamental review of all aspects of the process.

Note that he confirms this canard that the bill must be suspended for the parliamentary review to take place. Yet the Parliamentary Review Committee has already been given the mandate before Bill C-18 has been given power, if it will ever be given Royal Assent in its present form.

The fact that the Senate had not even received Bill C-18 when that motion was introduced, and that Bill C-18 is still some way, if at all, from Royal Assent is of no consequence to the minister and the government. Therefore, this can only lead to one interpretation: The government does not need Bill C-18 to begin the parliamentary review; and only one conclusion: The malcontents can have their review without first destroying the existing system. All the government motion does is confirm that Bill C-18's sole purpose is to keep the present boundaries in place, at least until the next election, thereby depriving equality of representation, so fundamental to our electoral system, to millions of voters.

In 1992, when we asked for suspension of the act — for totally different reasons, by the way — the appropriate legislation was not introduced until all-party support had been reached in the other place. Now we have witnessed the Liberal government, having failed to get all-party support, resorting to closure to get the bill through. Such indecent haste in pushing such indecent legislation is more evidence that its instigators have indecent motives.

I detect that not a few of our friends across the way are embarrassed by what they have got themselves into. It is certainly no coincidence that the only one Liberal senator to speak on Bill C-18 was its sponsor, and I think what happened is that the Liberals drew straws in their caucus and Senator Lewis was unfortunate enough to draw the shortest one.

As I said earlier, many of my colleagues would just as soon dispose of the bill now by voting it down. Their agreement not to do this and to allow it to go to committee must not be interpreted as showing any kind of support for Bill C-18, even in principle.

Some Hon. Senators: Hear, hear!

Senator Lynch-Staunton: We expect that the Legal and Constitutional Affairs Committee will make a full examination of the issues raised by us this week, and following its hearings we will be in a better position to decide on what next steps to take.

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, I was delighted to learn from my colleague Senator Lynch-Staunton how speakers for bills are decided on that side of the Senate. We had not thought of that procedure of drawing straws. It may be that that is something we should look at.

Senator Lynch-Staunton: That is just for sponsors of bad legislation.

Senator Molgat: Our normal procedure is to find someone who has some interest and knowledge in the area, and ask them to do that job. I can assure you that we had no problems in getting someone to speak on this bill.

I was prompted by the comments of Senator Murray the other day to get involved in the debate, but since then there have been a number of other speakers, and I have to say, quite honestly, that I have enjoyed every one of the speeches. I thought Senator Murray's speech was an excellent speech. There were many historical matters put before the Senate. What Senator Carney told us about British Columbia was very interesting and very useful. The problem is that none of you spoke about the bill.

•(1520)

Senator Carney: Yes we did.

Senator Molgat: You did not speak about Bill C-18. In his speech the other day, Senator Murray talked about the principles of proportionate representation of the provinces, of representative democracy, and of equality of voting power — all important points, I agree. He spoke of Canadian history stretching back to 1850. He mentioned the BNA Act, the Charter, and recent court cases. He even brought John Diefenbaker into the fight. However, he forgot to talk about Bill C-18.

Senator Carney: It is only five clauses long!

Senator Molgat: Senator Murray's arguments are based not on Bill C-18 but, rather, on his assumptions with regard to the timing of the next general election, and the electoral boundaries that will be in place at the time of that election. Senator Murray claims that Bill C-18 will suspend the electoral boundaries readjustment process "in such a way as to ensure that the process will not apply to the next election, expected in 1997 or 1998." Starting from that hypothesis, he then characterizes Bill C-18 as being an affront to the most fundamental principles of representative democracy.

Senator Carney: That is correct.

Senator Molgat: He claims in very dramatic terms — and Senator Carney is saying that it is correct, that it "guts" the principles of representation by population and equality of voting power; that it distorts, manipulates, abuses, violates representative democracy; and that it dilutes the democratic rights of millions of Canadians.

Senator Simard: That is what his speech was about.

Senator Molgat: That is what Senator Murray claims. Honourable senators, Bill C-18 does nothing of the sort. As Senator Murray himself noted in his speech, and as Senator Lewis stated in proposing the bill, Bill C-18 is clear and concise. Nevertheless, Senator Murray appears to need some assistance in understanding it. Let us see what Bill C-18 does.

Senator Berntson: This will take some gymnastics!

Senator Molgat: That is, not what you assume it will do, but what it does.

An Hon. Senator: I would like to hear that.

Senator Molgat: It is clear in the bill. Senator Murray admitted that it is clear and concise. It is only the assumptions that he put into it that are important. What are the goals? Well, it suspends the operation of the Electoral Boundaries Readjustment Act for 24 months, that is true.

Senator Doyle: Shame!

Senator Molgat: Do not forget that we are only some five or six months from the last election. The next election is four years away, not two years.

Senator Lynch-Staunton: That is an assumption.

Senator Molgat: Bill C-18 provides for the dismantling of the current Electoral Boundaries Commission and it provides for the establishment of a new electoral boundaries commission 60 days after the end of the 24-month suspension. We are not talking about four years. The new commissions would operate under the current Electoral Boundaries Readjustment Act unless new legislation is put in place.

Senator Lynch-Staunton: That is four years. There is your four years.

Senator Molgat: As Senator Lynch-Staunton has said, in addition to bringing the bill, the government has moved already in the other place, and the other place has agreed, to refer the matter to the Standing Committee on Procedure and House Affairs so that there is no delay.

Senator Lynch-Staunton: Then you do not need the bill. That is the point; you do not need the bill.

Senator Molgat: The committee will review the current electoral boundaries readjustment process and develop possible improvements, and report no later than December 16, 1994; not two years or four years hence, but this coming December.

Senator Lynch-Staunton: Do not suspend the process.

Senator Molgat: Finally, the standing committee is authorized to frame legislation implementing its proposal.

From the outset, the government has made clear its intentions in bringing forward Bill C-18. The current system, which has been in place since 1964 — 30 years ago — needs to be thoroughly reviewed and, where necessary, improved. Your own government recognized that and you, Senator Murray, as a leading minister in that government, supported the establishment of the Lortie commission because you recognized that the electoral process had to be reviewed.

Senator Lynch-Staunton: We did not suspend the act during the commission's hearings, though.

Senator Molgat: Your government cost the Canadian taxpayers $20 million for the Lortie commission.

Senator Lynch-Staunton: Democracy has no price.

Senator Molgat: That is how convinced you were that the system needed to be reviewed. That was your decision. What did you do when the Lortie commission came forward with their report? I commend what was done. You sent that report to a committee of the House, and the committee of the House proceeded to study it. What did they do? They came back with some legislation. But what did they say in addition? Here is what they said in their report of December 11, 1992. I will not quote all of it, but specifically they are talking about the fact that they intend to deal with "all other matters" in the royal commission report. They say:

> This third phase will include matters such as the assignment of seats to provinces.

They go on to state that it will also include:

> ...the drawing of constituency boundaries, measures to increase the number of female candidates and the establishment of aboriginal constituencies.

Senator Lynch-Staunton: Well!

Senator Molgat: That is what they intended to do. What did they say, then? This is in December of 1992.

Senator Lynch-Staunton: Did they say "to suspend the act"?

Senator Molgat: We will come to suspension of the acts. If you want to hear about that, we will discuss that as well.

What was said by the committee in their final report on May 4, 1993, their fifth report, that committee over in the other place, selected by you with a Conservative majority? Here is what they said:

> If we do not complete our work we want to make the strongest recommendation to the House that immediately after the next federal general election this Special Committee be reconstituted and challenged to continue its work until it is concluded. The electoral process lies at the heart of our democracy and Canadians have the right to the best law that our human ingenuity can devise to serve them.

I agree. That was their recommendation. Here they are talking about "immediately after the next election." However, this debate was occurring during the month of May. The government could have proceeded. Your committee over there could have gone on with its work. But what happened? You were too busy having Prime Minister Campbell attend barbeques and picnics the whole summer long, getting ready for an election, instead of having your committee deal with what is "the heart of our democracy" and "the best law that our human ingenuity can devise."

Senator Lynch-Staunton: You have lost your audience now.

Senator Molgat: That was not your interest. You were too busy electioneering all summer. There were barbeques and picnics from one end of the country to the other, but no time to deal with the electoral law. You did not deal with the electoral law, after you had paid $20 million — no, you did not; the Canadian taxpayers paid $20 million for a commission. That is only part of the report; there are four volumes like that.

Senator Lynch-Staunton: It was worth every penny.

Senator Molgat: Honourable senators, those are the facts: No more, no less.

Senator Berntson: I have never seen you so emotional.

Senator Hébert: They look astonished on the other side.

Senator Molgat: Bill C-18 is not the "miserable piece of legislation" that Senator Murray purports it to be.

Senator Lynch-Staunton: That is a polite term.

Senator Molgat: Bill C-18 arises directly out of the report and the recommendations of the committees.

Senator Lynch-Staunton: Lortie said suspend the acts? Never.

Senator Molgat: Well, just wait if you want to hear more.

Senator Lynch-Staunton: Then hurry up, please.

Senator Carney: He is embarrassed.

•(1530)

Senator Molgat: Bill C-18 does not change the number nor the distribution of seats in the other place. Bill C-18 does none of that.

Senator Lynch-Staunton: It cannot.

Senator Molgat: Then what is your objection to Bill C-18?

Senator Lynch-Staunton: It confirms the past.

Senator Molgat: It is your hypothesis. It is what you think is in the bill. Read the bill.

Bill C-18 cannot affect the principle of proportionate representation of the provinces, notwithstanding what my honourable friends are saying. In particular, Ontario and British Columbia are not the big losers in the process because Bill C-18 does not deprive them of seats in the next general election. Bill C-18 does not do that. Read the bill.

Senator Lynch-Staunton: Who said it did?

Senator Molgat: You people are saying it does.

Senator Lynch-Staunton: No.

Senator Molgat: That has been the whole basis of your argument, that Bill C-18 will do all of these things, and Bill C-18 does not do those things. You are only assuming the sequence. That is not what Bill C-18 does.

Senator Murray: Will the honourable senator permit a question on that point?

Senator Molgat: Absolutely.

Senator Murray: The honourable senator has said that the new commissions which are to be appointed two years and 60 days from the date of Royal Assent to this bill, if it goes through, would operate according to the Electoral Boundaries Readjustment Act. Does the honourable senator not realize that, in that case, redistribution could not be in place for an election until the fall of 1998?

Senator Molgat: Does my honourable friend not also agree that the setting up of a committee in the other place with the right to make recommendations and to propose legislation opens that up completely? The House of Commons will make a decision. They have established a committee.

Senator Murray: Talk about making assumptions!

Senator Lynch-Staunton: You have already killed the act.

Senator Molgat: In any case, the 24 months does not prevent anything. There is still time. We are not dealing with that. Elections do not happen every two years in Canada. They happen every four, usually. I guess you people prefer to have them every five or five and a half or six, if you could, but be that as it may.

The other point that has been raised is that of the Constitution. Honourable senators have said that this bill violates the Constitution. Section 51 clearly says that the representation of the provinces be readjusted on the completion of each decennial census.

I urge honourable senators to think back a bit. Not too long ago, Senator Murray brought in a bill here in the Senate, Bill C-67, the Electoral Boundaries Suspension Act of 1992. It was brought in by your government. At that time, some questions were raised by ourselves on the Constitution. What happened? The matter was referred to the Legal and Constitutional Affairs Committee. What were they told? Mr. Graham Eglington, a specialist in the area, was of the view that the most restrictive deadlines for making the readjustments under section 51 would be either before the next decennial census, that is, 2001, or before the general election following the next census, which is obviously a later date still. Nothing that is being done now would delay the process to 2001, or to the next election after that. Hence, there is no constitutional problem, if we believe this expert.

The facts are as well that previous governments have brought in these similar acts.

Senator Carney: But we have never suspended the process.

Senator Molgat: If they were unconstitutional, why is it that we have had a suspension after every decennial census? We had one in 1971, we had one in 1981, and we had one in 1991. Were all of those actions against the Constitution?

Senator Murray: But redistribution was always ready for the election before the next decennial census, 1979, 1988, and it would have been ready for 1997 or 1998, if it were not for this bill.

Senator Molgat: And the very same thing can happen this time.

Senator Lynch-Staunton: Can or will?

Senator Molgat: You are the ones who are assuming that it will not.

In short, Bill C-18 does not gut, distort, abuse, violate, dilute, nor manipulate the democratic rights and principles guaranteed under the Constitution.

Senator Berntson: And it has nothing to do with the Liberal backbenchers?

Senator Molgat: The government has acted responsibly. It has followed the recommendations of a committee of the other place —

Senator Lynch-Staunton: To suspend the act.

Senator Molgat: — in which you people had the majority, and is taking the advantage of moving as quickly as it possibly can after the election.

As I have said, this is not the first time the Senate has been asked to consider legislation to suspend the electoral boundaries redistribution process. We come back to 1992 and Bill C-67, which was brought in by your government. Here is Senator Forrestall, speaking on behalf of the government as lead speaker on Bill C-67:

> I am sure honourable senators will agree that it is preferable that a bill be passed to suspend the process as soon as possible before the current redistribution progresses further.

What was Senator Forrestall saying? Suspend. Do not proceed with the redistribution. Why? Because it will cost money. That was the reason.

Senator Lynch-Staunton: It would not have been ready for the 1993 election.

Senator Molgat: Obviously, my honourable friends do not like to hear what I am saying because they insist on interrupting.

Senator Lynch-Staunton: I want to correct the record.

Senator Molgat: The situation is the same today. The electoral boundaries commissions across the country have decided to proceed with their hearings, notwithstanding the clear message that the government has sent with the introduction of this bill. Though the commissions know that their work will be cut short if the bill receives Royal Assent, they have nevertheless proceeded.

What is the attitude of the Conservative Party?

The Hon. the Acting Speaker: Honourable senators, I must inform Senator Molgat that, under the rules, his time is up. Do we have unanimous consent for him to complete his remarks?

Hon. Senators: Agreed.

Senator Berntson: When you are in a hole, keep digging.

Senator Molgat: Yesterday, when scrummed outside the Conservative caucus, the Honourable Jean Charest said that the commissions should continue with their work.

One is reminded of the former government's decision to enter into contracts about helicopters and the Pearson airport when all signs pointed to their imminent defeat, certainly in the case of the Pearson airport, just a few days before the election.

Senator Lynch-Staunton: We are waiting for that bill. We can talk about that then.

Senator Molgat: Theirs was a government that was prepared to proceed with these bills even though they knew they would be reversed. We now realize the cost to the taxpayers of Canada of those decisions by that government.

Senator Lynch-Staunton: Completely irrelevant.

Senator Molgat: Now they will insist that the commissions continue their work at great cost, instead of letting this bill proceed and having the issues properly settled.

Senator MacDonald: What a great analogy.

Senator Molgat: Senator Murray saw some political intrigue, I guess I could put it, behind this bill. Let's have a look at what Senator Murray said. On April 19, in his speech, he said:

> If a government can gut these principles or put them in the deep freeze, which is what is being proposed in this bill, then democracy is on its way to becoming a shell.

Pretty strong language. The obvious question is, is it true?

The next obvious question is, what is going on in the Conservative Party? If Senator Murray is saying this here, what is the Leader of the Conservative Party, Mr. Jean Charest, saying — or is he the leader?

Surely Mr. Charest, in the great tradition of John Diefenbaker, would be the first to take the government to task if indeed the bill was setting democracy on its way to becoming a shell. Surely, Mr. Charest would have stood up in the House of Commons and, in the tradition of Diefenbaker, pounded the government. Yet what do we find? Not a word from Mr. Charest on second reading. Not a word from Mr. Charest in committee. Not a word from Mr. Charest at third reading.

This matter was so fundamental that neither the leader of the party in the House of Commons, which was mostly affected, nor by the way his house colleague, Mrs. Elsie Wayne — neither of them participated in the debate, attended the committee hearings, or took any part in the vote. What is more, to the best of my knowledge they said not a single word about it outside the chamber either, except for yesterday, when Mr. Charest recommended that the commissions continue at great cost to Canadians.

•(1540)

Mr. Charest was interviewed by *Maclean's* magazine recently. They did a special three-page feature on him last week. They quoted him extensively on a wide variety of issues, but not a single word about electoral boundaries. For example, instead of a warning to Canadians about how democracy was on the verge of becoming but a hollow shell, we have this paragraph:

> 'Canadians these days don't really want to hear from the Tories,' he says. 'They still want to kick our ass and that will last some time,' he acknowledges. 'We won't be able to eat enough crow in the next year.'

There is what the Leader of the Conservative Party is saying, after having said nothing about this bill that Senator Murray claims, and my colleagues opposite claim, is the destruction of democracy. It makes you wonder what kind of political intrigue is going on in this place. Are we to assume — surely not — that Senator Murray decided not to stay in the position of Leader of the Government in this place, but to be the real Leader of the Conservative Party, instead of Mr. Charest. Mr. Charest does not speak on this issue, but Senator Murray does.

Senator Gigantès: Surely the Tories aren't that suicidal!

Senator Molgat: Can we assume that Senator Murray, having been the éminence grise of his great friend Mr. Mulroney for many years, now feels that being Leader of the Government here is not enough, and that he must be the Leader of the Conservative Party and speak for them?

My honourable friends, it is an intriguing question. Of course I cannot answer it, but I leave it for you to consider.

Senator Berntson: I woke up for this!

Senator Molgat: In the end, by adopting Bill C-18 the Senate will allow for the eventual establishment of a regime providing better representation in the other place —

Senator Carney: Not in this century.

Senator Molgat: — and a more efficient system of electoral boundaries. I believe they will move in the direction that has been recommended, and we will end up with a better electoral system. My honourable friends, I urge support for the bill.

Some Hon. Senators: Hear, hear!

Hon. Lowell Murray: Would the honourable senator permit one final question?

Senator Molgat: Absolutely.

Senator Murray: If we are all agreed, and I think most of us are — I certainly said so in my speech — that it is appropriate to review the redistribution process on the basis of the Lortie commission and other recommendations that have been made, are we also agreed that we must have an impartial redistribution of seats before the next election, expected in 1997 or 1998? If so, will our friends opposite work with us in drafting the kinds of amendments that will make that certain?

Senator Molgat: I am certainly not in a position to commit my colleagues.

Senator Doyle: Who is the éminence grise now?

Senator Molgat: I don't know that any of the senators opposite can commit their colleagues, for that matter.

Senator Berntson: No problem on this bill.

Senator Molgat: I come from the province that started the independent system of redistribution under then Premier Campbell, and I support that system in principle. I think it is the right way to proceed, to have independent commissions.

Senator Murray: What about 1997-98?

Senator Lynch-Staunton: Honourable senators, I have a question for the deputy leader. I congratulate him on his very fine presentation. He occasionally did relate to Bill C-18. It is unfortunate that there were not more than nine or ten of his colleagues present to hear him. However, it is not the first time that we have seen so many empty chairs opposite on such important issues. I would like to ask the deputy leader where in the Lortie commission report it is stated that a re-examination of the whole electoral process requires a suspension of the Electoral Boundaries Readjustment Act.

Senator Molgat: Honourable senators, I do not know if it does or does not. All I am saying —

Senator Lynch-Staunton: That is not what you said. When we read the *Debates* tomorrow, unless there are corrections in the blues, it will show that there was an allusion made that the Lortie commission report could be used as a source for Bill C-18.

Senator Molgat: Honourable senators, I don't believe I said that.

Senator Lynch-Staunton: You certainly implied it.

Senator Molgat: I believe I said that Lortie and the report of the committee on the other side specifically recommended that we proceed with a re-examination.

Senator Lynch-Staunton: I agree with the re-examination. We all agree with the re-examination. We do not understand why the re-examination cannot take place without suspending the existing act which they will examine.

Senator Molgat: Honourable senators, in my opinion there is no point in proceeding with a redistribution which may have to be changed if the committee comes out with a different recommendation. Had the Conservative Party let the committee continue its work back in May 1993, the whole matter would have been settled, because the commission would have been suspended if they had come out with a different recommendation. But you people, after establishing the committee, did not let it finish its work. You went politicking instead.

Senator Lynch-Staunton: And you stayed at home. Honourable senators, I have one final question. No matter what a committee of the House of Commons can decide, no matter what happens to the existing act, no matter what decisions are taken regarding the electoral boundaries and how they are set up, can the government assure Canadians that the next federal electoral boundaries will be based on the 1991 census?

Senator Molgat: I cannot answer that question.

Senator Lynch-Staunton: You cannot?

Senator Stewart: No, because there might be a defeat tomorrow in the House of Commons.

Senator Berntson: Canadians couldn't be that lucky.

Senator Lynch-Staunton: There may be one here first!

Senator Carney: Honourable senators, I have a question for the Deputy Leader of the Government. Senator Molgat has suggested that only the Conservatives are dumb enough to think that redistribution will not take place before the next election. I want to bring to the honourable senator's attention statements by three MPs: Nelson Riis of Kamloops, NDP, Ted White of North Vancouver, Reform Party, and Chuck Strahl of Fraser Valley East, Reform Party. All of them are talking about the unfortunate fact of British Columbia's lack of representation under your bill.

Nelson Riis said:

> Once again very clearly one of the fastest growing parts of Canada will be let down in terms of democratic and representative representation in the House of Commons after the next general election.

Ted White said:

> The increase in the population of B.C. entitles us to two more seats in the House.

He is expressing his concern that British Columbia is the province that will be most hurt by the bill. Chuck Strahl said:

> I am concerned about B.C. which is the fastest growing province and which already should have an extra two or three seats. We are going to go into the next century with the same number of seats and the same distribution that we had in 1981.

Given the fact that members of the Conservative Party, the NDP and the Reform Party all have come to the conclusion — and the Reform Party and the NDP voted against the bill as well — that this bill will not ensure that B.C. and Ontario have the representation to which they are entitled by the next election, I am again asking: Will senators opposite work with the Conservative majority in the Senate on the amendments — because it is your right to work with us, not anyone else's — to ensure that the two provinces which pay equalization funds for so much of the rest of the country have the representation they are entitled to before the next election? Will you give us that personal guarantee?

Senator Molgat: Honourable senators, I should first like to make a correction. I do not believe I accused anyone of being dumb, Senator Carney. I do not think —

Senator Carney: Unable to read the act.

Senator Molgat: I said "read the act," but I did not accuse anyone of being dumb. In fact, I thought I complimented the speakers on what I thought were excellent and useful speeches.

To come back to your specific point, I suppose if I were a resident of British Columbia I would take the same position as you have. I believe, however, that at some point we have to stop increasing the number of members in the House of Commons. I am giving you my personal belief. That is what you asked me for. I am not speaking for the government.

Senator Carney: At British Columbia's expense.

Senator Molgat: I think there is a fundamental problem with the present act that will keep increasing the House of Commons forever. Canadians do not want the House of Commons to keep increasing every ten years. We have to look at this whole issue. It may be difficult.

We have now some anomalies in the system, to which Senator Murray referred today, Prince Edward Island being the notable one. It is an anomaly in "rep by pop" —

Senator Carney: So is British Columbia.

Senator Molgat: — but it is something Canadians have accepted because it is necessary to make the system work. There are other anomalies. For the province of Quebec there is a guarantee of 75 seats, is there not?

Senator Carney: No, we voted that down.

Senator Molgat: Well, there was at one time and it was considered acceptable. There are anomalies in New Brunswick and Nova Scotia, and there would be in Manitoba if our population were to drop. These are the things we have to look at. But I do not think we can simply continue to increase the House of Commons every ten years.

Senator Carney: This will be my final question. We have already agreed that we have common concerns about this bill, such as the size of Parliament and the cost. We have agreed to work to amend this bill so that some of those concerns can be addressed. However, we have asked you to work with us to ensure that the provinces of British Columbia and Ontario do have their fair representation by the next election. We are asking

for a specific commitment from your side of the house to work with us to amend this bill in order to ensure that those provinces have their rightful representation by the next election. It is within your power to do that.

Senator Molgat: But this is not the bill that will do that. What will achieve what you are talking about is the study that will take place in the committee in the other place and the recommendations that will come forward. This bill only says this: "Because we are going to study the whole thing, let's leave matters in suspense; then when we get a recommendation we will be prepared to move."

Surely it is a reasonable position not to proceed and upset everything, when we know that there is to be a review, which was recommended by yourselves.

[*Translation*]

Hon. Marcel Prud'homme: Honourable senators, I am in somewhat of a quandary, deliberating whether I should request that the debate be adjourned.

I now know this motion is both debatable and votable. I also know — I am alone in my corner as usual on this— that it would seem to be the wish of the majority and the opposition to complete the second reading stage today in order to refer the bill to committee.

I will just stop and ponder for a second on moving the adjournment of the debate. As you know, some honourable senators could then ask for an adjournment and a vote on this and proceed with debate. Either way, I lose out, so, I guess I would rather put in a few comments.

When I accepted to come and sit in the Senate — it is often said, and my friend the Deputy Leader in the Senate was telling me that I may be an idealist; perhaps I am naive also, but I did think we had a role to play.

I must say that if I were a school teacher, I would distribute the bad marks equally between the government and the opposition. I listened to them carefully and I realized, once again, that the partisanship I left in the House of Commons can still be found in the Senate.

Of course we should not be naive, but I think the Senate's role is different. I promised to remain very calm for one year, but it is almost over, and I will certainly continue my pilgrimage across Canada to demonstrate the Senate's usefulness to young people and to all those who will invite us.

I think the Senate has a role to play. It is to determine whether a bill before us is good, bad or acceptable. It may not be very good but still be acceptable. Therefore, we accept the will of the majority, namely the House of Commons, the house of elected representatives.

If the bill can be improved, I think that senators must set aside partisanship and say that, in their opinion, the bill could be improved. We must make the necessary amendments and return the bill to the House of Commons, whose members should stop pretending that because they are elected, they are the only ones entitled to speak.

[*English*]

I do not share that opinion. Canadians should realize that we senators have a constitutional duty and a constitutional right to oppose, to ameliorate, or to pass. If the majority of Canadians, and Canadians only as I said before, are of contrary mind on this point, we will abolish the Senate. But I do not believe that. I believe our role is to look at each piece of legislation and also at the spirit of the legislation.

It so happens that I know this by heart. I have been involved for 30 years in these matters of electoral reform. I sat on the committee that studied the Lortie report. I am against the Lortie report. It is very simple. I said so then and I will say so publicly now. I do not agree with the conclusion of Lortie. I think it was a useless report and a needless expense. In its wisdom, the Senate could have done better at immensely less cost. The Senate should have done the work. I am not impressed by what Lortie says.

Bill C-18 is a piece of legislation that will suspend electoral boundaries readjustment for two years. The question is whether, if we vote for that bill, we will have a new map for the next election. Of course, I came to the conclusion that the answer is "no". There is no doubt that we will have to fight the next election under the existing map, which both senators and the elected members of the other chamber know well. That is regrettable, because it shows a lack of faith in the commission.

I am a Pearson boy. I was honoured to serve under Mr. Trudeau, but I am a Pearson boy, and there are other Pearson boys here. I call us "the club." I regret to say that none of the ladies who were appointed by Mr. Pearson are still in the Senate, but there are eight or nine of us boys.

When I was elected to serve under Mr. Pearson, one of the first debates I heard in the chamber in 1963-64 was on this issue. Many senators here were appointed by Mr. Pearson, and to me it is a feather in his cap that it was decided to let commissions decide on electoral reform.

•(1600)

It was great progress to get away from the gerrymandering that we all know took place in the past. No one was virtuous. Some say that we tried to keep Mr. Diefenbaker out of the House, but I do not believe that. Everybody tried to get their hands into making a new map in the old days. That was changed 30 years ago.

I should like it very much if the Leader of the Government and the Leader of the Opposition in the Senate could get together and find some way to accommodate each other, and then present to the other chamber amendments that would be faithful to Bill C-18. We are not talking about two years, but maybe 18 months, maybe one year.

On this point I am in agreement with Senator Molgat: Review the number of members in the House of Commons. It cannot go on increasing like this. It is impossible. I remember it increasing to 262. I remember it increasing to 265. In order to have one more seat in Nova Scotia, we went from 265 to 282, and then from 282 we went to 295. If we do not stop, we will have 347 and then 369. Something has to be done.

I am for reducing the number 295. That does not take representation away. It is proportionate and fair and equitable for everyone. I am very sensitive to the views of Senator Carney. If this country is to exist, everybody has to feel included. No one from the Atlantic provinces should be upset. They are very well represented. They have 32 members in the House of Commons and 30 senators. We know that, because the number of senators is fixed. Nova Scotia could never lose more than one seat, even though they should have nine under this new distribution. We know that New Brunswick should have seven seats, but they cannot because there are ten senators; so they are protected. I agree that this is federalism at its best. I am a positive man. New Brunswick cannot have fewer than 10 members, because they have ten senators. P.E.I. cannot have fewer, even though they are allowed one member, or one and a quarter, if such a thing could exist. They have four because they have a fixed number of senators. We know that Nova Scotia should have fewer. We know that Newfoundland is protected and cannot go down to fewer than six. They have seven.

I know also that Manitoba, your province, my dear friend, is highly represented, because Manitoba should get eleven seats, but we froze it to fourteen. We know that Saskatchewan should have eleven seats, and we froze it to fourteen. For those who say Quebec is protected, for once, no. There is no way Quebec is protected by having 75 seats. That is almost equal to the proportionate representation of 25 per cent of the seats. It is Ontario that will be the loser. For these Ontario seats that you lose, you could take up two in the Atlantic and two in Manitoba and Saskatchewan.

On this point I am in total agreement with Senator Molgat, and this is probably the only point where I agree with him, but we should freeze the number. That could be done if there was a will, sir.

I served on all these committees, even though I am now deprived from sitting on any committee here in the Senate. I will keep on that subject until everybody gets sick and tired of hearing me say that. I sat on most of these committees, dutifully, faithfully, without missing a meeting. I sat on your own committee, Senator Molgat, and never missed a meeting over the years. Here in the Senate I am not found to be useful yet, but I am not frustrated, because I am very stubborn.

[*Translation*]

As all French Canadians, I am stubborn, but I have a positive attitude!

[*English*]

I am in an embarrassing situation. I want to vote against this bill. Senator Molgat said he did not know what was going on in the Conservative Party. Well, dare I tell him I do not know either? I do not know what is going on in the Liberal Party, but I have my suspicions after seeing this bill.

I say to my colleagues in the lower chamber that senior members should talk to the more junior members. My heart is an open book. I went through four redistributions. I was already a Liberal candidate in a fifth district. André Ouellet, my friend and esteemed colleague, and I were moulded together, and we would have found ways to get around that. We would have gone to court. I went to court last time. Senator Rizzuto was involved and Senator Nolin, as he mentioned. I mention their names because they were mentioned yesterday by Senator Nolin. We won, so the process worked.

We are not always happy, and you hear a member saying, "Give me that street, and I will give you that village. I am losing electors with whom I am comfortable."

Any new member of the House of Commons should have been told by the seniors, including the Honourable Mr. Gray, the guardian, the defender, to cool off and relax. We all go through these emotional reactions, saying, "I am losing my seat," as if it were yours and belonged to you. You have to adjust and readjust. Strangely enough, that has never affected any member of the House of Commons in the last 20 years. I ran four times under new redistributions after the late Azellus Denis. I do not understand why there is a panic over there. They should be reminded not to panic. They should be reminded that it is a good law, that is it out of the hands of the politicians to enhance the role of parliamentarians, to enhance the role of Parliament before the Canadian people, who have trusted the system for 30 years.

I am not going to be a bad boy today. I will say to the lady and gentleman who are in charge of the government here in the Senate that I will not ask for an adjournment of the debate. It will be on division, I am sure, even though the opposition has a majority. I feel I can reveal that, because nobody talks to me. I imagine the bill will not be defeated today but will be sent to committee on division. It is strange to have a division when there is a majority who oppose it, but to pursue the debate we will not exercise our power today. Let us see if we can have some amendments.

In the meantime, Honourable Senator Molgat, Honourable Senator Fairbairn, could you not exercise more leadership? You have all the potential for it, both of you, to lead our other colleagues. We in the Senate will not accept being a rubber stamp forever. I would rather resign from the Senate; but before I resign I will fight across Canada for my constitutional right to oppose, to cajole, to encourage, to accept proposals, but not to be a rubber stamp simply because we are not elected.

I have no inferiority complex because I am not elected! Is that clear? If some are "chicken" or are afraid of their role and say, "Well, we are not elected, so we bow down," nevertheless, I will not bow in the future to any piece of legislation if, according to my conscience, the Senate should oppose it.

I am not trying to be difficult, but why not put it on the working table? Why not see if you can make it better? We look at it in our wisdom, and we may be wrong, but we think it is a bad piece of legislation. I am not talking about Bill C-18 necessarily, but also future bills. If they are no good, we should send them back to the House of Commons. They should get used to that. It should not be the exception. It should be the general rule of a house that takes seriously its duty, its constitutional right, its constitutional duty. We should be proud to be senators. We should go across the country and say, "You can trust us."

•(1610)

The Senate, honourable senators, is a protector of the minorities and a protector of the regions. We are senators representing regions in this place. We should stand up for our regions, and travel across Canada defending minorities.

I just arrived from the Ukraine. I can report to you that Canada is a ray of hope on a troubled planet, but we must work harder at home.

Working more at home means that the people of British Columbia must not feel short-changed by the system. I like British Columbia. I travel to British Columbia, and I know British Columbia. Both God and Senator Molgat know how well I know Western Canada. I think I have spoken in over 200 places in Western Canada since I was first elected to Parliament. During that time I learned a lot about the people of Western Canada. I learned that they are proud to be Canadians, but they want to feel like they belong. With respect to these little, difficult pieces of legislation, difficult to understand, by the time we whistle here the people in British Columbia hear a big thunder. The further it goes, the bigger it gets. The result will not be an harmonious country. They feel short-changed, and we should realize that.

I wish to say to Senator Molgat, as I reflect on this bill this weekend, when this bill goes to committee I will attend the meetings of that committee as a non-member. I will be participating. I can take a good laugh. I will go. It is part of life.

Senator Molgat reminds me all the time that I am difficult to understand, but he is a good friend.

Honourable senators, I am hopeful that the Senate can work together and put partisanship aside. Much water has passed under the bridge in the last few years. Some members of this chamber may want to get even, but that is not why we are here. Our country is under attack, and the Senate is still here as a ray of hope to show that people with different opinions can work harmoniously together to find solutions.

Let us face it, honourable senators: We are here to find solutions. We have a deadlock now, and if we put our heads together, we can find a solution.

If the philosophy of Bill C-18 were to be changed with respect to a shorter delay, I would be ready to accept the bill.

I can say, honourable senators, that I like the motion to study with respect to the number of members in the House of Commons. I would like to see if we could freeze it at the 295 figure, or even reduce it.

If there is a will, let us work together to see if this legislation can be implemented in reducing the 2-year period to a year and a half or one year. Perhaps it could be done in a year, at which time we will have a good, harmonious electoral law. As well, Canadians would be happy to realize that there has been no tampering by politicians, and that the philosophy expressed by Mr. Pearson when he put forward the original piece of legislation has remained intact but modernized.

The Hon. the Speaker: Honourable senators, it was moved by the Honourable Senator Lewis, seconded by the Honourable Senator Bosa, that this bill be read the second time.

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

Some Hon. Senators: On division.

Motion agreed to, on division, and bill read second time.

REFERRED TO COMMITTEE

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

On motion of Senator Molgat, bill referred to the Standing Senate Committee on Legal and Constitutional Affairs.

ADJOURNMENT

Leave having been given to revert to Government Notices of Motions:

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, with leave of the Senate, and notwithstanding rule 59(1)(*h*), I move:

> That when the Senate adjourns today, it do stand adjourned until Tuesday next, April 26, 1994, at two o'clock in the afternoon.

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

Hon. Senators: Agreed.

Motion agreed to.

SOCIAL AFFAIRS, SCIENCE AND TECHNOLOGY

MOTION TO AUTHORIZE COMMITTEE TO EXAMINE AND REPORT UPON THE FUTURE DEVELOPMENT OF THE DEPARTMENT OF VETERANS AFFAIRS—ORDER STANDS

On the Order:

> Resuming the debate on the motion of the Honourable Senator Marshall, seconded by the Honourable Senator Simard:
>
> That the Standing Senate Committee on Social Affairs, Science and Technology be authorized to examine and report upon the future of the Department of Veterans Affairs; and
>
> That the committee present its report no later than October 31, 1994.

Hon. Jack Marshall: Honourable senators, with leave of the Senate and pursuant to rule 31, I wish to modify Order No. 7 by

inserting the word "direction" right after the word "future" to read as follows:

> That the Standing Senate Committee on Social Affairs, Science and Technology be authorized to examine and report upon the future direction of the Department of Veterans Affairs; and
>
> That the committee present its report no later than October 31, 1994.

The Hon. the Speaker: Honourable senators, is leave granted?

Hon. Senators: Agreed.

The Hon. the Speaker: Honourable senators, shall this order stand until the next sitting?

Hon. Senators: Agreed.

Senator Marshall: May I move the adoption of the motion?

Hon. Philippe Deane Gigantès: I wish to speak on this matter at the next sitting of the Senate.

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senator, I understand your disappointment. I know you have had discussions with the chairman of the committee, but perhaps the message has not followed through the lines of communication.

I think we can say there would not be any delay beyond the next time we meet. I cannot guarantee that, but —

Senator Gigantès: There will be no delay.

Senator Molgat: I know the chairman of the committee and yourself have agreed.

Senator Marshall: The chairman would have been here but he had another commitment. He indicated that you would be handling this matter, Senator Molgat.

Order stands.

The Senate adjourned until Tuesday, April 26, 1994, at 2 p.m.

THE SENATE

Tuesday, April 26, 1994

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

Prayers.

SENATORS' STATEMENTS

GERMAN CANADIAN CONGRESS

TOUR OF NORTHERN GERMAN STATES

Hon. Earl A. Hastings: Honourable senators, I rise to report to the Senate my participation in a German study tour held April 12 to 23, covering the five northern states of Germany, including Berlin, Brandenburg, Mecklenburg, Schleswig-Holstein and Hamburg. The tour was organized in Canada by the German Canadian Congress and the organization in Germany was by the Partnership of Parliaments. The group included two members of the Ontario Legislature and four Canadian businessmen.

NATIONAL DEFENCE

REDUCTION OF MILITARY PERSONNEL—GOVERNMENT POLICY

Hon. Jack Marshall: Honourable senators, there is a report today that the Government of Canada will reduce its military personnel by some 8,100 by 1997 and, as alluded to in the budget, its non-military personnel by similar numbers. This report raises the possibility of a contradiction in the justification for a review of defence policy.

Already Canada's military structure has withstood decisions to close military bases, the cancellation of the EH-101 helicopters, and now the reduction of both military and non-military personnel to an almost skeletal force. To draw an analogy, is the government handing down the verdict before the trial? It seems appropriate that the government explain the justification for making these decisions before the policy review is completed and recommendations made.

NOVA SCOTIA

SUCCESS OF PRIVATE SHORTLINE RAILWAY OPERATIONS

Hon. Finlay MacDonald: Honourable senators, it is seldom that one has the opportunity to revisit a report of a Senate committee and comment on the progress of its subject-matter. I am referring, of course, to the the report of the Standing Senate Committee on Transport and Communications on the Truro-Sydney Line. That committee was set up on Wednesday, December 11, 1991, and reported on June 23, 1992.

The committee at that particular time recommended:

> That the Government of Nova Scotia should urgently reconsider its present position and make every effort to ensure that a private shortline operator would be successful. The Committee has examined the performance of shortline operators in both the United States and Canada and is persuaded that a private operator has a better chance of success than a line that continued to be operated by CN.

The Liberal minority report said:

> Moreover we recommend that the Government of Canada continue to "entrust" the management and control of the Truro to Sidney line to CN, and that CN be directed to put adequate resources and personnel in place to ensure that the potential of the Truro to Sidney line is fully realized.

The *Financial Post* reported the following about the Cape Breton & Central Nova Scotia Railway on March 7, 1994:

> Railtex, which operates 23 freight railways, including two in Canada, reported a net income increase of 34 per cent to $3.63 million U.S. for the year ended December 31 on revenues that jumped 52 per cent to $59.85 million U.S.

Railtex is the private line to which we sold the 400-kilometre line from Truro to Sidney.

> Railtex said its fourth-quarter results were strengthened by revenues and earnings from its newest acquisition, the 400-kilometre Cape Breton & Central Nova Scotia Railway (CB&CNS) which was purchased from CN North America on October 1, 1993. Railtex Chief Executive Bruce Flohr said the CB&CNS "had an exceptionally smooth startup and is shaping up as a very strong performer for 1994."

I would also draw to the attention of honourable senators that a bill has been introduced in the New Brunswick Legislature, and has recently passed third reading, to provide the legislative framework for shortline railways established before or after the commencement of that bill. The Atlantic Provinces Transportation Commission views this bill as a positive step by the New Brunswick government to prepare legislatively for the likelihood that shortline railways will wish to operate profitably in that province.

Senator Corbin: So what?

Senator MacDonald: You want a railway, you got a railway.

Senator Corbin: Tell us about what happened in Ontario.

[*Translation*]

ROUTINE PROCEEDINGS

ADJOURNMENT

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, with leave of the Senate and notwithstanding rule 59(1)(*h*), I move:

> That when the Senate adjouns today, it do stand adjourned until tomorrow, Wednesday, April 27, 1994, at one thirty o'clock in the afternoon.

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

Hon. Senators: Agreed.

Motion agreed to.

[*English*]

CANADA OIL AND GAS OPERATIONS ACT CANADA PETROLEUM RESOURCES ACT NATIONAL ENERGY BOARD ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-6, to amend the Canada Oil and Gas Operations Act, the Canada Petroleum Resources Act and the National Energy Board Act and to make consequential amendments to other acts.

Bill read first time.

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

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, I had a discussion with my colleague opposite, and there is agreement that this bill be placed on the Orders of the Day for second reading tomorrow.

On motion of Senator Molgat, bill placed on the Orders of the Day for second reading on Wednesday next, April 27, 1994.

CROWN LIABILITY AND PROCEEDINGS ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-4, to amend the Crown Liability and Proceedings Act.

Bill read first time.

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

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, I would ask that the same consideration apply to this bill and that, again with the agreement of the Senate, the bill be placed on the Orders of the Day for second reading tomorrow.

On motion of Senator Molgat, bill placed on the Orders of the Day for second reading on Wednesday next, April 27, 1994.

[*Translation*]

LEGAL AND CONSTITUTIONAL AFFAIRS

COMMITTEE AUTHORIZED TO MEET DURING SITTING OF THE SENATE

Hon. Gérald-A. Beaudoin: Honourable senators, with leave of the Senate and notwithstanding rule 59(1)(*a*), I move:

> That the Standing Senate Committee on Legal and Constitutional Affairs have the power to sit at four thirty o'clock in the afternoon today, even though the Senate may then be sitting, and that rule 96(4) be suspended in relation thereto.

Motion agreed to.

[*English*]

ENERGY, THE ENVIRONMENT AND NATURAL RESOURCES

NOTICE OF MOTION TO AUTHORIZE COMMITTEE TO ENGAGE SERVICES AND TO TRAVEL

Hon. Pat Carney: Honourable senators, I give notice that tomorrow, Wednesday, April 27, 1994, I shall move:

> That the Standing Senate Committee on Energy, the Environment and Natural Resources have power to engage the services of such counsel and technical, clerical and other personnel as may be necessary for the purpose of its examination and consideration of such bills, subject-matters of bills and Estimates as are referred to it; and
>
> That the committee have power to adjourn from place to place within and outside Canada for the purpose of such studies.

NATIONAL PROTECTED AREAS STRATEGY—NOTICE OF MOTION TO AUTHORIZE COMMITTEE TO CONDUCT STUDY

Hon. Pat Carney: Honourable senators, I give notice that tomorrow, Wednesday, April 27, 1994, I shall move:

> That the Standing Senate Committee on Energy, the Environment and Natural Resources be authorized to undertake a study of the policy options available to the government to complete the network of pristine areas that represent Canada's natural regions and of the creation of a National Protected Areas Strategy and to make recommendations thereon; and
>
> That the committee present its final report no later than March 31, 1995.

JOBS AND THE ENVIRONMENT—NOTICE OF MOTION TO AUTHORIZE COMMITTEE TO CONDUCT STUDY

Hon. Pat Carney: Honourable senators, I give notice that tomorrow, Wednesday, April 27, 1994, I shall move:

That the Standing Senate Committee on Energy, the Environment and Natural Resources be authorized to examine the issue of jobs and the environment, and in so doing provide a forum where issues, in which there seems to be a conflict between the creation of jobs and the preservation of the environment, could be discussed with a view to moving them closer to the point of mutually advantageous integration; and

That the committee complete its examination no later than December 15, 1995.

FOREIGN AFFAIRS

NOTICE OF MOTION TO AUTHORIZE COMMITTEE TO MONITOR AND REPORT UPON THE CANADA-UNITED STATES FREE TRADE AGREEMENT AND THE NORTH AMERICAN FREE TRADE AGREEMENT

Hon. John. B. Stewart: Honourable senators, I give notice that at the next sitting of the Senate I will move:

That the Standing Senate Committee on Foreign Affairs be authorized to monitor and report on the implementation and application in both countries of the Canada-United States Free Trade Agreement, and on the implementation and application in Canada, Mexico, and the United States of the North American Free Trade Agreement, as well as any other related trade development; and

That the committee present its report no later than March 31, 1995.

VETERANS AFFAIRS

FIFTIETH ANNIVERSARY OF D-DAY—NOTICE OF INQUIRY

Hon. Jack Marshall: Honourable senators, I give notice that on Thursday next, April 28, 1994, I will call the attention of the Senate to the progress in planning for the commemoration of the 50th anniversary of D-day by the Government of Canada.

[*Translation*]

OFFICIAL LANGUAGES

COMMITTEE AUTHORIZED TO MEET DURING SITTING OF THE SENATE

Leave having been given to revert to Notices of Motions:

Hon. Jean-Claude Rivest: Honourable senators, with leave of the Senate and notwithstanding rule 59(1)(*a*), I move:

That the Standing Joint Committee on Official Languages have the power to sit at three fifteen o'clock in the afternoon today, even though the Senate may then be sitting, and that rule 96(4) be suspended in relation thereto.

The Hon. the Speaker: Honourable senators, I believe I saw Senator Rivest at the very last minute after having recognized another honourable senator.

Is it agreed, honourable senators, to revert to Notices of Motions?

Hon. Senators: Agreed.

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, I was under the impression that the committee had already requested leave to meet while the Senate was sitting. Has leave not already been requested?

Senator Rivest: No, Senator Molgat, it has not.

Motion agreed to.

[*English*]

CANADIAN VIETNAM VETERANS' NATIONAL MEMORIAL

PRESENTATION OF PETITIONS

Hon. Jack Marshall: Honourable senators, I have the honour to present petitions signed by 271 individuals showing the support of the people of Canada for the Canadian Vietnam Veterans' National Memorial.

Included in that petition are the signatures of the Honourable Senators Comeau, Kelleher, LeBreton and Spivak, and that of Carolyn Parrish, Liberal Member of Parliament for Mississauga West.

Senator Berntson: Wise people, all of them.

QUESTION PERIOD

CONFLICT OF INTERESTS

LOBBYING, INFLUENCE PEDDLING AND SELLING ACCESS

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, I am keeping the Red Book as a ready reference on Liberal Party policy until it is repudiated, because I am sure its time is coming to an end. Meanwhile, we must assume it is still the guiding book of this government.

The Liberal Red Book includes some very damning statements regarding lobbying, implying that it is a most unethical practice requiring strict controls. Caught up in its pious prose on the subject, the Liberal Party pledged that:

> ...a Liberal government will move quickly and decisively in several ways to address these concerns about conflict of interests, influence peddling and selling access.

Can the Leader of the Government in the Senate explain why, nearly six months after she and her cabinet colleagues were sworn in, they have not only not moved quickly and decisively, they have not moved at all on what was, at least before October 25 last, such a high priority?

Hon. Joyce Fairbairn (Leader of the Government): I thank the honourable senator for his question.

Honourable senators, the daily operations of the government are very much in accordance with the Red Book. It is still a guiding document for us. Indeed, our budget, our Speech from the Throne and many other activities that have taken place in the last six months indicate that we have been faithful to the forward-looking and positive thrust of our Red Book commitments. Obviously, you cannot do it all in six months.

•(1420)

The government is actively working on the issues to which the honourable senator drew my attention. I am sure the opposition will be pleased to know the results just as soon as they can be revealed.

Senator Lynch-Staunton: That is certainly an answer which can be interpreted in many ways. I will be delicate enough not to give my interpretation.

My question is prompted by various reports over the past few weeks that the Pharmaceutical Manufacturers' Association of Canada is preparing a campaign to have Bill C-91 amended, a law which we will all recall was vigorously opposed by the Liberals. *The Globe and Mail* of this morning speaks of "...an all-out assault to get the law watered down." It says that this will involve, "a new round of intense lobbying."

The Red Book assures Canadians that the public agenda will not be dominated by lobbyists, and that access to ministers and senior officials should not require the employment of lobbyists. If this is still Liberal Party thinking, can the leader assure us that the generously paid lobbyists of the generic drug manufacturers are being denied access to cabinet ministers and senior officials, and that this is also true for those who employ them, that is, the generic drug manufacturers?

Senator Fairbairn: Honourable senators, I certainly cannot respond in detail to Senator Lynch-Staunton's comment, and I honestly do not believe he would expect me to be able to do so today. I will review his question and pass it on to my colleagues.

I am aware of the story that appeared in the newspapers today on the question of drug prices. This government is very conscious of drug prices and will be looking at that issue very closely.

I will look into the detailed question that my friend Senator Lynch-Staunton asked me and I will report back to him as quickly as I can.

Senator Lynch-Staunton: If I may be allowed, my question does not require a detailed answer. I should certainly like to know whether the pious mutterings regarding lobbying activities are felt so strongly by this government that instructions have already been given that ministers and senior officials should not have access either to the lobbyists or to those who employ them. Has the Government of Canada given instructions along those lines? If not, what can we think the result is but a double standard?

Senator Fairbairn: Honourable senators, one of the strong commitments by this new government was to open up our system of consultation with Canadians so that Canadians would have access to the government, and that it would not close out the views of ordinary people by responding only to the views and the advice of lobbyists. We have been consciously doing this and the Prime Minister has been clear in his public statement on this.

I will see how I can best respond to the comments of the Leader of the Opposition. However, the order of this government is clear, and it has been operating on the basis that the people for whom the ministers, the members and the Government of Canada work are the Canadian people, who can have access to them without benefit of lobbyists.

Senator Lynch-Staunton: And lobbyists are Canadians.

YOUTH

EMPLOYMENT AND TRAINING— STUDENT SUMMER EMPLOYMENT PROGRAM

Hon. Ethel Cochrane: Honourable senators, the government has recently announced initiatives to promote employment and training for young people. I understand that there are currently approximately 400,000 young people unemployed. These new initiatives announced by the government are expected to provide jobs this summer for approximately 10,000 of those youths across Canada.

Could the Leader of the Government tell me how many jobs will be created by these programs for young people in Newfoundland and Labrador?

Hon. Joyce Fairbairn (Leader of the Government): I will be pleased to see if I can find a breakdown of those statistics. I point out to my honourable friend that the youth initiatives consist of a series of different programs, including the summer employment programs that are expected to create a great many more jobs than the honourable senator suggested. Indeed, we have boosted the sum of money available to the student summer employment program by 20 per cent this year.

•(1420)

I will attempt to find out from my colleague if there is an approximate figure for Newfoundland and Labrador.

FUNDING OF TRAINING INITIATIVES—GOVERNMENT POSITION

Hon. Ethel Cochrane: Honourable senators, the new programs include funding for training initiatives. Will the Leader of the Government tell us how many training opportunities will be made available for the young people in my province; and further, what job opportunities will be created for them when this training is completed?

Hon. Joyce Fairbairn (Leader of the Government): I will also follow up on that question, honourable senators.

Another aspect that will enter into the equation for Newfoundland and Labrador is the overall initiative that was announced recently concerning the fishery, and the intensive efforts that will be made in terms of training, basic training, literacy and the whole labour component. Obviously, that will involve younger Canadians as well.

It will be difficult to obtain the precise type of information which my honourable friend seeks. However, I will do my best to obtain for her some information that will, perhaps, be helpful.

THE ENVIRONMENT

INTERNATIONAL JOINT COMMISSION—RECOMMENDATIONS ON TOXICITY REDUCTION IN GREAT LAKES—GUIDELINES FOR DETECTION APPARATUS—GOVERNMENT POSITION

Hon. Mira Spivak: Honourable senators, in response to a question that I asked previously in this chamber regarding the recommendations of the International Joint Commission on toxicity reduction in the Great Lakes, I received an answer which stated that:

> The Government of Canada will be proactive in reducing or eliminating those discharges of toxic substances, including chlorine-based compounds, that on the basis of sound science are determined to be persistent and bioaccumulative.

I wish to pursue a question relating to the issue of zero discharge versus virtual elimination, which I think is a very important question, since both phrases are being used interchangeably. Recent studies indicate that what is virtually eliminated initially, or that which is presumed not to have been discharged at all, ends up biomagnified in fish. Even though today mass spectrometry to detect these substances is very sophisticated, the best technology available in Canada may not be sufficiently precise to detect the most dangerous pollutants. The scientific study of effluent from the pulp and paper industry, which dates back to 1987, is also very new.

My question to the Leader in the Government is this: What are the detection limits of mass spectrometry apparatus and other detection equipment that will be used to ensure that the government keeps its commitment to reduce proactively or to eliminate discharges of toxic substances that are persistent and bioaccumulative?

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I thank Senator Spivak for giving me a little nudge by indicating that she would be asking this question. However, I received that nudge shortly before I came into the chamber. I will need a little more time to obtain an answer for the honourable senator, which I will do.

INFRASTRUCTURE PROGRAM

CUT-BACK IN GOVERNMENT SPENDING—EFFECT ON EMPLOYMENT—GOVERNMENT POSITION

Hon. David Tkachuk: Honourable senators, my question is for the Leader of the Government in the Senate. Since the Infrastructure Program is to be financed with money that is being reallocated from one part of the budget and spent on another, and since members of the Government of Canada have been running around the country saying, "We will create 90,000 jobs through the Infrastructure Program," does the government have an estimate of the jobs that will be lost as a result of the withdrawal and cut-back of that $700 million in spending from the federal budget?

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, we talked about the Red Book earlier. One of the most important projects from the Red Book that was immediately undertaken was the creation of the Infrastructure Program, which is already producing projects across the country, There are, indeed, many more programs to be assessed and approved that will provide an important economic stimulus to job creation and the economic well-being of Canadians. That well-being will be measured not just by the precise number of jobs that are created but by all the services and the economic lift that those jobs will produce throughout the economy.

In terms of the honourable senator's precise question, I do not have a direct answer for him. I will reflect on it and get back to my honourable friend.

Senator Tkachuk: Honourable senators, I beg to differ on the original premise made by the Leader of the Government. The minister who appeared before the National Finance Committee the other day talked about reallocations. He said that you take from one budget item and give it to another.

The premise is that that money will be given to the provinces and to the municipalities for new infrastructure programs. However, if money is taken from old infrastructure programs to pay for the new programs, which even the minister admitted the provinces were doing, I do not understand how any jobs will be created. In other words, if a sewer is being built in one place, the government will come to you with a carrot and say, "Don't build a sewer. The only way you can qualify for this money is by doing something new. Build a convention centre or a casino." However, regardless of the number of jobs created by the building of the casino, the overall number of jobs will be diminished because of the discontinuance of the sewer project.

I wish to know the answer to this question — something that all the government's analysts and deputies sitting in the committee did not know: If it was so easy to create 90,000 new jobs, then does the government know how many jobs were lost by moving the money from one budget to another?

Senator Fairbairn: Honourable senators, I do not believe that is the way the program works.

Senator Tkachuk: That is exactly the way it works.

Senator Fairbairn: I will be delighted to put together for my honourable friend as much of a package of information and background as I possibly can. I will initiate that this afternoon.

NEW BRUNSWICK

SHARE OF PATRONAGE APPOINTMENTS—GOVERNMENT POSITION

Hon. Jean-Maurice Simard: Honourable senators, my two questions deal with job creation. The first one arises from an article that appeared yesterday in New Brunswick's English language newspaper, the *Telegraph Journal*, over the byline of Campbell Morrison, the heading of which states:

> N.B. lags behind in scramble for patronage jobs.

The article continues:

> Only three of 200 appointments have gone to New Brunswickers since federal Liberals took office.

My question is not so much to express my sorrow or disappointment over the fact that Liberals did not get all the jobs that they expected to get, but to express my concern in regard to New Brunswickers — Conservative or Liberal — getting a fair share of so-called Order-in-Council jobs, whether they be patronage appointments or something else.

Can the minister assure us that New Brunswick will be getting the jobs, and that we will not be short-changed by having those jobs go to Ontario or any other province? Will New Brunswick get its fair share of jobs under any program of this federal government?

•(1450)

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I am pleased to answer Senator Simard's question. I can assure him that, whatever kind of job creation program is in place in Canada, New Brunswick will get its fair share.

I should draw the attention of honourable senators to two points concerning Order-in-Council appointments. First, those lists were plum full. When we came into power, they were full to the brim with people who had been appointed.

Senator Kinsella: That is what they are for, New Brunswickers!

Senator Fairbairn: That may be part of the reason that there are not a great many openings at the moment, though no doubt some will come free as the years roll on.

The second point, which has been made by both the Prime Minister and the Honourable Marcel Massé, is that there is a systematic review under way in government at this point in time to determine whether all of these jobs on boards and commissions are required.

It is the purpose of the government to be as efficient as possible in carrying out the requirements of government work in this country. It is also the stated pledge of this government, as I indicated to my friend from Saskatchewan a few days ago, that people will be appointed on the basis of their competence. I am sure that you will find that to be the case in New Brunswick, Senator Simard.

Senator Simard: I can keep my preamble short and to the point, but I have no control over the answers. But that is all right.

Senator Olson: You wanted a complete answer.

Senator Simard: The minister has chosen to state those parts of the government policy that please her. That is fine, but for 10 years, during the Mulroney era, New Brunswick got its share of jobs. A lot of them went to Liberals and Conservatives. Madam Minister, you are not being innovative at all when you say that competent people will get the jobs, because that is what we did when the Progressive Conservatives were in government.

The title in the newspaper article reflects what George Rideout, the new member from Moncton, says. You said, Madam Minister, that all the "plums" had been handed out. I question the proper share for New Brunswickers. We know that 200 appointments went somewhere, but only three jobs went to New Brunswick, and they were all within the same employment board.

Senator Olson: Question, please!

An Hon. Senator: No preamble!

Senator Simard: There is one job available. I am not applying for it, but the Lieutenant Governor of New Brunswick has, for two years, served notice that he wants out. I hope that you can find a good Liberal. I would not mind if the government appointed a lady, even if her name was Madame Aldéa Landry. That is just a suggestion.

[*Translation*]

YOUTH

KATIMAVIK—RE-ESTABLISHMENT OF PROGRAM

Hon. Jean-Maurice Simard: My second question is once again about a job creation program for youth.

As you know, the Red Book was distributed during the last election campaign and was used to raise expectations among Canadians about all kinds of programs to come; and even if the Red Book did not mention it as such, Liberal organizers and candidates in New Brunswick talked about the well-known Katimavik program.

Many people remember that the present Government Whip in the Senate, Senator Hébert, went on a hunger strike to have this program reinstated. Now that Senator Hébert is his party whip and is close to the Liberal leadership, is the government now looking at the possibility of reinstating the Katimavik program?

[*English*]

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, first, I thank my friend Senator Simard for his suggestion in respect of Madame Landry. I will be more than pleased to pass it along. I reiterate that, with members of Parliament like George Rideout and his colleagues, you can rest assured that New Brunswick will be absolutely fairly treated in whatever employment and job prospects there are, be they public service, Order-in-Council appointments or the result of job creation. There is not a place in this country at the moment that is being better served by innovative projects than the Province of New Brunswick.

Senator Frith: That is true.

Senator Fairbairn: Honourable senators, with respect to Katimavik, it is one of the most outstanding programs for young Canadians ever devised in this country. When I am travelling around the country meeting people who are active in public life today, very often they will say, "I was a member of Katimavik. How is Senator Hébert?" He deserves a great deal of credit from all of us for that program, which has been his lifelong crusade.

Senator Simard: But will it be re-established? That is my question.

Senator Fairbairn: The programs that were announced recently are different from Katimavik, but they embody a great many of the principles and ideals of that program.

As my colleague the Minister for Human Resources Development has said, in addition to community employment opportunities for young people there will also be an opportunity for them in Youth Services Canada; young people will be able to take advantage of the program by travelling elsewhere in the country, away from their own provinces. That is an element that was extremely important in the Katimavik adventure.

ELECTORAL BOUNDARIES READJUSTMENT PROCESS

CONSTITUENCIES, PROVINCES, AND MUNICIPALITIES—PROCESS OF CONSULTATION—GOVERNMENT POSITION

Hon. Brenda M. Robertson: Honourable senators, I was impressed with the response given by the Leader of the Government to the questions that Senator Lynch-Staunton asked. In particular, I was impressed with the emphasis that she placed on the consultative process that her government is insisting on. This consultative process was identified and referred to repeatedly in the Red Book.

With that spirit of consultation, I should like to know which provinces, municipalities and constituencies were consulted before the introduction of Bill C-18.

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, Senator Robertson will know that the process of the Electoral Boundaries Readjustment Act is clear. One of the concerns that the government has had is that that process needs to be revisited. It needs to be reviewed and perhaps changed.

•(1500)

Through Bill C-18, the people of Canada will not have the substantive portion of redistribution done by Parliament. Rather, Parliament is being asked to review the process to make sure that it is still relevant today; that the process is the very best it can be. At the end of the review, the commissions will again do their work as they have done in the past, but perhaps according to different criteria.

Senator Robertson: I am sorry, but the Leader of the Government has misunderstood my question. With whom did the federal government consult to come to that decision? Did you consult with the Government of British Columbia? Did you consult with the Government of Ontario? Did you consult with constituencies? Did you consult with those areas that will be damaged by weakening their democratic process? If this consultation process is so important to the Liberal government, tell us, please, with whom did you consult? You are consulting after the fact.

Senator Hébert: Such strong words.

Senator Frith: And some honourable members said, "Oh, oh!"

Senator Fairbairn: Honourable senators, in answer to Senator Robertson's question, with this piece of federal legislation, the government has taken its responsibility to —

Senator Berntson: To fix what ain't broke.

Senator Fairbairn: — take the opportunity that is probably long overdue in placing this method of changing our electoral map before the Parliament of Canada, to which members are elected by all Canadians to represent them. In this particular case, I would say that the members of Parliament in the House of Commons of every political party, in opposition and in government, are prepared to do their job in this regard.

The Hon. the Speaker: I apologize to honourable senators, but unless they have a short supplementary, I made a list and I try to follow it as fairly as I can.

Hon. Pat Carney: Honourable senators, I do have a supplementary question. It is to the Leader of the Government. She seems to indicate that the opposition parties are supporting this process. It is clear that the opposition parties were not consulted, and that the Reform Party, specifically the members of Parliament from British Columbia, voted against this measure.

Can the Leader of the Government amplify her answer to the question being asked by Senator Robertson? Did the government consult with the opposition parties, as is the historic and traditional precedent for legislation of this kind? Yes or no?

Senator Fairbairn: Honourable senators, I am not sure that that is the traditional and historic precedent on legislation of this sort. I should like to go back into the records to look for that.

Senator Carney: Did the government consult with the opposition?

Senator Fairbairn: The government brought forward its proposals to Parliament. The proposals were before the House of Commons. They were discussed there, and they were passed.

Senator Carney: They were voted down.

Senator Fairbairn: I am certainly not intending for one moment to suggest that they were supported by the Reform Party. They were dealt with by the House of Commons, and I am quite sure the committee of the Senate that will study this process will have very active participation from all of the parties represented in the House of Commons.

INFRASTRUCTURE PROGRAM

GOVERNMENT SPENDING—EFFECT ON EMPLOYMENT—RENOVATIONS TO ATHLETIC FACILITIES IN EDMONTON AND CALGARY

Hon. Ron Ghitter: Honourable senators, my question is supplementary to that of the Honourable Senator Tkachuk with respect to the infrastructure program. I, too, do not believe that the infrastructure program will really produce any meaningful jobs. What I see happening in the cities of Calgary and Edmonton, from a budgertary point of view, is that they are merely transforming already committed expenditures in order to receive federal money that the federal government does not have. In other words, they are just moving around the jobs that would have been there already.

I think the question from Senator Tkachuk is a very meaningful and important question. The Leader of the Government mentioned a boost in employment, and I am wondering whether she has any information, statistics or studies to show, at this early stage, whether that is occurring, as opposed to the drop in unemployment which has recently been announced, and which I think is due to many other factors.

I will pose both my questions so that the Leader of the Government can respond in both cases.

My second question is: Has the government made any decision as to whether or not they will approve the recommendations from the cities of Edmonton and Calgary with respect to renovations to their athletic facilities?

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, on the first question, at this early point in the program, the government cannot indicate what the employment boost has been because in some areas of the country the projects have just been approved. They are a little slower in some areas of the country, such as our area, so that information would not be forthcoming yet.

As I said earlier, though, the projects that are put forward for assessment must be within the criteria of the program, and the most important criteria of the program is job creation, followed by meaningful and lasting contributions in terms of infrastructure for the benefit of whichever community is involved.

As to Senator Ghitter's last question, the projects from the province of Alberta are just now really going through the process as it is applied in that province. I might add that in that province, the municipal influence, if you will, in the process is perhaps even more pointed than it is elsewhere in Canada because of agreement among the three levels of government.

The federal government is looking forward to receiving the projects as they move through the assessment process. Just as soon as we can all get together, you will have your answer.

NATIONAL DEFENCE

REDUCTION OF CANADIAN FORCES CAPABILITY—GOVERNMENT POSITION

Hon. Jack Marshall: Honourable senators, to the Leader of the Government in the Senate, as I alluded to in Senators' Statements, the Canadian government is intending to reduce again the structure of the Canadian Forces by 8,100 personnel. When added to the cancellation of the helicopters and the closing of military bases, this is the third serious reduction in our capability.

Perhaps the Leader of the Government can rationalize for me how it is that the government can feel so strongly that a review of the defence policy is vital to the future of the military forces, and yet, at the same time, take the action that they have, which is putting our military forces at risk with all these serious reductions.

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, perhaps I might go back some weeks to when we were discussing the formation of the joint committee to review our national defence policy. At that point it was made clear, as it was made clear in the budget, that there were priorities which required immediate action through the budget that affected, certainly, the size of the armed forces and a whole host of other things, as I am sure Senator Marshall will recall with considerable sadness. It was made quite clear at the time that the original cuts made up an initial and necessary part of the budget process, and that the review itself was a broadly based policy review with respect to national defence.

•(1500)

This morning I read the story from which I believe Senator Marshall was quoting, and frankly I would question where that fits in with the announcements that were made in the budget.

Senator, I should like to get back to you on that, if I could.

Senator Marshall: Just as a short supplementary, would the Leader of the Government prepare and produce a statement on the rationale for the plan to make cuts now, prior to whatever recommendations might come out of the committee? The committee is being restricted in its open discussion and review of

the forces; and it will be restricted in its recommendations. The committee might want to make recommendations contrary to the decisions the government has made already. There is no war coming. I do not think there is any reason for such haste in making these cuts.

Senator Fairbairn: Senator Marshall, I cannot promise you a statement, but I can promise you an answer.

The Hon. the Speaker: I regret that the allocated time for Question Period has expired. It is only with leave that I could prolong the Question Period, but I think that is a precedent which we should ask the rules committee to examine.

ANSWER TO ORDER PAPER QUESTION TABLED

CANADIAN FORCES RESERVES— UNEMPLOYMENT INSURANCE AMENDMENTS

Hon. Gildas L. Molgat (Deputy Leader of the Government) tabled the answer to Question No. 12 on the Order Paper—by Senator Marshall.

CLERK OF THE SENATE

COMMISSION ISSUED TO PAUL C. BÉLISLE, ESQUIRE

The Hon. the Speaker: Honourable senators, I have the honour to inform the Senate that a commission under the Great Seal has been issued to Paul C. Bélisle, Esquire, Clerk of the Senate and Clerk of the Parliaments, appointing him a Commissioner to administer the oath of allegiance to members of the Senate, and also to take and receive their declarations of qualification.

PROPERTY QUALIFICATION OF SENATORS

REPORT PRESENTED

The Hon. the Speaker: Honourable senators, I have the honour to present to the Senate the report of the Clerk of the Senate with reference to the renewal of property qualifications of senators.

ORDERS OF THE DAY

INCOME TAX ACT

BILL TO AMEND—THIRD READING

Hon. Gildas L. Molgat (Deputy Leader of the Government) moved the third reading of Bill C-9, to amend the Income Tax Act.

Motion agreed to and bill read third time and passed.

CRIMINAL CODE COASTAL FISHERIES PROTECTION ACT

BILL TO AMEND—SECOND READING

Hon. Royce Frith moved the second reading of Bill C-8, to amend the Criminal Code and the Coastal Fisheries Protection Act (force).

He said: Honourable senators, I mean to try to persuade you to support this bill at second reading by presenting three aspects of the bill. I will say a word or two in introduction about the why and the what, or sort of the bare facts about the bill; then, second, I will take a somewhat closer look at the why and the what; and then I will add a little addendum about a part of the bill that is not directly related to the main portion, and that is the amendment to the Coastal Protection Fisheries Act.

First, why Bill C-8? As we like to say, what is the wrong to be remedied? The first place to look is the explanatory notes. Honourable senators will have remembered, perhaps, that explanatory notes are not always very helpful in trying to understand what the purport and intention of a bill are, but I refer with approval to the explanatory notes here, because the reference is quite short and quite clear:

> This enactment would amend subsection 25(4) of the Criminal Code to provide for the legal protection of peace officers, and persons lawfully assisting peace officers, who use force that is intended or is likely to cause death or grievous bodily harm to fleeing suspects who pose a threat of imminent or future death or grievous bodily harm.

This bill would add a new subsection 25(5) to provide legal protection for peace officers dealing with penitentiaries, and then there is the additional amendment that I mentioned with reference to the Coastal Fisheries Protection Act.

Those are the three main parts: First, the fleeing suspect, as they call it here; second, peace officers engaged in penitentiary work; and, third, that portion dealing with coastal fisheries protection.

Another answer to the why of Bill C-8 is given in some question-and-answer material provided by the minister. In simple terms, it says the current subsection 25(4) is inadequate and needs to be changed, and, I emphasize, an Ontario court has found the provision to be unconstitutional.

Now, let us take a little closer look at the why and the what. Bill C-8 deals with what has become an important issue in Canadian society, and that is: when can, and when should, the use of deadly force against fleeing suspects and escaping penitentiary inmates be justified in law? That is now the second time I have used the words "deadly force," and I suppose "deadly force" can be called a term of art in the sense that it has a specific meaning beyond the main meaning of the two words. It is force that is intended or is likely to cause death or grievous bodily harm.

Section 25(4) of the present section of the Criminal Code deals with that but, as we have seen, not effectively. What Bill C-8 proposes is to update subsection 25(4) of the Criminal Code, known as the "fleeing suspect" rule. It is also known as the "fleeing felon" rule, and that, of course, is the giveaway that it is an old section, since under the present criminal law, under the Criminal Code, we do not use the words "felony" and "misdemeanour," although they still do in some parts of the United States, and of course as they did in Britain under the common law. As we know, the British criminal law is not codified. Of course, it is ironic that the Criminal Code of Canada, which is a codification, is adopted from a codification that took place, but was never enacted, in England. That is the reasoning behind the use of the word "felon."

•(1510)

Special provision is made here to justify the use of deadly force against escaping inmates under certain circumstances by peace officers in penitentiaries through a proposed new subsection 25(5) of the Criminal Code. It also proposes a new section to be added to the Coastal Fisheries Protection Act to provide statutory authority for protection officers, and I will say a word about that in closing.

It seems that the present law needs changing. Let us take a look at why. The current subsection 25(4) of the Criminal Code sets out the circumstances in which peace officers can be justified in using force, including deadly force, to stop suspects who are fleeing arrest. On its face, the wording of the provision would appear to justify using deadly force to stop a suspect from avoiding arrest even though the fleeing suspect poses no risk of harm to anyone, unless the escape can be prevented by reasonable means in a less violent manner. This, our present law, is codified in common law as the "fleeing felon" rule.

When this rule was conceived, it was applied with respect to only the most serious offenses, namely, felonies. Crimes were divided into felonies and misdemeanours. Virtually all felonies were punishable by death at the time. There was also a time when, if a fleeing offender was not immediately apprehended, there was often no arrest at all. Times change. All of us, I think, can recall events that have lead to violent group reaction to the wounding or death of allegedly fleeing felons and the resulting difficulties, socially and politically, our society has had in dealing with them. These are events that have taken place all across Canada.

The present law has been an inadequate tool to deal with this problem. Furthermore, the current provision has been declared unconstitutional by an Ontario court in the case of *R. v. Lines*, because, the court held, it violated the right to life and security of the person found in section 7 of the Charter. In the words of the court, the current provision, the one based on the old common law "is over-broad and entirely lacks proportionality."

Something had to be done, and was done. I am not talking about just since the election, as the matter was also taken up by the previous government. The legislative proposals to amend subsection 25(4) of the Criminal Code have had a long evolution and have been the focus of considerable consultation and study. Calls for change have come forward from many quarters — for example, the Law Reform Commission of Canada and the Ontario Race Relations and Policing Task Force. In addition, the fleeing felon rule has been identified and targeted by a number of ethnocultural and visible minority community organizations. The extensive consultations have lead us to the proposals you see before you in Bill C-8.

What were these consultations? They have taken place over a number of years. The federal government has consulted with the provinces and the territories at various levels, both on the need for change — the "why" as we called it — and on the particular form — the "what" of the amendment. In June 1991, the Department of Justice circulated for comment a consultation document on the issue which identified four options. Then, more recently on August 27, 1992, a further discussion paper outlining detailed proposals for amending subsection 25(4) of the Criminal Code was released. The discussion paper was widely distributed across Canada to senators and members of Parliament, provincial and territorial attorneys general and solicitors general, chief justices, provincial chief judges, ethnocultural and visible minority organizations, ethnic media, about 1,300 police officers across Canada, police press, the Canadian Association of Chiefs of Police, the Canadian Police Association, bar associations, law deans, law societies and other interested non-governmental associations and individuals. The overwhelming response was that the current law is inadequate.

The police and the communities were not divided in their response. There is support in the communities, and within the police community, to change that law because of the need for clearer guidelines than is presently provided, to have it accord more closely with current police practice and policy, and to help dispel the notion that the police are taking advantage of the wide latitude accorded by the current subsection 25(4), as I described at the outset. Therefore the foundation for the legislative response, which is our job, is clearly well established.

What principles must guide such a legislative response? I suggest first — and I say "first" as a numerical reference, not in reference to priority, because all these principles are important and do interlock — that the government is absolutely committed to preserving the ability of the police to protect themselves and the public from serious harm or death. The bill does that. It specifically permits the use of significant force in order to protect the public and the peace officer. A second principle is the right balance between the ability of the peace officers to maintain the safety and security of the public while respecting the rights of Canadians. Third, it seems to me we must have clarity as to when peace officers can use deadly force to stop suspects who are fleeing arrest. A fourth principle is balance in the threat posed by a fleeing suspect that is in proportion to the seriousness of that threat. Fifth, the bill must provide legislative wording that matches the law to the reality of contemporary social context and the nuts and bolts of implementation. I believe this bill puts all these principles into legislative context.

Honourable senators, let us take a quick look at the bill itself so that you will see what it is we are asking. It is not a long bill. In the first few months that I was in this place, I learned never to say, "It is a simple bill." It is not a simple bill but it is not a long bill. You will see some important words. The first section, amending subsections 25(3) and (4) of the Criminal Code and replacing them, indicates that:

> ...a person is not justified, —

An interesting and safe way of putting it.

> ...for the purposes of subsection (1), in using force that is intended or is likely to cause death or grievous bodily harm, unless...

•(1520)

This is an interesting bit of legal draughtsmanship which is to be commended because, rather than saying "force can be used" as the general principle, it says that force cannot be used unless certain requirements are met. The bill goes on to say that "...it is necessary for the self-preservation of the person..." et cetera.

The next subsection reads as follows:

> (4) A peace officer, and every person lawfully assisting the peace officer, is justified in using force that is intended or is likely to cause death or grievous bodily harm to a person arrested if...

The subsection then sets out the circumstances. They are listed on page 2: (*a*), (*b*), (*c*), (*d*), and (*e*).

Honourable senators, this change provides the police, the community and the courts with a tool which the present law does not. You can imagine yourself as a judge simply finding out what the facts are, looking at those two subsections and being able to say "Does it fall within these parameters or not?" These parameters are sufficiently flexible to give the court the opportunity, in administering the law, to come to a just result. That is the kind of tool we legislators should give to the courts and to society.

Honourable senators, the bill provides that the use of force that is intended or is likely to cause death or grievous bodily harm to arrest a fleeing suspect may only be used in certain circumstances where the user of the force believes, on reasonable grounds, that the use of such force is necessary for the protection of any person from imminent or future death or grievous bodily harm, and "only" if the flight cannot be prevented by reasonable means in a less violent manner.

Notice that the test, as we have said, speaks in terms of the threat of imminent or future death or grievous bodily harm, in order to make it clear that the provision would apply with respect to a person fleeing from arrest who is reasonably believed to constitute a danger to society, even though the anticipated harm posed by that person is not immediate.

Bill C-8 also proposes that deadly force be allowed in order to prevent the escape of an inmate — this is the second of the three main portions of the bill — from a penitentiary in which it is known — notice, again we have serious, important conditions — that there are inmates who would be dangerous if they escaped, provided that the escape cannot be prevented by reasonable means in a less violent manner. This proposed amendment reflects the current policy and practice relating to the use of force in penitentiaries.

We can surely understand, honourable senators, that circumstances often make it impossible for an officer guarding the perimeter of a penitentiary to know the identity of an inmate trying to escape, much less the level of risk that the inmate presents. Therefore, the individualized grounds required by this proposed new subsection — and it is new because it is an addition to section 25(4) of the Criminal Code — are not practical in the correctional setting. That is why we have a separate subsection — the proposed new subsection 25(5) of the Criminal Code.

The provision, which you will find in the bill on page 2, defines grounds justifying the use of lethal force based on the security profile of the penitentiary; in other words, whether its population includes inmates who are likely to pose a threat of causing death or grievous bodily harm to other persons. In practice, penitentiaries housing such inmates are all classified at the maximum and medium security level.

Would that be right senator?

Senator Hastings: Yes.

Senator Frith: They have secure perimeters patrolled by peace officers equipped with firearms.

However, although this section on penitentiaries is a separate section tailored to separate conditions, it does parallel, to the extent that it can, the tests in subsection 25(4) by requiring the same standard of belief: belief based on reasonable grounds. It gives the court some room to apply the facts based on reasonable grounds and the determination that less violent alternatives — again, something the court can look at in the facts — will not be effective. It observes our principle of proportionality by limiting its scope to a specific class of persons: convicted offenders judged to be of high risk to public safety. In this way, it strikes a sensible balance between individual rights and community needs, and guarantees that peace officers in our penitentiaries will continue to enjoy the authority they need to carry out their responsibilities for the protection of society.

Honourable senators, those are the "whys" and "whats" of Bill C-8 on those two points: the fleeing felon, as we called it — although that is the old-fashioned phrase — and the point about penitentiary officers. I hope those "whys" and "whats" will persuade you to support the bill's principle and its referral to committee.

Finally, an addendum, as I promised, on the third and last part of the bill that should have attention at this stage. That also respects our guiding principles. This amendment, it was felt, would be needed to ensure that protection officers retain the same powers they have at present to use disabling force when necessary.

This amendment refers to the Coastal Fisheries Protection Act. It is the third portion of the bill and reads:

> 2. The Coastal Fisheries Protection Act is amended by adding the following after section 8:

Here we have different numbers, and not the section 25 numbers we were talking about earlier. This amendment is needed to ensure that protection officers retain the same powers they have at present to use disabling force when necessary.

You will notice the expression "disabling force," not "deadly force" because we are now talking about ships. The amendment does not authorize the use of disabling force against Canadian vessels. Domestic fishing vessels and their masters routinely remain in Canadian waters or return to Canadian ports where they can be apprehended.

As well, the amendment does not introduce new powers to be used against foreign vessels fishing outside Canada's 200-mile limit. It is intended to continue the existing capability to use disabling force when necessary against foreign vessels fishing illegally inside Canada's fishing zone.

The amendment does include the authority to create regulations establishing procedures governing the use of disabling force, and the government intends to develop these regulations so that they will be consistent with the Canadian Charter of Rights and Freedoms — I should hope so, because they will be found unconstitutional if they are not — and with recognized and reasonable international practice in the use of disabling force at sea because there is always an important dimension to all maritime law in its international context. This will include graduated use of force to ensure that only the minimum violent level of force necessary to carry out an arrest at sea is used.

Honourable senators, this bill responds to a widely recognized need for change in the law justifying the use of deadly force against suspects fleeing arrest. It does so in a principled way, as I hope I have demonstrated, and marks a significant improvement over the anachronistic "fleeing felon" rule.

I ask honourable senators to give second reading to this bill. If such second reading is passed, I will move that the bill be referred to the Standing Senate Committee on Legal and Constitutional Affairs for study and report.

Some Hon. Senators: Hear, hear!

Hon. Noël A. Kinsella: Would the honourable senator entertain a question on a point of clarification?

Senator Frith: Certainly.

Senator Kinsella: At what level was the tribunal that found the present section unconstitutional?

Senator Frith: I do not know if it is a court of appeal. My notes simply say that it is an Ontario court. I could probably find the answer for you in a few minutes. If I cannot get that information for you momentarily, I will see that it is available at the committee stage.

•(1530)

Hon. Duncan J. Jessiman: Honourable senators, although I will not be able to give you the complete citation, I will be able to give you the name of the judge, and tell you a few things about the case which the honourable senator did not discuss.

At the outset, I agree with Senator Frith that this law has to be changed. There is no question about that. All governments across Canada have been taking a lot of interest in this particular legislation. It goes back to either 1969 or 1979. When Mrs. Campbell was Minister of Justice in 1991, she wrote a paper in respect to it. There is no question that there is a need for change.

Senator Frith has given you the "whys" or the "whats." He told about the coastal fisheries. He also said that he has learned, as have I, that although this is a very short bill, it is not really a simple bill. I will repeat some of the things Senator Frith said, and I will say some things he did not say.

This bill is entitled "An Act to amend the Criminal Code and the Coastal Fisheries Protection Act (force)." It proposes to amend subsections 25(3) and 25(4), and to add a new subsection 25(5) to the Criminal Code. It will also amend the Coastal Fisheries Protection Act by adding a new section 8.1.

The amendments to subsection 25(3) of the Criminal Code merely change the use of the masculine "he," "himself" and "his" to the word "person." That is not much of a change, but I would point out a part of that subsection to which I will refer later when talking about subsection 25(4).

That subsection presently reads as follows:

> (3) Subject to subsection (4), a person is not justified for the purposes of subsection (1) in using force that is intended or is likely to cause death or grievous bodily harm unless he believes on reasonable grounds that it is necessary...

And these are the words I want you to remember, if you will.

> ...for the purpose of preserving himself or any one under his protection from death or grievous bodily harm.

That is how it presently reads. The proposed change merely changes the masculine words to "person." I will just read it.

> (3) Subject to subsections (4) and (5), a person is not justified for the purposes of subsection (1) in using force that is intended or is likely to cause death or grievous bodily harm unless the person believes on reasonable grounds that it is necessary for the self-preservation of the person or the preservation of any one under that person's protection from death or grievous bodily harm.

The amendment to subsection 25(4) is substantive since it limits the degree of force that peace officers are justified in using when apprehending a fleeing suspect. The section presently reads as follows:

(4) A peace officer who is proceeding lawfully to arrest, with or without warrant, any person for an offence for which that person may be arrested without warrant, and every one lawfully assisting the peace officer, is justified, if the person to be arrested takes flight to avoid arrest, in using as much force as is necessary to prevent the escape by flight, unless the escape can be prevented by reasonable means in a less violent manner.

That section, as Senator Frith said, is known as the "fleeing felon" rule. Mr. Justice Hawkins of the Ontario Court of Justice, General Division, in 1993 said the following about that rule.

> The "fleeing felon" rule developed at a time when most felonies were punishable by death. If a felon could be executed on conviction, it was apparently felt that the death of a fleeing felon was not terribly disproportionate. To those who protested that this amounted to 'execution before trial', the answer could well be made that the fleeing suspect could not have been terribly interested in a trial or he wouldn't have fled in the first place.

The judge went on to say:

> In any case, this rationale for the rule no longer exists in civilized societies where few or no crimes are punishable by death.

A section such as this that allows peace officers and others assisting them to use force against persons fleeing arrest that may cause death or grievous bodily harm to such persons must be couched in such language that protects the peace officers and those assisting them, the public at large, and the recipient of the force used. It has been the view of many that the present section is far too broad and gives the peace officer and his assistant too much discretion as to when such force could be used.

As Senator Frith said, in 1989 it was reported by the Ontario Race Relations and Policy Task Force that the police themselves are uncomfortable with the broad discretion provided by the subsection. There have also been complaints about the subsection from, among others, the Uniform Law Conference and the Law Reform Commission of Canada.

In 1993, the Attorney General of Ontario challenged the constitutionality of the subsection in the case of *R. v. Lines*, which was the case heard by Mr. Justice Hawkins to which I referred earlier. The court held that the section was unconstitutional in that it offended section 7 of the Charter of Rights and Freedoms: the right to life, liberty and security of the person, and could not be upheld under section 1 of the Charter of Rights and Freedoms, for example, limits demonstrably justified in a free and democratic society. The court said that there must be some proportionality between the threat of the harm posed by the fleeing person and the degree of force that is permitted by law to be used against such person.

The amendment to subsection 25(4) makes it incumbent on the peace officer or the person assisting him, before he uses such force — and these are words similar to the previous subsection 3 which I pointed out earlier — to believe on reasonable grounds that the force used is necessary for the purpose of protecting himself or the person assisting him, or any other person, from imminent or future death or grievous bodily harm. As I say, this is similar to subsection 3 but extends it to protecting persons assisting and any other person from imminent or future death or grievous bodily harm.

The amended subsection 25(4) is broken down into five paragraphs. It actually reads similar to the previous section with the exception of paragraph (*d*). That paragraph reads:

> (4) A peace officer, and every person lawfully assisting the peace officer, is justified in using force that is intended or is likely to cause death or grievous bodily harm to a person to be arrested, if
>
> (*d*) the peace officer or other person using the force believes on reasonable grounds that the force is necessary for the purpose of protecting the peace officer, the person lawfully assisting the peace officer or any other person from imminent or future death or grievous bodily harm;

Although I am in favour of the suggested amendments to subsection 25(4), I think there should be some consistency in the drafting following the words "believes on reasonable grounds" in both subsection (3) and subsection (4) of section 25. I hope that this will be dealt with at the committee level.

Subsection 25(5) is a new subsection which deals with inmates fleeing from a penitentiary. It gives peace officers much more flexibility in using force which could cause death or grievous bodily harm. The new subsection will read as follows:

> (5) A peace officer is justified in using force that is intended or is likely to cause death or grievous bodily harm against an inmate who is escaping from a penitentiary within the meaning of subsection 2(1) of the Corrections and Conditional Release Act, if
>
> (*a*) the peace officer believes on reasonable grounds that any of the inmates —

Not the inmate escaping, but any inmate in that prison. If he thinks there is anyone in there that poses a threat of death or grievous bodily harm to the peace officer or any other person, then he can use that force.

•(1550)

This is an exception to the provision in subsections 25(3) and (4) and was accepted by most jurisdictions, but not all. As this refers only to penitentiaries, Nova Scotia did not think it was wide enough to cover provincial prisons, and that it should. Alberta, on the other hand, thought that it should not be an exception to 25(4); that 25(4) was also sufficient for penitentiary people and that it should not be amended in this manner. The Northwest Territories thought that, in a penitentiary, such force should not be used if the peace officer knows that it is unlikely that the escaper will cause serious harm to others.

There is no doubt that, generally, the amendments were accepted by police officers, chiefs, and police officers' associations, with the exception of those in Quebec. Quebec was most interested in giving the police more flexibility and did not wish to limit their rights. I am for it, but I think that there should be some amendments.

I now wish to deal with the amendments to the Coastal Fisheries Protection Act. It is an additional section which explicitly provides for the use of force to disable a foreign fishing vessel whose master is trying it avoid arrest.

In committee I will raise some of the problems I have with how the proposed new section is worded. The bill states:

> 8.1(1) A protection officer is justified in using, in accordance with the procedures established...

Perhaps in committee we could discuss this section. This is international law we are talking about, and if there are such things then, although it may be clear to me, it is pretty wide:

> ...procedures established and to the extent permitted by the regulations...

I might point out that the regulations have not yet been promulgated:

> ...force that is intended or is likely to disable a foreign fishing vessel, if
>
> (*a*) the protection office is proceeding lawfully to arrest the master or other person in command of the vessel;
>
> (*b*) that master or other person takes flight to avoid arrest; and
>
> (*c*) the protection officer believes on reasonable grounds that the force is necessary for the purpose of arresting that master or other person.
>
> (2) The Governor in Council may make regulations establishing the procedure in accordance with which, and the extent to which, a protection officer is permitted to use force referred to in subsection (1).

I have read that this new section now brings the law in Canada into line with that of other countries. I would say before we pass it, however, we certainly should inquire and satisfy ourselves as to the procedures established, and we should also see the proposed regulations.

Other than those comments, I would support the bill.

The Hon. the Speaker: I wish to inform the Senate that if the Honourable Senator Frith speaks now, his speech will have the effect of closing the debate on the motion for second reading of this bill.

Senator Frith: Honourable senators, I thank Senator Jessiman for a very thorough and erudite intervention, and I agree with him that the committee is the place in which to pursue some of the avenues that he wishes to pursue, and to follow up some of the questions that he has raised.

I did not completely follow his point on the drafting discrepancy between subsections (3) and (4). However, I will be attending the committee hearings and I will learn there, I am sure.

The honourable senator is correct, as far as I know, that the last section dealing with the Coastal Fisheries Protection Act does bring this law into line with general international standards on the same subject, and in that sense we are dealing with international law. However, as far as this bill is concerned, we are dealing with domestic law, but domestic law, as he has pointed out, that apparently is brought into line with domestic law in other jurisdictions.

Senator Kinsella asked about *R. v. Lines*. The senator also added some interesting and useful information on that case. He did mention that it was the General Division of the Ontario Court that made the decision. Perhaps I can put on the record a couple of lines here.

As has been pointed out, the judge made the finding of unconstitutional violation of a suspect's section 7 Charter right to life and security of the person. As we both mentioned, he found that it was "overbroad and entirely lacks proportionality." What I did not know until I consulted notes given to me by the Department of Justice is that:

> He suspended operation of his declaration for six months until October 26, 1993 — the day after the general election.
>
> The case was unusual in the sense that it was the Attorney General of Ontario who challenged the constitutionality of a *Criminal Code* provision. Mr. Lines was acquitted and the Crown has appealed to the Ontario Court of Appeal. It is unlikely that the issue of the constitutionality of subsection 25(4) will be dealt with in the Court of Appeal.

That is the end of the quote from the notes that I received. The explanation is obvious: That if this bill is passed, it will be a purely academic question as to whether or not the previous section was constitutional — academic, in the sense that it will be a matter of whether the Court of Appeal approves what the trial court said, but will have no effect on the persons involved because it is quite possible that a new law will be in effect at that time.

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 Frith, bill referred to the Standing Senate Committee on Legal and Constitutional Affairs.

[*Translation*]

EXCISE TAX ACT

BILL TO AMEND—SECOND READING

Hon. L. Norbert Thériault moved the second reading of Bill C-13, An Act to amend the Excise Tax and a related Act.

He said: I have to admit that I am not totally comfortable with the idea of moving amendments relating to the Goods and Services Tax. I would have liked to have been able, on rising in this chamber to speak about the GST, to speak in support of a bill abolishing it. That time will come soon.

[*English*]

The amendments contained in this bill are minor in nature, but are proposed in order to facilitate some of the problems discovered in the administration of the act since its passage. I hope that the next time we deal with the GST it will be to abolish it. After that is done, it is likely that the eight senators who were appointed to assist in passing it will see the light and resign their seats.

The amendments contained in this bill will facilitate GST compliance for businesses and other organizations in their day-to-day dealings with the tax. However, we recognize that changes of a more fundamental nature are needed. Indeed, the government has promised to replace the GST by 1996, with a tax system simpler for businesses and fairer for consumers.

The honourable member who introduced this bill for second reading in the House of Commons noted that the House of Commons Standing Committee on Finance is looking at options for sales tax reform. The committee will have a crucial role to play in shaping the consensus that is needed to make the sales tax system fairer and simpler. Its recommendations will help to set the agenda for consultations with the provinces on ways to achieve greater sales tax coordination.

However, it will take time to build a broad public and intergovernmental consensus on sales tax reform. It is therefore necessary to take steps to make the GST easier to comply with in the interim, which is the purpose of Bill C-13.

In several areas, the GST legislation needs to be brought into line with what is practical on an administrative level, both for Revenue Canada and for GST registrants. Bill C-13 contains measures that have been developed and refined in consultation with representatives from the business community and from other sectors affected by the changes.

This bill contains provision that will ease the administrative burden on seasonal and part-time businesses.

Bill C-13 is beneficial for charities as well. In fact, it will allow some of the smaller charities to be excluded from the GST rules altogether. For charities that do remain in the system, there are measures that will make the rules easier to follow.

This bill will also clarify and broaden the scope of special treatment in the agricultural sector and in certain exempt centres. I noted in reading the bill — and I could not help but grin while doing so — that one section being amended will remove the GST from the sale of rabbits. I suppose the people who drafted the GST legislation back in 1989 and 1990 were thinking of the Bennett days when rabbit was important as food in this country.

I would now like to take a few moments to elaborate on some of the specific measures in this bill. I would like to begin with the changes that are being proposed for the business community, especially small businesses, for it is in this sector that the need for change is particularly critical.

First, this bill contains provisions related to a simplified method for registrants to claim input tax credits, that is, to recover the GST they pay on their business expenses. This simplified method will be available to businesses with annual taxable sales of $500,000 or less.

Businesses that use this method will no longer need to calculate input tax credits by identifying the amount of tax payable on each and every purchase they make. Instead, they will simply multiply the total amount of their GST-taxable purchases, including any provincial sales tax and gratuities, by a factor of 7/107ths. Effectively, this special approach will allow them to calculate input tax credits by using the same information they need for income tax purposes.

The bill also provides for temporary cessation of filing for businesses that have virtually no sales during a filing period, that is, for seasonal businesses. This will be advantageous to seasonal and part-time businesses, for they will no longer need to take the time and trouble to file GST returns during the off-season. This measure will also save time for non-resident companies that conduct business in Canada only on a sporadic basis. Taken together, these small business measures will make the current sales tax system easier to comply with for many registrants across Canada.

Other sectors in society have special needs and practices to which the tax system must adapt. Bill C-13 contains provisions that respond to the concerns of the health, charitable and non-profit sectors. For example, this legislation will guarantee the tax-free status of adapting privately owned vehicles to the needs of individuals who use wheelchairs. Another measure will broaden the GST exemption for homemaker services that are rendered to people who require special assistance due to age, infirmity or disability.

In its current form, the GST legislation provides that homemaker services are exempt when they are subsidized by a government or a municipality. However, an individual would pay tax on any additional, unsubsidized hours of homemaker services he or she might require. This bill will extend the GST exemption to cover these additional services received by the individual.

Honourable senators, Bill C-13 contains several measures that respond to the practical needs of charities. For example, this bill will enable charities to eliminate a step in the process of

calculating input tax credits on meal and entertainment expenses that they incur in the course of their taxable activities. Specifically, they will no longer be subjected to the 50-per-cent limit that applies to other persons claiming input tax credits in respect of meals and entertainment. This limit creates confusion and complexity for charities. It parallels an income tax rule with which charities do not otherwise need to comply, or even be aware of, since charities are not taxable for income tax purposes.

The GST fails to recognize another reality of life for charities. The existing rules allow input tax credits on reimbursements and allowances paid to employees or partners for expenses incurred in the course of the employer's or partnership's business. This is fine for businesses that operate with the services of partners and paid employees, but it does nothing for charities which must rely on volunteers.

Bill C-13 will fix this by entitling charities to input tax credits for allowances and reimbursements they pay, in the course of their commercial activities, to volunteers who have borne taxable expenses on the charity's behalf. Similarly, where they pay volunteer reimbursements in the course of their exempt activities, the partial GST rebates to which they are entitled in respect of their purchases would also be available in respect to these reimbursements. In this way, the charity would be able to recover the cost of the tax portion of such expenses to the same extent it would if it were to incur the cost directly rather than through a volunteer.

Honourable senators, I should now like to talk about how this bill proposes to change the criteria by which charities determine whether or not they must register for GST purposes. For charities and commercial businesses alike, this determination is made on the basis of annual taxable sales. Specifically, charities whose taxable sales are at least $30,000 are required to register.

Very often, however, charities are largely involved in GST-exempt activities, and this source of revenue is irrelevant for purposes of the $30,000 threshold. Therefore, to the extent that a charity has a mixture of taxable and exempt activities, it must make a separate reckoning of its taxable sales — just to determine whether it needs to register for GST. What a headache! This extra step is made more difficult by the fact that the charity is often unsure of which supplies are taxable and which are not.

Bill C-13 proposes a gross revenue test which will make it simpler for charities to determine whether or not they must register. Specifically, a charity choosing to use this test will not be required to register if its gross revenue, that is, revenue from all sources, was $175,000 or less in either of its two previous fiscal years. This would apply regardless of the amount of the charity's total taxable sales. The calculation of gross revenue should not pose a problem for charities since they are already required to record this amount for reporting purposes under the Income Tax Act.

•(1600)

In the agricultural sector, Bill C-13 guarantees the tax-free treatment of rabbits produced for food. This amendment will put these producers on the same footing as other primary producers who supply food products.

Finally, honourable senators, this bill contains an important clarifying amendment to ensure that financial institutions and other suppliers of exempt services receive the appropriate amount of input tax credits on their business purchases. Under the GST, as with value-added tax systems in other countries, suppliers are able to recover tax under business inputs only to the extent that the inputs are related to taxable sales made in the course of their business. In other words, exempt suppliers are treated like final consumers, and are not able to recover the tax they pay on inputs they acquire for the purpose of providing exempt services.

Where a business provides a mix of taxable and exempt goods and services, it is inevitable that some of its business inputs, such as indirect overhead expenses, will relate to both its taxable and exempt activities. These inputs must be apportioned in order to determine the proper amount of input tax credit that the business may claim.

This key principle was well understood at the outset, particularly by those in the financial services, which is comprised of some of the largest and most sophisticated exempt suppliers. In spite of this, however, a number of financial institutions sought to take advantage of what they perceived to be an ambiguity in the wording of the legislation and filed claim for input tax credits that were clearly excessive. Such claims were blatantly contrary to the policy intent underlying the input tax credit rules.

Many others, including others in the financial sector, refused to adopt this aggressive interpretation, knowing full well the government's policy intentions. Rather, they called for quick, decisive action to put an end to any uncertainty, and to put an end to attempts to circumvent this policy. In response, this bill contains a provision that reinforces the requirement to apportion indirect inputs between taxable and exempt activities, applicable as of the date that the GST was introduced.

Honourable senators, in conclusion I should like to say that reading these amendments was as hard for me to take as the tax itself when it came before this Senate three or four years ago. Honourable senators, after the debate is completed and the bill given second reading, I will move that it be referred to the Standing Senate Committee on Banking, Trade and Commerce.

Hon. Terry Stratton: Honourable senators, I rise today to speak at second reading debate on Bill C-13, to amend the Excise Tax and a related Act. The proposed amendments deal with the goods and services tax. This bill provides some fine tuning to the GST legislation. Bill C-13 will affect small and seasonal businesses, charities, health care services, agriculture, financial institutions, and also sets the requirement for payments and remittances of $50,000.

If I were a senator opposite, I too would feel uncomfortable with the passing of this legislation. I cannot help but feel a certain degree of sympathy for you, but I find it rather strange that the Liberal government is spending time fine-tuning this legislation when they have told Canadians that they fully intend to implement a different sales tax system in the future.

Why is this government taking so long to take action on this issue? What exactly will the new tax be, and when will Canadians be informed about the tax? Enough is enough, honourable senators. It is time to tell everyone.

I understand that the House of Commons Finance Committee has begun to explore alternatives to the GST and intends to report back to the House of Commons in June. I hope that this report will shed some light on what exactly the government intends to do. When will this government show some initiative by bringing forth a new, original piece of legislation?

Honourable senators, the GST replaced the former hidden sales tax in 1991. The GST was a major change in the way that sales taxes are collected. The Progressive Conservative government consulted widely with business, farmers, charities and others on ways to improve the GST. These talks led to several proposed changes.

The measures in this bill were announced before the election. Many are already in effect, and are given approval retroactively by this bill. Bill C-13 will exempt small and seasonal businesses from filing GST returns during periods when they have virtually no sales. It will make it easier for those registering for the first time to use the annual filing option. Disabled Canadians will benefit through improved treatment for homemaker services, motor vehicle conversions, health care expenses and drugs covered by a provincial health care plan.

The bill clarifies rules for financial institutions. It will simplify GST rules for small charities. Many may be excluded from the GST rules while continuing to receive partial rebates for the tax. The treatment of meal and entertainment expenses will also be made simpler.

Here we go again with the rabbits, because someone has to have concern for those poor little guys; they are getting it from pillar to post, and why that has not been dealt with earlier is a mystery. In any event, Bill C-13 will require payments of more than $50,000 to be paid to a financial institution, and will correct errors in the French text of the various acts.

This bill does a great deal to fine-tune the GST. Keeping in mind that this bill was the product of work done by a previous government, a Progressive Conservative government, I now want to comment on exactly what the Liberal government has been doing to date.

Much of what we have seen from this government is simply carrying forward the Progressive Conservative agenda. Sometimes, as in the case of the NAFTA legislation, they have simply seen the light and abandoned their campaign promises. In the Throne Speech, four out of every five measures were taken from our agenda. Sometimes they borrowed from our agenda outright; for others they just changed the wrapping. A handful of examples include lobbyist legislation, parliamentary reform, the information highway, training for small business managers, cutting interprovincial trade barriers, expanding Pacific Rim trade, literacy, environmental assessment, self-government, and reducing duplication and overlap. In the case of new legislation, most of the bills we have seen so far have had their origins in the Progressive Conservative government.

Some of this bill reflects decisions that the previous government took for which legislation had not been introduced. These include the reorganization of Revenue Canada, Bill C-2; the NAFTA side agreement from last September, Bill C-4; the protection of coastal fisheries, Bill C-8; the April 1993 budget measures, Bill C-9; the reorganization of the income tax statute, Bill C-15; an Indian land claims settlement, Bill C-16; and tax treaties, Bill S-2.

Others of these bills are direct copies of our legislation. They include Bill C-6, which is our former Bill C-135 dealing with the power of the government to make regulations for offshore; Bill C-7, which is our former Bill C-85, dealing with designer drugs; and Bill C-9, the former C-136, dealing with income tax changes in the December 1992 economic statement and the April 1993 budget.

It is flattering that the Liberal government is sticking so much to the Progressive Conservative agenda. What happened to their little Red Book? The GST was a major change in the way sales taxes are collected. It was a change for the better, because we no longer have an insidious, hidden, job-stealing federal sales tax in Canada. Or do the Liberals intend, once again, to hide this tax from Canadians? The GST is a much fairer tax for Canadians and Bill C-13 fine-tunes the GST legislation.

I urge all senators to support this legislation, as I intend to do.

•(1610)

Senator Thériault: Honourable senators —

The Hon. the Speaker: Honourable senators, I wish to advise you that if the Honourable Senator Thériault speaks now, his speech will have the effect of closing the debate on the motion for second reading of this bill.

Senator Thériault: Honourable senators, I rise briefly, although I hate to get involved in political discussions. I do want to say to my honourable friend that I have taken note of what he had to say.

It is interesting. I am especially proud that there is one Conservative left who is still ready to defend the GST, realizing that this was probably the one main cause of the Progressive Conservative Party of Canada now standing at two MPs in the House of Commons. I would have thought that all of them would have learned their lesson.

An Hon. Senator: Has it been abolished yet?

Senator Thériault: As the senator has said, this legislation actually comes from ways-and-means motions that were passed by the previous government going back to December 10, 1992, March 30, 1993, and April 30, 1993. This is all work which should have been done when your government was in power, and you are blaming us now. What can we do? We are stuck with it. We have to do it. We do not like dealing with the GST, I assure you. However, we have to do it. I for one, and I am sure the Government of Canada as a whole, would like to be able to wipe that slate clean from the last ten years, including the $600-billion debt and the $46-billion deficit.

Honourable senators, I move second reading of this bill.

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 Thériault, bill referred to the Standing Senate Committee on Banking, Trade and Commerce.

[*Translation*]

LIBRARY OF PARLIAMENT

FIRST REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the first report of the Standing Joint Committee on the Library of Parliament.

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, in the absence of Senator Riel, who is attending another meeting, I move the adoption of this first report.

Motion agreed to and report adopted.

[*English*]

THE BUDGET

STATEMENT OF MINISTER OF FINANCE—DEBATE CONTINUED

On the Order:

> Resuming the debate on the inquiry of the Honourable Senator Phillips, calling the attention of the Senate to the Budget Statement made by the Minister of Finance, on Tuesday, February 22, 1994.

Hon. Orville H. Phillips: Honourable senators, in the prebudget publicity, the CBC carried a picture of the Prime Minister presenting a pair of boots, instead of the usual shoes, to the Minister of Finance.

I have a particular request to make to the Leader of the Government in the Senate, who is unfortunately absent at this time. I am sure that the deputy will pass it on to her. That is, next year, would she please substitute for the Prime Minister and present a soft pair of slippers, because, as Elsie Wayne has said, Atlantic Canada cannot take the kicking it took in the last budget.

The Minister of Finance began his statement by saying, in a very bombastic way, that it was time for deep cuts, that trimming would not do. I thought he was going to follow the old adage of cutting the suit to fit the cloth.

Honourable senators, he presented a budget which ended up with greater expenditures, three per cent greater expenditures. In other words, he ended up with more cloth than he began with. I do not think much of him as a Minister of Finance, but one has to have respect for him as a tailor. He had more cloth left over than he began with. In fact, I would say that he is a good enough tailor to make suits for Preston Manning.

As one of my colleagues said, he could have enough cloth left over to make a matching tie.

Much has been said about the Infrastructure Program. In fact, we had reference to it in Question Period today. We were going to kick-start the economy through the Infrastructure Program.

Honourable senators, let us have a brief look at what the budget took out of the economy: First of all, it took $300 million from our senior citizens by removing the $1,000 tax exemption; then it raised the unemployment insurance premiums, and I will have more to say about that later. However, it is really surprising to me that the Liberals, in their first budget, would target the senior citizens and the unemployed. Then $7.4 billion is taken out of personal income tax, and $1.5 billion from corporate tax.

•(1620)

There appears to be something inherent in the Liberal philosophy that we must have high interest rates. Let me point out, honourable senators, that each time the interest rates go up one per cent, it costs the taxpayers of Canada $1 billion in interest payments on the debt. This does not take into account what it costs the provinces or the small business firms, nor does it take into account what it costs the ordinary Canadian for extra mortgage payments and extra payments for consumer goods such as cars and furniture. It is also an extra burden on small business firms. Remember, honourable senators opposite, that you vowed to assist small business.

The budget was not favourably received by the markets, particularly by foreign investors. For the first time since 1976, Japan has sold more bonds than they bought. Last week, the German bond dealers were recommending to Germans who held Canadian bonds that they get rid of them; that they sell them, because our debt was too high.

The Minister of Finance, prior to the budget, produced a set of figures showing an increase in the projected deficit for 1993-94. The editorial comment is worthwhile noting. *The Globe and Mail* said Mr. Martin fibbed. The *Ottawa Sun* was much more direct, and said, "Mr. Martin lied to you, buddy." I wouldn't say Mr. Martin deliberately lied, but I will say that he showed a remarkable ability to hide the truth.

The Ottawa Citizen stated that the budget bombed Ottawa. Certainly it hit Ottawa hard, but it was even more drastic as far as Atlantic Canada is concerned. In fact, it torpedoed Atlantic Canada. We had the closure of military bases, Shearwater, Chatham, Cornwallis, and I will not go into that at this time because I am sure there are others who will have more to say on that subject.

However, I do want to refer to ACOA, the Atlantic Canada Opportunity Agency, which was developed by the Mulroney government. In fact, Senator Murray was its first minister. Honourable senators, this has been a most successful program. It has supported 10,000 businesses. It has granted more than $800 million in assistance and created projects totalling $2.4 billion since its inception. Despite the Red Book's emphasis on assisting small business, ACOA faces a cut this year and an even greater cut next year.

The Minister of Finance reminds me of a pilot in pre-World War II days who asked for permission to fly the Atlantic. He was refused. He filed a flight plan showing that he was going to San Francisco. Instead of that, he flew across the Atlantic. His excuse was that he had set the compass the wrong way. That is the way this budget is: The minister does not know how to set the compass. As far as the Minister of Finance is concerned, he has become another Wrong-way Corrigan.

Plans are under way and are often referred to in the media as the government's plan to remove $5.5 billion from our social security system in the next two years. Honourable senators, this should ring alarm bells in many parts of Canada, but especially in Atlantic Canada. The first assault has been launched on the unemployment insurance system. Admittedly there are those who say there are many people depending on unemployment insurance. However, honourable senators, when you have an unemployment rate of 18 per cent, as Newfoundland has, and Prince Edward Island with 17 per cent, what else do the people have to depend on?

The Liberal government raised the employee and employer contributions in January, 1994, and the budget says they will remove them in May, 1995. They say that this removal in May, 1995 will create 40,000 jobs. Honourable senators, the converse must also apply. By keeping this increased premium in place for a year and a half, it has cost 60,000 jobs. I think this demonstrates the sincerity of this government in creating jobs, and I very much regret that they have proceeded in the way they have.

Despite the increase in premiums, the unemployed will be required to work longer to qualify. They will receive lower benefits, and they will receive fewer weeks of benefits. In the case of P.E.I., it now requires 12 weeks to qualify. Benefits are reduced from 58 to 55 per cent. All of these reductions were introduced despite the fact that the budget forecast an unemployment rate of 11 per cent. Honourable senators opposite will remember their criticism of the 11-per-cent rate under the previous government.

I should like to put on the record exactly what the reduction in unemployment insurance benefits means. Prince Edward Island will lose $50 million a year, Atlantic Canada $630 million, Quebec $735 million, Ontario $560 million, and Western Canada $430 million, for a total of $2.4 billion.

Honourable senators, the government can talk about transferring funds from one section to another, but it has been most unfair in the transferring of funds from the unemployed. I am concerned particularly about Prince Edward Island. The Mulroney government initiated a number of projects which over the next year or two will come to full fruition. These include the fixed link; potato storage sheds in Summerside, P.E.I.; an expansion of the CP Hotel in Charlottetown — an expansion with ACOA assistance — and the possible expansion of the Loyalist Inn. New companies are moving to the aerospace centre in Summerside — again with ACOA assistance; and there is an expansion of the Summerside tax centre and the Eptek National Exhibition Centre in Summerside.

Therefore, I would expect the unemployment rate in P.E.I. to fall, probably to 11 or 12 per cent. This will then require Prince Edward Islanders to have 14 weeks to qualify for benefits of 23 weeks. Admittedly, with these various projects that I have outlined, skilled tradesmen will not be as hard hit as the labourers and those in the fishing industry.

Honourable senators are aware of the difficulties in the fishing industry in Atlantic Canada. Many people in Prince Edward Island, particularly the wives in poor families, depend upon employment in the lobster fishery, packing plants, and other associated operations in fisheries. The lobster season is divided into two seasons, the spring and fall. Most of the packing is done in the early weeks of the season. As the catch drops off, so does the packing. These people may get six weeks in the spring season and, if they are lucky, they will get four weeks in the fall season. That makes 12 or 14 weeks impossible for that group. It also makes 12 or 14 weeks impossible for the so-called second men on the lobster boats. That is, the one or two people whom the boat owner employs to assist him. These people depend upon unemployment insurance.

Those employed in the tourist industry face the same difficulty, because the tourist industry really does not begin until the school summer holidays begin. Everything is concentrated in July and August. Therefore, these people do not have the opportunity to obtain 12 or 14 stamps.

The interesting thing is that if they do not acquire the required number of stamps, they are dropped from statistics. I suspect, quite rightly I think, that the Liberal government wants these people off the statistics so that they can report that their programs are working; that the unemployment insurance rate is dropping.

The Hon. the Speaker: I regret very much having to interrupt the honourable gentleman. His time has expired. Perhaps with leave he might be given a chance to arrive at a conclusion. Is leave given, honourable senators?

Hon. Senators: Agreed.

Senator Phillips: Honourable senators, I was watching the clock. I came in here determined that this was one time I would not exceed the time limit. I thought I still had five minutes left.

Senator Olson: Take a couple, anyway.

Senator Phillips: Senator Olson, may I take a preamble and then a couple of minutes? Following the example of your preambles, I should have sufficient time.

I want to draw to your attention, honourable senators, the impact of unemployment insurance on a small town or fishing village. I do not think most honourable senators realize the situation. I should like to refer to a fishing village at Tignish in the western part of Prince Edward Island. There the fishermen have an active cooperative movement. They have a lobster packing plant. When cod fishing was available, they produced cod, candled it and packed it in wooden boxes and shipped it to the U.S. at a premium price.

Of course, the cod is no longer available. Fishermen's income has gone down. Employees will no longer qualify for unemployment insurance and the second men on the boat, the helpers, will not qualify for unemployment insurance. It affects the whole community, not only the individual working in the plant. It affects the cooperative store, because the people do not have the money to spend in the store. It affects the service stations and the rest of the service industry.

I should like to refer briefly to the fact that these people will have no other alternative but to turn to welfare. As honourable senators are well aware, the Atlantic provinces do not have a very large tax base. The Minister of Finance has already warned us that next year's budget will include cut-backs to the transfer payments. Therefore, it will be difficult for the provinces to carry out their responsibilities under the Canada Assistance Plan. I would urge all honourable senators to give this matter serious consideration. Could it not be delayed until the economy, especially the economy in the Atlantic provinces, has improved? I ask all honourable senators to consider this.

•(1640)

I am greatly disappointed that the Prince Edward Island Liberal members in the House of Commons, in fact the Liberal members from Atlantic Canada in general, have been awfully silent in this regard. Their silence is like the approaching darkness. Their silence gets greater as it continues.

I again ask you to consider the damage this measure is doing to Atlantic Canada. As I have said, it is unfortunate that people in Atlantic Canada have come to depend on this program, but the pattern has evolved over the last 20 years and more, and there is no substitute for it. I hope you will consider my request that this matter receive very serious consideration in the Senate and in committee.

There are other things I wanted to speak about, but I appreciate your courtesy and kindness in extending my time. I will have an opportunity to deal with retraining and other matters at a later date.

I do believe that I am within my 15-minute limit. Someone read the clock differently than I.

Hon. Brenda M. Robertson: Honourable senators, this is the first opportunity I have had to congratulate Senator LeBlanc on becoming the presiding officer of the Senate. Senator LeBlanc is a distinguished New Brunswicker and a distinguished Acadian. His selection as the presiding officer is just recognition of the outstanding contribution that he has made during a lifetime of service to his profession, to Canada, to New Brunswick and to the Acadian people. As a neighbour in Beausejour, I want to congratulate him and assure him of my full cooperation in carrying out his responsibilities.

Hon. Senators: Hear, hear!

Senator Robertson: Honourable senators, two weeks ago, with the release of the labour force data for March, the harsh reality of what is happening in Atlantic Canada became apparent. The adjusted unemployment figures were devastating: in the province of New Brunswick, 13.3 per cent unemployed; in Nova Scotia, 15.1 per cent unemployed; in Newfoundland, 19.9 per cent unemployed; and in P.E.I., 23.6 per cent unemployed.

Honourable senators, Atlantic Canada has a level of unemployment that is 21 per cent higher than that of the rest of the country. One hundred and fifty-four thousand Atlantic Canadians are out of work.

This budget was tabled during a period of deep concern about the future of the Atlantic region. Across Canada, the difficulties posed by the economy are real. One point four million Canadians are out of work. But in no other region are the economic challenges more acute and the need for special help greater. In addition to a level of unemployment that is 21 per cent higher than the rest of Canada, Atlantic Canada is experiencing a level of income that is 30 per cent lower than the Canadian average, a declining share of Canadian exports and a trade deficit with the rest of Canada which stands at $5.6 billion a year.

I have to say that it was with a sense of profound disappointment that I listened to Mr. Martin deliver the Liberal government's first budget on February 22. The people of Atlantic Canada expected a budget crafted in the spirit of the Red Book, with fair policies that create jobs and bring back strong economic growth.

What did Atlantic Canada get? Did we get a budget which promotes regional economic development as an essential and integral part of overall national economic strategy? Are there measures in this budget targeted to those economic activities which will bring the best possible pay-off to the economy of Atlantic Canada? Honourable senators, the sad reality is that the 1994 budget hits Atlantic Canada harder than any other region. Rather than providing measures that respond to our urgent problems, this budget will only make matters worse. Nowhere in this budget is there any hope for the 154,000 Atlantic Canadians who are jobless. In fact, measures in this budget will add more Atlantic Canadians to the ranks of the unemployed.

My honourable friend Senator Phillips has mentioned some of the closures of defence bases. The impact on employment of Atlantic defence infrastructure cuts is brutal. There is no other word for it. It is a brutal slap to Atlantic Canada.

The federal government is closing CFB Cornwallis, which will result in the loss of 610 jobs; it is closing Mill Cove, with a loss of 250 jobs; it is closing Shelburne, with a loss of 180 jobs; it is closing Chatham, with a loss of 860 jobs. The closing and restructuring of Moncton will result in a loss of 460 jobs. The federal government is cutting back CFB Gander, which will result in a loss of 530 jobs, and cutting back Shearwater with a loss of another 800 jobs. If that is not a slap at the most devastated economy in our country, I do not know what is.

Honourable senators, during the election campaign the central message of the now governing party was "creating opportunity." This message was taken at face value by Canadians living in Atlantic Canada, a region where the challenges are more acute and the need for action is critical. Atlantic Canadians voted for an infrastructure program which would create thousands of jobs. Instead, we are faced with the stark reality that a major component of the nation's defence infrastructure is leaving Atlantic Canada and that we are losing thousands of permanent jobs with nothing to replace them.

The Prime Minister was burned in effigy in New Brunswick and the Minister of Transport has been confronted by large angry crowds protesting this budget's cut-backs in unemployment insurance. "The political honeymoon is over for Jean Chrétien — at least in Bathurst," blared the lead in the *Telegraph Journal* editorial. And little wonder. The cut-backs in unemployment insurance are devastating to places in Atlantic Canada with high unemployment and seasonal work.

Premier McKenna told reporters, "We've been hit hard and we don't want to be abandoned by the Government of Canada." The premier estimates that changes to UI would mean a loss of $200 million in income in New Brunswick and would affect more than 48,000 people.

Honourable senators, that is why I strongly supported the premier and members of the New Brunswick legislature for defending our workers on March 23. The provincial house carried a motion which reads in part:

> Be it therefore resolved that the Legislative Assembly of New Brunswick register its concern with the proposed changes to the UI system announced in the Federal Budget of 1994-95; and that these changes be delayed; or that the governments of New Brunswick and Canada attempt to negotiate special measures for seasonal workers which would provide assistance for those unable to meet the new criteria for UI eligibility, and/or for those with reduced eligibility periods, and that these measures include training opportunities.

Honourable senators, one has to wonder about a Minister of Finance and a government that will simply throw to the wolves the innocent victims of these tough economic times in Atlantic Canada — tough times which have been worsened by this budget.

Historically, Atlantic Canada has had to depend on a helping hand from Ottawa to ensure that Canadians living in our region receive the full benefits of our citizenship. Cutting that dependence, while desirable and attainable, cannot be achieved overnight. And it cannot be achieved without compassion.

Honourable senators, the reality is that this budget is throwing thousands of Atlantic Canadians out of work, and at the same time it is cutting back on the safety net which is crucial for their very survival. There is only one message in this finance minister's budget, and that is simply, "Charlie Brown, you are on your own," and people down home are very worried about it. Honourable senators, it is on this basis that I believe this budget has no moral content.

Honourable senators, this is a demoralizing budget, introduced during a period when Atlantic Canada is adapting to change. More people are employed in the information and telecommunications industry than in all of the natural resource sectors combined. Atlantic Canada has small and medium-sized businesses with the technology and skilled workforces to be competitive; and, provincial governments, the universities and the private sector are cooperating on a regional level in economic development. The task facing the region is not so much to invent potential but rather to fully develop the potential that is already there. That is why the cuts to the Atlantic Canada Opportunity Agency are so very worrisome. ACOA has had remarkable success in helping to improve the economy of Atlantic Canada by encouraging investment and job creation.

Honourable senators, ACOA was the result of a different approach to regional development. It was the first time an agency had been created on the basis of an independent report written by Dr. Donald Savoie, Executive Director of the Canadian Institute for Research on Regional Development at the Université de Moncton — that itself was based on hundreds of interviews and intense input from every sector of the Atlantic economy. It was the first regional development agency to have a private sector board, heavily weighted in favour of successful entrepreneurs, and it was the first such agency to be headquartered outside of Ottawa.

ACOA is structured like the private sector business that it serves, with a president and a team of vice-presidents, who benefit from the counsel of the advisory board. Its mandate is tailor-made for Atlantic Canada and its programs have been designed in Atlantic Canada to meet the economic challenge in the region.

ACOA's efforts in strengthening economic development and entrepreneurship in Atlantic Canada have far surpassed all past attempts. From its inception to March 31, 1993, under its Action Program, 10,000 projects were approved for a total contribution of $825 million, which has generated an additional $1.6 billion for a total investment of over $2.4 billion. This has resulted in the creation of 26,000 new permanent jobs and maintained another 31,000 jobs. Over 95 per cent of ACOA-assisted projects continue to succeed, and that is the highest ratio of success that we have ever had in Atlantic Canada. Their profitability and rate of job creation are better than in the business community in general.

Honourable senators, lukewarm newspaper headlines quoting ACOA president that "ACOA will survive despite cuts" are not very reassuring to me, nor are they reassuring to other Atlantic Canadians. I urge the Minister of Finance to heed Premier McKenna's remarks of February 13, 1990:

> I am a Liberal Premier, and I will tell you now that ACOA, created by a Conservative government, is perhaps the best tool for regional development and diversification ever seen in Atlantic Canada.

Honourable senators, this budget contains other measures that clearly are not in the best interests of Atlantic Canada. Cuts in investment tax credits could result in hundreds of millions of dollars of lost investment in the region. Honourable senators, when the budget measures are taken all together — the thousands of defence infrastructure jobs lost; cuts to UI; measures to discourage investment; cuts to Atlantic Canada's flagship economic development agency — one has to conclude that the new government has broken faith with Atlantic Canadians. The new government had the basis for a budget of hope. It received an overwhelming mandate from Atlantic Canadians, winning 31 of the region's 32 seats. Atlantic Canadians believed that this government was committed to social justice, that it was committed to its election program of "Creating Opportunity."

One has to wonder why the 31 Liberal MPs from Atlantic Canada are not willing to stand up now for their constituencies. Why are the voices of MPs such as Roger Simmons, Ronald McDonald, Mary Clancy and George Rideout now silent? Lord knows, they made enough noise over the slightest cut that the previous government made. We have not heard a word from them, and the people are getting very discouraged.

This government has abandoned Atlantic Canadians. It has set them adrift to look after themselves the best way they know how. This budget is not fair to Atlantic Canadians.

[*Translation*]

Hon. Roch Bolduc: Honourable senators, the government can use various economic policy instruments to act on its Red Book commitments, which are, in its own words, to promote growth, create jobs and reduce the deficit.

First, there is the monetary policy. When he testified before our Senate committee, the Governor of the Bank of Canada said that the bank's objective was price stability. We have always agreed with that goal and we hope that the governor will be as successful as his predecessor, even though the Minister of Finance seemed somewhat hesitant to show firmness in the face of the inflationary pressures which are bound to surface. The government will have to assume some responsibility in this respect.

As regards the trade policy, we are also pleased to see that the Minister for International Trade pursues our government's policy. The signing of NAFTA and the Uruguay Round are good things, even though NAFTA must make Senators MacEachen, Stewart, Grafstein and Stollery very unhappy, because they fought hard against it in June of last year. They even had the support of Senator Stanbury during the debate.

Another economic policy instrument, which is especially popular among Liberals and Social Democrats, is the so-called industrial strategy. This expression includes a slew of budget measures such as subsidies, or fiscal measures such as tax concessions or taxes which discriminate in favour of a given industrial group, depending on the situation at a given time, as if it were more appropriate to discriminate instead of being neutral from a tax point of view. I will come back to this later on in my speech. The measures taken by the minister regarding small businesses are not unreasonable, especially since they are in accordance with our policies of the last few years.

As for the regulatory policy, I note that, once again, the government intends to review the thousands of regulations which exist with a view to reducing their number and complexity. I am rather sceptical because those in charge of the review are precisely the ones who benefit from the regulations, in the sense that it is their job to administer them. I have told the government in the past that this exercise should be undertaken by people from outside the public service, such as a Senate committee or several such committees.

[*English*]

Finally, aside from social policies, such as social security measures or transfers to individuals, and legislation relative to health and education, there is still a major tool available: fiscal policy. The minister, in this case also, has taken measures similar to those taken by his predecessors: cuts in administrative spending, such as the salaries of civil servants, to the great disappointment of the public service unions that had picked a fight tainted with partisanship against us Conservatives, a few additional taxes, and finally more serious cuts in the field of defence, although these were cuts that did not diminish total spending, only the rate of growth.

In short, honourable senators, people are still wondering why we changed government, since the general direction of public policy is the same, not only in the case of monetary and commercial policy but also in terms of fiscal policy. In effect, the government has made no decisive gesture to indicate a substantial change in direction from existing policy. Consequently, the strongest reproach we could make is that the government has proved to be too timid. This has disappointed a large number of people in Canada and abroad who expected a real change, since that was what had been announced.

The government took the intellectual bait dangled by President Clinton on investment in infrastructure, incidentally a measure also proposed by President Delors of the European Economic Community. As honourable senators will know, President Delors was once a socialist minister of President Mitterand's. However, the problem with this social democratic proposal is that no one has shown that it works, in particular with governments that are in debt up to their ears. I would say more; we know that it will not work because the government is not a good investor. I will return to that point later.

•(1700)

Moreover, in the areas where the reorientation of governmental programs would have had a major impact on the deficit, as in the case of transfers to the provinces, to individuals and to corporations, the government has effectively more or less contented itself with creating a series of study groups, as if the

problems were not at all urgent. International investors are showing their impatience in response to the timidity of the government. Who can blame them? Faced with uncertainty, they demand a higher rate.

For someone who had all the answers last fall, we cannot say that the path taken by the Minister of Finance is lucid. When economic agents bend under the weight of taxes to pay for benefits, notably for those who are not in need, and to pay for the interest on an enormous debt, it is clear that it is imperative to bring down the deficit and not to hope that prosperity will solve everything. We tried it, and it did not work.

I, therefore, enjoin the minister and the government to do their duty rapidly, but in collaboration with provincial partners. For any gesture by the Minister of Human Resources, for example, will be perceived, and correctly so, as another federal offensive aimed at dictating the course of action in matters where responsibility lies primarily with the provinces.

The Minister of Finance, who had made sensible statements during the consultation in his text on budgetary choices, and whose top civil servants prepared a diagnosis that was quite realistic on the economic challenges facing Canada, has shown himself to be indecisive with his 1994-95 budget, except in hitting the Atlantic provinces — that is, the provinces that need government's help the most. He has put off the difficult decisions for later. That is unfortunate for the credibility of the minister and the government, and for the national interest. Nor should we be surprised by the unfavourable reaction in the financial markets in Canada and abroad, in the press and in certain regions of the country, one of which is my own region where many people are at the point where they believe that the provincial government would better administer all their public funds.

[*Translation*]

Since my time is limited, honourable senators, I would like to take a few minutes to share my thoughts on the Collège militaire royal de St-Jean.

Why was this college established in 1952? To correct a situation in which francophones were grossly underrepresented in the middle and senior ranks of the Canadian navy and air force. Subsequently, this was extensively documented in studies by royal commissions, including the work of sociologist Pierre Laporte.

If I remember correctly, in 1952, seven per cent of the senior officers in the armed forces were francophones. In any case, the situation was common knowledge in the forties and fifties. For instance, I remember that Mr. Hees said in a speech in the House of Commons in 1952 that when he was at the Royal Military College in Kingston, 31 students out of 600 were francophones. At the request of Léon Balcer and with the approval of George Drew and Brooke Claxton, the Liberal government under Louis St. Laurent established the college in St-Jean to remedy this unacceptable situation.

In 40 years, the college was able to partially reverse the situation. It also promoted bilinguism in the Canadian Armed Forces for anglophones and francophones. It turned out a number of outstanding military officers and outstanding Canadian citizens. It developed in the forces a reflection of our Canadian linguistic duality. It also had a positive impact on the quality of our military personnel and on Canadian society. It is a powerful tool for understanding the cultural wealth and diversity of this country. It symbolizes the distinctive characteristics that set us apart from the armies of our neighbours to the south and other NATO countries.

Some people have suggested another use for this college. I think this would be a mistake. Its present focus should be maintained in the national interest, in the higher interests of Canada. Not only the interests of Quebec and francophones are at stake here. The entire country has a stake in this college.

For instance, more than one quarter of the students at St-Jean come from the maritimes. Half are Acadians, while the others are anglophones, as are the students from other Canadian provinces. We are defending an essential, national institution, and this is a federal problem that should not be passed on to the provincial authorities. Kingston cannot take up the slack, because its environment, for which I have nothing but praise, is entirely different.

I know that environment since I had the privilege of living in Kingston for a whole year in 1972-73 as a member of the National Defence College. At the time, I examined the — as yet tenuous — progress of francophones within the ranks of our armed forces, and more specifically in the air force and navy.

However, we cannot expect the RMC to change its character and carry out both its original mission and that of the college in St-Jean.

[*English*]

Believe me, I speak of what I know. I lived through it. As much as I am in debt to the Canadian government for having allowed me the exceptional experience of a year at the National Defence College, I am sure that Kingston would not be able to replace the immersion and cultural enrichment that St-Jean brought to young military officers of both linguistic groups.

To those who state that we can train all young officers in civilian universities, I would enjoin them to read the report of the ministerial committee on military colleges of June 1993 before making any categorical statements. Having been a member of the consultative committee on military colleges for a period of three years under the Liberal regime, I can certify that the military college as an institution is essential to the specific acculturation of our young officers. As much as RMC is necessary, so must St-Jean continue to exist. This is Canada.

We do not wish to relive the debates of the forties and the fifties, nor should we allow the disappearance of the key element that permitted the growth of equality of opportunity in the armed forces for the francophone personnel. This is why I would propose to the government that it create a committee of wise men

and women to study in more depth the repercussions of the action taken at the time of the budgetary exposé. I would see as members of this committee a retired general like General Bill Turner, past commandant of the Royal Military College at Kingston; a top level provincial civil servant well versed in matters of higher learning, particularly as concerns the military such as Mr. Moirs of Halifax; a past university rector such as Ian MacDonald of Toronto; a past Minister of National Defence and veteran of World War II such as the Honourable Gilles Lamontagne; and perhaps a senator like Senator Frith, who has lived through the 20 years of linguistic debates in Canada. Finally, there are other possible wise people in Canada, for example, Kathleen Francoeur, Mr. Robert Stanfield, Ed Broadbent, Charles Taylor of McGill University, and many others.

I am not accusing the government of having taken the bureaucratic decision here, but in the interests of Canadians there is a need for a second look at the question, taking into account the additional criteria of equality of opportunity, linguistic duality and national unity. No one will reproach the Prime Minister for making this courageous gesture — a gesture of leadership — for the test here is not of rigidity but one of justice and equity.

I do not like to talk too much about those types of matters, but in this case I am very much convinced that I am right. Honourable senators, I must underline the fact that I am a convinced federalist who is now defending an institution which is a pillar of the Canadian edifice. I am a federalist in the tradition of Thomas Jefferson but not in the tradition of Alexander Hamilton. I respect that tradition but I am from the other one — that is, a federalist who is so because he believes that the citizen will have his liberty best protected in an environment where power, la puissance publique, is shared among several governments: the federal government and the provinces, who rank equally, instead of power monopolized by one.

A federalist is also a member of a minority, and he upholds that the aspects that are the most intimately linked to the Québécois' soul should be under the jurisdiction of the Legislative Assembly in Quebec: cultural affairs, education, health, welfare, municipal resources, and so on. Moreover, this is what is stated in the Constitution of 1867. But also one is a federalist because he knows that we Canadians have a common history of far more than 200 years. We have built many things together, and not only railway lines. We have so many links on so many levels — and not only on the level of economic affairs or sports — that we have a common interest in continuing to link our effort and in maintaining our traditions in a Canadian Parliament on questions of money, external affairs, international trade, transport, and so on.

Defence is the best example of this federalism. How can one expect this to be seen as legitimate without an equitable contribution from the country's francophones? It is to this permanent objective that the Collège de St-Jean is necessary, and it is for this reason that it must continue its essential mission.

On motion of Senator Kinsella, debate adjourned.

•(1710)

SOCIAL AFFAIRS, SCIENCE AND TECHNOLOGY

COMMITTEE AUTHORIZED TO EXAMINE AND REPORT UPON THE FUTURE DIRECTION OF THE DEPARTMENT OF VETERANS AFFAIRS

On the Order:

> Resuming the debate on the motion of the Honourable Senator Marshall, seconded by the Honourable Senator Simard:
>
> That the Standing Senate Committee on Social Affairs, Science and Technology be authorized to examine and report upon the future direction of the Department of Veterans Affairs; and
>
> That the committee present its report no later than October 31, 1994.—(*Honourable Senator Gigantès*)

Hon. Philippe Deane Gigantès: Honourable senators, I am in agreement with the formulation of Senator Marshall's proposal. We on this side are in agreement with it. I think it should go to committee.

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

Motion agreed to.

VETERANS AFFAIRS

DIEPPE RAID—MOTION TO HONOUR VETERANS BY CREATING COMMEMORATIVE DECORATION ADOPTED

Hon. Jack Marshall, pursuant to notice of April 19, 1994, moved:

> That, in the opinion of this house, the government should honour the contribution made by those who served Canada's Armed Forces during World War II at the Dieppe raid by creating a distinctive decoration for Canadian veterans of this battle.

He said: Honourable senators will be aware that on April 11, in the other place, during Private Members' Business and pursuant to Standing Order 30, a motion in the name of the member for Winnipeg—Transcona was considered as follows:

> That, in the opinion of this house, the government should honour the contribution made by those who served Canada's Armed Forces during World War II at the Dieppe raid by striking a distinctive medal for Canadian veterans of this battle.

During the debate, the member for St. John's West moved that the motion be amended by deleting the words, "striking a distinctive medal," and substituting the following, "creating a distinctive decoration."

Debate arose, the question was put on the amendment and it was agreed to. Debate resumed on the main motion as amended:

> That, in the opinion of this house, the government should honour the contribution made by those who served Canada's Armed Forces during World War II at the Dieppe raid by creating a distinctive decoration for Canadian veterans of this battle.

By unanimous consent, the main motion as amended was designated a voteable item. The question was put on the main motion as amended, and it was agreed to.

Honourable senators, I went over these details, although it is quite boring, because I think they should be on the record. There is a lot of confusion over what really transpired and what the result of the debate was.

I might say that the debate took place over a very short period of time and there was unanimous agreement. I say that for a reason — because I might hint at it, too, after I am finished.

I am sure all senators are delighted with the result of the debate, and we should commend the member who initiated the motion and also the member who amended it. The amending motion was put by a new member, the member for St. John's West, and it is a credit to her to amend a bill which means so much to many veterans. As well, all members in the other place supported the motion. I am sure that all members in this chamber will also lend their support.

Honourable senators, it is indeed surprising that Canada has not recognized those members of the Canadian forces of the army, navy and air force who took part in the Dieppe raid over half a century ago. It is regrettable indeed that many died wondering why they were never recognized. We can only hope that the few who remain, disappointed and bitter over the complacency and lack of recognition by successive governments, will now find some solace in the reward which they will receive.

While I need not repeat the contents of the very good debate in the other place which paid tribute to the Dieppe veterans and recounted the history of the raid, I wanted to place on the record the name of a long-serving president of the Dieppe Veterans and Prisoners of War Association, Mr. George Giguère, who, for many years, led the fight not only for the medal but as well for improved benefits for his comrades. He appeared many times before the Senate Subcommittee on Veterans Affairs. Indeed, it was through the leadership of George Giguère that the city of Longueil, Quebec, in 1976 produced a Dieppe medal to recognize the valiant contributions of Dieppe veterans. Even though that medal appears to lack official sanction, it is worn proudly.

Unfortunately, George Giguère is now invalided in St. Anne's Veterans Hospital, but I am sure the award now under consideration will give him a sense of accomplishment and repayment for his long years of service to veterans. His capable successor, Mr. Ron Beal, and many veterans, including retired captain of the navy Bruce Carnell, comrades Harry Long, Jacques Nadeau, and Bruno MacDonald should appear on the records of this chamber for their persistence and drive in appealing to the government for recognition.

Honourable senators, I am sure we join with the other place in adopting my motion. That motion is:

> That in the opinion of this house, the government should honour the contribution made by those who served Canada's Armed Forces during World War II at the Dieppe raid by creating a distinctive decoration for Canadian veterans of this battle.

I hope we will get the same unanimous consent in this chamber for this worthy cause.

Hon. Philippe Deane Gigantès: Honourable senators, I would like to amend Senator Marshall's motion. It is not enough to honour the veterans who survive. We should also honour those who died on the beaches of Dieppe. They are the ones who paid the biggest price.

The purpose of my amendment is to ensure that the decoration in question also be awarded posthumously to members of the Canadian Forces who died during the Dieppe raid, or as a consequence of their participation in the Dieppe raid.

MOTION IN AMENDMENT

Hon. Philippe Deane Gigantès: Therefore, I request permission of the Senate to move, at this time, an amendment to Senator Marshall's motion, which will add to the end of Senator Marshall's motion the following words:

> and, posthumously, members of the Canadian Forces who died during the Dieppe raid or as a consequence of their participation in the Dieppe raid.

Senator Marshall: Honourable senators, I have no hesitation in supporting that amendment, and I commend Senator Gigantès for his thoughts.

•(1720)

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

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, Senator Marshall had advised my office at noon today that he would like this motion to pass today if there was agreement by the Senate. I thank him very much for that advice because it meant that I could take it to our caucus, who meet on Tuesdays at twelve o'clock.

Certainly from our side we have no objection to letting it go forward immediately. I have one disappointment, though, in that there may be other senators who would have liked to participate in the debate. Since the matter has been debated so quickly, they will be precluded from so doing.

However, this may still be the best course of action because, the House of Commons having passed their motion, the matter will now be before the Department of Veterans Affairs, and it might be well for the Senate to add its views on the matter immediately. If it is the general wish of honourable senators to proceed today, I certainly will not oppose it.

I commend Senator Marshall for having brought in the motion, and my colleague Senator Gigantès for his very worthwhile amendment. Dieppe certainly was a very sad moment in the whole Canadian war history. I have been fortunate in having been to Dieppe on several occasions. The last time would be two years ago this coming August when we were commemorating the 50th anniversary, and I was part of the official delegation. A good number of the people whom Senator Marshall referred to, Mr. Giguère, Mr. Beal, and Mr. Carnell, were members of the delegation at that time. It was a pleasure to meet them and to be with them.

Anyone who has been to Dieppe has to wonder how we ever put troops in that kind of a position. It was an absolutely impossible point to attack, in my view, with high headlands on either side and fields of fire for the defenders. That simply left our troops sitting ducks. It is a very sad story.

If the Dieppe portion is bad, the other beach at Pourville is even worse, because there the distance between the two headlands is hardly more than the length of this room. You would almost have to see it to understand the position in which our troops were placed. It is a very sad story.

Coming from the province of Manitoba, I am particularly pleased to participate in the debate and to support the motion because there was a regiment from my province, the Queen's Own Cameron Highlanders. In fact, Senator Marshall referred to Harry Long, who is a member of that regiment, and who has long advocated recognition for those who went to Dieppe.

Certainly, the loss of life that day was enormous. I do not think there was ever another Canadian battle or engagement in which as many soldiers were killed in comparison to the total force. The position taken by the authorities at the time was that this was necessary to prepare for the later invasion of Normandy. I hope that that was the case, although I have personally had grave doubts about the whole matter through the years. Certainly on my first visit to Dieppe, I shook my head in disbelief. If we now give recognition to those who participated in that very gallant if unhappy event, I think we are doing the right thing.

The Hon. the Speaker: Honourable senators, if there are no further interventions, I would put the question to the house.

Is it your pleasure, honourable senators, to adopt the amendment of Senator Gigantès to Senator Marshall's motion?

Hon. Senators: Agreed.

The Hon. the Speaker: The amendment is adopted. I will now put the question on the motion of Senator Marshall, as amended. Is it your pleasure, honourable senators, to adopt the motion presented by Senator Marshall as amended by Senator Gigantès?

Hon. Senators: Agreed.

Motion, as amended, agreed to.

ROUTINE PROCEEDINGS

AGRICULTURE

GRAIN HANDLING CAPACITY OF PORTS OF VANCOUVER AND PRINCE RUPERT—NOTICE OF INQUIRY

Leave having been given to revert to Notices of Inquiry:

Hon. H. A. Olson: Honourable senators, I give notice that on Thursday, April 28, 1994, I will call the attention of the Senate to the grain handling capacity of the Ports of Vancouver and Prince Rupert and ask the Senate to consider establishing a parliamentary committee to ascertain the factors related to increasing the amount of grain going through the elevators at those ports on to the ships for our export customers.

I want to be very clear that I am not now asking for that committee to be set up. This is not a motion. I just want the Senate to be aware that we might be considering this matter at another time, when I will move a formal motion.

The Senate adjourned until Wednesday, April 27, 1994 at 1:30 p.m.

THE SENATE

Wednesday, April 27, 1994

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

Prayers.

SENATORS' STATEMENTS

COMMUNICATIONS

FAIRNESS AND HONESTY IN NEWSPAPER REPORTING

Hon. William M. Kelly: Honourable senators, I have a few remarks to make in connection with an industry of which I am a part, but they are not to do with the industry. My remarks concern fairness and honesty in reporting.

Yesterday, *The Globe and Mail* printed an article on page 1 saying the tax cut appears to boost smoking. Honourable senators, I am not here to defend smoking, but I am here to do what I did in the energy business when I was there and we had the explosion. I am concerned about reporting, but reporting all of the facts.

The Globe and Mail pointed to the fact that the tobacco companies had a 60- to 65-per-cent increase in sales. I see the Leader of the Government nodding. I know she is an anti-smoker, and I still respect her in spite of that. They reported a 65-per-cent increase in consumption, and they cite a 25-per-cent increase in production. They totally ignore the fact that when the government very wisely reduced the tax differential between Canada and the United States, Canadians who, in growing numbers, had been buying tobacco products illegally through the smuggling route flocked back to buy their cigarettes or tobacco products from the corner stores, the place where they had always bought them.

The fact is that tobacco consumption, which started to decline sometime in the 1960s, continues to decline. In March of this year over March of last year, there is a 3-per-cent additional reduction in consumption. There is no indication of an increase in consumption. I have my own views about that, in terms of whether I like it or not, but the fact is that there has not been that increase.

There is nothing wrong with making a point on either side of the issue, but I do believe all of the facts should be included in the arguments that are made. My father taught me that when I was a little boy.

I just want to report to you that the facts are that there has been a 3-per-cent decline in smoking this March over March of last year. There has been a decline of more than 80 per cent in export sales and an increase of some 55 per cent in shipments to the domestic market, which is totally predictable when Canadians decide they will stop buying illegal products and instead buy legal products.

Honourable senators, I am simply questioning, as I have questioned many times before, what the role of a newspaper like *The Globe and Mail* really is. Is its job to report fairly, or is its job to sell newspapers? It seems to me that they are continuing a pattern which I have noticed before. They see their job as selling newspapers, so they put a scare headline in to see if that will excite people enough to buy the paper and see what is going on. However, when they see what is going on in that paper in that instance, they are not getting the facts.

INTERNATIONAL YEAR OF THE FAMILY

Hon. A. Raynell Andreychuk: Honourable senators, I wish to draw to your attention that you should have received in your offices this week a package of materials from the Canadian Committee for the International Year of the Family.

As you may know, the General Assembly of the United Nations has declared 1994 as the International Year of the Family because issues surrounding families are of global concern. The Canadian committee, a non-profit organization governed by a voluntary board of directors, is coordinating activities in Canada. Their mandate is to sensitize and mobilize Canadians for reflection, dialogue, and action on the important role families play in society.

I urge all senators to contribute to this international year by reflecting not only on the families in their community, but on the families that they are part of. The international day will be May 15, and no doubt you will hear more about it.

AGRICULTURE

GRAIN HANDLING CAPACITY OF PORTS OF VANCOUVER AND PRINCE RUPERT

Hon. Leonard J. Gustafson: Honourable senators, I want to endorse what Senator Olson said yesterday about the importance of the Ports of Vancouver and Prince Rupert. Certainly an inquiry into the situation there is necessary. I support the direction he took in his remarks yesterday.

ROUTINE PROCEEDINGS

FISHERIES AND OCEANS

NOTICE OF MOTION TO AUTHORIZE COMMITTEE TO EXAMINE ANNUAL REPORT OF DEPARTMENT OF FISHERIES AND OCEANS

Hon. Eileen Rossiter Honourable senators, I give notice that on Thursday next, April 28, 1994, I will move:

> That the Standing Senate Committee on Fisheries be authorized to examine and report upon the Annual Report of the Department of Fisheries and Oceans for the fiscal year ending March 31, 1991, tabled in the Senate on March 23, 1993 (Sessional Paper No. 343-906) and other matters relating to the fishing industry; and
>
> That the committee present its final report to the Senate no later than 29th June, 1995.

BUSINESS OF THE SENATE

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, before we proceed to the Orders of the Day, perhaps this would be a good time to discuss the work of the Senate so far as I can see it for the next period. At the moment we have a number of bills. I believe that all of them will receive second reading before the end of this week and will be referred to committee. On that basis, the committees will have ample work to do next week.

•(1340)

I do not expect further legislation this week from the House of Commons, and I do not know what the situation will be next week. However, on the basis that all the bills being referred to committee, or that are in committee now, will be dealt with in the committees next week, there would be no need for the Senate chamber to sit next week.

I wish to emphasise that next week will be a committee week.

Senator Doody: You are declaring it a committee week?

Senator Frith: International committee week.

Senator Molgat: That is right. That might be a good way for us to organize our work in the future. I well remember many committee chairmen saying how great it would be to have days where they could sit full time and do a lot of work. Honourable senators, next week they will be able to do that.

My indications are that a number of committees have meetings scheduled for next week. I should like to put them on the record so that we do not end up with a situation where, 15 minutes from now, the meetings are cancelled.

The meetings presently on the books are the following: the Standing Joint Committee of the Senate and the House of Commons for the Scrutiny of Regulations, Thursday May 5; the Standing Joint Committee of the Senate and the House of Commons on Official Languages, Wednesday, May 4; the Special Joint Committee on Canada's Defence Policy, May 2, 3, 4, and 5; the Special Joint Committee Reviewing Canada's Foreign Policy have a round table on Tuesday, May 3; the Standing Senate Committee on Aboriginal Peoples, Thursday, May 5; the Standing Senate Committee on Banking, Trade and Commerce, Tuesday, May 3 and Thursday, May 5; the Standing Senate Committee on Energy, the Environment and Natural Resources, Wednesday, May 4; the Special Senate Committee on Euthanasia and Assisted Suicide, Wednesday, May 4; the Standing Senate Committee on Foreign Affairs, Thursday, May 5; the Standing Senate Committee on Legal and Constitutional Affairs, Tuesday, May 3 and Thursday, May 5; the Standing Senate Committee on Transport and Communications, Tuesday, May 3; and the Standing Senate Committee on National Finance as well.

There is a possibility, although nothing definite has been established, that the Standing Senate Committee on Social Affairs, Science and Technology will meet next week; and I believe the Subcommittee on Veterans Affairs of the Standing Senate Committee on Social Affairs, Science and Technology is considering sitting next Thursday.

Honourable senators, that is indeed a big agenda for the committees. If we are to operate in this way — that is, not having the Senate chamber sitting when there is no business, but to have committees sitting — and provided the committees work, we can establish a schedule that would be sensible for all senators. On that basis, honourable senators, I recommend that we not sit next week, and that we reconvene on Tuesday, May 10, 1994.

As honourable senators know, the following week the House of Commons is not sitting. Depending on the material we receive from the House of Commons in the meantime, and in keeping with what I discussed with my honourable friend opposite whereby we would try to have our breaks at the same time as the House of Commons, I would hope — but please understand me, I make no guarantees — that we could have the same break as the House of Commons. This would appear to be the sensible approach with respect to services such as the restaurant, et cetera. If the procedure I have just outlined works successfully next week and everyone is here, then perhaps we can follow that course in the future.

As far as our side of the chamber is concerned, we are treating next week as a regular week. We will have our caucus meeting, as usual, at noon on Tuesday.

ORDERS OF THE DAY

CANADA OIL AND GAS OPERATIONS ACT
CANADA PETROLEUM RESOURCES ACT
NATIONAL ENERGY BOARD ACT

BILL TO AMEND—SECOND READING

Hon. Colin Kenny moved the second reading of Bill C-6, to amend the Canada Oil and Gas Operations Act, the Canada Petroleum Resources Act and the National Energy Board Act and to make consequential amendments to other acts.

He said: Honourable senators, I am pleased to present for second reading Bill C-6, to amend the Canada Oil and Gas Operations Act, the Canada Petroleum Resources Act and the National Energy Board Act.

The purpose of this bill is to give the National Energy Board the authority to regulate oil and gas activity in those frontier areas where there are no federal-provincial management agreements. These amendments present a small but important step in a process which began in 1991 with the dissolution of the Canada Oil and Gas Lands Administration.

Since its creation in 1981, the Canada Oil and Gas Lands Administration, or COGLA, administered and regulated activities on frontier lands. While COGLA served the government well, its role changed and contracted over the years. Following the conclusion of the accords with Nova Scotia and Newfoundland, regulation of the East Coast offshore was delegated to joint offshore boards. Further, it was anticipated that the federal role would continue to diminish with the signing of agreements which would transfer onshore oil and gas responsibilities to the territorial governments.

As a result, COGLA was disbanded in 1991 and its technical and regulatory responsibilities and many of its staff were assigned to the National Energy Board in Calgary. However, three years later, decision-making authority still rests with ministers in Ottawa who must approve even minor regulatory decisions. This is a time-consuming, complicated and ineffective process. It is time to act decisively to give the National Energy Board the authority to make decisions, and this is exactly what is proposed in Bill C-6.

Specifically, the National Energy Board will assume the technical regulatory functions associated with oil and gas drilling and production operations. This involves ensuring that the work is carried out in a way that maximizes resource conservation by ensuring good oil field practices, protects workers' safety, and protects our fragile northern and coastal environments.

Industry needs to have certain and clear rules by which to operate. It needs to be confident that regulation will be carried out in a highly professional and highly competent way. I think we can all agree that these qualities are nowhere better exemplified than in the National Energy Board.

Honourable senators, at this juncture I wish to bring to your attention some other elements of the bill before you. Although unrelated to regulation of petroleum activities on frontier lands, two areas of legislative amendment relating to the existing operations of the National Energy Board were identified as requiring urgent attention. Bill C-6 grants certain NEB staff inspection and enforcement powers relating to pipelines. By providing mechanisms for speedier decision-making, these amendments will help ensure the safety of the public and the protection of property and the environment. Bill C-6 also provides the NEB with flexibility to ease the regulatory burden on small pipeline companies.

In conclusion, the amendments proposed in Bill C-6 make sense, and have been three years in coming. I am sure we all recognize that the interim situation where the NEB has frontier oil and gas responsibilities but no regulatory authorities should not continue. Bill C-6 would finally give the board legal authority to do its job.

Hon. Ron Ghitter: Honourable senators, it is always a pleasure to have the opportunity to stand in this place and discuss well-reasoned, logical, sensible, cost-saving, Progressive Conservative legislation, as we are invited to do today.

Bill C-6, which is legislation emanating from the March 1991 announcement of the Progressive Conservative government, is good legislation and I compliment the government and Senator Kenny for their wisdom in bringing this bill forward. The bill has been fully explained in a clear and concise manner by Senator Kenny, and I compliment him again for it.

Although some would suggest that this legislation is merely housekeeping in nature, I would suggest that it is more substantive than that, and sends out a signal to the oil and gas industry that this new government is willing to work with them, is willing to move away from regulations, is willing to move away from control, and is willing to set up a background of cooperation and good work with the industry so that they can carry forward in an enlightened way.

•(1350)

Gone are the days, I hope, of the NEPs; gone are the days of FIRA; gone are the days of regulation. No carbon tax! Let's deal in terms of stability. Let's deal in terms of maintaining the growth and the health of a very important industry in Canada.

It is a healthy industry, honourable senators, I am pleased to report. From trips that Senator Buchanan, Senator Kenny and I have taken to Boston, San Francisco and Calgary — I got Calgary — it is interesting to note that individuals throughout North America are now looking at the oil and gas industry in a favourable manner.

It is interesting to learn at conferences that the oil and gas industry is now healthy. It is out of debt and is looking to the future and to spending money in this country. Drilling is up and everyone is looking forward to a prosperous future.

Taking into consideration the demand for gas in the United States, and taking into consideration the fact that our companies are healthy and are now operating well, what the oil and gas industry needs is stability. It needs cooperation from government, and it needs government to take a hands-off policy. It needs more legislation such as Bill C-6 before the Senate today. This legislation shows the government's commitment not to interfere, but to move the regulatory authorities out of the hands of ministers and into the hands of the people who know best how to deal with it, such as the NEB, which is highly regarded and has many talented and able people.

I compliment the government on bringing this bill forward. I am sure that all honourable senators will find it favourable and will give it their assistance and support.

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 Kenny, bill referred to the Standing Senate Committee on Energy, the Environment and Natural Resources.

CROWN LIABILITY AND PROCEEDINGS ACT

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

Hon. P. Derek Lewis moved the second reading of Bill C-4, to amend the Crown Liability and Proceedings Act.

He said: Honourable senators, I am pleased to move the second reading of Bill C-4, to amend the Crown Liability and Proceedings Act. In my comments today I will first provide honourable senators with a brief outline of the purpose of the bill and then examine some of its key provisions.

The purpose of the bill is to make certain amendments to the Crown Liability and Proceedings Act. This is legislation for which the Minister of Justice is responsible because it deals with the Crown's liability in legal proceedings that may be brought against the federal Crown.

Honourable senators will also know that these amendments have an important international dimension. They relate directly to the responsibilities of the Minister for International Trade and the work that he is doing to protect Canada's environmental and labour interests in relation to the North American Free Trade Agreement.

•(1400)

These proposed amendments to the Crown Liability and Proceedings Act will permit domestic enforcement by the Federal Court of Canada of determinations relating to Canada's international obligations which may be made by tri-national panels. These panels would be established under the two recently negotiated side agreements to the NAFTA, which came into force on January 1 of this year.

The amendments to this legislation are precedent-setting in Canadian law. The obligations under the side agreements are Canada's international obligations. Without these amendments to this legislation, there would be no mechanism in Canadian law that our domestic courts could use to require the government to live up to its international obligations.

Our country values and respects the rule of law, and Canada has no difficulty in making its domestic legal process available to the enforcement of international rights and obligations.

The need for Parliament to consider these amendments was created last summer, when Canada, the United States and Mexico concluded two agreements that were additional and complementary to the NAFTA. One of these agreements is the North American Agreement on Environmental Cooperation. Under this agreement, the three countries are committed to environmentally sustainable economic growth, to effective enforcement by each country of its environmental laws and regulations and to increased cooperation in the development of such laws and regulations. The other agreement is the North American Agreement on Labour Cooperation, which promotes improvement of working conditions in the North American workplace for all workers.

Under these NAFTA side agreements, the three countries are required not only to enforce effectively their labour and environmental laws, but also to correct any persistent pattern of failure to reinforce effectively those existing laws. To this end, each agreement provides for the establishment of panels to make findings of fact and determinations.

In carrying out these functions, the panel may, in its determination, require a country to adopt an action plan to correct any failures to enforce its own laws or standards. In certain cases, the panel determination may require the offending party to pay a fine.

It may be helpful, honourable senators, to have a brief, step-by-step outline of the process on which these penalties will be enforced against Canada, because Canada is not subject to certain penalties, such as trade retaliation, which can only be enforced against the United States and Mexico.

In the highly unlikely event that Canada were to fail to enforce effectively her environmental and labour laws and standards, and demonstrated a persistent pattern of failure to do so, a tri-national environmental or labour panel could require Canada to adopt action plans to correct the problems identified by the panels. Canada could also be subject to fines, which the bill calls a monetary enforcement assessment.

Under the agreements, any failure by Canada to comply with an action plan approved or established by a panel, or to pay a fine levied against Canada, could only be enforced through the filing of the panel's determination with the Federal Court of Canada. It would then become a judgment of that court and would be enforceable as such against the federal Crown.

It is in order to meet these international obligations that this bill amends the Crown Liability and Proceedings Act to permit domestic enforcement by the Federal Court of Canada of any panel determination that is addressed to the Crown in right of Canada.

The bill sets out the procedure by which a panel determination may be filed in the Federal Court. On filing, the panel determination would become an order of the Federal Court. A panel determination that is made an order of the Federal Court would be enforceable in the same manner as any other order of that court, subject to certain limitations.

I would also draw the attention of honourable senators to those provisions in the bill that promote the finality of the enforcement procedures. Under the proposed legislation, there would be no right of appeal against the panel determination or an order for decision made by the Federal Court in any enforcement activity.

The bill also contains a privative clause to exclude any domestic judicial review of the panel proceedings, panel determinations, enforcement proceedings taken in the Federal Court and orders and decisions made by the Federal Court in any enforcement proceedings. This provision is similar in some respects to one already in place concerning the NAFTA.

The procedure that I have just described applies to the federal government. An order would be enforceable by this mechanism against a provincial Crown only if the province had joined the agreement concerned and if the panel order related to an issue under provincial jurisdiction. In that case, the province would be required to amend its legislation so that the order could be filed with the appropriate provincial superior court. Such amendments would be analogous to what this bill does vis-à-vis the federal government.

At the time the side agreements were concluded, the Minister of Foreign Affairs, on behalf of the Canadian government, gave an undertaking to the United States and Mexico to seek approval from Parliament for Canadian domestic enforcement of these dispute resolution mechanisms at the earliest possible opportunity. In order to fulfil this commitment, the Minister of Justice introduced the bill in the House of Commons on January 26, which was during the second week of this Parliament.

Honourable senators, I am seeking the cooperation of this house for the passage of this bill, which will help protect Canada's international interests and aid Canada in fulfilling its international obligations. I would therefore recommend that this bill be referred to committee for study.

On motion of Senator Carney, debate adjourned.

INCOME TAX AMENDMENTS REVISION BILL

SECOND READING

Hon. Michael Kirby moved the second reading of Bill C-15, to revise certain income tax law amendments in terms of the revised Income Tax Act and Income Tax Application Rules.

He said: Honourable senators, I should like to make a few remarks about Bill C-15, which is essentially a housekeeping measure. It contains a new version of amendments to the Income Tax Act that were passed between November 30, 1991, and July 1, 1993. When I say that it contains a new version of amendments, I mean to say that these amendments are new in terms of phraseology only. They are not new in terms of substance.

Some honourable senators may recall that the revised Income Tax Act was passed by this house about two years ago. It has worked its way through the process and was ultimately put in place on March 1 of this year. During the period from November 1991 to July 1993, a number of amendments to the Income Tax Act were passed. These amendments were written in the form of the old Income Tax Act, not the new or revised and consolidated Income Tax Act. That had to be the case, because it was the old Income Tax Act that was in effect during the period when those amendments were passed.

Consequently, Bill C-15 takes that block of amendments from November 1991 to July 1993 and puts the whole block into the parlance which is now used in the revised Income Tax Act.

To give an illustration of the sorts of minor changes that are involved, honourable senators, the English version of the old Income Tax Act contained a substantial number of references using gender related terms. These have all been removed and replaced by non-gender related terms. The same is true not only of the words in the amendments contained in Bill C-15, but of the words in the nine schedules which are attached thereto. In the French version, for example, style and terminology have been improved and made uniform with the style and terminology now contained in the revised Income Tax Act.

Honourable senators, I hope that this bill will receive speedy passage. It does nothing in terms of changing the substance of the law. It takes existing amendments that were drafted using older terminology and transforms them, in terms of terminology, into the language that is used in the revised Income Tax Act. That act went into effect on March 1 of this year. There are no substantive policy changes of any kind whatsoever in this bill; there are only terminological changes. Therefore, honourable senators, I hope that we can deal with this bill quickly.

[*Translation*]

Hon. Jean-Maurice Simard: Honourable senators, in fact, I have very little to add to the comments made by my colleague Senator Kirby. As he has said, this bill takes amendments made in nine bills passed in the last few years and puts them into the parlance now used in the revised legislation. As Senator Kirby also mentioned, the substance of the law is not affected, just the phraseology and the terminology.

[*English*]

•(1410)

Senator Kirby has alluded to the fact that there is no substantive change to the legislation, and I hope he is right. But I hope that any future legislation the present government might seek to bring in will contain substantial changes that would make the income tax legislation more just, more equitable, and easier to work with so that Canadian citizens, including business people, can benefit.

Needless to say, this is certainly not a bill that would justify any of us giving it a six-month hoist. In true civil servant language, this is a bill that is basically housekeeping and no more. But we must send it to committee, and I second the motion to that effect; however, I hope that we will have it back in this chamber later this week, so that the Senate can pass it soon.

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 Kirby, bill referred to the Standing Senate Committee on Banking, Trade and Commerce.

DEPARTMENT OF NATIONAL REVENUE ACT

BILL TO AMEND—SECOND READING

Hon. Michael Kirby moved the second reading of Bill C-2, to amend the Department of National Revenue Act and to amend certain other acts in consequence thereof.

He said: Honourable senators, Bill C-2 may be somewhat more controversial in parts than Bill C-15, the bill we have just dealt with. Therefore, I should like to take a few minutes longer to explain the intent of Bill C-2.

Bill C-2 is essentially an efficiency bill. It is a bill which deals with the organization of government. Its purpose is to allow the streamlining and consolidation of the two departments which have historically been together under a single minister, the Minister of National Revenue. In the past, the Department of National Revenue had two portions: a customs and excise portion with its own deputy minister, and a taxation portion with its own deputy minister. This bill will take those two separate departments and bring them together. Under Bill C-2, they will stop operating as two autonomous organizations and, instead, will operate as a single department.

The rationale behind this is the following: These two departments have a number of things in common. They have a common client base, namely the Canadian taxpayers; they have many common business activities, namely they collect revenue from Canadians, both corporate and individuals, and, in terms of their employee base, they have employees who have a common set of skills in terms of many of the functions that they perform. Bill C-2 recognizes this commonality, and achieves an economy of scale by bringing them together as a unified department.

There are significant economies that can be achieved as a result of this consolidation. Specifically, there are several types of duplication that are eliminated. Take, for example, the accounts that the Department of National Revenue has historically maintained on its clients. In the past, client accounts were maintained in two separate groups: one from customs and excise and one from taxation. A consolidation into a single department results in the production of client accounts that only have one registration number for all issues relating to taxation with the Government of Canada. From the point of view of many small businesses, that is a significant advantage.

The second significant advantage concerns the way auditing can now be handled — that is, the government's auditing of firms and individuals. Businesses, for example, will no longer find themselves being audited by more than one branch of Revenue Canada at different times. This has happened quite frequently in the past. It has happened because a firm has been audited at one time by the taxation side of the department and at a subsequent time by the customs and excise side.

Similarly, the issue of tax collection can be consolidated by bringing together the collectors from customs and excise, on the one hand, and taxation, on the other. The underlying purpose of this consolidation is to enable government to become more efficient without either the government or the department giving up any of the fundamental tasks that it has historically done.

The first step in this consolidation was taken 18 months ago in October of 1992. While the departments remained separate at that time, they not only kept the same minister but also were put under a single deputy minister. That is, the Deputy Minister of Customs and Excise has also been the Deputy Minister of Taxation. That and other steps that have been taken at the headquarters level have resulted in $30 million of savings simply by consolidating operations at the national office. Of that $30 million, it is important to note that almost half, $13 million, has been reinvested in increasing security and monitoring and surveillance at Canadian border crossings.

It is estimated that another $30 million could be generated in the next three years as a result of this consolidation. That money can then be reinvested in high priority, front-line operations of Revenue Canada, specifically security at Canada's borders, which has become an increasing issue of concern for many Canadians. It is one of the highest priorities of the department.

•(1420)

Planned reinvestment in security at Canada's border crossings answers the criticisms which have been made of this bill by the union representing customs and excise employees. The union has said in hearings before a committee in the other place that they are concerned that the focus of customs officials will turn from law enforcement, which is what they have historically done, to tax collection as a result of this consolidation. Furthermore, they are concerned that their mandate will change and the terms of reference for their jobs will change.

Honourable senators, nothing could be further from the truth. Consolidation does not mean that any of the functions of Revenue Canada change, nor does it mean that the mandate of Revenue Canada changes. Revenue Canada continues to be the government agency responsible for security at Canada's borders. It continues to be the front line in the war against drugs, against smuggling, against the illegal importation into Canada of things like firearms and liquor. In fact, Bill C-2 allows savings to be achieved that can then be reinvested to enable the Department of National Revenue to strengthen its surveillance of Canada's borders. Essentially, it allows extra resources to be used for better law enforcement.

Indeed, honourable senators, if we look at the recent decision and announcement by the government to allocate substantial new resources to Customs Canada and to the RCMP with respect to decreasing smuggling, I would argue that it is very clear that this government is committed to not only maintaining the level of surveillance which has traditionally existed at our border crossings, but, in fact, to substantially increasing it. A clear illustration of this is the recent Customs Canada budget increase of $45 million. That translates into an additional 350 person-years of employees acting as security at Canada's border crossings.

In addition, not only will this bill improve operational efficiencies at the head office, and improve surveillance at Canada's border crossing points, but it will also have additional benefits with respect to the inland support which Canadian importers and exporters receive.

As most of you know, Revenue Canada is the department which is mandated to administer Canada's international trade policies and agreements. Last year it processed more than 45 million commercial transactions representing over $150 billion worth of activity in international trade. The efficiency with which this large volume of transactions will be handled will be increased as a result of this consolidation.

Therefore, honourable senators, it is important for us to understand, in light of some of the criticisms which have been made of this bill, that the ultimate goal of Bill C-2 is, essentially, to provide the basis for building a cost-effective, responsive and effective organization and administration. The bill does not change the mandate of any part of the department. The bill does not make any detailed structural changes. It does not change the responsibilities of any of the individuals employed in the department. It is not a cost-cutting measure. What Bill C-2 does is to provide for administrative consolidation with resulting economies that come from that kind of action. In effect, it removes the legal obstructions that are in the way of the department maximizing the benefits which come from administrative streamlining, from administrative consolidation.

Honourable senators will know that Revenue Canada is one of the largest departments in the government, both in terms of the number of employees and in terms of the number of locations where those employees work. Bill C-2 is an example of this government's commitment to eliminating red tape, to eliminating duplication, and to making government more efficient, while at the same time continuing to provide the service which Canadians want and expect from their government.

Honourable senators, as in the case of Bill C-15 which we dealt with a few minutes ago, I would hope that you would also give speedy passage to this bill.

[*Translation*]

Hon. Jean-Maurice Simard: Honourable senators, this Bill C-2 may seem unimportant at first.

Without repeating what my colleague said before me, there is nevertheless one point in Bill C-2 which is quite significant. It is a cause for concern to many Canadians, not only the unionized Customs and Excise employees, who were also refused a chance to be heard by the other House. I think that the government which has been in office for six months, even though it says frequently that it listens, is still not delivering the goods. This case is an example. I think it would have been enough to give that group, and maybe other groups, a few hours so that Canadians could really see how generous and big-hearted the government is about listening actively, as it claims to be.

Although this bill carries on this part of the government reorganization begun by the previous government, I call on the present government to take this approach for all bills that seek savings and harmonization of programs so that, as my colleague just said, some of these savings can be used to improve services, such as surveillance of ports of entry to Canada.

As my colleague just said, this bill combines in a single administrative unit the Taxation and Customs and Excise sections of the Department of National Revenue, while retaining the same powers for the department. Until a year and a half ago, as we all know, Revenue Canada was divided into two parts. With this progressive measure, the government has saved money and improved services as well.

I repeat my desire that the government, as it is doing with this bill, will adopt as its own some measures intended to reduce duplication and to save money.

I now come to the point which worries many Canadians. Whether or not these fears are founded, or whether or not the union really understood the extent and nature of these changes, I would support any measure or initiative to let this and other groups appear before the Senate.

This concludes my remarks. That is all I wanted to add at this time. I will support any motion to refer this bill to the National Finance Committee or to some other appropriate committee for review. I urge committee members to give the floor to the Customs and Excise union and to any other parties who may be affected or who could make a contribution other than the explanations given by the government.

I am impressed by my colleague's comments, but it would be interesting to let ordinary Canadians come here to debate and express their opinion on this issue.

If this measure has saved $30 million, and possibly more, since it was implemented, as Senator Kirby told us, so much the better. It is this kind of change that we on this side of the chamber traditionally and continuously advocate, namely reducing the cost of duplication, et cetera, with the provinces or within Parliament, so that the government will not have to implement measures or decisions such as the one designed to save between $15 million and $23 million by closing the military college in St-Jean. But it is not my intention to revive this particular debate.

However, if there were five or six other measures of this nature, the government might not have to do away with institutions as important as the military college in St-Jean.

I support this bill and I hope it can receive Royal Assent without any undue delay.

Motion agreed to and bill read second time.

[*English*]

•(1430)

REFERRED TO COMMITTEE

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

Hon. Michael Kirby: Honourable senators, I move that this bill be referred to the Standing Senate Committee on Banking, Trade and Commerce.

In saying that, I should like to support very strongly what Senator Simard has said. I, too, think it was unfortunate that the union of employees who had asked to appear before the committee in the other place did not appear. It is the intention of the Standing Senate Committee on Banking, Trade and Commerce, at its meeting next Tuesday morning, to hear not only from the government but also from the union, and from three other groups — a national teachers' organization, a national police organization, and a national distillers' organization. Those groups have asked to appear before the committee next week, and they are the only groups that have asked to appear.

It would be our intention at the committee's meeting next week to give all of those groups ample time to present their concerns about the bill, with the hope that we could deal with it next week. Now that the Senate has agreed not to sit next week, the committee will not be quite as constrained in terms of having to end by a particular hour of the day. We would be quite happy to give those groups and the government ample time to present their cases.

I would strongly support Senator Simard's view that one of the purposes of our committees is to ensure that people who have strong views about legislation ought to be given the opportunity to make their views known to a committee of the Senate before the committee reports back to the house.

On motion of Senator Kirby, bill referred to the Standing Senate Committee on Banking, Trade and Commerce.

ENERGY, THE ENVIRONMENT AND NATURAL RESOURCES

COMMITTEE AUTHORIZED TO ENGAGE SERVICES

Hon. Colin Kenny, for Hon. Pat Carney, pursuant to notice of Tuesday, April 26, 1994, moved:

> That the Standing Senate Committee on Energy, the Environment and Natural Resources have power to engage the services of such counsel and technical, clerical and other personnel as may be necessary for the purpose of its examination and consideration of such bills, subject-matters of bills and Estimates as are referred to it; and
>
> That the committee have power to adjourn from place to place within and outside Canada for the purpose of such studies.

He said: Honourable senators, I gather there is some confusion here. I am Deputy Chairman of the committee, and I am standing in for Senator Carney. She was unavoidably called away to another meeting and asked me to act on her behalf on Motions 22, 23 and 24. These motions were dealt with in the steering committee and again subsequently in the full committee, with substantial representation from both parties. The motions represent the proposed work plan of the committee for the coming 12 months.

•(1440)

This particular motion is meant to provide some research assistance to Senator Carney in her capacity as chairman. I would be happy to deal with any specific questions that may be raised on the matter.

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, I would be the last one to hinder or delay the work of any committee. However, this seems to be, again, a request for an open-ended commitment. The motion says, in part, "be empowered to hire staff and to adjourn from place to place within and outside Canada." Is there no budget or limitation attached to this motion? Once the authority is given, the Senate commits itself to follow the empowerment bestowed on that particular committee.

The reason I raise this point, and I would have raised it anyway, is that the committees budget is already stretched to the limit. I ask Senator Kenny, and if he cannot answer perhaps we can await Senator Carney: Does this proposal respect the budget limitations that are in existence for this fiscal year?

Senator Kenny: Honourable senators, this is the usual conundrum we face. The Leader of the Opposition knows only too well the question: Does one go to Internal Economy and get the budget approved first and then come to the Senate for a mandate, or does one get a mandate from this chamber and then go to Internal Economy? I can assure the honourable senator that Senator Carney is scheduled to appear before the Subcommittee on Budgets and Administration tomorrow to seek approval for the budget of the committee. Obviously, the committee needs approval for both before much can happen.

This procedure is followed by every committee, to my knowledge. Given the way the system works, we cannot get simultaneous approval for both. I think the chairman is following the established practice with committees in this case.

Senator Lynch-Staunton: Honourable senators, I cannot disagree with the honourable senator. I suppose it points up the question of the practice. I have raised this matter before the Internal Economy Committee and elsewhere: When a committee comes for a special request, such as that contained in this motion, it should have the budget approved first. Otherwise, once we give authority, the committee will present itself before the Internal Economy Committee and say, "Look, the Senate has instructed us to do this. Give us the money to do it."

Senator Kenny: Honourable senators, with respect, I have been a member of that committee on many occasions. Behind the honourable senator is one of the most recent chairmen of the subcommittee. That subcommittee has never felt inhibited in relation to cutting budget requests down significantly, notwithstanding whether or not the general mandate has been approved by the Senate. Those budget requests, having already been cut by the subcommittee and dealt with by the full committee, come back to this chamber again for final approval.

There are many opportunities for this chamber to deal with this issue. It is not a carte blanche acceptance at all. If the Senate so chooses to approve these issues today, senators will have a second opportunity when the budget comes back in the form of a report from the chairman of the Internal Economy Committee to reject the funding altogether. Therefore, the honourable senator would have a second kick at the cat.

Senator Lynch-Staunton: Honourable senators, I am reassured that approval of this sort of motion in no way commits the Senate financially. The situation is equivalent to saying, "Go ahead and look into it, but you are on your own," in the sense that there is no connection between giving approval today and any financial requirement that might be needed to allow continuity.

Senator Kenny: The honourable senator is quite right. This provides the committee with an opportunity to make a case before the Internal Economy Committee. If it makes its case to the Internal Economy Committee, the matter will then come back before the Senate, in the form of a report from that committee, and that report will be disposed of as this chamber chooses.

The Hon. the Speaker: Honourable senators, this debate reminds me of my years with the Internal Economy Committee.

Senator Frith: Fond memories.

The Hon. the Speaker: We were never able to solve that question in all those years. However, I detect a degree of agreement on both sides, and in that sense I will ask the house whether it is ready to entertain this motion. Is the motion carried, honourable senators?

Hon. Senators: Agreed.

Motion agreed to.

NATIONAL PROTECTED AREAS STRATEGY— COMMITTEE AUTHORIZED TO CONDUCT STUDY

Hon. Colin Kenny, for Hon. Pat Carney, pursuant to notice of Tuesday, April 26, 1994, moved:

> That the Standing Senate Committee on Energy, the Environment and Natural Resources be authorized to undertake a study of the policy options available to the government to complete the network of pristine areas that represent Canada's natural regions and of the creation of a National Protected Areas Strategy and to make recommendations thereon; and
>
> That the committee present its final report no later than March 31, 1995.

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, is Senator Kenny in a position to give us some idea of what the plan of the study would be, or is that up to Senator Carney? I think the point that Senator Lynch-Staunton raised on the previous motion now comes to the fore. Presumably, if this reference is accepted, it will indeed involve some money. True, its budget would have to be approved by the Internal Economy Committee. However, does the Senate wish to proceed with this kind of study? How much is involved? Will it involve travel? Will the hearings be held in Ottawa? We should have some indication from Senator Carney about the plans of the committee.

Senator Kenny: Honourable senators, I do not have the specific dollar amounts here. Presumably they will be dealt with tomorrow. The plan, in essence, is to continue the study this committee commenced last year when it was examining our parks system and the commitment that the Government of Canada made in Rio, to increase the amount of park space or protected space in Canada by up to 12 per cent.

The committee proposes to examine the ways in which the government could achieve that objective and ensure that Canada has an appropriate array of protected spaces across the country. There is a considerable amount of enthusiasm in the committee for this study. It calls for no travel in the spring and summer, but it does call for travel — I believe only by small groups of one or two senators and a staffer — to about six different national parks or sites across the country, in order to examine different aspects of the space that is being preserved.

The intention of this committee is to reinforce and support the commitment which both parties share, and which was made on behalf of Canada by then Prime Minister Mulroney in Rio.

•(1450)

Hon. William M. Kelly: Honourable senators, this may be a point of order; I am not sure. It is a point of something.

We have argued this issue time and time again as to whether we first announce an initiative we wish to undertake, and then at a later date we talk about what it will cost. We then go to the Internal Economy Committee. Sometimes we go there first, and then come to the chamber. That way of working is very foreign to myself and to many others. I do not know why we cannot find a way of simplifying the process.

With respect to Notice of Motion No. 23, approving it creates the beginning of something. We understand the title and the objectives of the something, but we have no idea what the devil it will cost. If ever there was a time for us to put a price tag on everything presented in this place, no matter how worthy it is, now is that time. We would have a better balance in our approach to how we do our business. I would urge, as a point of order, that somehow we find our way to that destination, because we seem to be simply repeating old practices that get us in trouble from time to time.

Senator Kenny: If I may, honourable senators, the system makes good sense to me. There is instant gratification to the extent that the entire issue is dealt with at once. I accept the honourable senator's point to the extent that some of the information comes forward in a piecemeal fashion. However, before the proposal is accepted and has the ability to move forward, this chamber is aware of what is planned, how much it will cost, and when it will happen. It requires two checks; two switches, if you will, must be on before anything moves forward.

Implicit in this concern is that by obtaining approval in this chamber, there is somehow a carte blanche at the Subcommittee on Budgets in the Internal Economy Committee. Those who have served as chairmen of committees know that that subcommittee and the Internal Economy Committee is anything but a carte blanche. Many of us have left those meetings much poorer than when we went in. You know that each item is examined, item by item, and items are chopped from the budget.

Just as we set aside funds in our estimates for the year, Senator Doyle and his subcommittee sat down last December. They worked through an estimate of what we would spend in this fiscal year. They did that without knowing what each committee would spend. Yet, we were prepared to vote and agree that, yes, we would have a global amount for committees to spend on studies.

It is generally agreed in this chamber that the best and most important work of the Senate takes place in committees. There was a great deal of debate in the Internal Economy Committee with respect to ensuring that a responsible and adequate sum was set aside so that the Senate could continue its work in committees. That was all done without the slightest notion as to what honourable senators would bring forward from their various committees. Perhaps the budget for the Standing Senate Committee on Agriculture and Forestry was known, and we might have known that they were thinking about the farm safety bill, but by and large, nobody really knew what was planned.

In this case, and with the process we are going through, this chamber will know within a week what is planned, where the trips are bound to go or where the studies are taking place, and the dollars and cents involved. In the intervening portion of the week, the Internal Economy Committee or a subcommittee thereof will have exhaustively examined what has gone on here today.

Therefore, I say to honourable senators, there is no lack of control in this chamber. The chamber can stop this motion twice; it can stop it now, and it can stop it when the motion comes back from committee. There is no lack of detailed examination. That will take place in the Internal Economy Committee. It is anything but a blank cheque in that committee.

If the chamber does not feel these are appropriate issues, that is fine, but I do not think the process is flawed. The process works. There is scrutiny — public scrutiny in this chamber and public scrutiny in the Internal Economy Committee, and again when the motion returns to this chamber.

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, if I may pick up on what Senator Kelly has said, because he said it better than I could, surely all of that process can be completed before the matter is brought to this chamber. If a committee wishes to engage itself in a special study requiring a reference from the Senate, that committee can do its homework beforehand, go to the Internal Economy Committee, present its budget and terms of reference, and then come back to the chamber with its project supported by the Internal Economy Committee. Then we will know that the budget can support the request.

We are being asked to make a moral commitment that we think this motion is a good idea. However, if we do so, we may find ourselves in the embarrassing position of having to turn down the project, or at least cut it back, when the matter comes before the Internal Economy Committee or this chamber. Why must we enter into that process? Why not eliminate the process by doing the groundwork before bringing a project to this chamber?

Hon. John B. Stewart: Honourable senators, I have not served on the Internal Economy Committee, but I have heard these discussions from time to time. Tell me where I am wrong: The process we are following, if I understand correctly, is roughly comparable to what we use on a bill. Second reading asks the house to give approval in principle to the content of a bill. We then send the bill to committee.

It is as if a family sat down and said, "Shall we buy a new car?" Let us make the initial assumption that the family wants to buy a new car. They then go out to shop, and that is equivalent to the committee stage.

It is quite possible that, by third reading stage, the family — in this case the Senate — has seen what is available and concludes that they do not like what is available. In any case, the price is too high and they say "no," even though they said "yes" before they started this exploratory process.

With respect to the motion now before the house, we are, in a sense, at the second reading or principle stage. We are saying, "Assuming this can be done at a reasonable cost, is this something we wish to do?" This is a fairly sane way of going about our business, provided we recognize that it is always proper for us at the third reading stage, when we have finished our shopping, to say "No, what is available is not suitable or is too costly."

Senator Frith: No money, no car.

Senator Kelly: Honourable senators, I very seldom disagree with Senator Stewart. He is much wiser than I am, certainly, and than most of us here. However, notwithstanding the process, which I totally understand, the motion says:

> That the Standing Senate Committee on Energy, the Environment and Natural Resources be authorized...

It asks that the committee be authorized.

Let us take the analogy of my children asking dad for a new car. I say, "All right, you are authorized to get a new car." I must tell you that I would not have any time at all to catch them — they would be out the door, buying a car, because I have authorized them to do so.

I am a farm boy, so let us keep this simple. What we are saying is this: "Hey, senators, do you think it would be a good idea if we created a study to examine..." et cetera, et cetera? "Do you think it is a good idea?" That is what Senator Stewart says. He says we are being asked if it is a good idea. But that is not what the motion says. It says "authorized." The wheels start turning when you are authorized. One day it may come to the point where you find you do not have any money. It is then too late to stop the wheels turning — the money has already been spent.

Honourable senators, the point I wish to make is that the process is flawed under today's circumstances.

Hon. Mira Spivak: Honourable senators, as a member of the committee to which this matter relates, I must say that at no time during discussions in the committee was anything raised with respect to difficulties that might arise with the Internal Economy Committee process. Having been in this place for some time, I am amazed at the changes in that arcane process. This request is no different from any other matter that has come before the Senate to be approved.

I want to add to what Senator Kenny has said. In my opinion, it would be extremely worthwhile for the Senate to examine this piece of policy. It is exactly the kind of thing that the Senate ought to be examining, and to which we ought to give priority. If later, in its wisdom, the Senate decided that we should not have the necessary funds, I am sure we could find a way to do the study in any event.

•(1500)

I want to reiterate that, notwithstanding the process, there is very little risk in giving this measure the go-ahead now. There are very responsible people on the committee who will not run off and spend all the Senate's money without the approval of the Senate.

[*Translation*]

Hon. Roch Bolduc: Honourable senators, the problem to which Senator Kelly is referring is that the Senate does not usually approve the work programs of committees. That, in my opinion, is the weakness.

Instead of approving a work program for each committee and then asking for the necessary budget, we say that, in principle, we can study anything, do any type of research and then find out if there is any money. If there is money available, we will do the work.

I think this is the flaw. It seems to me that, first, the program of each committee should be approved by the Senate and then the money should be requested from the Standing Committee on Internal Economy, Budgets and Administration.

[*English*]

Otherwise, you are asking the Internal Economy Committee to grant you the ways and means before having any authorization on the program. That, in my opinion, is the weakness.

In one sense, I do not think the analogy of Senator Stewart is a good one because most of the legislation comes from the government, which has the majority. Therefore the government decides what is required, and it expects us to analyze the situation.

That is not the case here at all. It is the program of the Senate itself which is under discussion. In that way, the committee does not have any leadership, such as the cabinet may have in the legislative process. I think it is very different.

Hon. Joan Neiman: At the moment, I am chairman of a special committee which this Senate authorized several weeks ago. I must confess publicly that we still do not have an approved budget. I assumed that when we received authority to undertake this study, that authority covered the use of the facilities within the Senate, which we are now doing. We did get an emergency approval, just in case we had some odd expenditures. We hope to have a budget to present within the next week or so because we foresee expenditures of a larger amount.

I think the authorization was perfectly in order because it was simply approval for a study, whether by the committee I chair or any other. It seems to me that the approval is only for the substance of what the committee wants to do, and that, quite properly, the question of spending any moneys beyond what has been afforded us here in the Senate can be dealt with within a reasonable time afterward.

Hon. Richard J. Doyle: I make it clear that I neither represent a committee seeking funds nor the Internal Economy Committee. However, we are into a rather large problem here, and I think Senator Spivak has hit the key word.

Senator Spivak: Arcane.

Senator Doyle: Well, you can come to "arcane," but the word I heard was "priority."

If a committee comes here and asks for the endorsement of the chamber for a particular project or exercise and the Senate says, "Yes indeed, that is a fine thing you are going to do, and we approve of it," that will be recognized at the Internal Economy Committee. It will also be recognized by the members of every other committee, and they will then say, "Look, there is only so much money in the fund this year for committee work, but to protect our case, we had best stand up in the chamber, right now, and get the Senate to approve what we are doing. Then we will at least be treated on an equal basis with the Energy and Environment Committee or the Legal and Constitutional Affairs Committee," or whatever, and they will all bring their budgets here first.

Maybe that will cure the Internal Economy Committee of being arcane, as Senator Spivak described it. I do not know. That is a reversal of what has been the intended case.

The job of the Internal Economy Committee, as I have understood it, was to look at what was spent last year by a variety of committees, to consider what new committees have been formed, to know how much money has been allocated for committees, and to bring all of that to bear in judging the presentations of various committees for new funding. I have never thought that the Internal Economy Committee was a place where you decided upon specific committee work. Rather, you encouraged best efforts, and then, as Senator Stewart reminds us, the committees come back here to have this house decide whether funding should be approved on third reading.

In a series of questions recently, I have been trying to say that too often when committees return for third reading, their reports are totally ignored by the Senate. Senators simply say, "I do not have time to read this today. I will take it to my office and I will get to it in time." Then they find out months later that they had approved of a salary increase for senators. They say, "My God, I did not do that," and they are told, "Yes, you did. It was in that report." Then they are in difficulty.

If we are to sort out this situation, I would suggest that we consider two options: You either go for approval to the Internal Economy Committee, or you come to this chamber for endorsement, but you do not try to do both. If you do, it will not work.

Hon. Royce Frith: Honourable senators, to quote Yogi Berra, this is certainly a classic case of déjà vu all over again.

There are many senators who have been in the Senate longer than I have, but I have heard this debate at least five times since I have been here. That is because there is a very good reason for the concern that every senator has expressed. The problem with the system is the mechanics of it. My experience has been that whatever system is set up, I can criticize it, because the root problem is chicken-and-egg.

The problem does not start just at this stage; it starts when the Internal Economy Committee is studying the budget for the forthcoming year and is looking at committee budgets. Every time it does, someone says, "How can we know? How do we know how much money to put in? Is there someone here who can tell us every piece of legislation that will be proposed by the government in the forthcoming fiscal year, so that we will know how many of those pieces of legislation will require study by the appropriate standing committee, and that might even involve travelling?" I have never known a senator to raise his or her hand and say, "Yes, I had a dream last night which told me exactly what legislation will be coming down, and how much it will cost to deal with it."

A further point is: What about special committees?

•(1510)

When we fix the budget in the Internal Economy Committee, do we then tie the hands of the Senate? Will the Senate be told at some future stage: "You can't even look at that legislation; there is no money for it." That is the absurdity of attempting to figure out the mechanics.

The essential concern raised by Senator Kelly and Senator Lynch-Staunton is very important. I was a member of the committee when a very famous chairman of the Standing Senate Committee on Banking, Trade and Commerce appeared before us. He had received authorization from the Senate and when he appeared before the Internal Economy Committee — and I am not using his exact words — he said, "I am not asking you. I am telling you this is how much it will cost, and the Senate has already authorized me to do this," which is the concern of Senators Kelly and Lynch-Staunton. "The Senate has already said we are authorized to do it, and I am telling you this is what it will cost; so you approve it, and that's that."

For the last 15 years we have struggled with attempts to figure out a system that could not be perfect because it cannot handle this time sequence. There are two ways to change the order. One is absurd — that the money is actually approved before the committee is approved. We cannot have that. We would not want someone to say, "Tell me how much money is involved and then we will give you the money," and "You have the money, but we have not got the study authorized." That would not work.

What would work, however, would be to remove the jurisdiction of the Internal Economy Committee and debate the details of expense in the Senate. Then it could be done. Then we could say that we wanted the committee to be authorized to do it; we would see its entire budget and we could debate the whole budget in the Senate before it was approved. That would be a possible way.

That has been rejected up until now, because we have felt that the better system would be to have the authorization given in principle, then have the committee study it and have the committee report, the final control being in the hands of the Senate, where it always should be, as to whether approval is given in light of the budget. It has happened that someone has said, "I voted authorizing this study." But to use the metaphor or analogy of Senator Stewart, "I voted for the principle of the study, but now that I know what it is going to cost, I will vote against it," and that is what Senator Kenny is trying to explain is always possible in the present system.

It is not perfect. However, I do not know of any other system, except perhaps to change the Senate into a committee of internal economy when it considers all committee authorizations, including budgets. That, of course, will not solve the other major problem, and that is how one can know how much money to set aside for committee study in advance, which is why we have sometimes had to go for Supplementary Estimates.

All the concerns raised are legitimate. They reflect a serious problem of sequence that has been wrestled with previously in the Senate. This is the system we have come up with. Perhaps it could be improved if we could find a word better than outright "authorization," as Senator Kelly says. Perhaps we could use "approve in principle," or words of that nature.

We might consider that as a way of profiting from the useful debate we have had on the subject here again. I am not quarrelling with the fact that it is "again," because it is a difficult problem, and it is obvious that we have not completely solved it.

Senator Molgat: Honourable senators, I do not wish to extend the debate. However, it seems to me that we wrestled with this question some years ago in the Rules Committee, and a procedure was established. I wonder if the staff could dig out that document, because there was indeed a proposed procedure.

Senator Frith: That is the one we are using.

Senator Molgat: It is the one we are using. However, I do not think it is necessarily understood by everyone, because they have not seen the document; if it were distributed, it might assist.

Did I understand Senator Kenny to state that this study was begun last year and that this is a continuation of work that was in process?

Senator Kenny: Honourable senators, that is correct. This is a direct continuation of the work that was commenced last year.

Senator Thériault: People have changed sides in that time.

The Hon. the Speaker: Honourable senators, I have no alternative but to ask if it is your pleasure to adopt the motion, although the suggestion made by Senator Molgat is good, and the officials will obviously try to freshen up the old document and bring it back for further information.

Unless someone tells me differently, I do not think I have any alternative but to ask if the motion is agreed to or not. That is what I have to do.

Honourable senators, is it your pleasure to adopt the motion?

Hon. Senators: Agreed.

Motion agreed to.

JOBS AND THE ENVIRONMENT— COMMITTEE AUTHORIZED TO CONDUCT STUDY

Hon. Colin Kenny, for Hon. Pat Carney, pursuant to notice of Tuesday, April 26, 1994, moved:

> That the Standing Senate Committee on Energy, the Environment and Natural Resources be authorized to examine the issue of jobs and the environment, and in so doing, provide a forum where issues, in which there seems to be a conflict between the creation of jobs and the preservation of the environment, could be discussed with a view to moving them closer to the point of mutually advantageous integration; and
>
> That the committee complete its examination no later than December 15, 1995.

He said: Honourable senators, let the record show that this is the last motion I am moving for Senator Carney.

Senator Frith: Today.

Senator Molgat: A wise decision.

The Hon. the Speaker: Honourable senators, is it your pleasure to adopt the motion?

Hon. Joan Neiman: Honourable senators, I wonder if I may ask Senator Kenny if he has come to some accommodation with Senator Stewart with respect to Motion No. 25 before we vote on this motion?

Senator Kenny: Honourable senators, I cannot speak to Motion No. 25. My last one was Motion No. 24.

Senator Neiman: I was curious.

Senator Lynch-Staunton: If one looks at the French side, one will find the correct motion.

Senator Molgat: There is a misprint.

The Hon. the Speaker: Honourable senators, are you ready to consider this motion or to pass an opinion on it? Is it agreed?

Hon. Senators: Agreed.

Motion agreed to.

FOREIGN AFFAIRS

COMMITTEE AUTHORIZED TO MONITOR AND REPORT UPON THE CANADA-UNITED STATES FREE TRADE AGREEMENT AND THE NORTH AMERICAN FREE TRADE AGREEMENT

Hon. John. B. Stewart: Honourable senators, I wish to read the words of the motion for which I gave notice. There seems to have been some error in the printing. It looks as if someone pressed the wrong button and some of the text of Motion No. 24 is reproduced in place of the motion for which I gave notice.

•(1520)

The motion pursuant to notice of April 26, 1994, and the motion which I now move is:

> That the Standing Senate Committee on Foreign Affairs be authorized to monitor and report on the implementation and application in both countries of the Canada-United States Free Trade Agreement, and on the implementation and application in Canada, Mexico, and the United States of the North American Free Trade Agreement, as well as any other related trade development; and
>
> That the committee present its report no later than March 31, 1995.

Hon. John Lynch-Staunton (Leader of the Opposition): As long as it is understood, honourable senators, that the term "be authorized" does not really mean "be authorized." What we are really saying is, "Look into it, but you must first go to Internal Economy, and then you must come back to the Senate before you are really authorized."

Hon. Royce Frith: I have a suggestion about this matter, honourable senators. It does not necessarily concern this motion, although I suppose Senator Stewart would not object, since this is to be the system that will be put in place. In any case, I suggest that you simply put in the words, "...subject to approval of budget by the Internal Economy Committee and verification by the Senate...," and go on with the rest of the wording.

Senator Lynch-Staunton: That is fine.

Senator Frith: But that should apply to the other ones as well.

Senator Stewart: Honourable senators, I think what we are doing is taking specific words out of context. We have a process here. The process is that we indicate Senate support for a proposed study. We understand that, subsequently, the necessary budget will go before the Internal Economy Committee. We also understand that a report will come back to the Senate itself. The word "authorized" has to be understood in that context.

I will give honourable senators another example. We do it in legislation. A bill comes to us stating, "an act." Of course it is not an act. It is not an act until it has received Royal Assent. We do not object and get all red in the face because the word "act" appears there, because we understand it is being used in a procedural context. The word "authorized" is being used in a procedural context.

It is not as if we just came in off the sidewalk without any understanding of parliamentary procedure. We understand the parliamentary process that is involved here. The word "authorized" in this context is a term of art which every senator understands.

The Hon. the Speaker: Honourable senators, is there agreement on the motion of Senator Stewart?

Hon. Senators: Agreed.

Motion agreed to.

The Senate adjourned until tomorrow at 2:00 p.m.

THE SENATE

Thursday, April 28, 1994

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

Prayers.

SENATORS' STATEMENTS

THE SENATE

TRIBUTE TO DEPARTING PAGE

Hon. Eric Arthur Berntson (Deputy Leader of the Opposition): Honourable senators, I would invite you to join with me in bidding farewell to our Chief Page, Bryn Jedlic. Bryn came to Ottawa in September 1991, after having distinguished himself as a young man of some significant achievement. He started French immersion in 1975, and graduated from the Dr. Martin LeBoldus High School in Regina in June of 1991 with an average of 91.5 per cent. He was awarded the Saskatchewan General Proficiency Award in September 1991, and, of course, in September of 1991 he was a successful candidate for the page competition here in the Senate.

After coming to Ottawa, Bryn completed his first year of political science at the University of Ottawa with a grade point average of 8.0. I did not know it went that high. Along the way, he also managed to excel in other fields of endeavour. For instance, he was a member of the Regina Rowing Club and, since coming to Ottawa, a member of the University of Ottawa Rowing Club. He was captain of his football team at LeBoldus. In the same period, he was captain of his rugby team at LeBoldus and, in addition, found some time to excel at playing both trumpet and piano. A rather remarkable young man.

I take special delight in offering our best wishes to this young man. He comes from Regina, Saskatchewan. His parents are well-known and important members of our business community. As an aside, his mother bought the first Canada Post dove that we auctioned off at a literacy auction for the small sum of approximately $4,000. I am also happy to say that Senator Tkachuk bought the second one for a similar sum.

What more can I say? Here is a man of excellent achievement. Today is his last day in the Senate. He has served us well since September 1991, and we wish him the very best in the future.

Senator Frith: He chose the Senate over being a Rhodes scholar, obviously.

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, I do not have the privilege that my colleague opposite has of coming from the same province as Bryn; it seems they are both Saskatchewanites, but I am a close neighbour. However, I have had the opportunity to see Bryn at work here, and to appreciate what a fine job he has done for us.

Often we may underestimate the work the pages do and the interest they take in our activities here. It is notable, of course, that pages in this place can advance to high office, as witnessed by the fact that we presently have at the Table at least two people who started out as pages and who now occupy important positions here in the Senate. We hope that those who are here now, Bryn and the other pages, may consider in the future returning to us.

For the time being, however, I cannot say that Bryn is leaving to face difficult times, because I understand that he is going to the Canadian University in Nice, France. That does not sound to me like an unpleasant posting for the next while. I am told in the meantime that he will spend some two months at Laurentian University to further his political science studies —

[*Translation*]

— as well as his French. Yet, working with him, I noticed that he had no problem speaking French. However, if he wants to be better at it, he should be able to do so in Nice. We wish him good luck.

We thank you, Bryn, for your good services. We are very happy for you, and hope that you will come back.

[*English*]

The Hon. the Speaker: Honourable senators, I am not standing to limit your applause. I would have joined it, except I was told never to applaud when sitting in this Chair. However, I am able to say verbally that I do applaud our Chief Page's success and his future.

Day after day, when I get ready for the parade to open the sitting of the Senate, those with furrowed brows come and line up together, the Clerk, the Clerk Assistant and the Black Rod, and then out comes this bright, cheerful person in the personage of our Chief Page. I wish to thank him for his encouraging presence when we organized the parade, especially in the first days, when I was much more nervous than he was.

In the past, I am told, the tradition was that, in order to get ahead in the Senate or the House of Commons, one had to be in the right political party. Perhaps. However, as I look at our Table, I am beginning to think that the real future is for those who have been pages and Chief Page in this house.

Good luck, all the best, and thank you very much.

Hon. Senators: Hear, hear!

Hon. David Tkachuk: I also wish the best to Mr. Jedlic. He is a bright young man, and it was a pleasure having him here when I first came to the Senate. I talked to him privately before I came into the Senate chamber and I wished him the very best.

INFRASTRUCTURE PROGRAM

SASKATCHEWAN RURAL ROADS PROJECT— ANNOUNCEMENT BY DEPUTY PREMIER

Hon. David Tkachuk: I should like to make a statement regarding the Infrastructure Program of the Liberal government.

Ed Tchorzewski has to be one of the happiest politicians on the planet. For those honourable senators who do not know him, he is the Deputy Premier of Saskatchewan. On Monday, he got to announce a planned expenditure under the Infrastructure Program of $30 million in my province to upgrade rural roads. It will provide 6,000 person-months of employment, which is a way of saying 250 jobs for two years, which of course happy Ed says is 500 jobs.

Accompanying Ed on the press release was Liberal MP Georgette Sheridan, who was speaking on behalf of Lloyd Axworthy, who was speaking on behalf of Mr. Eggleton, who I imagine was speaking on behalf of the Prime Minister, who was quoted in a press release once, while Mr. Tchorzewski took all the credit.

Let me now quote from the press release:

> Of the total funding for the rural road project, $20 million will come from the provincial-municipal revenue sharing pool, while $10 million is being provided by the federal government over the next two years under the Infrastructure Works Program.

That made me a little suspicious, but meanwhile Ed waxes about jobs.

However, when we turn to the fact sheet on the back of the press release, we know why Ed is such a happy politician:

> Of total funding for the rural road project, $10 million is being provided by the federal government under the Infrastructure Works Program. The remainder will be provided by rural municipalities. Rural municipalities will finance their share of the rural road project through the normal process.

Ed's government contributed not a loony, not a penny, and he took all the credit. He was in all the media, and Georgette was nowhere to be heard.

Meanwhile, I phoned Mr. Sinclair Harrison, the president of SARM, which is the Saskatchewan Association of Rural Municipalities, and he told me that about $10 million is probably budgeted already; $10 million was raised by municipalities by accessing other funds and borrowing; and $10 million was given by the federal government.

Out of all this, 500 jobs were created? Hardly. One third were already there: 83 is one third of 250; 83 were created by the municipalities by borrowing or accessing other funds, and 83 were reallocated from another federal government program.

•(1410)

This boondoggle, this misdirected, misguided, mismanaged, misallocated, misconceived program is misleading, and is creating misunderstanding. Frankly, honourable senators, I am developing a few misgivings. This program is so miscast that not even the wiles of the Liberals can make the job creation figures add up. I believe the Liberals should admit that they have created a little mistruth here, admit to misgoverning and admit the infrastructure program, as presently constituted, is one big mistake!

Some Hon. Senators: Hear, hear!

ELECTORAL BOUNDARIES READJUSTMENT PROCESS

BRITISH COLUMBIA—CONCERNS OF CONSTITUENTS

Hon. Pat Carney: Honourable senators, I want to bring to your attention the fact that I have received more than 200 telephone calls, letters and faxes from people in British Columbia about Bill C-18, which is currently before the Senate.

Considering the fact that I am not accustomed to receiving this volume of mail on any issue, and given the nature of the sentiments expressed, I wanted to share the concerns that British Columbians have about this bill by reading you some of the letters.

The first letter I wish to refer to is from Miss Margaret Clark of Surrey, B.C., which is the newest city in Canada and one of the areas affected by the bill. She says:

> I understand that the House of Commons is considering Bill C-18, the Electoral Boundaries Readjustment Suspension Act... the effect of which would deprive British Columbia of two new seats that it is entitled to receive under the redistribution. This means that British Columbia would not receive its two new seats in time for the next federal election.
>
> I write to urge you, as Senator for British Columbia, to use all means at your disposal to oppose the passage of this legislation and to protect the rights of British Columbians.

The next letter is from Mr. and Mrs. Ivo Van Bastelaere of Victoria, B.C., also requesting me to vote against this bill. The letter reads as follows:

> I am concerned that the Liberal government is using its majority in the House to prevent any delay in the bill's passage.

Honourable senators, the next letter is from Stan Hagen, who was a minister in a former government of British Columbia — if it is the same Stan Hagen. He says:

> I urge you to take whatever means possible to kill Bill C-18. It is unbelievable that while a new democracy is born in South Africa, the self-serving Liberals from Ontario and that block of traitors from the Quebec region are trying to kill B.C.'s representation by population. Where is our democracy?

Here is another letter. This is from Katherine Berg of Grand Forks, B.C. You will see that these letters come from all over the province. She writes:

> Wake up. This is British Columbia calling. It is your home. Stand up for it. You are being —

I cannot read the next word.

> Kill Bill C-18. More and more, we want out.

The next letter is from a former Newfoundlander living in my former riding of Vancouver Centre. He writes:

> I truly believe you have the knowledge, skill, power and sharp judgment to smell a rat. Bill C-18 is the wolf in sheep's clothing. Please add my name to the long list you must drag and drop on Ottawa. Please say no to this bill! Say no to Bill C-18.

There is more, including an invitation to tea, which I am sure my colleague Senator St. Germain, who is in the chamber, would love to accept with me.

The next letter is from Courtenay, B.C. Mr. William R. Ball writes:

> It is unconscionable that some members of Parliament from B.C. voted for the bill, knowing full well that they were depriving British Columbia of their lawful and constitutional right to two additional members as determined by the 1991 census.
>
> The only recourse remaining for fair and equal treatment for the citizens of British Columbia now rests with the Canadian Senate. I ask that you see your way clear, as a senator from our province, to vote NO to Bill C-18.

Honourable senators, we have a number of —

The Hon. the Speaker: I apologize to the honourable senator, but I must interrupt. I am told that your three minutes have expired.

Senator Carney: Do you not wish to hear more, colleagues?

Senator Olson: That is enough. We got the message.

Senator Carney: Thank you. I will bring my mail back another day.

INFRASTRUCTURE PROGRAM

REQUEST OF MUNICIPALITIES OF CANADA

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, I believe that when the Senate established the rule governing Senators' Statements, it was not intended that that would be an occasion for debate. In fact, I think the rule clearly states that it is not debate. However —

Hon. Eric Arthur Berntson (Deputy Leader of the Opposition): Is this a point of order or a statement?

Senator Molgat: I shall not enter the debate, but I wish to make a particular point insofar as the Infrastructure Program is concerned. The Infrastructure Program was clearly established as a cooperative program from the very beginning.

Senator Berntson: It sounds like debate.

Senator Molgat: Indeed, the Infrastructure Program was requested by the municipalities of Canada, and it was established very clearly as a tripartite agreement. The municipalities would participate, the provincial governments would participate, and the federal government would participate.

Senator Berntson: This still sounds like debate to me.

Senator Molgat: It was at the very specific request of the municipal corporations, through their associations, that the idea was promoted.

ELECTORAL BOUNDARIES READJUSTMENT PROCESS

BRITISH COLUMBIA—CONCERNS OF CONSTITUENTS

Hon. Gerry St. Germain: Honourable senators, I too want to reinforce what Senator Carney has so adeptly put forward in this house: That Bill C-18 is just not acceptable to British Columbians. I too have been inundated with letters, faxes and telegrams urging me to vote against this bill.

I ask the members opposite, each and every one of them, to urge the government to withdraw this unfair bill that they have presented to this place, and to reconsider their position in the spirit of justice for all Canadians in relation to democratic representation in the House of Commons.

Honourable senators, it was pointed out that there is to this particular bill a side that would clearly indicate that it has been brought forward for partisan reasons as a result of pressure that emanated out of the Toronto region. I urge each and every senator of the Liberal Party to ask the government to withdraw this bill because it is unfair to British Columbians, unfair to people in the Toronto region, and unfair to Canadians in general.

Hon. L. Norbert Thériault: Honourable senators, I want to raise a point of order —

Hon. John Lynch-Staunton (Leader of the Opposition): You cannot until after Question Period.

Senator Thériault: Then I will make it in the form of a statement. It is a well-established rule in the British parliamentary system —

Senator Lynch-Staunton: This is out of order.

Senator Thériault: — that when a piece of legislation is before the house, there are three opportunities to discuss that legislation: Introduction and first reading, second reading, and third reading. There is also discussion at committee stage. Legislation should not be discussed at any other time.

BUSINESS OF THE SENATE

BUDGETS OF COMMITTEES

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, yesterday, in the course of discussing a proposed program for the Standing Senate Committee on Energy, the Environment and Natural Resources, the Leader of the Opposition properly raised the point of how we handle budgets for committees. At that time I suggested that possibly we could ask the officials of the Senate to give us the information.

I have since been advised, and I should have known this, that this process is indeed covered in the *Rules of the Senate*. I would refer honourable senators to pages 125 to 130 in the appendices section of our rule book.

These guidelines arose out of a study undertaken by the Standing Committee on Privileges, Standing Rules and Orders, of which I, at that time, had the honour to be the chairman. The results of that study became the subject of the 7th report of that committee, tabled in the Senate on Wednesday, March 5, 1986, and that report was the subject of debate in the Senate commencing on March 11, 1986. If honourable senators are interested, I would recommend that they read the background which was illuminated during the debate starting at pages 2123 in the *Debates of the Senate* of that day.

•(1420)

ROUTINE PROCEEDINGS

BANKING, TRADE AND COMMERCE

SIXTH REPORT OF COMMITTEE TABLED

Hon. Michael Kirby, Chairman of the Standing Senate Committee on Banking, Trade and Commerce, tabled the sixth report of the committee.

He said: Honourable senators, this report deals with the work plan of the committee. I request leave of the Senate to say a few words about this report.

The Hon. the Speaker: Honourable Senator Kirby has requested leave. Is leave granted, honourable senators?

Hon. John Lynch-Staunton (Leader of the Opposition): Why the haste? Why can we not wait until the next sitting?

Senator Kirby: I am quite happy to leave it to a future sitting of the Senate. There is no particular reason that I have to speak to it today. However, at an early opportunity, for example, during the next week we are back, I should like to say a few words about the plan. I think it will be important, not only for members in the Senate but also for several of the organizations that will ultimately be appearing before the Senate.

However, I repeat, it does not need to be done today. I am happy to do it at a later time.

Senator Lynch-Staunton: I just wanted to know.

Senator Kirby: Thank you.

Honourable senators, I will just take a couple of minutes to draw your attention to the work plan of the Committee on Banking, Trade and Commerce. It, of course, does not cover legislation. It does cover other studies that the committee intends to undertake over the next couple of years.

We have taken this unusual step of laying out a work plan for the next couple of years, because there are several major issues facing the financial services sector in Canada. These issues, we believe, logically group together and are sufficiently important that it makes sense for us to announce an overall work plan rather than an issue-by-issue work plan. We want to deal with six major issues.

The first issue has to do with the stability of the Canadian financial system and, in particular, the protection of consumers of financial services. In that regard we will be looking at three very specific questions.

The first question is whether the regulatory system is adequate as it now stands. The second is whether the appropriate line has been drawn between the regulatory function, on the one hand, and the insurance function that protects depositors and consumers, on the other. The third is related to the fact that existing insurance schemes are based on industry and not on product. The CDIC insures deposits in trust companies and banks. CompCorp, the insurance industry's privately run operation, insures people who buy life insurance policies. A similar organization protects customers of members of the security industry.

A major issue for the committee is whether it makes sense to continue to look at each member of the financial services market separately, in the way it was done in the past, or whether it makes sense to look at each product separately, for example, insurance.

This issue is of particular importance, honourable senators. It was looked at by the Senate in a very preliminary way a year ago, but in light of recent developments in the financial services sector, we think that further consideration is called for at this time.

The second issue of the six, and the other one with which we will be dealing this spring, arises out of hearings which the committee held in February on regulations governing the Export Development Corporation. During those hearings, members questioned whether the Export Development Corporation has the same portfolio of tools with which to help Canadian companies expand their export business as have similar government organizations of other countries, such as the United States, France, Germany and Japan. We are concerned that EDC may be at a disadvantage, and therefore Canadian exporters would be at

a disadvantage in international markets. We will therefore be looking explicitly at whether there is a greater role for the government, through the Export Development Corporation or through other means, in increasing Canadian exports and ensuring that the EDC, on the one hand, and Canadian exporters, on the other, have a level playing field internationally.

The third issue, which we will deal with in September and October, is a review of developments in the Canadian financial system. This study will be done having regard to the major reforms that have taken place since the financial services legislation of June 1992 collapsed the four pillars.

•(1430)

Industry and government officials support this two-year review of the legislation. It is vital to see if the framework is working as it was intended to work. Major changes in the financial system were predicted by the parties who appeared before the committee when it considered the legislation. Have such changes occurred? Are there rough spots that need smoothing? We will be doing a retrospective analysis in the early fall, keeping an eye on recommending possible changes in the legislation.

The fourth area we will look at is government assistance for small business — with two particular issues in mind. First, there is currently an interdepartmental committee looking at the role of government vis-à-vis small business. That committee will be making its report public by the end of the summer. It is our intention to hold hearings based on that document and to get feedback from the business community and other interested parties on it.

The second aspect of assistance to small business that is of interest to the committee is the Federal Business Development Bank. Senators will be aware that two years ago legislation was passed that changed significantly the mandate and role of the Farm Credit Corporation, a related agency that deals with small business. There was legislation passed last year that affected the Export Development Corporation. It is now time to reconsider the role and mandate of the Federal Business Development Bank. The purpose of our hearings will be to establish what is an appropriate mandate for the FBDB prior to legislation being introduced, presumably in 1995, which would change its basic mandate.

The fifth issue deals with pensions and capital markets. Concern has been expressed about the growing size of mutual funds and pension funds in Canada and the fact that they are in many ways unregulated. A number of analysts have expressed concern that Canadians are increasingly having to rely on private pension funds and private RRSPs as a means of financing their retirement.

An important public policy issue revolves around the extent to which Canadians are using private pension funds, mutual funds and various other vehicles to secure their retirement. How will changes in the funding of CPP/QPP affect other vehicles used for retirement planning? Is there a role for government in regulating these funds? To what extent have they become significant players in the financial services sector? It is necessary to look not only at their economic impact but also at whether or not there is a role for government to play in helping to make Canadians feel more secure about retirement.

Finally, honourable senators, later next year we will be looking at an issue about which there has recently been some discussion in the media. I refer to the question of whether or not, in the interest of growing efficiency within the financial services marketplace, the securities industry ought to have a national regulator. The current situation is that the securities industry is regulated at the provincial level. This is an issue of growing concern to a number of provinces, particularly the small provinces in the prairies and in Atlantic Canada. It is an issue we will be addressing with a view to making recommendations to the government on the extent to which it ought to regulate the securities industry.

Honourable senators, the document I have tabled, and which will be circulated to you, contains a more detailed outline. I thought it important that I explain the essential thrust of the committee's work plan and make public the document. I have done so because a number of groups will want to do a significant amount of background work prior to appearing before the committee on these issues. It is important to give those organizations as much lead time as possible so that when they appear before the committee over the next 18 months or so, their contributions will provide solid input into the committee's deliberations.

EXCISE TAX ACT

BILL TO AMEND—REPORT OF COMMITTEE

Hon. Michael Kirby, Chairman of the Standing Senate Committee on Banking, Trade and Commerce, presented the following report:

Thursday, April 28, 1994

The Standing Senate Committee on Banking, Trade and Commerce has the honour to present its

SEVENTH REPORT

Your committee, to which was referred Bill C-13, an Act to amend the Excise Tax Act and a related Act, has examined the said Bill in obedience of its Order of Reference dated Tuesday, April 26, 1994, and now reports the same without amendment.

Respectfully submitted,

MICHAEL KIRBY
Chairman

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

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

INCOME TAX AMENDMENTS REVISION BILL

REPORT OF COMMITTEE

Hon. Michael Kirby, Chairman of the Standing Senate Committee on Banking, Trade and Commerce, presented the following report:

Thursday, April 28, 1994

The Standing Senate Committee on Banking, Trade and Commerce has the honour to present its

EIGHTH REPORT

Your committee, to which was referred Bill C-15, an Act to revise certain income tax law amendments in terms of the revised Income Tax Act and Income Tax Application Rules, has examined the said Bill in obedience of its Order of Reference dated Wednesday, April 27, 1994, and now reports the same without amendment.

Respectfully submitted,

MICHAEL KIRBY
Chairman

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

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

ADJOURNMENT

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, with leave of the Senate and notwithstanding rule 59(1)(*h*), I move:

That when the Senate adjourns today, it do stand adjourned until Tuesday, May 10, 1994, at two o'clock in the afternoon.

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

Hon. Senators: Agreed.

Motion agreed to.

NATIONAL SPORTS OF CANADA BILL

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-212, to recognize hockey and lacrosse as the national sports of Canada.

Bill read first time.

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

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

[*Translation*]

CANADA-EUROPE PARLIAMENTARY ASSOCIATION

REPORT OF CANADIAN DELEGATION TABLED

Hon. Roch Bolduc: Honourable senators, I have the honour to table the report of the Canadian delegation on its visit to the European Bank for Reconstruction and Development, and on the OECD Debate at the Council of Europe.

[*English*]

•(1440)

QUESTION PERIOD

FEDERAL-PROVINCIAL RELATIONS

STATUS OF RELATIONS—GOVERNMENT POSITION

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, amongst its many pledges, the new government included a promise to work closely with the provinces on matters of mutual interest, to paraphrase members of that government, in order "to restore harmony and cooperation between all parties," implying that the previous government's approach to federal-provincial relations led to acrimony and ill will.

Senator Olson: That is right.

Senator Lynch-Staunton: Today, not even six months after this government assumed office, we have the sad spectacle of the premier of British Columbia's pleas for proper representation of his province in the House of Commons falling on deaf ears; of the premier of Alberta not being given the basic courtesy of advance notice prior to the Minister of Health's recent outburst; of the premier of Ontario being insulted by the Minister of the Environment when she implied that his non-support for NAFTA disqualified his province as a prospective site for the NAFTA environmental agency; and of the premier of Quebec outraged, with reason, over the lack of discussions on his proper request that Quebec have greater control over manpower training.

Senator Olson: You did your research. That is terrible.

Senator Lynch-Staunton: You just have to read the newspapers, Senator Olson.

Will the Leader of the Government explain how this bulldozing strategy leads to more harmonious relations between the federal and provincial governments?

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, Senator Lynch-Staunton has indicated to us some areas of difficulty with some federal-provincial issues that have been raised in the media and elsewhere. I wish to assure the Leader of the Opposition that work between the federal government and the provinces continues on a wide range of issues that are taking place both at the departmental and ministerial level.

I should also point out to the Leader of the Opposition that sometimes the level of federal-provincial discussion takes on an added zest when there are electoral events in the offing. This may well be the case in some of these instances.

Efforts made on the part of the federal government, however, include the maintenance of fair and constant communications with the various provincial administrations, their officials, their ministers and their premiers. I believe that this is being done.

Senator Lynch-Staunton: My concern is not that there are disputes between provinces and the federal government — that is inevitable in a system such as ours, and it is an ongoing process. My concern is that the federal government seems to be going back to the days of the seventies and early eighties when the then Liberal government decided that Canada was more or less a faceless society, and that Big Brother in Ottawa had the first and final say. The Liberal government seems to be tending towards returning to the philosophy that this is not a country of regions with special priorities, special requirements and special values from coast to coast, but one where only Ottawa knows best, so we must do what Ottawa says, or forget it.

I am asking the Leader of the Government to assure us that we are not returning to those unfortunate days when there was tremendous acrimony between the provinces and the federal government, but rather that there is a recognition that this is still a country of regions, and where one is still a distinct society.

Senator Fairbairn: Honourable senators, I assure Senator Lynch-Staunton that the federal government is not adopting the attitude of Big Brother, or of Central Canada ruling all. The federal government is very conscious of the importance of each region and each province in this country and, in its discussions and negotiations, will conduct itself accordingly.

[*Translation*]

EFFECT OF FEDERAL POLICY ON PHARMACEUTICAL INDUSTRY OF QUEBEC

Hon. Jean-Claude Rivest: Honourable senators, my question is for the Leader of the Government in the Senate. If the federal government is so aware of the distinctiveness of the various regions and of their specific needs, why is it about to kill the Quebec pharmaceutical industry, which had found itself in a highly favourable position after the Parliament of Canada passed the Patent Act? Has the minister come across the statement that the Quebec Minister of Industry and Commerce made about this yesterday?

[*English*]

•(1450)

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I thank Senator Rivest for his question. Yes, I have learned of the statements of Minister Tremblay in Quebec. Discussion on this issue began, as the senator will know, because of indications from the industry that they were setting out on a certain campaign, or taking certain action.

As far as the federal government is concerned, our position is quite simple and clear: Since 1987, there has been a requirement for a statutory review. That requirement was incorporated into the Patent Act at that time. I hope that the pharmaceutical industry will not let that kind of a requirement alter or inhibit in any way their investment intentions.

As far as the federal government is concerned, we will obey the statutory requirement at the time it comes into play. Nothing more should be read into the situation than that.

[*Translation*]

Senator Rivest: Honourable senators, I have a supplementary for the Leader of the Government in the Senate. If that is the case, why did the Quebec Minister of Industry and Trade criticize the intentions of the Canadian government, and why did he say that announcements made by the federal minister, Mr. Manley, were a complete contradiction of discussions that both levels of government had had with the industry in recent months?

[*English*]

Senator Fairbairn: Honourable senators, I am not sure of the answer to that question from Minister Tremblay's point of view. Perhaps there is a misunderstanding. As far as Mr. Manley is concerned, I believe he indicated in the House of Commons this week that Bill C-91 would be reviewed as required by statute. I think that review by statute was contemplated for 1997. That would be the time it would take place.

[*Translation*]

THE BUDGET

PROPOSED CLOSURE OF ROYAL MILITARY COLLEGE OF ST-JEAN

Hon. Jean-Maurice Simard: Honourable senators, my question is again about the decision to close the Collège militaire royal de St-Jean.

I would ask the Leader of the Government in the Senate whether she believes — and whether Canadians can still hope — that this decision will be reversed.

I am also told in connection with what is happening in St-Jean that, if the operation to close the college is not stopped within a month or six weeks, we will have reached the point of no return, and the government will be able to say: "Look, it is too late."

I want to make sure the government can find a way to save face, if necessary. The ministers were boasting and saying publicly that the Liberal government did not want to make the same mistake made by the Mulroney government when it had to give in to senior citizens, because it would be the thin edge of the wedge and that the government did not want to start its mandate this way.

Incidentally, today three different newspapers, including *Le Soleil*, said that the Liberal government backtracked at the last minute on the issue of taxing health insurance premiums. A first change of heart!

And another: After they preached the benefits of budget cut-backs and sound financial management, and declared that there would be no more trips for ministers on the Challenger, *The Globe and Mail* reported today that the Prime Minister spent a total of $250,000 in federal funds to go to and from the Caribbean. So much for promises!

And now for a third change of heart! In today's *Ottawa Citizen*, we read:

[*English*]

> The Chrétien government will now allow exhausted ministers to replenish pared-down staff.

We know that a few months ago, the new government said that ministers would have to do with fewer people and that they would save $10 million. Obviously, the government is prepared to allow ministers more staff. This is the third time that this government has backtracked on fundamental issues.

Senator Frith: Order, order!

Senator Simard: Therefore, will the government backtrack when it comes to a national institution that allows for the training in a French milieu of francophones and anglophones in Quebec? Can Canadians hope that this government will backtrack again, but this time in a good cause?

Senator Robichaud: Would you repeat the question?

Hon. Joyce Fairbairn (Leader of the Government): Thank you, Senator Simard, for your question and for your eloquent and interesting preamble. I will not go into that in detail, other than to say that this particular minister is not exhausted but is still full of zip, and is quite content with the arrangements that have been put in place for us.

On the question of the college, I believe that last evening senators had a long and full discussion on this issue with the Minister of National Defence, and will continue the discussion with other witnesses before the committee.

Senator Simard has asked me this question on a number of occasions and I have attempted to answer it. We are still in the position of having discussions with the Quebec government and waiting to receive advice on how this facility can be dealt with in a productive way for the future.

I cannot answer in the affirmative Senator Simard's question, but we will certainly be cooperating in any way we can with the province of Quebec on the future of this institution.

INFRASTRUCTURE PROGRAM

FORMULA RESOLVED AMONG LEVELS OF GOVERNMENT

Hon. H. A. Olson: Honourable senators, I wanted to ask a question a few minutes ago as a supplementary to Senator Lynch-Staunton's questions.

Can the Leader of the Government in the Senate tell us about a meeting that was held a few weeks ago with a number of municipal politicians from Alberta, who expressed complete satisfaction for the precise, helpful manner in which the formula had been worked out for all three levels of government regarding the Infrastructure Program?

Senator Lynch-Staunton: Were they hand-picked?

Senator Olson: No, no, they just came.

Senator Lynch-Staunton: Move the money around; you can make them happy.

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, yes, I can say that some weeks ago I had the pleasure of being party to the announcement of the infrastructure agreement with the province of Alberta along with the Deputy Premier, Mr. Ken Kowalski.

Indeed, as I indicated to Senator Ghitter the other day, in the province of Alberta we have very much pulled the municipal level into the process of governing the development of the projects as they come along. We have two members of municipalities on the committee that looks at the projects.

We certainly had a positive announcement in Edmonton, and agreement among all three orders of government, federal, provincial and municipal. That is the way programs and activities should be conducted in this country, particularly at a time when all parts of the country and all parts of each province must work together in order to get the best possible deal for Canadian workers, and for Canadian cities, towns and villages, to enhance Canada's economic prospects.

•(1500)

SOUTH AFRICA

FREE AND DEMOCRATIC ELECTIONS—MONITORING BY CANADIAN DELEGATION

Hon. Richard J. Doyle: Honourable senators, my question is for the Leader of the Government in the Senate and has to do with the holding of free and democratic elections. Members on this side have noticed, with great satisfaction, the mission undertaken by Senators Oliver and Cools, and as many as 70 other Canadian observers, who now are monitoring the history-making elections in South Africa. Canada has invested some $5 million in the South African election process and our delegation has been praised for its diplomatic application of the experience gained in this country in the delicate business of watching elections.

My question is this: Has the government arranged to fly Senators Cools and Oliver back to Ottawa immediately after the South African chore has been done so that they may observe and comment upon Bill C-18, the Electoral Boundaries Readjustment Suspension Bill, that miserable piece of legislation that, in the words of Senator Murray, "deprives Ontario of four additional seats in the next election and will deprive British Columbia of two additional seats"?

Senator Frith: Nobody knows whether it will or not yet. We found that out today in the committee.

Senator Doyle: Will Senators Cools and Oliver be here to record their abhorrence of a procedure that offends the Canadian Constitution and demeans Canadian citizens in every part of the country, while it aborts the arm's-length procedures imposed to block the grossest kind of gerrymandering? Will Senators Cools and Oliver return in time to rescue us from this proposed invasion of the ballot snatchers?

Senator Olson: You never get anything straight.

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I join with Senator Doyle in expressing satisfaction and praise for the group of Canadians who, I am sure under interesting albeit trying circumstances, are in South Africa in an effort to lend assistance and expertise to their free election process, which has to be one of the most outstanding political events in recent memory.

We on this side also look forward to the return of Senator Oliver and Senator Cools, who, I am sure, will give us a full report on their activities. I cannot answer the specific question as to whether they will be specially flown back at this time. I assume that they will come back when they and the others feel the obligations under which they agreed to go have been discharged. We will welcome them back when they return.

Of course, we all know that the strength of the Canadian Parliament lies in the fact that its two Houses are free and able to look into all of the legislation that is put before them by their successive governments, whether that legislation is difficult and controversial or amicable and easy.

INFRASTRUCTURE PROGRAM

SOURCE OF FUNDS FOR JOB CREATION— GOVERNMENT POSITION

Hon. David Tkachuk: Honourable senators, since we know that most municipalities and provincial governments are without money, are telling Canadian people so, are taxing Canadians to the limit, and are claiming in all their budgets that they are spending money only on absolutely necessary spending and are trying to reduce their deficits, I should like to know, in light of the amicable meeting the minister said she had in Alberta, what advice does the federal government have for them with respect to where their infrastructure money should come from to create all these new jobs?

Hon. Joyce Fairbairn (Leader of the Government): Is the honourable senator referring to the province of Alberta?

Senator Tkachuk: Anywhere in the country.

Senator Fairbairn: Certainly, one of the foundations of this program, as my friend will know — and this goes back to pre-election time — is that the municipalities of this country, through their federal organization, have urged the federal and provincial governments to come together with them in a three-part effort to get the country working. They want the governments to create jobs through projects that at the same time will enhance, in a lasting way, the infrastructure of the municipalities in Canada, from our small villages to our huge metropolitan areas.

Right across the entire country, through the North and with our aboriginal community, agreements have been signed, and the municipalities are now starting to move forward with actual projects.

I know my friend is unhappy with what is happening in his province of Saskatchewan, while I am pleased about the cooperation that is occurring in my province of Alberta.

Senator Berntson: That is a natural tendency for Tories; they cooperate all the time.

Senator Fairbairn: I cannot answer in a detailed way as to what kind of negotiations took place between the municipalities and the government in the great province of Saskatchewan, but I do know that an agreement has been reached. It is a little different from some of the other agreements. The cost-sharing differs slightly. The federal government pays one third; the provincial and municipal shares are 39 per cent and 27 per cent, respectively.

I can tell Senator Tkachuk that there will be jobs in the province of Saskatchewan, and that there will be road building that will be of tremendous benefit to that province. I think there will be a number of other very important projects that will be to the profound benefit of the people of his province. I say that with conviction and sincerity. I am just sad that he is not personally able to enjoy the prospects of this program, as we in the province of Alberta are doing now.

Senator Molgat: He is an "anti."

Senator Tkachuk: Honourable senators, I have another question.

The Hon. the Speaker: Is it a supplementary question?

Senator Tkachuk: Yes, it is, Your Honour.

I understand what the minister is trying to say, but that is not what the Canadian people are hearing.

Senator Molgat: From you.

Senator Tkachuk: If someone is spending $10 million to build highways in Saskatchewan or in Alberta, and the federal government says, "Let's top it up so we can add another $10 million to it and build highways," that is a lot different from what the federal government is telling the people of Canada. They are trying to tell the people of Canada that they are creating 90,000 jobs.

I want infrastructure too, as I am sure do all senators. It would be helpful. However, this is not new money. It is money moved from one program to another program, and the government is saying that it is creating new jobs, which is giving false hope and is deceptive. Doggone it! It is just not right, Madam Minister.

The municipalities of Saskatchewan had already put $10 million aside. They were intending to spend it anyway over two years; so those jobs were there. The federal government takes $10 million from another department, puts it in and says, "Hallelujah! We have created 500 jobs." They have not created any jobs, and we know that.

I want the government to admit that the program is not correct, but is deceptive and is fooling the people of Canada, which I do not think is a good thing to do. I want to know how the government has arrived at the job figures — for example, the figure of 500 jobs in Saskatchewan.

•(1510)

Senator Fairbairn: Honourable senators, much as I admire and respect Senator Tkachuk, he will not get that type of admission from me. I believe that all of these three-way agreements have been made in good faith by all three sides.

The job creation will be real; it is not deceptive. The senator talks about the movement of funds here and there. That is not the way it works. Of course every government, and this government in particular, is attempting to work out methods of saving money and cutting expenditures. However, it also wants to use its resources to create jobs and opportunities for Canadians. Simply because money is available for this project does not mean that jobs have been destroyed somewhere else, regardless of the movement of funds through the federal government, or indeed through any provincial government. That is not the way the program works.

I will look forward to the moment when the work is under way in Saskatchewan, and Senator Tkachuk can see those jobs and those people of Saskatchewan profiting from them.

NATIONAL FINANCE

CUTBACKS IN TRANSFER PAYMENTS TO WESTERN PROVINCES—GOVERNMENT POSITION

Hon. Gerry St. Germain: Honourable senators, my question is in relation to the deficit and the debt, which is undoubtedly the most crucial issue we have to deal with as a nation at this time.

The IMF has indicated that 3 per cent of the GDP as a level at which to have the deficit is not acceptable. In the last campaign, the Liberal Party came out with the Red Book which stated that this was the level that would be acceptable. Now the IMF is stating that this is not acceptable.

Recently, we have heard there are to be cut-backs in transfer payments to the western provinces. First of all, British Columbia lost the KAON project; now reasons are being found to cut back transfer payments.

Why is the government not dealing with some of its pets such as the CBC, instead of killing programs such as KAON and now attacking transfer payments to the western provinces, namely, British Columbia and Alberta? Although we are "have" provinces and are proud to contribute, we do not want to be penalized. However, honourable senators, we are being penalized every time we turn around.

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, my recollection of the federal budget is that the government is not cutting transfer payments to the provinces. As far as the IMF is concerned, they were commenting on our 3 per cent of GDP over three years, and stated that that organization would like to see a greater cut than that. We are fundamentally in line with what our goal is, namely, 3 per cent in three years.

It has been made very clear by the Prime Minister and the Minister of Finance that of course we hope to be able to surpass those amounts, due to a combination of the sound financial structure that we are putting in place, the improvement in the economy, and the creation of jobs.

Other ministers in cabinet are constantly looking for ways to make our system more efficient. As I stated to Senator Simard the other day, ministers are reviewing all boards and commissions of government as to their sustainability, and as to whether or not they can be trimmed. All of those things are being done, Senator St. Germain, and already we are seeing some results.

In the last two months, employment has increased in Canada, in that 114,000 new jobs became available. People are getting back to work. That is the largest increase in such a period in five years. Consequently, we have seen a movement downward in that stubborn unemployment figure during the last month — not, unfortunately, to a level that would make any of us happy at 10.6 per cent, but at least there has been a downward movement. We have seen a slow increase, but a definite increase, in retail sales. We are starting to see a trend in this country that will enable Canadians to have greater security and greater opportunity. Such a movement is at the core of all the plans that we made prior to the election, plans that we expressed through the budget, and plans that we will hold to in the months ahead.

The Hon. the Speaker: Honourable senators, does Senator Ghitter still wish to ask a question? I would not want to cut him off.

Hon. Ron Ghitter: No.

The Hon. the Speaker: Since he does not wish to do so, I have to inform honourable senators that Question Period has ended.

DELAYED ANSWER TO ORAL QUESTION

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, I have a response to a question raised on March 24, 1994 by the Honourable Senator Murray regarding the Canadian Environmental Assessment Act.

THE ENVIRONMENT

PROCLAMATION OF ENVIRONMENTAL ASSESSMENT ACT—STATUS OF DRAFT REGULATIONS—GOVERNMENT TIMETABLE

(Response to a question raised by Hon. Lowell Murray on March 24, 1994)

The Canadian Environmental Assessment Act to which Senator Murray referred received Royal Assent on June 23, 1992. Over a year later on September 18, 1993, the previous government pre-published in the *Canada Gazette* Part I the four regulations essential to the technical implementation of the Act. The four regulations are: the Regulatory and Statutory Provisions List, the Comprehensive Study List and the Exclusion List and Inclusion List.

When pre-published, these draft regulations were soundly criticized for containing loopholes and for *not* reflecting the recommendations of stakeholders. Subsequently, at the request of stakeholders, the Minister of the Environment extended the public comment period and ordered officials to review the regulations. My understanding is that the Minister of the Environment will be seeking the approval of her colleagues for an improved regulatory framework in the near future. An announcement regarding proclamation would follow shortly thereafter.

Senator Murray also referred to the Standing Committee on Energy, Environment, and Natural Resources which has done commendable work on this legislation and continues to monitor its progress. I am informed that the Minister of the Environment will be a witness at the committee on this very subject as soon as Cabinet has reviewed the regulations.

ANSWER TO ORDER PAPER QUESTION TABLED

HUMAN RESOURCES DEVELOPMENT—INCLUSION OF REGIONAL REPRESENTATION ON ADVISORY GROUP ON WORKING TIME AND DISTRIBUTION OF WORK

Hon. Gildas L. Molgat (Deputy Leader of the Government) tabled the answer to Question No. 24 appearing on the Order Paper—by Senator Marshall.

ORDERS OF THE DAY

CROWN LIABILITY AND PROCEEDINGS ACT

BILL TO AMEND—SECOND READING

On the Order:

Resuming the debate on the motion of the Honourable Senator Lewis, seconded by the Honourable Senator Bonnell, for the second reading of Bill C-4, an Act to amend the Crown Liability and Proceedings Act.

Hon. Pat Carney: Honourable senators, I am happy to speak on second reading of this bill, to amend the Crown Liability and Proceedings Act.

I should point out that this is another piece of legislation which originated with the Conservative government under both Brian Mulroney and Kim Campbell. I wish to note that the only bills which we seem to be dealing with in this chamber are bills proposed by the Conservative government. The only two Liberal initiatives that I can recall are the emergency legislation for the dock workers in Vancouver, which is proving to be a piece of legislation that is not getting people back to work, and the infamous Bill C-18, which would deprive two provinces of their rightful representation in Parliament. Therefore, honourable senators can understand how much we look forward to seeing the nature of the Liberal legislation that is to be brought before us.

Another point about this bill which is worth noting, and which explains my interest, is that this bill establishes a mechanism for resolving disputes between Canada, Mexico and the United States concerning the side agreements on environment and labour that were negotiated between the three governments, and deals with the NAFTA agreement on trade.

Of course, the NAFTA agreement arises out of a free trade agreement that was initiated under the tenure of our colleague Senator Kelleher when he was Minister for International Trade, an agreement that was negotiated under my tenure as Minister for International Trade, and it is very rewarding to see how this initiative has been transformed into NAFTA, the North American Free Trade Agreement.

On September 14, 1993, Prime Minister Kim Campbell signed the North American agreements on environmental and labour cooperation. This bill confirms that the side agreements which have been adopted are those negotiated by the Conservative government.

The Crown Liability and Proceedings Act is amended so as to permit domestic enforcement by the Federal Court of Canada of any panel determination that is addressed to the Crown in the right of Canada. The enactment sets out a procedure by which a panel determination may be filed in the Federal Court. On filing, the panel determination would become an order of the Federal Court. A panel determination that becomes an order of the Federal Court would be enforceable in the same manner as any other order of that court, subject to certain limitations. There would be no right of appeal against a panel determination, or an order, or a decision made by the Federal Court in any enforcement proceedings.

•(1520)

The bill also contains a clause to exclude domestic judicial review of panel proceedings, panel determination enforcement proceedings taken by the Federal Court, and orders and decisions made by the Federal Court in any enforcement proceedings.

Honourable senators, on August 13, 1993, the Honourable Tom Hockin, Minister for International Trade under the Conservative government of Kim Campbell, announced that Canada had met its objectives and had negotiated strong and effective measures to protect the environment and workers across North America through side agreements with the United States and Mexico. The North American Agreement on Environmental Cooperation and the North American Agreement of Neighbour Cooperation were reached after several rounds of negotiations with the U.S. trade representative and the Mexican Secretary of Trade and Industrial Development. The agreements provided the positive assurance that the three NAFTA partners would enforce their environmental and labour laws so that no country gains an unfair competitive advantage. These side agreements represented a pledge to the people of North America that Canada, the United States and Mexico will pursue environmentally sustainable growth and promote the well-being of their workers.

The new agreements contained effective enforcement mechanisms without creating new barriers to trade. Canada was successful in proposing important safeguards for enforcement without instituting the kinds of barriers that NAFTA was designed to eliminate. The agreements aim to settle disputes through cooperation, but where countries fail to enforce their labour and environmental laws and do not correct the problem, they may be subject to fines paid into special environmental and labour funds. In Canada, fines will be enforced by domestic courts. This is where the bill comes into effect.

It is amazing, honourable senators, that having brought this bill forward, the government side shows such little interest in the proceedings of this chamber.

The precedent-setting agreements commit all three countries to close and ongoing cooperation on a broad variety of environmental and labour issues. These agreements build upon the already strong commitments to work together that were negotiated in the North America Free Trade Agreement.

In closing, honourable senators, I should point out that at Globe '94, which was held in Vancouver in March, this subject was under discussion. Speakers stressed that the environmental side agreement —

The Hon. the Speaker: Order!

Senator Carney: It is all right, Your Honour. We will await with interest the bringing forth of their further legislation. Perhaps they will pay more attention to it than they are doing to the current legislation that is proceeding through this chamber.

The Hon. the Speaker: May I ask for order, please. There is a high level of conversation in the chamber this afternoon, even making allowance for some hearing impairment on my part. I would ask that honourable senators cooperate, and allow Senator Carney to conclude her remarks properly.

Senator Carney: Alternatively, they can withdraw the bill, Your Honour.

As I was saying when His Honour kindly called the chamber to order, at Globe '94 this agreement was noted by environmentalists from around the world who were attending the trade show. Speakers stressed that the environmental side agreements negotiated under NAFTA will be viewed as the floor for any future international trade agreements.

The next phase in the evolution of free trade will likely be the Americas free trade agreement, which is attracting interest from Chile and Argentina. Undoubtedly, these are the kinds of measures that would be included in future agreements of this sort.

Some Hon. Senators: Hear, hear!

REFERRED TO COMMITTEE

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

On motion of Senator Molgat, bill referred to the Standing Senate Committee on Legal and Constitutional Affairs.

PRIVATE BILL

CANADIAN ASSOCIATION OF LUTHERAN CONGREGATIONS— BILL TO INCORPORATE—SECOND READING

Hon. H.A. Olson moved the second reading of Bill S-5, to incorporate the Canadian Association of Lutheran Congregations.

He said: Honourable senators, Bill S-5 is a bill to incorporate the Canadian Association of Lutheran Congregations, which I believe will have its head office in Kamloops, British Columbia.

Lutheranism in Canada has a long and honourable tradition. The first Lutheran service was conducted in 1619 by Chaplain Rasmus Jensen at Port Churchill, Manitoba, as part of Jens Munck's expedition. The first Lutheran congregation was organized in Halifax in 1752. Lutherans have made a valuable contribution to the cultural heritage of Canadians and, currently, Lutherans in Canada form the fourth largest Christian church.

It is as a part of this proud tradition in Canada that the Canadian Association of Lutheran Congregations seeks incorporation. This association was organized in October of 1992 and currently has functioned as an unincorporated, non-profit association of congregations and individuals. Currently there are over 1,000 persons throughout the three western provinces and six congregations in the association and the organization.

The organization is intended to have two functions. First, it will act as a denomination for congregations who wish to join. As well, there may be associate members — either persons or congregations — who agree with the goals, aims and theology of the association. The association seeks to return to Lutheran roots, with its emphasis on scripture, missions and Lutheran theology.

Honourable senators, I have looked over the bill. I do not pretend to be an expert on drafting bills of this nature, but I have checked with the Law Clerks of the Senate, and I am told that this bill is in the usual form. There is no deviation from these types of bills, which are brought forward from time to time for the incorporation of an organization. I therefore urge senators to give this bill favourable consideration.

Honourable senators, if Bill S-5 receives second reading, I will move that it be sent to the Standing Senate Committee on Legal and Constitutional Affairs for further study.

Hon. Philippe Deane Gigantès: Honourable senators, on this issue, I am afraid I have the same objections as I had with respect to the Dai al-Mutlaq.

•(1530)

I do not think the Senate should be in the business of giving charters to religious organizations. If this were Anglican, and I am Anglican, I would object to it. If this were Greek Orthodox, and I used to be Greek Orthodox, I would object to it. I think we should get out of this business. They can operate without federal charters. This is an issue which has arisen before. Can we please get rid of it? It does not make sense to deal with matters such as this.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

On motion of Senator Olson, bill referred to the Standing Senate Committee on Legal and Constitutional Affairs.

HUMAN RIGHTS

ESTABLISHMENT OF STANDING COMMITTEE— DEBATE ADJOURNED

Hon. A. Raynell Andreychuk rose pursuant to notice of Thursday, February 10, 1994:

> That she will call the attention of the Senate to the desirability of establishing a Standing Senate Committee on Human Rights.

She said: Honourable senators, over the past three decades, Canada has paid increasing attention to human rights issues both at home and on the international stage. The sheer weight of this agenda is now staggering, and Canada is faced with the urgent task of responding to a growing number of complex and delicate questions. As a result, there is a need greater than ever to study, monitor, research and debate human rights issues. Parliament will undoubtedly play an important role in this process, and the Senate's contribution is vitally important.

Canada is known worldwide for its commitment to human rights and the quality of its democratic institutions. Over the years, a solid democratic foundation has been built upon, so that today a wide range of mechanisms exists for the cultivation and protection of human rights. Every province, for example, has a human rights code, and since 1977, Canada has had a federal Human Rights Act and a permanent Human Rights Commission. As well, human rights are guaranteed in the Charter of Rights and Freedoms and enforceable in the Supreme Court of Canada.

However, the benefits that accrue from the human rights mechanisms and legislation are not always immediately apparent in everyday life. The real challenge is to find practical and imaginative ways to fulfil the promises of high-sounding declarations. This is not always a simple task. Although Canada may not suffer the same degree of rights tragedies as Bosnia, Rwanda or Somalia, inequities still exist, and they must be addressed.

Demographic and social change is sweeping across Canada, and it brings with it serious implications for human rights. Changing patterns in immigration and the flow of refugees are transforming the face of Canada. Canadian multiculturalism may very well be at a crossroad.

There is a growing anxiety about the impact of the present economic upheaval on structures, programs and services, the attention now shifting to the discussion of socio-economic rights as well as political and civil rights. There is also a question about the democratic process as it functions in Canada.

There are a number of other pressing issues on Canada's human rights agenda. These include aboriginal grievances, the rights of the disabled, equal status for women, the rights of children, the criminal justice system, the elderly, privacy and information, the environment, and language and culture. The list is long, and not necessarily in order of priority.

Among some of the groups associated with these issues, the high hopes raised by the Charter of Rights and Freedoms have begun to fade. In the Annual Report of the Human Rights Commission for 1993, it is suggested that there have been few substantive accomplishments in the Canadian human rights field in recent years. We have a good record in Canada, and we should be building on it, not allowing it to rust. Such sentiments are becoming more common, suggesting that it is perhaps time to forge new strategies and approaches. It has been recommended, for example, that the rules of compliance be reinforced, human rights criteria be broadened, and monitoring and implementing mechanisms be improved.

Clearly, the human rights agenda in Canada is entering a critical phase. We face a vast and growing array of difficult issues. As Max Yalden, Chief Commissioner of the Human Rights Commission, has remarked, we should:

> ...redouble our efforts, precisely because we are the fortunate ones and have so much to cherish and defend.

The international promotion of human rights has become a fundamental and integral part of Canadian foreign policy. Given Canada's own interests and values, this should come as no surprise. At the heart of Canadian policy is the belief that all governments have a legal and moral obligation to promote and protect universally recognized human rights and fundamental freedoms for their citizens. Canada's aim is to bring effective and constructive influence to bear on governments for the respect of international human rights standards in order to create a more peaceful and prosperous world.

Canada actively promotes human rights in the developing world and the new democracies of central and eastern Europe by sponsoring hundreds of individual projects in support of human rights, and in assisting the activities of NGOs. It also works closely with the United Nations and other regional organizations. Canada has signed and assisted in drafting a number of international declarations and covenants, including the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights, and a plethora of other agreements and instruments covering torture, the rights of the child, race discrimination, and discrimination against women.

Despite the efforts of Canada and the international community at large, however, events over the past five years — for example, the collapse of the Soviet bloc, the global upsurge in nationalism and tribalism, the bloodshed of Tiananmen Square, the end of apartheid in South Africa — suggest that the promotion of international human rights has entered perhaps its most difficult period since the Second World War. The world has become increasingly hostile and unpredictable, and protecting a new generation of human rights has become more complex and challenging as a result.

As Pierre Sane, Secretary-General of Amnesty International, recently pointed out in an address to the London School of Economics:

> The sad truth is that 45 years after the Declaration on Human Rights was written, the world has singularly failed to meet the hopes it raised. Far from accountable democracies, we see the horror of civil war and governments resorting to old methods of oppression... Far from prosperity, we see even more people plunged into poverty, sickness and despair. Far from international cooperation, we see the world community floundering in the face of human rights disasters.

•(1540)

Developing a strategy to confront this deplorable state of affairs continues to perplex Canada and the rest of the world. Human rights issues have only recently appeared, relatively speaking, on the international agenda, and governments, international organizations and NGOs are still struggling to define possible policy approaches in such a volatile and sensitive field.

Opinions differ as to how forceful the global community should be in trying to give effect to international principles and standards. Considerable controversy continues to surround such issues as state sovereignty, the tying of development assistance and trade to human rights, the nature of western liberal values and their relevance to other cultures, and the importance of socio-economic rights compared to political and civil rights. The questions outnumber the answers by a considerable margin.

However, in the wake of last year's World Conference on Human Rights held in Vienna, the time is perhaps right to fashion a new international consensus and redefine present human rights strategy. As Pierre Sane has remarked:

> We need new ideas, new thinking. The world is changing rapidly. The old methods and concepts are proving incapable of responding to our needs.

There are numerous options, honourable senators. For example, one can argue that there is a desperate need to strengthen the extensive network of international mechanisms that deal with human rights. The international standards have been set, but there are too many loopholes. Another key will be education. Again, Sane has remarked that "information is the lifeblood of the human rights movement." Informed debate and discussion aimed at educating the public and generating new ideas and concepts will be crucial.

As in the case of Canada's own human rights situation, the promotion of international human rights is facing major challenges on a variety of fronts. Canada clearly has a role to play in confronting some of the problems at hand and helping to redefine the international community's approach. Its stature in the world and its well-known respect for human rights suggests a natural fit in the process of revitalizing the concept of human rights protection.

With the recent political challenges, the globalization of trade, the instant communication networks and with new technologies, the line between domestic and foreign policy is increasingly blurred, if not extinct altogether. We can no longer formulate foreign policy as distinct from domestic policies. Our citizens and the world community are demanding this consistency in the field of human rights. The creation of a Senate human rights committee that focuses on international as well as domestic concerns could be an important step in this direction.

A standing Senate committee on human rights could make a difference because of the special place of the Canadian Senate in our political process. The Senate is uniquely able to bring to bear upon the issues of the day a perspective combining political awareness and experience with a degree of detachment from the partisan pressures and strenuous demands of advocacy groups. Sir John A. Macdonald expressed this well when speaking of the Senate, during the confederation debates, as a place having "the sober second thought in legislation."

Senate committees over the years have added important shades of meaning to Macdonald's phrase. Senate studies have amply provided the balanced reconsideration of issues which the phrase "sober second thought" brings to mind. However, the best work of Senate committees, such as the ground-breaking work on poverty issues led by Senator Croll in the seventies, has done much more than this. Senate committees have identified and defined issues, rather than responding to newspaper headlines. A Senate committee on human rights could thus bring a valuable dimension to the parliamentary consideration of these issues.

There remains a need for thoughtful attention to the whole range of rights, including social and economic rights recognized in international human rights declarations and charters, and for attention to the continuing process in which perceptions of fundamental needs lead us to acknowledge human rights.

Senate committees have taken the time to view issues in their full historical and social context, and to consider long-term implications as well as immediate consequences. That is why Senate committee work in areas such as the Constitution, international relations, foreign affairs and social policy continues to be read and used in these policy fields.

A central challenge in the area of human rights is precisely to deal with individual issues in the full complexity of their historical and social context, and to recognize the problems posed by the implementation of universal standards in a world of cultural pluralism. Studies in human rights need this dimension. Without it, there is a real danger of their becoming, at best, naive "do-gooderism."

Issues are emerging which need discussing in the framework of policy-making, raising some of the deep social and cultural challenges that confront contemporary human rights beliefs and actions from the local to the global level. These are the sorts of concerns which lie below the surface of the passing newspaper headlines, and to which a great deal of sober second thought could usefully be directed as societies attempt to come to terms with the issues of violence, civil breakdown and humanitarian duties, beyond the rhetoric of human rights.

The Hon. the Speaker: I apologize for interrupting the honourable senator. Perhaps, with leave, she might be given the opportunity to conclude her remarks. Is leave granted?

Hon. Senators: Agreed.

Senator Andreychuk: Thank you, honourable senators, for being riveted to your seats. I appreciate that. I have only a little further to go.

May I refer to three examples of this new dimension. First, Jean Bethke Elshtain's Massey lectures, entitled "Democracy on Trial" focuses in one chapter on the danger of making human rights-based politics into something that is excessively juridical, tending to be highly individualistic, adversarial and zero-sum, rather than grounding it in the painstaking work of socializing, educating and building democratically to achieve a human rights culture that is civic-minded and socially responsible. Is she right?

Elshtain argues that what is needed is a:

> ...return to a more thoroughly social understanding of rights: rights are always transitive; they always involve us with others. Rights cannot stand alone... Yet each time we feel called upon to justify something politically, the tendency is to make our concerns far more individualistic and asocial than they, in fact, are.

Another example is the need to explore "human rights and cultural relativism." When we try to apply "universal" human rights values and standards of civilized behaviour, as we have come to understand them in our society, to other peoples who may have very different histories and cultural references, we are often accused of forcing our values. As R.J. Vincent said in his article published in the Royal Institute of International Affairs:

•(1550)

> However true it is that we all tend to devolve upon our own worlds the responsibility of being in the right against others, this is not a reason to withdraw from moral argument in world politics altogether. Otherwise, the argument for human fallibility would beggar every enterprise. At the same time, we have to recognize that conceptions of human rights do vary with culture, and that this is something that has to be taken into account in the making of policy. The problem is to find a balance between insistence on the human rights that everyone ought to enjoy, by virtue of their humanity, and the recognition that the existence, content and importance of these rights is contested.
>
> The response suggests that it is the duty of governments — supposing that they act for societies — to act when they are sure — not absolutely certain, which is impossible — of being right, and that it is not conscientiousness but cowardice to shrink from acting on their opinions.

Is he right?

A third example can be simply stated as the need to address environmental issues in relation to human rights issues.

If it is accepted that the Senate is suited to making a distinctive contribution in the area of human rights, it may still be asked whether a standing committee is the best mechanism for this. The obvious alternative would be some form of informal working group or task force which could promote a human rights perspective within standing committees which already exist. In comparison to this alternative, a standing committee on human rights has several important advantages.

First, the creation of a standing committee on human rights would enhance the consistency of attention in the Senate to this area, and create an environment which would foster the development of substantive policy expertise. Within the contemporary policy process, real influence requires a genuine knowledge base. In contrast, the more transitory attention likely to be given to human rights in committees not specifically mandated in this area creates serious barriers to significant knowledge and significant impact.

If it is recognized that a standing committee would be the most effective mechanism, then the decision about creating one comes down to a question of priorities. In the case of human rights, the Senate has the opportunity to send a signal about its collective priorities, about the unconditional need for a human rights perspective in modern policy-making. The establishment of such a committee, in and of itself, would be a valuable contribution. It is one that can be made immediately.

On motion of Senator Hébert, debate adjourned.

INTERNAL ECONOMY, BUDGETS AND ADMINISTRATION

THIRD REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the third report of the Standing Committee on Internal Economy, Budgets and Administration (Budget Joint Committee on Scrutiny), presented in the Senate on March 24, 1994.

Hon. Earl A. Hastings: I move the adoption of this report, honourable senators.

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

Hon. Senators: Agreed.

Motion agreed to and report adopted.

ROUTINE PROCEEDINGS

CROWN LIABILITY AND PROCEEDINGS ACT

BILL TO AMEND—BILL WITHDRAWN FROM LEGAL AND CONSTITUTIONAL AFFAIRS COMMITTEE AND REFERRED TO FOREIGN AFFAIRS COMMITTEE

Leave having been given to revert to Notices of Motions:

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, with leave of the Senate, I move:

> That Bill C-4 be withdrawn from the Standing Senate Committee on Legal and Constitutional Affairs and referred to the Standing Senate Committee on Foreign Affairs.

By way of explanation, it might well be appropriate for this bill to be referred to the Standing Senate of Committee on Legal and Constitutional Affairs as it is a very technical bill. However, since it deals with side agreements to NAFTA, which is a matter that has been studied by our Foreign Affairs Committee, that committee is prepared to deal with the bill. In fact, the committee has made some preparations to do so.

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

Hon. Senators: Agreed.

Motion agreed to.

ORDERS OF THE DAY

VETERANS AFFAIRS

FIFTIETH ANNIVERSARY OF D-DAY—DEBATE ADJOURNED

Hon. Jack Marshall rose, pursuant to notice of Tuesday, April 26, 1994:

> That he will call the attention of the Senate to the progress in planning for the commemoration of the 50th anniversary of D-day by the Government of Canada.

He said: Honourable senators, just six weeks from now, on June 6, we will be marking the fiftieth anniversary of what is probably the most significant event ever in Canadian military history. I refer, of course, to the invasion of Nazi-occupied Europe on the Normandy beaches, in which Canadian soldiers, sailors and airmen played a significant role.

Our Canadian troops fought the ensuing victorious campaign and helped to conquer the German war machine. By May 1945 we had 250,000 Canadians in arms in Europe when peace came.

It was only six months ago, in November of 1993, that the Canada Remembers Program was launched, and a coordinating committee composed of officials from various departments of government became deeply immersed in planning a series of historic events to commemorate the fiftieth anniversary of World War II, highlighted, of course, by the D-day landings.

Honourable senators may recall that I raised this matter in the Senate on June 23, 1993, almost a year ago, at which time I promised a progress report. While I have been remiss in not having done so earlier, I am pleased to do so today, and to address some of the issues which should be placed on the record in order to pay tribute to those involved, and to convey what I feel is an omission in the planning which I hope can still be included.

First, it should be clearly understood that our allies of that day — the British, the Americans and the French — have long been going all out to celebrate the anniversary of D-day. Their plans are extensive and will surely have considerable impact, as they have in the past. Canada's role in that massive and historic series of events of half a century ago will have to be recalled with imagination and vigour if our story is not to be lost amid British, American and French efforts. This must not be allowed to happen.

As a matter of fact, in recent days the British media revealed the displeasure of their veterans' representation in the ceremonies being planned there.

I have to confess that initially it was difficult for me to understand why the Canadian effort was so slow to get moving. There still seems to be a certain reluctance to invest appropriate effort alongside our allies. While our plans are now under way, they certainly do not yet have the scope and momentum of those of our allies. Only a few short weeks remain until the anniversary, and much yet remains to be done.

While our plans may seem adequate to the telling of our story, they show a certain shyness on Canada's part. This reticence is certainly not at all warranted considering the contribution Canada made half a century ago when, even with our much smaller population, we were the third largest contingent on the Normandy beaches on D-day. Some finishing touches need to be made to secure our place amid the throng of allied initiatives, and these touches can still be put in place. The hard-working committee can do it despite the lateness of the hour, just as Canadian soldiers did on the Normandy beaches. I will give the Senate an example of this to demonstrate the need for further action by the Department of Veterans Affairs and DND which must be taken now.

It was proposed in many letters that I received from veterans that a component of the 200-person commemorative guard of honour we will be sending to Normandy be clad in the uniforms and equipment of that day, to bring to life and symbolize the sacrifice of our troops 50 years ago. This would allow a realistic staging reenactment of the landing on D-day. All of our allies are making use of this device in their plans. Thus far, there seems to be a certain reluctance on our part to do this, and thereby potentially missing valuable media photo opportunities for both print and television. Canadians clad in the uniform of yesterday to match those of our allies would be a valuable communications asset, gaining that media coverage at home and abroad for Canada which has been sadly lacking in past ceremonies.

•(1600)

I am pleased to report that the responsible minister, the Secretary of State for Veterans Affairs, Mr. MacAulay, appears to favour this course of action in the D-day celebrations both at home and abroad. However, the minister's committee appears to remain reluctant, giving us as their reason that vintage uniforms, accoutrements and weapons are no longer held by DND, nor available elsewhere.

Some officials claim that it is too late to make any changes to their program. This assertion on availability and timing is not correct. A firm in Canada has in stock some 300 sets of Canadian battledress, webbing, harnesses and rifles of the period which would more than furnish the proposed component of the guard we are sending to Juno Beach on June 6, as well as the guard that will attend those events being staged here at home. It is not true to say that uniforms and accoutrements are not available. The uniforms that I mentioned were used in the recent CBC film on Dieppe.

This firm is ready to work with the Department of National Defence and Veterans Affairs to equip our Canadian representation in France on the fiftieth anniversary, as well as events here at home. Particulars have been furnished to the minister and his people of this source, which can easily and quickly be tapped to make our efforts more media-worthy, and more in keeping with what our allies are doing. Therefore, I am hopeful that the minister will now give instructions that this equipment be made a part of our effort in Normandy on June 6, 1994. This will diminish the notion that Canada's part in the Normandy invasion was invisible or not significant, and it will win us good exposure alongside our allies.

As for planned events at home, the preparations are very promising and worthy of praise. The Canadian War Museum is planning a remarkable effort in Ottawa on the weekend preceding the anniversary, including period-uniformed reenactors, displays of vintage military vehicles, and many other imaginative elements. I am sure many senators have seen the various programs.

Overall, the Canadian War Museum is to be warmly congratulated for its outstanding efforts, which will greatly enhance our D-day plans for the national capital. In turn, this will generate more media coverage here at home, and bring the message of D-day to a large audience of Canadians who were not alive 50 years ago. Thus Canadians will learn of the gallantry of their forbears in a way that will challenge the history books, which have largely downplayed or neglected their role.

A unique and impressive event will be staged by the Battle of Normandy Foundation, in which Senator Molgat will be playing a leading role in the dedication of a memorial garden at the Caen Museum in France. I hope that Senator Molgat will want to elaborate on this ceremony when the opportunity arises.

Best of all, many local events in Canada are being organized to remember D-day, mainly by the militia descendants of the 15 Canadian armoured and infantry regiments and specialized corps which actually landed in Normandy on D-day. Most of these units still exist as reserves or militia in the order of battle, and they proudly carry the rare battle honour "Normandy Landing" on their regimental colours today. The enthusiasm to mark D-day across Canada is very heartening and is considerable.

A number of these historic D-Day regiments are sending delegations to revisit Juno Beach on June 6 to further enhance the Canadian presence there. Also, many individual veterans are travelling to Normandy, having made their own arrangements, for example by various cruises and other means of transportation.

The Royal Canadian Legion will be honouring D-day/Normandy veterans in their own communities here in Canada with special dinners, video recordings of veterans' memories of the events of 1944, and the like. As well, they will be encouraging D-day Normandy veterans in their branches and communities to participate as individuals in the national "Canada Remembers" celebrations, and encouraging legionnaires in the branches to participate in the "Adopt a Vet" program sponsored by the Canadian War Museum by opening their personal homes to visiting veterans. Many other veterans associations are planning their own events, which will be worthy of wide participation.

Honourable senators, these are just some of the efforts that Canada will be making this year, led by our Governor General, the Right Honourable Ray Hnatyshyn and our Prime Minister, the Right Honourable Jean Chrétien, to mark the part that Canadians played on the beaches of Normandy on June 6, 1944. It would therefore be unfortunate if we failed to put the finishing touches to our plans, such as having a component of World War II Canadian-uniformed participants to evoke that day, and symbolize our efforts then.

Honourable senators, the proud memory of D-day can enhance national unity and national identity both abroad and at home, and would give Canadians a sense of who they once were on the world stage. We should spare no reasonable effort to bring this about.

As one Canadian who landed on that beach on D-day, I will be very proud. I am sure that Senator Jessiman, who I understand was also on the flotillas on D-day, would also be proud to remember our Canadian troops and soldiers, and how they played their part in that great event fifty years ago.

Hon. L. Norbert Thériault: Honourable senators, I want to take a few minutes to commend Senator Marshall. D-day is very personal to me. I was not there, but I had a brother who was killed in action at that battle. Every time D-day is mentioned, I am reminded of the effect that that day had on my family, because I had other brothers who were also involved. The whole community where I came from was affected. I doubt that any other community was as affected because of the North Shore contingent that was provided per capita, as many people from my community had friends and relatives who were there.

The suggestion that Senator Marshall makes with respect to the uniforms is a good one. I hope that the Leader of the Government in the Senate will listen to it, and will use her influence so that the changes suggested by Senator Marshall can be made. I do not know if the Leader of the Government was present in the chamber when Senator Marshall put those forward, but if not, your deputy leader will be able to inform you. This is a worthy suggestion and is one that I should like to see implemented.

Publicly, from that day on, especially after my brother was killed, I became a real peacemaker. I do not have much use for wars, guns, or anything that can kill people. Once again, I want to commend Senator Marshall for his effort.

On motion of Senator Molgat, debate adjourned.

AGRICULTURE

GRAIN HANDLING CAPACITY OF PORTS OF VANCOUVER AND PRINCE RUPERT—DEBATE ADJOURNED

Hon. H.A. Olson rose pursuant to notice of Tuesday, April 26, 1994:

> That he will call the attention of the Senate to the grain handling capacity of the Ports of Vancouver and Prince Rupert and ask the Senate to consider establishing a Parliamentary committee to ascertain the factors related to increasing the amount going through the elevators on to the ships for our export customers.

He said: Honourable senators, I want to take a few minutes to draw to the attention of senators a rather serious situation that has developed on the West Coast with respect to loading grain on the ships that are there. For your background information, I should tell you that I went to Vancouver about three weeks ago to attend the twenty-fifth anniversary of the establishment of the Canada Grains Council.

•(1610)

While we were in Vancouver, the Port Authority took us on about a three-hour boat tour of the harbour. There were 41 ocean-going ships in the harbour waiting to be loaded. Obviously, from wherever our customers are, somebody had ordered those ships into port. Apart from that, and I am not sure of the exact number, I saw about four unoccupied berths where the ships can line up at the grain elevators. Furthermore, honourable senators, although this was late in the afternoon on the weekend, nobody was working there. We were very concerned about that, and looked into it somewhat more closely.

The second point I want to make, honourable senators, is that the Advisory Committee to the Canadian Wheat Board has studied this situation and has sent a request to the government of Canada to set up an inquiry under the Inquiries Act to look into the matter. The Advisory Committee wants the government to establish the facts respecting why we are unable to meet the commitments that we have made for sales through both the Port of Vancouver and the Port of Prince Rupert.

I am not the only person who is concerned. Indeed, the Canada Grains Council passed a resolution on the Wednesday of that week and forwarded it to the government, asking it also to set up an inquiry of some kind to establish the facts with respect to why there was not full utilization of the Ports of Vancouver and Prince Rupert. There were certainly enough sales and, indeed, there was a large number of railway cars filled with Canadian grain either on the side tracks in the harbour or on the various side tracks from Vancouver going back a long, long distance. In fact, a senior officer of the CNR told me that they had full cars of grain on the side tracks in the harbour, and backed up all the way to Edmonton. She did not say that they were completely full, but there were cars there.

I do not know how much information to try to give you here. I have received, because I have asked for them, reports from many different organizations that are intimately involved in the grain business. The Advisory Committee to the Canadian Wheat Board is one, the Canada Grain Council is another one. I have a file here full of reports, one from the CPR, another from the CNR, and several others. They are similar, but they are not the same insofar as establishing why we are not going at full speed.

I think you need to know the facts. That is why I draw your attention in this motion, honourable senators, to the issue of the handling capacity at these ports, and that is why I ask the Senate to consider establishing a parliamentary committee to ascertain the means of increasing the amount of grain going through these elevators and on to the ships.

I do not speak for the government; I want to be clear about that. The government could respond by setting up an inquiry either under the Inquiries Act or by way of a royal commission. However, I believe that kind of inquiry would take a much longer time to get at the facts than a Senate committee would, and it would be far more expensive. I cannot remember any inquiry that was set up that did not cost several million dollars. I should not say anything about lawyers today, but they manage to make such things fairly expensive before they are finished.

Besides all of that, I think there is, not a partisan political element but I think there are some human or political differences among some of the people involved about which a committee of the Senate could inquire. Such a committee would probably be a whole lot better equipped to deal with these issues than a royal commission. I hope that honourable senators will give my proposal favourable consideration.

Behind all of these issues there are some very clear reasons why all of these events occurred. For example, last year there were abnormal weather conditions in the United States. You will remember the severe flooding. There were some U.S. forecasts for rail car requirements which proved to be absolutely inaccurate and, consequently, not enough cars were available for lease, as we used to do. Then severe flooding in Mississippi, for example, disrupted barge traffic, and there was an increased demand for more rail cars to the United States. There was another problem with local drought in some feed-producing areas of the United States, increasing the need for rail cars to move feed grain from alternate sources to the deficient areas. All of these events contributed to the demand for a higher level of output.

There have been substantial increases in the Canadian export of grain to the United States. You will know we are having difficulty with some farm organizations, and with some senators from the mid-west in the United States, and so on. How much of it is rhetoric and how much is political partisanship for whatever purposes, they understand that as well as we do. However, the fact is that there are some problems there, and we will be dealing with that situation.

There was another factor that slowed down this process, and that was the West Coast longshoremen's strike which went on from January 29 to February 9. You will remember that, at that time, we dealt with that back-to-work bill in this house.

I just want to lay those things on the table, too, because I do not want people to think the situation is something completely abnormal. In addition to all of this, we had a much longer and colder winter than normal. That is always a problem. It slows down the amount of grain going through the mountains and the various places to be loaded on to the trains, and then into the ships at the coast. Some people have estimated that the cold weather alone resulted in a backlog of at least 1 million tonnes, and that the strike has contributed to a backup of anywhere from 500,000 tonnes to 1 million tonnes.

•(1620)

Honourable senators, we need to know the problem. Let me give an example of the volume of grain "unloads" for one day, April 25, 1994. In three shifts they unloaded 1,039 cars, with an 80-tonne car average. According to the numbers, on that day they unloaded 83,120 tonnes of grain from the rail cars into the terminal elevators. At the same time there were eight vessels loading in Vancouver and Prince Rupert. They took on 240,000 tonnes that week, but another 558,768 tonnes of shipping were waiting to be loaded. We have a backlog of ships waiting with a total capacity of about 1,200,000 tonnes, and new ships are arriving daily.

I do not want to spend a lot of time on all this background but when the port is shut down from Friday afternoon at five o'clock until Monday morning at eight o'clock, two full days, it probably amounts to somewhere in the neighbourhood of 170,000 tonnes that have gone unloaded.

There may be a reason. Perhaps the union has a legitimate reason why they have not responded to the requests for overtime. It may also be that the elevator companies responsible for putting on additional shifts, overtime and so on, have a reason why they are not doing so.

Senator Berntson: Let's find out.

Senator Olson: I agree. The only way to find out is to go out there in a neutral way, not taking one side or the other, and ask them to tell us what they think is the problem. I have dealt in these matters before. Always when you ask this question, for example, of the railways, they will say, "We can't haul any more; we need a few more cars." That has been going on for at least 30 years. The CN fleet has 17,000 cars now. CP has around 14,000 cars, and they rent or lease another 1,000 cars from the United States. Probably another 2,000 cars will be coming off the fertilizer and potash hauls in Saskatchewan, and will be available in June. The Vice-President of CNR, a lady, asked, "What would more cars do for you? You would have more loaded cars sitting on the sidings, that's all." We already have enough cars to fill the yard in Vancouver, and the sidings all the way back to Edmonton. She was not of the opinion that the problem was the shortage of rail cars. Maybe we do need a few thousand more cars. Certainly we do need to find out what is wrong.

If honourable senators agree that the problem is serious enough that we should consider sending a Senate committee out to look at this matter and to establish the facts, we could probably do the whole job in about six or eight weeks, perhaps a little less. We need to have a meeting in Vancouver, Prince Rupert and in Winnipeg, the heart of the grain industry where the Canadian Wheat Board and a lot of other grain agencies are located. I think it would be useful to have meetings in Regina and Calgary or Edmonton.

Senator Fairbairn: Lethbridge.

Senator Olson: We could have one in Lethbridge.

The Hon. the Speaker: I apologize for interrupting the honourable senator, but his time has elapsed. Perhaps he is approaching his conclusion.

Senator Olson: I made up my mind that I would not go over today. I have discussed the matter with Senator Fairbairn from Lethbridge, the Leader of the Government in the Senate, and she has indicated to me that she thinks this is something we could usefully do. I have discussed it with the Prime Minister. He believes it is a far better way of establishing and dealing with the facts than a royal commission. He agrees that it will take less time and will be less expensive.

I will talk to the Honourable Ralph Goodale when he gets back from his sales promotion trip to Asia. Perhaps it will take about four weeks to mobilize the committee after the Senate agrees. All of the arrangements will have to be made. We are obliged to advertise the various public hearings of the committee for about 14 days, and then we need a little money to travel and rent some rooms.

Senator Lynch-Staunton: There is a big office in Calgary for you.

Senator Olson: We cannot have all the meetings in Calgary, that is the problem.

Senator Lynch-Staunton: Ah shucks.

Senator Olson: "Ah shucks" is right. We will have to arrange for translation, which is necessary for all official committees, no matter where they are. I have done some preliminary figuring and such a committee would probably cost something in the order of $250,000.

In any event, I wish to thank honourable senators for giving me some extra time to make my submissions. I hope you will seriously consider the proposal because I think it would be of great service to the people in the grain industry on the coast. We are losing sales. Some of our customers need the wheat now for their food system. China told the Honourable Ralph Goodale that they are getting short, and if we do not fill the ships and send them there, they will have to go somewhere else to get the wheat they need.

Hon. Gerry St. Germain: Honourable senators, I want to speak briefly in support of Senator Olson's proposal to the Senate. We are talking about competition and jobs. Since I am from the West Coast, though born in Manitoba in the same area as Senator Molgat, I feel the issue is a pre-eminent one at this particular time for the economy of Western Canada. As a British Columbian I can tell you that the ports of Tacoma and Seattle are sitting waiting for us to drop the ball. If we take the initiative as senators — and I agree with the proposition that Senator Olson has put forward with regard to holding a Senate hearing as opposed to a royal commission; it is more cost efficient — we can bring to bear the neutrality that is required on this issue.

I certainly do not want to prejudge matters. We should go there in a neutral state of mind so that we can come forward with constructive recommendations. Senator Gustafson and Senator Berntson from the great province of Saskatchewan realize that we have to get that grain moving, because it is a lifeline for some countries. They are our best customers. If we fail to satisfy our customer base, we will eventually lose out in the long haul.

I, too, urge serious consideration of this request, and I look forward to doing whatever has to be done to meet this urgent requirement. Therefore, honourable senators, if I may be so brash, to begin with I would move the adjournment.

On motion of Senator St. Germain, debate adjourned.

•(1630)

FISHERIES

COMMITTEE AUTHORIZED TO EXAMINE ANNUAL REPORT OF DEPARTMENT OF FISHERIES AND OCEANS

Hon. Eileen Rossiter, pursuant to notice of Wednesday, April 27, 1994 moved:

That the Standing Senate Committee on Fisheries be authorized to examine and report upon the Annual Report of the Department of Fisheries and Oceans for the fiscal year ending March 31, 1991, tabled in the Senate on March 23, 1993 (Sessional Paper No. 343-906) and other matters relating to the fishing industry; and

That the committee present its final report to the Senate no later than June 29, 1995.

The Hon. the Speaker: Honourable senators, is it your pleasure to adopt the motion?

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, again I have the general concern when we say "other matters relating to the fishing industry" that it is a pretty wide net, if I may use that expression. Perhaps the honourable senator might give us an idea of what other things she may have in mind, because those words could cover virtually anything.

Senator Rossiter: Honourable senators, I am sure that I do not have to explain to the Honourable Senator Molgat the complexity of the issues which are facing the fishery, both on the East Coast and on the West Coast.

We would like to be able to look at the new strategy for the Atlantic groundfish fishery. Recently there have been representations about the individual transferable quotas, which is a problem on both oceans. We do not plan on travelling. The first report was tabled on February 22 for our expenses last year. I do not imagine that we will incur much greater expenses this year. The main expense will be for witnesses.

The members of the committee feel that a broad reference will give them the ability to move without having to return to the Senate. However, we do not anticipate travelling.

Hon. Eric Arthur Berntson (Deputy Leader of the Opposition): Honourable senators, as a matter of curiosity, perhaps the honourable senator could explain why we are examining the annual report ending March 31, 1991. Is there not a more recent and relevant report?

Senator Rossiter: Honourable senators, as far as I know, that is the last report that has been tabled. The honourable senator will notice that the date of tabling is 1993, and I do not think another report has been tabled yet. Government reports tend to be a little out of date.

The Hon. the Speaker: Honourable senators, is it your pleasure to adopt the motion?

Hon. Senators: Agreed.

Motion agreed to.

The Senate adjourned until Tuesday, May 10, 1994, at 2 p.m.

THE SENATE

Tuesday, May 10, 1994

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

Prayers.

[*Translation*]

THE HONOURABLE SOLANGE CHAPUT-ROLLAND

TRIBUTES ON RETIREMENT

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, today I have the privilege of paying tribute to one of our most respected colleagues, the Honourable Senator Solange Chaput-Rolland, who in a few days from now will reach the fullness of senatorial age.

As the Leader of the Opposition in this House, I want to take this opportunity, first of all, to mention the clear-headed and enlightened loyalty of Solange to the Progressive Conservative Party of Canada, which she has represented in the Senate and elsewhere with dignity and determination since her appointment on September 28, 1988.

Speaking on behalf of all members of the political party I have the honour to represent in this precinct, I want to thank her most sincerely for doing so.

We will always remember the enthusiasm and generosity with which Solange supported the previous government's efforts to give Canadians a Constitution that would have reflected the true nature of our country and clarified the relations between our two major levels of government.

On open line shows, in editorial columns, in speeches, and while travelling across this country she came to know and love in all its splendour and diversity, she was tireless in urging us to see everything that unites us as Canadians before exploring everything that could divide us as a country.

This political commitment was not rooted in partisan considerations. It was the logical outcome of a career and a life pervaded by a passion to persuade and by her love of this country.

Both inside and outside this house, Solange often condemned the narrow, partisan mind-set that debases parliamentary proceedings.

Solange's real party is Canada, and her politics are the politics of unity.

When she came to this house, on the recommendation of Premier Bourassa and accepted by Prime Minister Mulroney, Solange had served in the National Assembly as a member of the Liberal Party of Quebec and had generously contributed her time to the 1980 referendum campaign.

A few years earlier she had served diligently with the Pepin-Robarts commission, set up by Prime Minister Trudeau to study the renewal of the Canadian federation. Unfortunately, Mr. Trudeau had only a passing interest in the report of that commission, which he felt obliged to create after the election of a sovereignist government in Quebec.

For less resilient persons, this experience would have produced a general aversion to constitutional matters and maybe some doubts about politics. However, it is in adversity that you recognize strength of spirit. Even after the unilateral patriation of the Constitution by Mr. Trudeau in 1982 and despite understandable frustration, Solange never gave up on her dream to see, one day, Canada achieve its constitutional unity.

Like four other colleagues, Senator Poitras, who has retired, and Senators Bolduc, Beaudoin and Ottenheimer, Solange was appointed to the Senate under provisions which were part of the Meech Lake Accord. The mode of selection of these persons, who had special qualities that made them worthy of this honour, symbolized the hope that, once Meech was ratified, this institution would be vested with a new prestige and a new effectiveness.

Solange never abandoned that hope and when, not long ago, a disgraceful incident occurred in this house that discredited it in the eyes of many Canadians, few senators were as distraught as the senator who is leaving today. It seems to me that her distress was as much due to her personal dignity as to the high regard she had for our responsibilities as parliamentarians. I am sure that all members of this house, including my friends opposite, will acknowledge the deep respect that Solange always showed toward this institution.

Like all of those who have nothing but respect and admiration for Solange's career, I was delighted to learn that the Royal Military College in St-Jean will award her, on Friday, an honourary doctorate in recognition of her dedication to bilingualism and national unity. I am sure all our colleagues will want to congratulate her.

[*English*]

As she prepares to leave this chamber, Solange continues to be resolutely modern in her outlook on public affairs. She has introduced a new genre into Canadian political literature. As far back as 1963, she published a first exchange of letters, between herself and Gwethalyn Graham, in which she candidly and

forcefully expressed her hope for a better understanding between Canadians of different linguistic backgrounds. More recently, another published exchange of letters — this time between herself and our honourable colleague Brenda Robertson — dealt with her experiences in the Senate, but contained many more impassioned passages on the importance and urgency of establishing better relations between our two official linguistic families.

In her own right, Solange has published more than 10 other books, most of which deal with Quebec nationalism and Canadian unity, and she has recently embarked, with equal success, on a new career as a novelist.

Of her remarkable career as a public affairs commentator, author and public figure, I am convinced most Canadians will retain the image of a spunky woman from Quebec who, over a period of more than 40 years, has deployed all her charm, her wit and her convictions to try and bring Canadians together.

Passionately interested in constitutional and linguistic issues, Solange saw these, first and foremost, not as abstract or arcane matters but as the expression of the necessary compromises that we have to make as individuals to enhance our Canadian citizenship.

Today, the Senate bids farewell to a distinguished and committed colleague who contributed much to our deliberations through her personal grace and the strength of her convictions. We also salute a proud Quebecer and a passionate Canadian.

[*Translation*]

As much as we regret losing such a respected and regarded colleague, I suspect hundreds of people of all ages and all walks of life whom she has honoured with her friendship over the years will be filled with more happiness than sadness at seeing Solange leave her seat in the Senate, as she highly deserves to enjoy to the fullest, and it is high time that she does, the affection and respect that her family and friends will have the chance of showing her more often from now on.

We thank her two children, Suzanne and Claude, as well as their children for their spirit of self-sacrifice in lending us their mother and grandmother.

As for Solange, we wish her health, happiness and success, as I have no doubt she will continue to amaze us for many years to come.

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, it is with great pleasure that I, on behalf of my honourable colleagues, pay tribute to Solange Chaput-Rolland, to whom we are bidding farewell today.

[*English*]

I want to say first that even though we sit on opposite sides of this chamber, and even though we may not always approach every issue from the same perspective, I have always respected the commitment of our colleague Senator Chaput-Rolland to the people of Quebec and to the unity of this country. I wish to thank her personally for her generosity and kindness to me while she has served with us in this chamber.

Her contribution to the search for understanding between our two founding linguistic groups, as my colleague Senator Lynch-Staunton has said, spans several decades. Senator Chaput-Rolland began her career in public life in the 1950s when, I think most people would agree, Quebec was slowly awakening, and she was an outspoken voice for change. Senator Lynch-Staunton referred to her as a "spunky woman from Quebec." I should recall that someone else noted at one point that the honourable senator "is known as a woman who wears her heart and her opinions on her sleeve," and I believe that is true in the best sense.

As an award-winning writer, she has expressed for many years the mood and the spirit of her province in her own unique way. Clearly, hers has been a very full and very busy life. In the mid-fifties she founded the monthly opinion publication *Points de Vue*, which was produced for several years and which fostered debate and discussion. As was mentioned earlier, she published a series of letters with an English co-author called *Chers ennemis/Dear Enemies*, which explored the differences and the similarities between English and French in this country.

Solange became an observer at the United Nations. She was an editorialist at station CKAC. She is an Officer of the Order of Canada. She received the Dan McArthur Prize for exceptional quality in radio documentary, and she accepted the chair of the Cercle des femmes journalistes.

In 1974, Solange became a commissioner of the National Capital Commission, and two years later was appointed a member of the Pepin-Robarts Task Force on Canadian Unity, where her forthright commitment to the unity of this country was certainly put to excellent use.

She has also served on the Canada Council. She was named Woman of the Year by B'nai Brith, and in 1979 she became a Liberal member of the National Assembly in the province of Quebec. As was noted, during the 1980 referendum in Quebec she was a vocal spokesperson for the "No" side.

Senator Chaput-Rolland never stopped writing, and with a colleague co-authored *Monsieur le ministre*, one of the most popular television programs in Quebec. She also continued to receive recognition, including an honorary doctorate from Queen's University and the Ordre national du Québec, presented to her by the late René Lévesque. In 1987, she was named one of the 50 most important women in communications by the International Association of Women Writers and Journalists.

Solange has always been an advocate for the rights of women. She has been active in helping to prevent violence against women, particularly elderly women. She has been an advocate in the search for a cure for epilepsy, and so many other causes close to her heart.

In 1988, Solange became a member of this chamber. Yet she has still found the time to continue her writing and her advocacy, as she always will, for the unity of this country. While here, she has truly been a working senator in this chamber and in its committees, and we will miss her.

[*Translation*]

I cannot speak highly enough of the remarkable achievements of Solange Chaput-Rolland, who has spent her entire life in the service of Canada. I am sure all my colleagues will join me in wishing her a long and happy retirement.

[*English*]

Having said that, I cannot believe there will ever be the word "retirement" in the vocabulary of our honourable friend. I extend to her all good wishes.

Hon. Senators: Hear, hear!

[*Translation*]

Hon. Gérald-A. Beaudoin: Honourable senators, the Honourable Solange Chaput-Rolland is leaving the Senate this week, after spending almost six years here. I wish to pay tribute to her.

Before I was appointed to the Pepin-Robarts Commission on Canadian Unity in the summer of 1977, I had read a few articles written by our respected colleague and published in magazines and newspapers, and I knew that she already had some books to her credit; but I did not really know her. It is while serving on the Pepin-Robarts commission that I really got to know her.

Our mandate as commissioners lasted 18 months. Bonds of friendship were created among the commissioners: Jean-Luc Pepin, John Robarts, unfortunately no longer with us, Ronald Watts, Richard Cashin, Muriel Kovitz and Ross Marx, as well as the experts who helped us: Léon Dion, John Meisel, Edward McWhinney, David Cameron, Ralph Heintzman and Robert Décary. It has been fifteen years since we wrote our three reports.

A report on constitutional and political terms is still used in our universities. Although our main report "A Future Together" was indeed a joint effort, it is no exaggeration to say that if Solange Chaput-Rolland had not been there, this report would have been different. Our colleague Solange never made a secret of her unshakeable love for Canada and Quebec, for her country and her "patrie" as she wrote so eloquently. She has not changed. She was subsequently elected as the MNA for Prévost in a by-election in 1979 and held her seat until April 1981. She campaigned vigorously for the "No" side in the Quebec referendum of May 1980.

We met again in the Senate in September 1988, nine years later. We were appointed the same day as senators for Quebec, on September 28, 1988, with Roch Bolduc and Jean-Marie Poitras, by Prime Minister Mulroney on recommendation from Premier Bourassa.

The Honourable Solange Chaput-Rolland has a natural talent for communication and put this talent to good use in the course of her career as a journalist and writer. She campaigned personally for many causes connected with equality and personal freedoms. She truly deserves the many awards she has received.

Thanks to her good services, we in the Senate have often enjoyed a greater measure of understanding on the part of the media, which is no mean feat. Solange Chaput-Rolland came to the Senate to defend certain ideas which took shape in the course of endless discussions when we were preparing the Pepin-Robarts report. The spirit of this report is partly reflected in the Meech Lake Accord. Our colleague was tireless in defending Meech Lake.

Solange Chaput-Rolland has had an abiding interest in bilingualism, an interest that never left her, either before or after her arrival in the Senate.

A great friend of the arts, the written media, radio, television and literature, our esteemed colleague is a living example of what the Senate can contribute to Canadian culture. Each of her speeches bears the hallmark of finesse and elegance. We cannot accuse our colleague of failing to do everything she could to add to the public's knowledge and appreciation of the Upper House.

[*English*]

For Senator Solange Chaput-Rolland, the Senate is probably too partisan. Is partisanship necessary in an elected house? Many will say "Yes." Is it necessary in an appointed chamber? So far, that has been the case for our Senate. In a way, it is too bad.

The Honourable Solange Chaput-Rolland has been, and is still, in love with Canada. More than once she has written books with authors from English-speaking Canada. She is equally at ease in both languages, and she knows English literature. She has a broad vision of what men and women should accomplish together in our society.

[*Translation*]

Senator Solange Chaput-Rolland has done us a great honour by spending several years in the Senate. Today she is returning to her first love, literature. We wish her the very best in the pursuit of her wonderful career.

Hon. Philippe Deane Gigantès: Honourable senators, Mrs. Solange Chaput-Rolland is a great Canadian, a great Quebecer and a great feminist. I have daughters and I thank her.

She is a very sentimental person, and this is a great quality. She is a very friendly person. Spring is always in her eyes, and this is why I hope she will alow me to offer her these few flowers as a way of saying goodbye.

Hon. Royce Frith: Honourable senators, naturally I want to share in the comments on the details of the extraordinary career of our colleague, Senator Solange Chaput-Rolland.

I also want to touch upon another aspect and situate my comments in a specific context.

[*English*]

Will Rogers is quoted as saying that the only thing the Vice-President of the United States has to do is to get up in the morning and ask, "How is the President?" I have often thought that what a Canadian Prime Minister must ask when he gets up every morning — and I hope always will — is, "How are things going with the United States, and how are they going with Quebec?"

That is only natural. Any country that has tried the noble experiment in majority-minority relations, as this country has in attempting to keep the northern half of the North American continent unique and Canadian, has to have discovered that it will never be easy. We must continue to work at it, as we have done in the past. In the days of the Royal Commission on Bilingualism and Biculturalism, when people would stand up at the hearings and ask, "Why can't we all speak just one language?" we would ask, "What will that language be?" and in most cases the answer would be English. Of course, from a certain point of view, what we are trying to do is crazy. It is easier to run a country in one language, but easy is not always best.

I thought, and I suppose with characteristic conceit continue to think, that as a member of the Laurendeau-Dunton commission, I made some contribution towards continuing that noble experiment. But my contribution is dwarfed by the contribution of Solange Chaput-Rolland.

I resist hyperbole. We are running out of hyperbole, because even simple things are now "enormous," or "incredible." We have even reached the point where we are using the word "literally" to mean "not literally" in our desparate search for new hyperbole. It is hard to resist hyperbole when describing the immeasurable role played by Senator Chaput-Rolland in that aspect, let alone other aspects, of Canadian life that is at the very heart of our life as a nation, namely, the relationship between the two linguistic groups.

Even my own modest library boasts four of Senator Chaput-Rolland's books: *Dear Enemies*; *My Country, Canada or Quebec?*; *Regards, 1969*; and *Face to Face*, her correspondence with our — hers and my — dear friend Gertrude Laing, the picture of both of them on the back, looking a bit young — but then, at the time, so did I.

When I first met Solange and we became friends in the 1960s, I know neither of us dreamed that we would both end up in the Senate of Canada. Certainly, I never thought that we would end up in the Senate of Canada, let alone on opposite sides of the aisle. When she was sworn in, I was sitting where Senator Berntson now sits. Solange came down the aisle with her escort after saluting the Speaker, as we all do, and as she turned to go to the Conservative side, requiring her to turn right, in a stage whisper I said, "Wrong turn, Solange. The Liberals are on this side. Last chance to not turn right." However, she did.

In a friendship especially, it is right and kind to forgive. Politicians sometimes say it is all right to forgive but not necessarily to forget. She never had to forgive me for being a Liberal because I was always one. I had trouble forgiving her for becoming a Conservative, but not in keeping faith with our friendship.

•(1430)

Certainly, as of Saturday of this week, her 75th birthday, I will not only forgive my "chère amie," I will also forget our differences.

Hon. Senators: Hear hear!

Hon. Brenda M. Robertson: Honourable senators, I shall not repeat the significant contribution that Solange has made to our country. It has been well stated, in particular by our leader and by the Leader of the Government in the Senate.

However, I want to say a few things. Those of us who have been on the Hill for a while know that, over the years that we serve here, we make a lot of acquaintances. Those acquaintances are not necessarily friends. Among all of the acquaintances I have made on the Hill in the last 10 years, honourable senators, I count myself extremely fortunate in that I found a friend in Senator Chaput-Rolland.

Each one of us has different experiences to relate about Senator Chaput-Rolland. We all know her commitment to her province and to our country. She is a shining example of what citizenship and leadership is all about. I had the interesting experience of survival — I survived living with Solange for three years. It was most interesting.

Solange is a woman who is very talented. She is emotional; indeed, she is passionate. She is passionate about everything that she does. Nothing is done in half-measures. You know precisely where she stands on any issue, at any time, on any day, and never try to say that she said something different, or that she thought something different because she knows precisely what she thinks and what she has said. She is a great communicator. Dear me, I wish there were more like her. If there were, there would be fewer double messages.

In this survival process we had great fun. It was a delight to make a new friend like Senator Chaput-Rolland, especially at our age. We shared a little apartment. I should like to share with honourable senators a couple of my experiences.

My background is totally different from that of Solange's. One day I said to my secretary, after work, "Here, take some money, run down to Canadian Tire and pick up a vacuum cleaner." It seemed to be sort of a routine request, so after work she went down and picked up a vacuum cleaner. She unpacked it and, in order that I would see it when I got back to the apartment, she put it in the middle of the floor. I had told her, "I don't care what it's like, as long as it works well." I have had a lot of experience with vacuum cleaners in my day, and other modes of cleaning, shall we say.

At any rate, when I got back to the apartment that evening, Solange was there. She was sitting in a chair, waiting for me, with a bottle of champagne or something cooling, and she said, "Is that a vacuum cleaner?" I said, "Yes, it is a vacuum cleaner." She said, "I've never used one." I have friends who have never learned how to ride a horse, or who have never learned how to fly an airplane, but I have never known anyone, especially a female, who had never made the acquaintance of a vacuum cleaner.

My three years with her were just delightful. One never knew what to expect. Once, we had a fire alarm at two in the morning. We were on the tenth floor, and the fire escapes were filled with smoke. The blind were leading the blind after a rather pleasant

social evening in the apartment with friends. We had to find our way down a smoke-filled stairwell from the tenth floor. Solange is not the most athletic person, especially when attempting to walk down ten flights of stairs at two in the morning.

In any event, we have had a lot of fun. You can tell a great deal about a person by how he or she is greeted and treated in their own community. It was a pure delight for me to walk with Solange down a street in her home community, observing and listening to the expressions of affection and love that the people on the street extended to her. In my humble opinion, that was a reflection of how the people of Quebec, in particular, feel about Solange. She is absolutely loved. She has made her mark. She has made, and will continue to make, a significant contribution. For Solange, this is just a transitional period that she is going through this week. I certainly look forward to many more good times in Saint-Sauveur.

It has been a great privilege to have you as my friend, Solange, knowing that our friendship will continue. Thank you for all the contributions you have made. You have helped broaden my understanding of your province, as well as my own. You have helped me to understand the differences and the commonalities that we share. With great affection, I look forward to your future accomplishments, my dear. I say thank you so very much. You have enriched my life considerably. Your contribution has been immense. Bonne chance!

Hon. Senators: Hear hear!

[*Translation*]

Hon. Thérèse Lavoie-Roux: Honourable senators and my dear colleague Senator Chaput-Rolland, as others before me have done, I would simply like to take this opportunity to recall that Senator Chaput-Rolland arrived in the Senate on the heels of the Meech Lake Accord, which made provision for the future appointment of senators on the recommendation of provincial premiers and with the approval of the Prime Minister of Canada.

I think that this was an excellent formula. Short of electing senators, it ensured at least the best possible provincial representation. While Meech Lake may have been doomed, at least the Senate benefitted because this era was marked by the appointment of Senators Beaudoin, Bolduc and Poitras and, of course, Senator Chaput-Rolland.

When Senator Chaput-Rolland first arrived in the Senate in 1988, she was certainly not expecting the difficult times she encountered. A storm was brewing over drug patents and the GST.

I do not think that Senator Chaput-Rolland took an especially partisan approach to her work. However, as others have said, her goal was always to work to resolve the conflicts affecting our country. She came here to serve both Canada and Quebec as best she could.

If I were asked to single out one characteristic that best describes Senator Chaput-Rolland, I would have to say the quality and consistency of her commitment. In all of the causes she espouses, she takes no half measures and makes no compromises.

Honourable senators will recall the debate on the GST and her efforts to exclude books from the GST. You may also recall the debate on the merger of the Science Council and the Canada Council. She always held fast to her convictions and I think she deserves our gratitude. I cannot remember her ever compromising on her principles.

While Solange may be leaving, I can take comfort in the fact that she will continue working for the cause of Canadian unity. During the 1980 referendum, we worked together in the National Assembly. This was a very hectic time and I came to know Solange quite well.

I saw her again during the debates on the Meech Lake and Charlottetown Accords. I sometimes had the impression we were like two pilgrims defending the Charlottetown Accord throughout Quebec.

I am certain she will continue to contribute because of her exceptional written and verbal communications skills. I am sure that, God forbid, if another referendum were to be held, we would find each other again, with the same vigour and the same convictions, defending our country.

Finally, everyone here probably associates Senator Chaput-Rolland with the constitutional question and her skills as a writer. I think she has always cared about important social issues. In the last two years, for example, she has concentrated on seniors not only through her writings but also through her actions. She is already committed to them and so she will remain.

Solange, I want to thank you also for everything you brought to me and to your Senate colleagues. I wish you good health and hope you will be very happy with your children. By the way, I want to tell Claude and Suzanne how much Solange loves them!

Thanks again, and I hope we will see each other again many times.

Hon. Jean-Claude Rivest: Honourable senators, of course, like all of you, I have known Solange for many years. As a member of the National Assembly, I had the privilege of welcoming my young and dynamic fellow colleague, who had just been elected as the member for Prévost. Solange was generous enough to introduce me when I was summoned to the Senate.

I want to remind her of the deep affection that the Quebec people feel for her, as was pointed out earlier. Beyond Solange's innumerable and commendable professional achievements, I think that Quebecers, like all Canadians, are truly fond of her. This shows how important her contribution has been. Since Solange never does things like anyone else, her leaving the Senate is like a solar eclipse! The comparison may seem outrageous, but it is just a way of telling you that after Solange leaves the Senate, she still has a great deal to contribute to Quebec society and Canadian society.

Along with all senators, I want to wish her and her family great enjoyment and success in their future endeavours.

Hon. Pietro Rizzuto: Honourable senators, I am pleased to rise today to pay tribute to our colleague, the Honourable Solange Chaput-Rolland, for whom I have great respect and esteem.

Solange, your political involvement, your thinking and your courage made you a leader among women in Canada and Quebec. You are a model and an inspiration for many.

Quebec should be very proud to have you among its strongest defenders. I know that you feel strongly about many Quebec issues and that we can always count on your talent and your experience to find solutions for the good of Canadians.

Solange, I do not want to wish you a happy retirement but rather, good luck. Enjoy your later years to the fullest. We eagerly await the publication of your latest novel, *Les quatre saisons d'Isabelle*.

Solange, best of health and arrivederci!

Hon. Marcel Prud'homme: Honourable senators, this is one of those rare occasions when I have prepared a statement. However, since I am the last to speak, good friends like Senator Fairbairn, Senator Frith and all the rest have already mentioned just about all that I had written, so I will tell you what I feel.

The Senate is certainly sad today because we are losing a long-standing friend; personally, I have known Solange since the 1960s. Few people here have enjoyed such a long friendship. Madam, you have made your mark on the Senate in the past six years.

Yes, we are losing a colleague today. Next Monday evening in Montreal, this prolific writer will launch a new book, *Les quatre saisons d'Isabelle*, and you are all welcome to attend.

Senator Frith has listed all the books which I wanted to mention. The Leader of the Government in the Senate has mentioned the great honour received by Senator Chaput-Rolland when she was selected as one of the 50 most important women in the field of communications.

As you know, all of Quebec was glued to the TV to watch *Monsieur le ministre*. Senator Chaput-Rolland, I have known you as a journalist, a literary critic and a radio commentator at CKAC. I would like to make public a secret which we share.

I will never forget the very favourable article which you were kind enough to write about two old Liberal servants, Gérard-D. Lévesque and myself, in the newspaper *Le dimanche matin*. This goes back many years, but you knew that, at the time, I was having problems with the caucus, and your article helped me a great deal.

It has been mentioned, Honourable Senator, that you have received the Order of Canada, the Ordre de l'Assemblée nationale, and the Prix liberté Alcan, 1987.

The Senate is losing an excellent advisor and this makes me sad. Senator Chaput-Rolland, you are a real fighter and I want to say for the benefit of those who have not yet read French-language newspapers today that you have an article in *La Presse* in which you explain why the Senate exists, why you are leaving, and what you may soon be doing.

Honourable senator, I want to wish you not a quiet retirement, but an harmonious departure. If it will help, I am publicly telling you that, from now on, my office door will always be open for you whenever you come to Ottawa, for as long as you wish to use it.

The big winners are those who need you the most in our society: the elderly. As you know, I learned from my father how sensitive people are when they get old and have fewer and fewer fighters to represent them. Our society is entering a new era. It is already a consolation to know that it will be represented by fighters such as Madam Chaput-Rolland.

Honourable senator, if there is anything we can do, please let us know. I will always cherish my memories of you as a friend, advisor and confidante. We have shared so much over the years that I feel you are not really leaving, that you will always be with us.

You belong to that great lineage of Jean Marchand, Maurice Lamontagne, "Father" Lévesque, Gérard Pelletier, Jacques Hébert, Pierre Trudeau, and Jeanne and Maurice Sauvé. I will always remember you as the spark in my life. Someone said earlier that "she's a great Canadian," but first and foremost, and this is something people in this country apparently find hard to understand, you are a great French-Canadian.

Madam, as a French-Canadian, it is my privilege to salute you.

Hon. Maurice Riel: Madam, I do not want this series of tributes to end without having an opportunity to add my own few words, although I was not advised of this occasion.

I simply want to say to my colleagues that all of us in the province of Quebec had the benefit of the political and social thinking of Senator Chaput-Rolland for, I will not say exactly how many, but let us say more than 20 years.

She was very much involved in literature, the arts, journalism, the social aspects of life in our province and our country, and in politics, according to the senators who spoke before me.

Senator Chaput-Rolland's term in the Senate has been a remarkable one. Her experience was very extensive, and Senator Beaudoin recalled her role on the Pepin-Robarts commission. She was an active participant in the political life of her province and here she did everything she could, and even more, to promote Canadian unity and respect for the rights and traditions of Quebec and Canada.

I do not think the senator ever erred, although I did not always share her opinions. When there were differences, it was only because she was so dedicated to the country we have in common and because of her exasperation that the passage of time did not provide any solutions to the problem that interested her most, which was the antagonism between Ottawa and Quebec, often revived by narrow, partisan minds, while representatives on all sides probably lacked flexibility.

Senator Chaput-Rolland tried to promote solutions with stubborn determination, without getting discouraged. Knowing what we do now about the political history of the world, we realize that the dedication of a talented and respected individual adds up and finally becomes a part of the structure the individual had in mind.

When the great night of constitutional peace finally comes to Canada, I think we should consider writing the name of Solange Chaput-Rolland on one of the stones in this structure. She will be seen as a father of Confederation, or if the word "father" offends your feminist ears, perhaps the French word "pèresse" would be a nice alternative.

Congratulations and the best of luck in your future endeavours.

Hon. Solange Chaput-Rolland: Honourable senators, before thanking you for all these tributes — which have moved me, as you can understand — I have the great honour to table, with leave of the Senate, two French copies of the research paper on the situation of the elderly in Canada, on which my office has been working for the last few years, with the contribution of Robert Robert.

I would like to apologize to my English-speaking colleagues, because the English version of the report will only be available tomorrow. For reasons I cannot quite understand, and contrary to what frequently happens, this time the English version will come in second. I apologize for the delay.

[*English*]

It is no fault of mine. We worked until the last minute to produce this document, and I am very proud of it.

Your Honour and honourable friends on both sides of the chamber —

[*Translation*]

— I do not know where to begin to thank you for all the compliments you have paid me and which have moved me. I feel like saying to you: If you like me so much, why do you not keep me here a bit longer! But then that is what life is all about. You cannot deny your age or the traditions of this Senate.

[*English*]

•(1500)

I want to say to you, as honestly as I can, that beyond the quarrels, the partisanship and everything else, what saddens me today is to leave so many friends, friends on both sides of this house. Senator Prud'homme recalled our long-time friendship. I will miss friends on both sides, Senator Pierre De Bané, as we have been friends for years, Royce Frith and Senator Gigantès.

I do not want to bore you with a long speech, but you know very well —

[*Translation*]

— that when ones leaves the Senate, one leaves with fond memories, memories of our employees and staff members who brought a ray of light into our life. I cannot begin to express the deep appreciation I feel for each one of them, the tenderness and affection — I think I can use that word — they displayed toward me. I want to thank all the employees of —

[*English*]

— the Reading Room who always found the right magazine when I could not find it, or Xeroxed a copy of an article for me when I did not know how to do that. I have learned, but I still have trouble.

[*Translation*]

I have written everything down so as not to forget anyone. I wish to thank the clerks of the Senate, who were very patient with me when I had a great deal of trouble understanding some of our —

[*English*]

— rules and regulations, which sometimes seemed to change with each senator. I cannot forget —

[*Translation*]

— the amazing pages, the young men and women who patiently put up with our moods. Their faces may have changed, but they always remained courteous. They make me think of my grandchildren. I want to thank them for all they have done for me.

I do not want to forget the security guards. I could speak at some length about them if I had the time.

[*English*]

To the messengers whom we sent to and fro to get things I needed, and I would never be there to say thank you, I do so now, with all my heart. Then there are the bus drivers who extended their hands to me to help me get up the "Himalayas," the steps of that silly bus, which I will not miss, but I will miss those who helped me get into it. Sometimes I really felt that I was becoming an alpinist.

[*Translation*]

Then there are the maintenance workers, the ladies who clean our offices and probably many others whom I am forgetting. For that I apologize. I do not want to keep you too long. You have showered me with so much praise that I feel I should sit down and let you get on with your work.

When a person first arrives in the Senate, the feeling of being alone can be rather frightening.

[*English*]

I refer to the people who help us, tell us where to go, where to sit, how to do things. I have with me today a young woman by the name of Diane Parent. She is there in the gallery, with the

blond hair. Diane has worked with me — not for me — for four years, and it has been an enjoyable and wonderful experience.

[*Translation*]

She has worked with me on many projects. I am not sure that I would have been able to do so well, like you seem to think I do, without her, and I thank her very much for that.

When my friend Jean-Claude Rivest was appointed to the Senate, for various reasons, Diane had to be transferred to Jean-Claude's office. Incidentally, she is the best gift I ever gave him!

I then was blessed with another gift in the person of Marie-Claude Landry. As you know, these things need to be said. I am well aware this takes time, but we so seldom express our gratitude that given the opportunity, I will not let it go by. Bear with me, you thanked me with such grace! My thanks to Marie-Claude also.

This document you will be receiving is a report entitled "About Aging: A Study."

[*English*]

It is a document on old people. That is what I will do next week and for the rest of my life. Senator Fairbairn, I remember a phrase that then-Prime-Minister Trudeau used on his retirement, "This is the first day of the rest of my life." It will not be the first day, but perhaps the second day of the rest of my life. I want to look after the old people, because they need us so desperately. I have accepted the presidency of La maison Jeanne Simard in Montreal. That is a refuge for old people who have been beaten. I knew such people existed, but I had never met any. Then I met one gal, 80 years old, who had been beaten by her son-in-law. The only thing I could do was kneel beside her and say —

[*Translation*]

"Forgive me."

[*English*]

That is what I want to do. I have a document about this matter, an essay by Robert Robert. He is here today; I can see him there in the gallery. Two years ago I inherited Robert Robert from the office of Senator Arthur Tremblay, so I was assured of the quality of his work. All senators should take the trouble to read Mr. Robert's essay, and I hope that the English-speaking senators will pardon us if they do not receive it today, as it is not our fault.

There is another young woman in the gallery of whom I am quite fond. She is my daughter. We have had a long acquaintance. She has helped me many times, and I hope I have helped her.

Just two further matters before I sit down, and I promise not to keep you too long. First, I say thank you to Senator Gigantès —

[*Translation*]

— for the lovely spring flowers.

[*English*]

To Senator Brenda Robertson, I would like to say just a little word about the vacuum cleaner. What she did not say amounts to a standing joke between my husband and I. I got a new vacuum cleaner and it had two ends. I put the tube on the wrong end and all the dust came out. My husband said, "For God's sake, do not vacuum." That is the reason why I kept away from it, though I have used it sometimes. Senator Brenda Robertson and I did publish a book together, and it is still selling. What a wonderful feeling. The sadness, again, is to leave all of you, and to leave behind the friendship I have experienced here. There have been the quarrels and the feuds, but we are all still here.

I have two wishes to express before I sit down. I address them to Senator Joyce Fairbairn who is the Leader of the Government. I am very happy, madam, that you have become the leader.

[*Translation*]

Out of a sense of kinship, of solidarity perhaps, and as a woman, I am very proud of you.

[*English*]

I address them to my illustrious cousin, John Lynch-Staunton. It was his mother who told me, two years ago, that we were related. He did not know it, nor did I. Now we know. To both senators I say put all that you have into recapturing the respect of the population for this house. We do not deserve all the insults that we receive daily. That does not mean we do not deserve some of them. I am a journalist. I always have been. I know journalists are not liked, but sometimes they exaggerate and sometimes we do. One thing we must do is to keep the Senate alive, well and active.

The second wish that I ask of you, Senator John Lynch-Staunton and of you, Senator Fairbairn, is: Do not permit this Senate, under any conditions, to be abolished. Why? For two reasons. If you have watched television over the past six months, you would have seen, particularly yesterday, the joy of South Africans, singing their happiness for their democracy, and you would have also seen on your television democracies dying in Rwanda and Bosnia-Hercegovina. We have it here. Whatever the cost, I am free to talk. Somebody said — I cannot remember who — that I had voted four times against my government. I am sure that Senator Charbonneau was not very pleased with me, nor was Senator Lowell Murray, but I am still here. I took my responsibility to vote against my own government and was free to do so. As you know, there are not very many places in the world today where a parliamentarian could say that and get away with it, but we can in this house.

Granted, we are not elected; we are selected; but we are not all that bad, and I state emphatically that we must not abolish this house.

My last word is to say how much I have learned.

[*Translation*]

I have learned so much in the past four, five or even six years. I have learned to put faces on places.

[*English*]

It is the people leaving the imprint of their personalities on places; that is what a country is all about. It is not only a matter of the Constitution, if you will forgive me for saying so, Senator Beaudoin. It is not only a matter of laws. It is not only quarrels. It is not only dissensions. It is first and essentially the people.

[*Translation*]

It is men and women, and children, some old, some young, some rich, some less so. They are what makes a country. That is what I have learned through all of you. All the regions you come from, I see and understand better now. It is not as though I did not know this country before I came here. I did.

[*English*]

I have crisscrossed this country, I do not know how many times, and I can say that nothing makes your country more alive than to see it in the faces of your friends, your colleagues, even your adversaries. That is the reason I ask you and I beg you to keep the Senate functioning.

[*Translation*]

Keep the Senate going and keep me in your hearts. I love you very much. Thank you.

[*English*]

SENATOR'S STATEMENT

THE HONOURABLE EDWARD M. LAWSON

EXPRESSION OF APOLOGY

Hon. Earl A. Hastings: Honourable senators, may I seize this opportunity to tender an apology to my colleague, the Honourable Senator Lawson. This flows from a press interview that I recently gave in which I, girded to anger, made remarks which were better left unsaid.

The remarks were indiscreet and certainly not in keeping with the finer traditions of this chamber. By way of reaction, I tender an apology to the Honourable Senator Lawson for my indiscretion in that respect and for any inconvenience I may have caused him.

Hon. Edward M. Lawson: I should like to say to the Honourable Senator Hastings that I accept his apology and thank him for it.

ROUTINE PROCEEDINGS

LIBRARY OF PARLIAMENT

REPORT OF LIBRARIAN TABLED

The Hon. the Speaker: Honourable senators, I have the honour to table the annual report of the Parliamentary Librarian for the fiscal year 1992-93.

CANADA OIL AND GAS OPERATIONS ACT CANADA PETROLEUM RESOURCES ACT NATIONAL ENERGY BOARD ACT

BILL TO AMEND—REPORT OF COMMITTEE

Hon. Pat Carney, Chairman of the Standing Senate Committee on Energy, the Environment and Natural Resources, presented the following report:

Tuesday, May 10, 1994

The Standing Senate Committee on Energy, the Environment and Natural Resources has the honour to present its

SECOND REPORT

Your committee, to which was referred the Bill C-6, An Act to amend the Canada Oil and Gas Operations Act, the Canada Petroleum Resources Act and the Natural Energy Board Act and to make consequential amendments to other Acts, has, in obedience to the Order of Reference of Wednesday, April 27, 1994, examined the said Bill and has agreed to report the same without amendment.

Respectfully submitted,

PAT CARNEY, P.C.
Chairman

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

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

[*Translation*]

ELECTORAL BOUNDARIES READJUSTMENT SUSPENSION BILL, 1994

REPORT OF COMMITTEE PRESENTED AND PRINTED AS APPENDIX

Hon. Gérald-A. Beaudoin: Honourable senators, I have the honour to present the second report of the Standing Senate Committee on Legal and Constitutional Affairs on Bill C-18, An Act to suspend the operation of the Electoral Boundaries Readjustment Act.

I ask that the report be printed as an appendix to today's *Minutes of the Proceedings of the Senate.*

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

Some Hon. Senators: Agreed.

(*For text of report, see today's* Minutes of the Proceedings of the Senate.)

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

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

[*English*]

ADJOURNMENT

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, with leave of the Senate and notwithstanding rule 59(1)(*h*), I move:

> That when the Senate adjourns today, it do stand adjourned until tomorrow, Wednesday, May 11, 1994, at one thirty o'clock in the afternoon.

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

Hon. Senators: Agreed.

Motion agreed to.

•(1520)

RAILWAY SAFETY ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-21, to amend the Railway Safety Act.

Bill read first time.

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

On motion of Senator Molgat, with leave of the Senate and notwithstanding rule 58(1)(*f*), bill placed on the Orders of the Day for second reading at the next sitting of the Senate.

[*Translation*]

INTER-PARLIAMENTARY UNION

NINETY-FIRST CONFERENCE, PARIS, FRANCE—REPORT TABLED

Hon. Peter Bosa: Honourable senators, I have the honour to table, in English and in French, the report of the Ninety-first Inter-Parliamentary Union Conference held in Paris, France from March 19 to March 26, 1994.

OFFICIAL LANGUAGES

JOINT COMMITTEE AUTHORIZED TO MEET DURING SITTINGS AND ADJOURNMENTS OF THE SENATE

Hon. Jean-Claude Rivest, with leave of the Senate and notwithstanding rule 59(1)(*f*), moved:

> That the Standing Joint Committee on Official Languages have power to sit during sittings and adjournments of the Senate; and
>
> That a message be sent to the House of Commons to acquaint that House accordingly.

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

Hon. Senators: Agreed.

Motion agreed to.

[*English*]

QUEBEC NATIONALISM

INHERENT CONTRADICTIONS—NOTICE OF INQUIRY

Hon. Jerahmiel S. Grafstein: Honourable senators, I give notice that on Tuesday, May 24, 1994, I will call the attention of the Senate to the subject of the contradictions inherent in Quebec nationalism.

INTER-PARLIAMENTARY UNION

NINETY-FIRST CONFERENCE, PARIS, FRANCE—NOTICE OF INQUIRY

Hon. Peter Bosa: Honourable senators, I give notice that on Thursday next, May 12, 1994, I will call the attention of the Senate to the Ninety-first Interparliamentary Conference held in Paris, France from March 19 to 26, 1994.

SOUTH AFRICA

FIRST DEMOCRATIC ELECTIONS—NOTICE OF INQUIRY

Hon. Donald H. Oliver: Honourable senators, I give notice that, pursuant to rule 57(1) of the *Rules of the Senate of Canada* dated July 1993, in two days hence, on Thursday next, I will call the attention of the Senate to my participation as a United Nations Observer in last month's first democratic elections in South Africa.

Hon. John Lynch-Staunton (Leader of the Opposition): I am glad you are back, so that you can help them with Bill C-18.

QUESTION PERIOD

AGRICULTURE

MOVEMENT OF GRAIN ON WEST COAST—GOVERNMENT POSITION

Hon. Leonard J. Gustafson: Honourable senators, my question is directed to the Leader of the Government in the Senate. The delay in the movement of grain on the West Coast is a serious problem for the area I serve and for all of Canada. Again and again, Senator Olson, Senator Germain and myself have drawn this matter to the attention of honourable senators.

Does the Leader of the Government have anything new to report on the situation with respect to the movement of grain? Is it speeding up in any way? Is it possible that this grain will be moved out during this crop year?

Hon. Joyce Fairbairn (Leader of the Government): I thank the honourable senator for his question. I will request an update on the movement of grain on the West Coast.

As honourable senators know through Senator Olson and others, this situation is a very serious preoccupation and priority at the moment. There have been some hearings in the other place. The Minister of Agriculture has called together representatives of all the parties in this dispute for a meeting in Winnipeg on May 16. The issue is very much alive.

I will endeavour to provide an update on the actual situation at the Port of Vancouver for honourable senators.

[*Translation*]

HUMAN RESOURCES DEVELOPMENT

INSTALLATION OF TELEPHONE COMMUNICATIONS NETWORK

Hon. Pierre Claude Nolin: Honourable senators, my question is for the Leader of the Government in the Senate.

I was surprised to hear on the CBC news this morning that a contract for approximately $220 million had been awarded by the Department of Human Resources to an American firm last March. The news report said:

> In an effort to reduce Old Age Security costs, Ottawa will introduce within three years a nationwide automated telephone information network.

It went on to say that, in the future, senior Canadians who want to deal with the department will have to do so through a voice mailbox. Does the Honourable Leader of the Government know anything about this proposal?

[*English*]

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I would be pleased to talk to my colleague the Minister of Human Resources Development and find out the background to the report to which the honourable senator has referred.

[*Translation*]

Senator Nolin: I have a supplementary question for the Leader of the Government in the Senate.

When she talks to her colleague, could she also ask him if Canadian firms were at least solicited to determine whether such services could have been provided at the same cost in Canada, instead of by a firm from the United States?

[*English*]

Senator Fairbairn: I will certainly make that inquiry.

•(1530)

TRANSPORT

SEARCH AND RESCUE—REPLACEMENT OF SEA KING HELICOPTER FLEET—GOVERNMENT POSITION

Hon. Terry Stratton: Honourable senators, first, I should like to extend my sympathy to the families of the four airmen involved in the recent and highly tragic crash of a Sea King helicopter near Saint John, New Brunswick. Although these aircraft are maintained at a very high standard, one cannot overlook the fact that these machines are very old and getting older. In fact, by the end of this decade, the helicopters we use today will be 40 years old.

Search and rescue is a tough job. In 1992, there were over 8,000 calls for search and rescue help in some of the toughest terrain in the world. I am concerned with sending such aging helicopters out to perform. Even though they may be refurbished, a 40-year-old helicopter is still a 40-year-old helicopter.

The aging Sea Kings were to be replaced by modern EH-101s. However, the deal to purchase these helicopters was scrapped after the Liberal government was elected.

Can we have a commitment from this government that these aircraft will be replaced?

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I thank the honourable senator for his question. I join with him in extending my sympathy to the families of the service personnel who died in that very sad incident.

The Minister of National Defence has indicated that the whole question of helicopter renewal is under review. Certainly, the contract to purchase the EH-101s was cancelled, and the defence department will be very conscious of future procurements.

At the moment, I think my honourable friend knows that the Department of National Defence has indicated that the Sea King aircraft generally are in safe service. The very tragic incident that occurred is under review, but I will attempt to obtain further information for the honourable senator.

DELAYED ANSWERS TO ORAL QUESTIONS

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, I have delayed answers to questions posed by various honourable senators. The first is in response to a question raised in the Senate on March 22, 1994 by the Honourable Senator Cohen regarding the Atlantic Canada Opportunities Agency. The others are in response to questions asked on March 22 by the Honourable Senator Murray regarding the Bank of Canada rate; on March 24 by the Honourable Senator Comeau concerning the Atlantic Canada Opportunities Agency; on April 19 by the Honourable Senator Robertson regarding the establishment of industry renewal boards; on April 21 by the Honourable Senator Robertson regarding support for vessels during moratorium; and on April 21 by the Honourable Senator Cochrane regarding post-secondary education.

ATLANTIC CANADA OPPORTUNITIES AGENCY

FUTURE OF AGENCY—OBJECTIVES AND SCOPE OF GOVERNMENT REVIEW

(Response to question raised by Hon. Erminie J. Cohen on March 22, 1994.)

Senator Erminie Cohen raised the question of the future of ACOA and requested, in specific terms, the objectives and scope of the government's review of the Agency.

I would like you to assure Senator Cohen that there has been no government review of the Agency. Like other federal agencies and departments with business support responsibilities, ACOA has had to sustain cuts to its current programming. Notwithstanding these cuts, the government is very pleased with ACOA's accomplishments, will build upon its achievements and will guide it in support of employment creation and the growth of small and medium-sized businesses in Atlantic Canada. Also despite these cuts, the Agency's total budget for fiscal year 1994-95 is $375.6 million.

The government has also demonstrated its faith in the Agency by putting it in charge of implementing the Infrastructure Works Program in the Atlantic region. In total, ACOA will be disbursing $63.4 million from the above $375.6 million for Infrastructure projects in Atlantic Canada.

ACOA is also assuming the leadership of the Canada Business Service Centres in the region. These centres are an important tool for a more coordinated and collaborative approach, as well as for a less burdensome way of doing business with government, one which can be equally beneficial to Atlantic Canadian companies.

Minister Dingwall recently tabled, in Parliament, the first Five-Year Report on the Agency's operations. The report demonstrates that ACOA has been very effective in creating business and employment opportunities in Atlantic Canada, in that the Agency's activity has created 42,000 jobs from 1987 to 1992. This effectiveness clearly illustrates ACOA's success and the government's support of its activities in the region.

Senator Cohen also raised a question with regard to the ACOA Board. As she accurately stated, Minister Dingwall requested a review of the Board's role and mandate and Dr. Donald Savoie agreed to undertake this review. At the December 8, 1993 Board meeting in Moncton, the President of ACOA advised the members that Dr. Savoie would be meeting with some, if not all, of them as part of his review.

The review is now complete and Dr. Savoie's recommendations are being examined as part of the larger, government-wide review of the size and relevance of all federal and advisory agencies, boards and commissions. The future of ACOA is, indeed, assured.

NATIONAL FINANCE

BANK OF CANADA RATE—EFFECT ON INTEREST RATES

(Response to question raised by Hon. Lowell Murray on March 22, 1994)

The recent rise in interest rates has occurred in the context of uncertainty in world financial markets, as the major countries adjust their policies to accord with individual economic circumstances. We cannot insulate ourselves from these world-wide developments. The Bank, prime and mortgage rates in the U.S. and Canada all reflect this general uncertainty. As the Governor of the Bank of Canada has stated:

> And finally, financial markets. We've had these bouts of turbulence before, and we've got through them. And we'll do so again, and I believe that the good economic and monetary fundamentals of our situation should start to show through the market nervousness before very long. (Gordon Thiessen, April 5, 1994)

Canada has a floating exchange rate whose level is determined by market conditions; this level will, in the ordinary course of events, fluctuate. Action by the Bank of Canada promotes orderly exchange rate markets, but is not intended to achieve a particular exchange rate target. Our basic monetary policy stance is geared to holding inflation in the 1 to 3 percent range, and this remains unchanged.

Inflation is now at a 32-year low, consumer and business confidence are up, and jobs are being created. Interest rates and exchange rates ultimately depend upon these economic fundamentals.

To put things in perspective, let me again quote the Governor of the Bank of Canada:

> Despite the recent back-up, current short-term and long-term rates are close to their lowest levels in over 20 years. (Gordon Thiessen, April 5, 1994)

ATLANTIC CANADA OPPORTUNITIES AGENCY

METHOD OF AWARDING PROJECTS—GOVERNMENT POLICY

(Response to question raised by Hon. Gerald J. Comeau on March 24, 1994)

Applications submitted to ACOA under the Action Program or the Fisheries Alternatives Program are evaluated and approved subject to a delegation of authority which has been in place for some time. This approval process was implemented at the outset of the Agency as a means of improving client service by ensuring that all but the largest projects are evaluated and approved at the local level in the office closest to the applicant.

Larger projects are sent to the ACOA private sector board for review and advice. The Board has not convened in the past few months pending the completion of a review of its structure. In the interim, these larger projects continue to be evaluated by Agency officials with a recommendation submitted for Minister Dingwall's consideration. These larger projects are relatively few in number, however, with 99% of projects in the last six months requiring only the approval of Agency officials at the regional level, as per the delegation of authority.

FISHERIES AND OCEANS

ESTABLISHMENT OF INDUSTRY RENEWAL BOARDS—GOVERNMENT POSITION ON BUY-BACK OF QUOTAS AND LICENCES

(Response to question raised by Hon. Brenda M. Robertson on April 19, 1994)

During the next six weeks, the government will consult with provinces and industry to develop an industry renewal process to reduce excess capacity in the groundfish industry.

The government has committed to reduce capacity by 50% in the groundfish sector, as was recommended in the Cashin Task Force Report.

Consultations with industry and the provinces will focus on developing Industry Renewal Boards in all provinces in Atlantic Canada and Quebec. These boards will use tools provided by governments such as early and licence retirement to assist the capacity reduction process. A global federal contribution of $300 million has been set aside for these purposes.

Full details will be announced after consultations have been completed.

FISHERIES

SUPPORT FOR VESSELS DURING MORATORIUM

(Response to question raised by Hon. Brenda M. Robertson on April 21, 1994)

Given the fiscal situation, and the requirements to reduce industry capacity, there is a limited budget for the post-May 15 adjustment program and proposals like a vessel support program need to be assessed against these factors.

In the February budget, which otherwise focused on deficit reduction, the $1.9 billion funding envelope announced for the Atlantic groundfish crisis was the only significant new spending.

Rather than reducing income support payments to everyone to fund a vessel support program, the government decided it was more important to provide adequate income levels for displaced fishermen, plant workers and their families.

POST-SECONDARY EDUCATION

FINANCING ARRANGEMENTS FOR STUDENT LOANS—GOVERNMENT POLICY

(Response to Question raised by Hon. Ethel Cochrane on April 21, 1994)

The federal government contributes almost $8 billion annually for post-secondary education through a number of departments and programs.

Among the largest contributions for post-secondary education are the Established Programs Financing transfers to provinces, support for research through the granting councils and student assistance.

Indeed, on April 15, 1994, the Minister of Human Resources Development announced, a youth employment and learning strategy, containing reforms to the Canada Student Loans Program which will significantly increase assistance for students pursuing post-secondary studies.

Moreover, Mr. Axworthy is examining how to strengthen federal support for Canada's learning systems, including post-secondary education, as part of the social security reform process.

The federal government has not conducted or commissioned any research studies on the effects on universities or colleges of withdrawal of federal funding for post-secondary education.

ORDERS OF THE DAY

EXCISE TAX ACT

BILL TO AMEND—THIRD READING

Hon. Gildas L. Molgat (Deputy Leader of the Government) moved the third reading of Bill C-13, to amend the Excise Tax Act and a related Act.

Motion agreed to and bill read third time and passed.

INCOME TAX AMENDMENTS REVISION BILL

BILL TO AMEND—THIRD READING

Hon. Gildas L. Molgat (Deputy Leader of the Government) moved the third reading of Bill C-15, to revise certain income tax law amendments in terms of the revised Income Tax Act and Income Tax Application Rules.

Motion agreed to and bill read third time and passed.

NATIONAL SPORTS OF CANADA BILL

SECOND READING—DEBATE ADJOURNED

Hon. B. Alasdair Graham moved the second reading of Bill C-212, to recognize hockey and lacrosse as the national sports of Canada.

He said: Honourable senators, in speaking to this bill, I should point out that it all began for me personally on what might be called the bogs and the ponds of Bridgeport and Dominion. It continued into the Minor Hockey Association of Glace Bay, through the then St. Ann's High School, and on to the varsity team at St. Francis Xavier University. My mother told me at the time that if I made the varsity, I could throw away my old CCMs and she would buy me a new pair of Prolites, which were considered by many to be the best skates of the day. I see Senator Robichaud nodding his head. He probably had a pair of Prolites himself when he was a star in New Brunswick.

I earned the skates at St. F.X., third line, fourth man. I retained the sweater and I proudly wore the "X" which, as many know, is a famous logo for the university around the world.

As my sons were growing up, and playing with the atoms, the squirts, the pee wees and the bantams, I often recounted my hockey exploits at St. F.X. As you can imagine, it was pretty heady stuff.

Then one day, when they were beginning to reach the age of reason and could read, they got their hands on a publication by Packy MacFarland, the athletic director at St. F.X., which documented the statistics for every game, no matter what sport, for every varsity team in the history of the university. My sons looked eagerly for the pages which would reveal, in black and white, the number of times I was captain, the number of times I won the scoring championship, the number of goals I scored and the number of assists I had in a particular season. The book was very accurate and, for me, embarrassing in every detail. For example, in 1948-49 the list showed, "Al Graham: One goal, three assists for the entire season." If I remember correctly, honourable senators, that was the season in which the goaltender had four assists. My balloon was punctured; my heroics in tatters!

•(1540)

However, I have persisted, honourable senators. I am still looking for that second goal. On Boxing Day, each year for almost the last decade, there has been a special sporting event in Sydney between two Sydney families. It is the annual Graham-Joseph hockey game in which I still participate. To understand the significance of this event, as both Senators MacDonald and Macdonald would understand, you would have to know that the Josephs are to Sydney what the Sutters are to Viking, Alberta. The Josephs have eight hockey playing sons, among them Fabian, who has played on the last two silver medal Canadian Olympic teams, the last as our captain in Lillehamer.

Over a period of more than 10 years, I broadcasted all of the St. F. X. games: The Maritime "Big Four" and even the Maritime "Big Six."

You might well understand and appreciate that I am unabashedly enthusiastic about supporting Bill C-212. In so doing, I congratulate Nelson Riis, the member from Kamloops in the other place, for his introduction of the bill; and Albina Guarnieri, Parliamentary Secretary to the Minister of Canadian Heritage, for her amendment.

Senator Gigantès: Has Mr. Riis ever played hockey?

Senator Graham: I understand that he does.

The bill, which proclaims hockey as Canada's national winter sport and lacrosse as our national summer sport, was unanimously passed by all parties in the other place and, I might add, in one sitting.

Everyone in this country has his or her special memories of a very special moment in sport.

The Saturday night *Hockey Night in Canada* introductory words of broadcaster Foster Hewitt still ring in my ears: "Good evening hockey fans in Canada, the United States and Newfoundland, with an extra big hello to the Canadian troops overseas." That was in wartime.

"He shoots, he scores!" a description pioneered and fashioned by Foster, became the accepted and most dynamic and exciting expression used by every hockey broadcaster since the beginning of time. Most memorable of all, of course, was the moment when Paul Henderson fired home the deciding goal in that incredible triumph by the Canadian team over the Soviets back in 1972.

Who could ever forget the much loved and scintillating voice of the late Danny Gallivan with his gargantuan saves, cannonading drives and Savardian spinoramas? At the moment, I have the honour of chairing the Memorial Scholarship Fund set up in Gallivan's name at St. F.X. The list of those involved reads

like a Who's Who in hockey, including the Honourable Hartland Molson as Honorary Chair, Brian O'Neill of the National Hockey League, Scotty Morrison, Chairman of the Hockey Hall of Fame, Ronald Corey, President of the Canadiens, Cliff Fletcher, President of the Toronto Maple Leafs, Red Fisher, Sports Editor of the Montreal *Gazette*, Dick Irvin from *Hockey Night in Canada*, Al MacNeil of the Calgary Flames, Frank Selke, Vice-Chair, Canadian Special Olypmics, Gilles Tremblay, the play-by-play French language broadcaster for the Canadiens, the inimitable Red Storey, and others.

And that, by the way, is the end of that particular commercial.

The sound of the first slapshot or the first puck hitting the boards, was and is the first shock of psychic electricity that unites hearts and minds in this country. All that irrespective of regions, time zones or ethnic backgrounds, because if there is a visible, passionate and inspirational spirit of our magnificent multiculturalism it is hockey.

My friend Warren Allmand, member for Notre-Dame-de-Grâce, captured a lot of our hearts when he said in the other place, "I love this game. I love playing it. I love watching it. I love talking about it. Some of my greatest friendships have been formed through hockey."

So, honourable senators, at this time of year thousands upon thousands breathe, live and die for hockey. Our indoor rinks, now I suspect more commonly indoor arenas, are, as Foster Hewitt once put it, "meeting places for youths of all origins, where race, culture and creed are forgotten."

No one has ever questioned the nationality of the Howes, the Richards, the Lemieuxs, the Espositos, Bobby Orr, Al MacInnis or the Great Gretzky. They are just gifted Canadians who have done and are doing their best, and the unifying principle is the sport and the unifying medium is the ice.

One can never forget the avalanche of interest and enthusiasm demonstrated by over 650,000 Canadians who take part in some form of organized hockey. The Canadian Amateur Hockey Association includes in itself a volunteer force of over 100,000 Canadians.

While I was naturally more familiar with minor hockey programs in places throughout Cape Breton and Antigonish, I have become especially interested in the quality of the organizations around Ottawa.

For example, there are two very special six-year-old twin grandchildren by the name of George and Anna Barrett who participate in the Leitrim hockey program; and while their mother is a Graham, the father comes from that well-known Ottawa-Gloucester family, the Barretts, which produced two National Hockey League stars as well as a pretty good goaltender for St. F.X., who happens to be my son-in-law.

I know that I run the risk of becoming too personal in these remarks, but I make reference to little Anna Barrett by way of celebrating the fact that hockey is the fastest growing women's sport today in Canada. In that respect I particularly want to congratulate and recognize our Canadian women's team upon winning their third championship at Lake Placid only a few weeks ago. These athletes are on the cutting edge of a major transition in the sport itself. There is, indeed, a big future out there for young women of courage and determination.

•(1550)

In this legislation, we are asked to support as well the ancient game of lacrosse and to honour it as our national summer sport. In recognizing the widespread love of lacrosse in Canada, we have to reflect on the visible symbols at work in the use of the native wooden lacrosse stick, and the traditional Algonquin communities of the St. Lawrence Valley come to mind. We think of the early Jesuit priests who wrote of the game as they witnessed it in the early 1600s. We are reminded of the earliest lacrosse teams in the 1904 Olympics, and of the legendary Montreal Shamrocks who thrilled depression-worn fans at the Montreal Forum. That same thrill was taking place in Toronto, in British Columbia and in many other parts of this great nation. Honourable senators might even recall that one of our most respected Prime Ministers, Lester Pearson, helped preside over the resurgence of lacrosse as honorary chair of the Canadian Lacrosse Association.

With its ancient roots in this country, lacrosse is now followed avidly in other countries. However, we must remember that it is known and loved as the quintessential Canadian game.

I do not intend to enter the debate as to where the first hockey game was played in Canada. There are those who would point to Windsor, Nova Scotia, to Dartmouth or Halifax, to Montreal, to Kingston, or wherever. The fact remains that the winter and spring of 1994 will go down in history as the season of our greatest hockey achievements, of our greatest hockey triumphs: silver at the Olympics, the World Championship just two days ago, the World Junior Championship a little further back and, as mentioned earlier, the World Women's Championship.

It remained for columnist Doug Fisher to put this into a more intimate perspective for all honourable senators in a column of April 29, just a few days ago. He referred to one James George Alwyn Creighton, a Haligonian who went on to study at McGill University in the early 1870s. He said that student lacrosse players were the nucleus that Creighton got together to play hockey, using a relatively new Montreal Victoria indoor rink. That was back in 1875.

In the next decade, hockey took root in Montreal and spread slowly west to Ottawa and Kingston. I quote again from Fisher's column. He said:

> Creighton had a part in the sudden boom of hockey in Ottawa and the West in the 1890s by getting the sons of Governor General Stanley into skating and then into hockey. Their Rideau Hall team and enthusiasm quickly popularized hockey across Canada.

Fisher goes on to point out that Creighton worked on Parliament Hill for 48 years, and that from 1882 to 1930, he was the Law Clerk of the Senate of Canada.

Honourable senators, at a time when the forces of disunity and division have swept across this country with apparent impunity, we must think back and look back at the first principles of our national identity.

It is time to look back; it is time to think back; it is time to revive our collective memory, to reflect upon our ancestors, upon those who understood that to grasp the diversity of Canada, piece by piece, one had to challenge every mountain, every forest, and every river. Canada is very much an unfinished struggle, and sport is very much a mystical bonding process at work in the very circulatory system of what we are as a people.

Lacrosse and hockey are the great unifying principles of past and present. They truly represent the passion of our people, all of our people, in this beautiful multicultural federation. Bruce Kidd once spoke of an important truth when he called hockey "the great Canadian metaphor." The rink, he once said, is a symbol of this country's vast stretches of water and wilderness, its extremes of climate; the player a symbol of our struggle to civilize such a land.

Participation in the national sports of lacrosse and hockey are symbols of engagement and commitment. Whether one is an athlete, a volunteer or a spectator, these sports anchor people in the very foundations upon which this country has been built.

Therefore, I believe that Bill C-212 appears at a very welcome time. All around us we see the unwelcome forces of intolerance and division. We hear the marauding destroyers of the first principles of our national identity. This bill restores our sense of hope and our confidence in the realities of who we are and what we are. It is a reminder that the forces which bind us together are far stronger than those that threaten to tear us apart.

On motion of Senator Berntson, debate adjourned.

THE BUDGET

STATEMENT OF MINISTER OF FINANCE—DEBATE CONTINUED

On the Order:

> Resuming the debate on the inquiry of the Honourable Senator Phillips, calling the attention of the Senate to the Budget Statement made by the Minister of Finance, on Tuesday, February 22, 1994.

Hon. Terry Stratton: Honourable senators, I rise today to speak on the budget as presented by the government.

To say that there is deep concern on the part of Canadians is rather an understatement. Here we are, finally recovering from not only a severe worldwide recession but an economic restructuring the likes of which has not been seen since the days of the industrial revolution. Couple this with the uncertainty surrounding the provincial budgets in Quebec and Ontario. Will those budgets be strong enough?

Finally, there is the uncertainty surrounding the future of Quebec in Confederation. Will the separatist Parti Québécois win the upcoming election in that province? Will there be a referendum? Will there be separation? All of these factors are contributing to a feeling of uncertainty amongst those who invest in our country.

•(1600)

Why are we faced with this crisis? Why are we continuing to stagger from financial crisis to political crisis, then back to financial crisis and again to political crisis, repeating the downward spiral ever downward? Is our democracy failing? Are we reverting, or have we, as citizens, reverted to regionalism and individualism? If so, how has our democracy failed our people?

Why have Canadians reverted to individualism that is exemplified by special-interest groups putting forward their individual concerns without regard to those around them? Why have Canadians reverted to regionalism that is exemplified by the BQ in Quebec and the Reform Party in the West?

It is not just a matter of resolving our financial problems; nor is it a matter of resolving the problems in Quebec or the West; nor, indeed, is it a matter of trying to resolve the effects of special-interest groups. It would appear that there are deeper-seated problems that are rooted beneath deficits, separation and special interests. What, then, are these problems? What, then, are the solutions?

When you look at why the Senate exists historically, not only the Canadian Senate but senates in other democracies, it is not just to be a house of sober second thought on legislation passed in the other place. Are we going to allow ourselves to be passed by again and again without raising a fist in anger and saying, "No, no we do not exist just for this."

Thoughtful Canadians and other have expressed, and are expressing, concerns about the role and future of democracy. Just when we have finally achieved democracy in more countries in the world than ever before, we are threatened with its very collapse in those new democracies and some old democracies.

However, before we become too esoteric about all these issues and run off attempting to resolve them, we must look first in our own backyard. Until we can deal credibly with issues that government can control, we cannot honestly expect Canadians to listen to us.

I speak specifically about the deficit and Mr. Martin's budget. In his budget he projects a GDP growth of 3 per cent in 1994-95 while most economists project a GDP growth of 3.7 to 3.8 per cent. As well, the honourable minister projects an inflation rate of 3 per cent, whereas inflation is now under 1 per cent, and, in fact, some sectors of our economy are actually in deflation.

While these projections are modest and deliberately understate the facts, what has not been borne out is his projection on interest rates.

We live next door to our "friendly elephant," who has seen fit to raise interest rates; couple this with the money markets viewing Canada's debt with great trepidation, and, as the last straw, both the Prime Minister and the Minister of Finance stating that their deficit projections will be met. How realistic is this? How long can the government continue to tell us that deficit projections will be met, when every indicator clearly shows that this is not possible? How long can the government continue to believe this, when interest rates in Canada have been ever increasing since the February budget? In fact, Canadian rates have risen substantially more than U.S. rates. Since the February budget, long-term interest rates in Canada have increased by approximately 120 basis points, compared to approximately 80 basis points in the U.S. In addition, short term interest rates in Canada have increased by approximately 200 basis points since the budget, compared to an approximate increase of 60 basis points in the U.S. over the same time period. Clearly Canadian rates have gone up substantially more than U.S. rates. With rates rising, how is it possible for the government to meet its deficit projections? I do not believe that what the government is projecting is realistic.

This increase in rates will probably mean somewhere between $2 billion and $3 billion in added costs. We know that the reserve funds available to cover this cost are only approximately $2.4 billion. Such an increase could use up the entire reserve fund and leave no money for emergencies or other uses. The Liberal government has said that there may be further spending cuts in September, and, yes, this will increase the reserve fund, but by how much we do not know, especially with rates continuing to climb.

What the Liberal government has not said is that there will not be any increase in taxes in future. This concerns me. The Prime Minister and the Minister of Finance must recognize that in order to have credibility in the eyes of Canadians — to begin a restoration of their faith in government instead of special interest groups — they must begin to restore the belief that what the government says will actually come close to happening.

If these deficit projections are off by any significant margin, above or below, but particularly above, then, I fear, Canadians' loss of faith in this democratic institution, our government, and that it will reinforce their reasons for utilizing special interest groups or for reverting to regionalism.

Wake up, Mr. Chrétien! Wake up, Mr. Martin! You are indeed running out of time and Canada is running out of time.

On motion of Senator Atkins, debate adjourned.

VETERANS AFFAIRS

MOTION TO PROVIDE SITE FOR CANADIAN VIETNAM VETERANS' MEMORIAL—DEBATE ADJOURNED

Hon. Jack Marshall, pursuant to notice of February 24, 1994, moved:

> That the Senate urges the Government of Canada to provide an appropriate site for the Canadian Vietnam Veterans' National Memorial; and
>
> That a Message be sent to the House of Commons requesting that House to unite with the Senate in the aforementioned action.

He said: Honourable senators, in moving this motion today I am urging the Government of Canada to provide an appropriate site for the placement of a Canadian Vietnam veterans' national memorial that would pay deserving tribute to the thousands of young Canadians who served with the United States armed forces when they were engaged in the Vietnam War. Even more important, it would serve to honour the 113 young Canadians who died in that horrible conflict.

Honourable senators, may I call the attention of the Senate to some of our Vietnam veterans who are present in the gallery with their wives or their lady friends.

My motion also asks that a message be sent to the House of Commons requesting that House to unite with the Senate in the aforementioned action.

I rise as well, with a deep sense of disappointment and dismay, to advise this chamber of letters directed to me from the Minister of Canadian Heritage, with the concurrence of the Secretary of State for Veterans Affairs. Those letters read in part:

•(1610)

> In this instance, because the Canadian veterans did not officially represent their country in Vietnam, their request for a memorial on Federal lands was turned down.

He added:

> I encourage you to undertake discussions with other governments and organizations in the National Capital Region and I wish you well.

Thank you very much, Mr. Minister, for that brush-off.

Honourable senators, I know that those Canadian Vietnam veterans who sit in the gallery above, many of whom travelled long distances to be here today, some even from the United States, are feeling a sense of remorse, a sense of desperation and disbelief, as they wonder why Canada, their country, without as much as an ounce of regret, can show such a complacent attitude. It is becoming so glaringly evident as disregard for the repeated declarations over the years by past prime ministers who expounded repeatedly on our close relationship with the United States. I quote from one of those expressions of unity in 1925, some 70 years ago:

> Few countries enjoy the bonds of goodwill and friendship that the United States and Canada share. Our common border remains the longest unguarded frontier on earth and our nations have shared triumphs and tragedies throughout history.

As I quoted in the Senate on April 19 of this year:

> It was in this spirit that, in 1925, Canadian Prime Minister MacKenzie King first proposed a memorial to the large number of United States citizens who had enlisted in the Canadian Armed Forces and had lost their lives during World War I. It was owing to the fact that Canada had entered the war long before the United States that many Americans enlisted in Canada to join the fighting in Europe...

Just as many young Canadians enlisted in the United States to join the fighting in Vietnam some 20 years ago.

On June 12, 1925, then U.S. President Calvin Coolidge approved the request, and on Armistice Day 1927, the monument near the Memorial Amphitheatre at Arlington National Cemetery was dedicated, a monument which consists of a bronze sword adorning a 24-foot grey granite cross. The inscription on the cross reaffirms the sentiments expressed by Prime Minister King to Americans who served in the Canadian Armed Forces. Following World War II and the Korean War, similar inscriptions on other faces of the monument were dedicated to the Americans who served in those conflicts.

I can only ask, honourable senators: Where has that sharing of our triumphs and tragedies throughout history gone? How is it that they seem to be forgotten, just as the Canadian Vietnam veterans are being forgotten?

Certainly there is no reference to that sharing of the triumphs and tragedies in Minister Dupuy's letter of May 2. The minister — or his letter writer — chose words not as written in the mandate of the National Capital Commission, but rather words to suit the argument which he wanted to make to justify the decision to turn down the request.

For example, honourable senators, here are some extracts from their mandate not reflected in the minister's letter.

> 1. The mandate of the National Capital Commission is to help "build" pride in Canada and understanding among Canadians.

This was not in the letter.

> 2. The National Capital Commission is responsible for commemorative projects on federal lands in the Capital region with the exception of Parliament Hill which is the responsibility of Government Services.

The minister conveniently left that out of his letter.

> 3. In cases of individuals being considered for commemoration the Minister has discretion where a clear national consensus exists for commemoration.

Why does the minister suggest in his letter that we undertake discussions with other governments in the National Capital Region when he has the discretion?

In addition to the mandatory criteria, proposals for consideration may also be evaluated if the National Capital Commission considers it necessary to have an ad hoc committee of experts on the particular subject under consideration. What is wrong with a Senate committee, whose responsibility, I thought, was to represent minorities?

Most important is the initiative in the NCC mandate that refers to the fact that subjects of international importance may be commemorated if they have had a significant and demonstrable impact upon Canada and the Canadian way of life. Let me answer that question, honourable senators, not only as it refers to the significant impact of the Vietnam war upon Canada and the Canadian way of life, but as well to dispel the myth expressed by many, and even some in this chamber during the debate on March 15. "We in Canada were neutral in that war," and "We in Canada were out of it."

I place on the record the following from *The Canadian Encyclopedia* which the minister should read, as should all those who think that Canada was neutral and out of it.

> ...500 Canadian firms sold $2.5 billion of war materiel (ammunition, napalm, aircraft engines and explosives) to the Pentagon. Another $10 billion in food, beverages, berets and boots for the troops was exported to the U.S., as well as nickel, copper, lead, brass and oil for shell casings, wiring, plate armour and military transport. In Canada, unemployment fell to record low levels of 3.9%...

Can anyone now believe that?

> ...the gross domestic product rose by 6% yearly, and capital expenditure expanded exponentially in manufacturing and mining as U.S. firms invested more than $3 billion in Canada to offset shrinking domestic capacity as a result of the war.

That is $15 billion. Twenty years ago, we did not know what a billion meant.

> U.S. bomber pilots practised carpet-bombing runs over Suffield, Alberta, and North Battleford, Sask, before their tours of duty in SE Asia. And the results of the only successful peace initiative to Hanoi — that of Canadian diplomat Chester Ronning — would be kept from public knowledge in order not to harm official U.S.-Canadian relations.

The herbicide "Agent Orange" was manufactured in Canada and tested at Canadian Forces Base Gagetown. That was not the only instance of participation by the Canadian government. What is sad about "Agent Orange" is that 20 years or more after the war, people are still dying from being exposed to this ghastly dioxin.

As a matter of fact, honourable senators, I have a constituent in Newfoundland, a Vietnam veteran who is suffering from the terrible effects of this chemical which, I repeat, was manufactured in Canada.

Honourable senators are aware of the response that came forth through petitions which I tabled in the Senate. I referred at times to the support of senators and members of Parliament, even

including positive responses from a couple of cabinet ministers. The reaction from the media, both here and in the United States, was encouraging. I wish I had the time to read many of the emotional letters we received. Most worthy of note are three which I shall read in part.

One, from a branch of the Royal Canadian Legion, states:

> We at branch #375 feel that this memorial would be an honourable reminder to all, of the vigorous attempts by our great nation to bring about world peace.

This one is from veteran Karl. M. Ellison:

> My father and I are both former members of the Canadian Armed Forces. It gives us great pride in knowing that certain members of our government still stand up for the rights of those veterans that made the ultimate sacrifice for this country.

This one, honourable senators, reflects our hope for the future. It is from a child, Megan McGraw, of Ohio. It reads:

> I am twelve years old. I have heard about the Canadian Vietnam Veterans' Memorial. All they are asking for is 1/4 acre to dedicate to the Canadian Vietnam Veterans. I don't know why the Canadian Government can't give them this piece of land to recognize their heroic deeds. They didn't have to fight in Vietnam, but they did, and they should be honoured for it.

•(1620)

In 1989, honourable senators, I had the privilege of witnessing a truly emotional event in Niagara Falls, Canada, where Canadian and United States ex-prisoners of war joined together to stage a bilateral ceremony on a bridge connecting our two nations, and at a significant time in our history, the 50th anniversary of the beginning of the Second World War.

It was a ceremony unique in its theme, and one which not only recreated a bond of friendship between two nations but as well solidified a mutual respect — a respect which was reflected in heart-rending exchange of our national flags, and enshrined in appropriate words on a plaque dedicated everlastingly to the occasion, which was placed midway along the bridge between our two countries. Identified on that plaque are the following words:

United we stand
Sharing our love and friendship
Seeking continuous freedom
and peace on Earth.

Honourable senators, those ex-prisoners of war, many of whom endured the torture of the enemy in prisoner-of-war camps, just as the Vietnam veterans did, did not have to go to their respective governments in Niagara Falls, New York, or in Niagara Falls, Ontario. They did not even have to go to their national governments in Washington or Ottawa to get permission to place an international plaque. No city, state or federal official asked them which side they fought for; neither were they quoted any rules with which they had to comply. They had the freedom to place and dedicate that plaque because they, through their sacrifice, gave both sides that freedom to govern over half a century ago.

So too should Canada, through the federal government, with some sense of duty and understanding, remember that those young Canadian Vietnam veterans, in volunteering to fight for our neighbours to the south, also fought to preserve freedom and to resolidify the goodwill and friendship that, in the words of Prime Minister Mackenzie King, the United States and Canada share.

Many of the Canadians who served with the United States troops in Vietnam had no obligation to do so. Those veterans joined the United States forces because they believed, as a good neighbour, it was the right thing to do. They upheld the honour of Canada, the Canadian government, and its citizens to the highest order. They fought with honours superbly and bravely. They gave so much and in return have received so little. And now, honourable senators, all they wish to do is to bring their Canadian "brothers" home to where they so rightfully belong.

I move the adoption of my motion.

Hon. Philippe Deane Gigantès: Honourable senators, it is easy to understand the feelings of the relatives of those Canadians who fought in Vietnam, and those of the Canadians who fought there and survived. However, Canada did not fight in that war. We have memorialized Americans who fought in a war which was ours and later became theirs, but we have never memorialized people who fought in a war in which we did not participate.

The fact that we manufactured "Agent Orange" here I would rather forget. The fact that our industries made money selling weapons in a war in which we were not participating has never before been memorialized. It is not considered to be an act of war. Nations share weapons. Unfortunately, there are nations now arming the opposing factions in Rwanda — civilized nations. Butchery is happening there with weapons made by some of our civilized allies. We cannot equate that with military participation by our country in a war.

Moreover, we must not forget that during the Vietnam war Canada decided to attempt to bring peace, and was a member of the International Control Commission. Canada was not a combatant. That was a war in which the Government of Canada decided not to participate.

If we accept this precedent that we memorialize people who go and fight in a war in which the elected Government of Canada does not participate, where do we stop? How about those Canadians who were fighting in the French Foreign Legion in Vietnam before the French retreated and were replaced by the Americans?

Senator Marshall: Let them ask for it.

Senator Gigantès: How about Québécois Canadians who fought on the side of the papacy during the Risorgimento? The Canadian government was not participating in that; neither was Britain, which was a master in foreign affairs in those days. How about Canadians who fought on the U.S. side in the conquest of the Philippines and of Cuba?

Senator Perrault: In the civil war, too.

Senator Gigantès: And the civil war. Have we memorialized those Canadians? We have memorialized Americans who fought on our side in a war in which America later joined. There is a clear distinction, in my view.

The parallel with World War I and World War II is not one which gives a precedent for what we are being asked to do now. We memorialized Americans who came and joined our forces in a war that we got into first. They fought for Canada. They did not fight for someone else at the time. Both of those were wars in which eventually both Canada and the United States were belligerents and on the same side. That is why we memorialized those people.

The point about Vietnam is precisely that we as a nation decided not to enter that war. That some of our manufacturers made money by selling weapons in that war is not something that we can equate with a decision of the Government of Canada to participate in that war.

Americans have memorialized Canadians who have fought on their side, and there are possibilities to do so right now, and right here. By agreement with the Canadian government, the United States will be given a central and important location on which to build an embassy, which will have lots of land around it, and the United States can honour people who fought on its side in a war in which Canada deliberately did not participate.

There is a principle here as to whom we should memorialize. We have always memorialized only those who fought in wars in which we participated, and when we do that we memorialize people of a different citizenship who fight on our side. We honour them, and we are grateful. However, we have never memorialized Canadians who have gone to fight in wars in which we as a country were not participants.

•(1630)

I find this a most difficult motion. With all regret, I certainly will not vote in favour of it when the time comes. I understand that those who did fight in the war would like to be memorialized here, but the appropriate thing is for the United States to memorialize those who risked their lives for the sake of the United States.

Hon. Raymond J. Perrault: Honourable senators, I move the adjournment of the debate.

Senator Marshall: Honourable senators, this motion has been on the Order Paper for some time. Inquiries in the Senate on the same subject have been debated at length. I would like to see the debate continue and the motion adopted today.

The Hon. the Speaker: Honourable senators, it is moved by the Honourable Senator Perrault, seconded by the Honourable Senator Adams, that further debate be adjourned until the next sitting of the Senate. Is it your pleasure, honourable senators, to adopt the motion?

Some Hon. Senators: No.

Some Hon. Senators: Yes.

The Hon. the Speaker: I find that there is some uncertainty in my hearing. Will the honourable senators who are in favour of the motion to adjourn please say "yea"?

Some Hon. Senators: Yea.

The Hon. the Speaker: Will the honourable senators against the motion please say "nay"?

Some Hon. Senators: Nay.

The Hon. the Speaker: In my opinion, the "nays" have it.

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, it is with great regret that I rise, because motions for adjournment on motions such as this have been accepted in the past. I do not like to have a vote on a matter such as this, but it seems that we will have to have a standing vote.

And two honourable senators having risen.

The Hon. the Speaker: Call in the senators. Unless otherwise ordered by the Whips, this will be a one-hour bell.

Senator Molgat: Might the bell ring for a shorter period of time? Our Whip is not in the house at the moment, but I think he would agree to a shorter bell.

Hon. Noël A. Kinsella: What do you propose?

Senator Molgat: Fifteen minutes.

Senator Kinsella: It takes more than 15 minutes, honourable senators, for our colleagues who are in the Victoria Building to get here. May I suggest half an hour?

Senator Molgat: In the absence of our Whip, I agree to half an hour.

The Hon. the Speaker: Is it agreed that this will be a half-hour bell, honourable senators?

Hon. Senators: Agreed.

POINT OF ORDER

•(1640)

Hon. Royce Frith: Honourable senators, the motion that is before us is a rather unusual one for us to have a vote on, and I think it is clear that it is not debatable. I want to make it clear that I am not debating the motion, but I want to raise a point of order that I cannot raise once the vote starts.

It is unusual for the Senate to refuse a senator's motion to adjourn a debate. It has occurred, but in my time here it has never happened on the first day of debate on a motion. It is true that this motion has been on the Order Paper, but it has not been debated until today.

There is a serious consequence to a vote by which the Senate would refuse a senator adjournment of a debate. It came to me when I realized what we were into here. It is a consequence that I suspect Senator Marshall, being the democrat that he is, would not like. I understand that he has some concerns, which I hope are unfounded, but this is the consequence.

I had to go into my office to get a book of some precedents that I have been collecting over the years concerning the question of the adjournment of a debate. This is a memorandum that Mr. Fortier, an earlier Clerk, gave me at my request back in the late seventies. It is a memo dated in 1969.

Paragraph 2 of Bourinot, at page 346, states as follows:

> It is usual for a member who wishes to have the floor on a future day to move the adjournment of the debate, and to give him the priority when it is resumed. The house also frequently agrees to adjourn the debate in order to allow an opportunity to a member to continue his speech on a future occasion.

That is when we are in the middle of a speech and we say, "May I adjourn it," and then we continue. It goes on to state:

> But a member must rise in his place when the house resumes the debate, otherwise he will forfeit his privilege.

This is the part that we should consider, and on which perhaps we should ask for a ruling. It states:

> If a member should move the adjournment of debate, and the house should negative that motion, he will have exhausted his right of speaking on the main question. When a debate is adjourned until a future day, a member who has previously spoken on the subject has no right to speak again, unless a new question has been proposed in the shape of an amendment.

That means that Senator Perrault's right to speak, even if he wanted to be heard today, will have been shut off if the Senate refuses his adjournment today.

I did a bit of further research. The same thing applies if someone wants to stand a motion and the Senate refuses, because that is another form of moving adjournment of the debate. A bit of additional research I did at the time, which I am now reminded of, explained the reason for that. The reasoning behind that — and it is implied here — is that the motion to adjourn the debate is considered a part of the speech, and the speech is considered to have opened. Therefore, if it is refused, he has lost his right to speak since he is only entitled to speak once on the motion.

Before we take the vote, if honourable senators would agree, perhaps we could defer that vote in order for the Speaker to consider and rule upon this point, so that we can be sure of the consequence of our vote.

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, I think that Senator Frith's points are extremely well taken. I lived through the practical experience of refusing the adjournment of a debate or asking for the refusal when I was on the other side, and the debate on the particular bill had been going on for four or five days. Frankly, we suspected that the opposition were unduly delaying a decision on the matter. Senator Frith was then Leader of the Opposition. He moved the adjournment and I said "No." He and others will recall that there was quite a discussion, an argument, and great concern about refusing the adjournment of a debate at any time. Fortunately, we came to an agreement concerning when the bill would be disposed of.

However, in this case we are being asked to adjourn the debate on the first day of debate when, theoretically, the chamber is made aware of an issue for the first time. Senator Gigantès spoke in reply to Senator Marshall and raised some new points. Senator Perrault wants to reflect on them. I should like to assume that he would take the first opportunity tomorrow to continue the debate. I think that it is his right, and the right of all senators not to be hastened into a decision.

I understand Senator Marshall's concern — we know his valuable contribution in this chamber on matters relating to veterans. Similarly, we know that this issue has preoccupied him for many years, and he is getting impatient to resolve it and suspects that, by adjourning the debate today, the end of this motion is not yet in sight. I would like to think, honourable senators, that whatever decision we take on this motion we can take it as soon as the debate is over, which would mean — because the issue is so clear cut — one or two days.

I do not want to commit the Senate to a decision, but if we can agree to adjourn the matter today, let us hope that we can pursue it tomorrow, and then on Thursday, perhaps, a decision can be taken. That would be my suggestion.

If the vote is taken, I will not vote against adjourning the debate because that would cause a precedent that we would not want to be reminded of if a similar occasion were ever to occur.

The suggestion that Senator Frith has made, namely that Your Honour should reflect on this matter, or that the chamber, after hearing the arguments, should take a decision on its own, is a reasonable suggestion. Nevertheless, this is a case for reflection before we get too hasty.

Senator Frith: I do not wish to apply undue pressure here because there are ways that we can reflect this situation. If what has gone on has been any reassurance to Senator Marshall who, as described by Senator Lynch-Staunton, might well have thought initially that there was a mini-filibuster going on, and if he is reassured that this is not the case, then the whole matter could be resolved if he decided to withdraw the motion and obtained unanimous consent to do so. That is a possibility.

Another solution — and he might want to reflect on this — would be to have the vote deferred while the Speaker confirms whether or not my interpretation of the result of the vote is correct.

Hon. Jack Marshall: Honourable senators, I do not want to disturb the relationship between the two sides nor the operation of the Senate, but I did notify the deputy leader's office this morning that I would be dealing with my motion No. 13.

We have initiated debate on an inquiry of mine, and anyone can speak on it. It is adjourned in Senator Berntson's name. Further, I will not stand in the way of the adjournment of this motion if I can be assured that there will be a vote, or that the motion will be adopted within a reasonable period of time — or, at least, unanimous consent has been given that there will be a finality to this motion, rather than having it adjourned beyond my date of retirement next November. If we receive that consent, then I would be satisfied.

Hon. Eric Arthur Berntson (Deputy Leader of the Opposition): Honourable senators, with my colleague Senator Marshall on record as being willing to accommodate the Senate in this respect, speaking for this side I would suggest that the vote not be proceeded with, but that the motion be reached in the normal course of business tomorrow and dealt with at that time.

Senator Frith: That would require unanimous consent, not to proceed with the vote.

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, with unanimous consent that can be accomplished, if it is the wish of the Senate not to proceed with the vote.

•(1710)

Senator Frith: Incidentally, you can put the motion forward again tomorrow. There is nothing stopping you from doing that. Then, if Senator Marshall gets uneasy, he can refuse the motion to adjourn the debate again.

Senator Molgat: No, no. The motion was by Senator Perrault that the debate be adjourned. That is the motion that is before us and which precipitated the vote. Therefore, if we agree by unanimous consent not to have the vote, then the matter stands adjourned to tomorrow in Senator Perrault's name.

Shall we let our officials deal with the way in which it has to be handled, provided that there is unanimous consent within the Senate not to proceed with the vote?

Senator Lynch-Staunton: First you cancel the vote, then you adjourn the debate.

Senator Frith: The consequence of this debate is that, if Senator Perrault wants to maintain his position, he must rise on it tomorrow.

Senator Perrault: I will be in full flight tomorrow.

The Hon. the Speaker: Honourable senators, is there unanimous consent for the suggestion of Senator Molgat and Senator Berntson, that the Senate not proceed with the vote?

Hon. Senators: Agreed.

The Hon. the Speaker: I have the motion by Senator Perrault, which I will put to the Senate.

It is moved by the Honourable Senator Perrault, seconded by the Honourable Senator Adams, that further debate be adjourned until the next sitting of the Senate.

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

Hon. Senators: Agreed.

On motion of Senator Perrault, debate adjourned.

The Senate adjourned until Wednesday, May 11, 1994, at 1:30 p.m.

THE SENATE

Wednesday, May 11, 1994

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

Prayers.

SENATOR'S STATEMENT

THE LATE HONOURABLE EGAN CHAMBERS

TRIBUTES

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, in Montreal yesterday a funeral service was held for Egan Chambers, a most distinguished Canadian for whom service to the community and the country was more a privilege than a duty. If three words could sum up his life they would be, "He served well."

He served his country during World War II and was awarded the Military Cross. He served the business community through a successful and respected insurance brokerage firm. He served his country and his community as a member of Parliament and parliamentary secretary. He served his party as its national president. He served the linguistic minority in Quebec as a co-founder of Positive Action, which eventually became Alliance Quebec, and he served all Canadians as a member of an immigration tribunal.

These are but some of the highlights of the contributions of a man who felt he could not give enough of himself to a cause in which he believed. Egan Chambers was never an immediately recognizable name; he preferred it that way. Modest and soft-spoken, he never craved centre stage, finding that the successful completion of whatever task was asked of him was satisfaction enough.

[*Translation*]

Although he was mainly identified with activities by the anglophone community in Quebec, Egan Chambers was prepared to go wherever his talents were in demand. That is how he came to head a committee responsible for implementing the policy of the Parti Québécois on Quebec's cultural minorities. He would not turn down a task in which he believed, although he did not agree with the politics of those who sought him out.

[*English*]

Although he had known for some time that his physical deterioration had become irreversible, he carried on his many activities without complaint as long as he could. He was unable to abandon living and working for others until life was ready to abandon him.

I offer deepest sympathy to his wife, Gretta, and their children for their great loss. May they find some consolation in the knowledge that Egan's many contributions to his city, his province and his country will not soon be forgotten.

Hon. Lowell Murray: Honourable senators, I should like to add just a word to what has been so well and fully said by the Leader of the Opposition with regard to Mr. Egan Chambers. Yesterday in Montreal at his funeral there were gathered the present national leader of the Conservative Party, Mr. Charest, and two of his predecessors, Mr. Stanfield and Mr. Mulroney. They and others, such as the Honourable Flora MacDonald and I, who had been with Egan Chambers in the affairs of that party for more than 30 years, were there to acknowledge the loss of a most admirable friend and colleague.

The issues that took the attention of Canadians and their political parties during those years were often divisive and emotional. They could bring out the worst as well as the best in us. The best in the Conservative and Canadian traditions was represented and always defended by Egan Chambers. In his political activity he was brave and high principled. In his dealings with others he was always generous of spirit. The Conservative Party, among many other institutions in this country, is in his debt.

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I would join with my colleagues in remembering the late Egan Chambers. I cannot, as my friends opposite can, claim to have had the longstanding friendship and camaraderie of Egan Chambers, although I first met him many years ago, when I was a young reporter in the Parliamentary Press Gallery and he was a member of Parliament.

Mr. Chambers was a warm and fine gentleman whose entire life, both inside and outside Parliament, but most particularly in his city and his province, epitomized the constant effort to bring two sides together in the national equation.

Honourable senators, I join with you in extending our sympathy and very best wishes to Mr. Chambers' family.

VISITORS IN GALLERY

The Hon. the Speaker: Honourable senators, with your permission, I wish to signal to you the presence of two former colleagues in the gallery above the clock on the southern side of the chamber.

[*Translation*]

I would like to welcome the Honourable Senator Poitras and Madam Poitras.

[*English*]

I should also like to rejoice that once again we are being visited by Senator Barootes and Madam Barootes.

Hon. Senators: Hear, hear!

Senator Frith: You can take the boys out of the Senate, but you cannot take the Senate out of the boys!

ROUTINE PROCEEDINGS

THE DEPARTMENT OF NATIONAL REVENUE ACT

BILL TO AMEND—REPORT OF COMMITTEE

Hon. Michael Kirby, Chairman of the Standing Senate Committee on Banking, Trade and Commerce, presented the following report:

Wednesday, May 11, 1994

The Standing Senate Committee on Banking, Trade and Commerce has the honour to present its

NINTH REPORT

Your committee, to which was referred Bill C-2, an Act to amend the Department of National Revenue Act and to amend certain other Acts in consequence thereof, has examined the said Bill in obedience to its Order of Reference dated Wednesday, April 27, 1994, and now reports the same without amendment.

Attached as an appendix to this report are the observations of your committee on Bill C-2.

Respectfully submitted,

MICHAEL KIRBY
Chairman

(For text of observations, see appendix, p. 442.)

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

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

QUESTION PERIOD

DELAYED ANSWERS TO ORAL QUESTIONS

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, I have two delayed answers. The first relates to a question raised on April 19, 1994, by the Honourable Senator Rossiter regarding the Atlantic Groundfish Program, Change in Benefits. The second relates to a question raised on April 26, 1994, by the Honourable Senator Marshall on the reduction of Canadian Forces' capability.

FISHERIES

ATLANTIC GROUNDFISH STRATEGY—CHANGE IN BENEFITS—GOVERNMENT POSITION

(Response to a question raised by the Hon. Eileen Rossiter on April 19, 1994)

The vast majority of people currently receiving NCARP or AGAP benefits will qualify for the new program. As a transitional measure, some 3,000 individuals currently receiving benefits under NCARP/AGAP who do not meet the criteria for the new program will continue to receive income support until December 31, 1994. These are individuals who have only a very marginal attachment to the groundfish fishery.

All individuals eligible for The Atlantic Groundfish Strategy will receive between two and five years of income assistance and adjustment programming. An individual's entitlement is based on previous attachment to the groundfish industry.

The Atlantic Groundfish Strategy is designed to be an adjustment program. Elements of this program include licence and early retirement, self-employment assistance, mobility assistance, portable wage subsidy, training and work experience, all of which in combination will serve to reduce the caseload over the next five years. When individuals leave the program or no longer require assistance will depend on the choices they have made.

The financial breakdown based on $1.9 billion is expected to be about $1.4 billion in Newfoundland; $290 million in Nova Scotia; $90 million in the province of Quebec; $45 million in New Brunswick; and $35 million in PEI.

An estimated allocation of Costs over the five-year period is as follows:

($ Millions)

1994-95	1995-96	1996-97	1997-98	1998-99
545	445	345	295	270

NATIONAL DEFENCE

REDUCTION OF CANADIAN FORCES' CAPABILITY—GOVERNMENT POSITION

(Response to a question raised by the Hon. Jack Marshall on April 26, 1994)

The budget announced on February 22 is designed to restore fiscal responsibility. A total of $7 billion in reductions to defence spending are planned over the next five years.

Since 1989, all cuts to the defence budget have been applied to personnel, equipment, and operations and maintenance. At the same time, the Department has continued to maintain infrastructure that clearly exceeded any probable defence need, but could not be taken off the books until key decisions were made.

So, the problem of excess overhead had to be addressed immediately. The time had come for National Defence to go through the kind of basic restructuring that much of the private sector has had to undergo in the past — a restructuring that involves:

- streamlining, consolidating and, where necessary, closing certain facilities;

- reducing the numbers of personnel, in our case, both military and civilian; and

- shifting to a more "bottom-line" style of management of defence resources — which, for the Canadian Forces and the Department means delivering a defence capability at the lowest possible cost to Canadians.

A review of every item in the defence program led to the decision to cut infrastructure, support elements and projected personnel levels immediately in order to meet the assigned budget reductions.

The planned reductions in no way prejudge or pre-empt the outcome of the defence policy review now under way. The new objectives reflect the fact that in the past few years, the Department of National Defence has seen a number of changes — such as withdrawing troops from Europe and changing the way the headquarters is organized.

The Canadian government would not send its military on a mission without adequate equipment and training. Every effort is made to ensure that our troops are sufficiently armed and protected to meet the kind of threat anticipated in their missions. The emphasis on attacking overhead now, as opposed to waiting for the outcome of the Defence Review, is the best way to reduce overall costs while preserving an effective, combat-capable defence force for Canada. As indicated in our Budget statement, the resulting savings will enhance our combat capability and relieve the pressure in meeting peacekeeping commitments.

ORDERS OF THE DAY

VETERANS AFFAIRS

MOTION TO PROVIDE SITE FOR CANADIAN VIETNAM VETERANS' MEMORIAL—POINT OF ORDER

Hon. Jack Marshall: Honourable senators, I rise on a point of order just to put on the record the sequence of events as a result of Senator Frith's point of order yesterday.

There seems to be some misconception about what was in the *Debates of the Senate* going back to February 22. On February 22, I tabled a Notice of Inquiry on the Vietnam veterans. I spoke on it two days later. Senator Phillips intervened. He asked some questions and took part in the debate.

•(1340)

On that date, Senator Gigantès adjourned the debate. At that time I rose again to seek leave to introduce a motion. I want to refer to the debate which took place. I said:

> Honourable senators, in view of the fact that the Senate will be adjourning for two weeks, I ask leave to move a motion.
>
> **The Hon. the Speaker** *pro tempore*: Is leave granted, honourable senators?

Senator Molgat asked what was in the motion. Senator Corbin asked:

> Has notice of the motion been given?

I rose and read the motion:

> That the Senate urges the Government of Canada to provide an appropriate site for the Canadian Vietnam Veterans' National Memorial, and;
>
> That a message be sent to the House of Commons requesting that House to unite with the Senate in the aforementioned action.

The honourable speaker *pro tempore* rose and asked:

> Is leave granted, honourable senators? If not, this item will appear on the Order Paper as notice.

Senator Gigantès then rose and used these words:

> Honourable senators, I do not think this motion is in order until I have had the right to talk. I moved to adjourn the debate so that I could discuss, in this chamber, Senator Marshall's proposal.

Senator Molgat rose and said:

> Honourable senators, the problem is one of procedure. Senator Marshall has proposed an inquiry so that we can discuss the issue. First, we must proceed to discuss it. Then, arising from that, the motion can come forward. To propose the motion now is, in a sense, precluding the inquiry.

Honourable senators, on March 15 Senator Gigantès spoke on my inquiry; Senator Perrault spoke on my inquiry; the Speaker rose and said:

> Honourable senators, if I have no more interventions on this inquiry and no motion to adjourn this debate to another day, then I would have to declare the inquiry debated.

Senator Berntson then rose and agreed to adjourn the debate to allow other senators to enter the debate.

On March 17, I made a three-minute statement under Senators' Statements, answering questions which were asked by the senators whom I mentioned.

On April 19, I made another three-minute statement.

Since March 15, when that took place, there were plenty of opportunities for any senator in the chamber to ask permission from Senator Berntson to be allowed to speak. Senator Berntson would have given permission, as is the habit in this house. Nothing happened for two months. No one entered the debate. Then yesterday, May 10, I spoke on my motion because I had heard from the Minister of Canadian Heritage that he refused to comply with the request of the Vietnam veterans, with the concurrence of the Secretary of State (Veterans). I had notified the Deputy Leader's office that morning that I would move the adoption of the motion.

Senator Perrault's adjournment motion, by the way, was put to the Senate and the "nays" had it. The government side asked for a division, which never took place.

While I agreed to the arrangements that were made, I just want to point out that you cannot withdraw a motion which has already been put and decided. I quote from Beauchesne's Sixth Edition.

> 308. When the Speaker's attention has been called to a breach of order during a division, the division will proceed and the Speaker will deal with the matter when the division is completed.

Therefore, my motion for the adoption was properly put. I only wanted to put that on the record. I go along with the arrangements that were made for future days.

CANADA OIL AND GAS OPERATIONS ACT CANADA PETROLEUM RESOURCES ACT NATIONAL ENERGY BOARD ACT

BILL TO AMEND—THIRD READING

Hon. Dan Hays moved the third reading of Bill C-6, to amend the Canada Oil and Gas Operations Act, the Canada Petroleum Resources Act and the National Energy Board Act and to make consequential amendments to other acts.

He said: Honourable senators, in the absence of Senator Kenny, who is away on committee business, I have agreed to speak to Bill C-6 at third reading, and I am pleased to do so.

The purpose of the bill is to give the National Energy Board the authority to regulate frontier oil and gas activity in areas where there are no federal-provincial accords. The government will retain the responsibility to establish the overall policy framework for frontier petroleum development. The Crown, as resource owner, also maintains the power to grant the legal permission and exclusive rights to companies to explore, develop and produce.

Let me turn to some of the issues raised during committee consideration of Bill C-6. Concern was expressed by some honourable senators about the impact Bill C-6 might have on northern lands and peoples. I want to assure honourable senators that the concerns and interests of northerners were considered in many ways during the development of this legislation.

First, I am sure that we can all agree that the protection of the fragile environment of the North and other frontier areas is crucial. That is why a review of the proposed legislative changes was conducted cooperatively by Natural Resources Canada and the National Energy Board. The review led to the conclusion that the environmental responsibility would be ably and capably handled by the National Energy Board, which has a strong track record in addressing environmental concerns.

Further, wide-ranging consultations with interested parties were held at all stages of the development of this legislation. Input was sought from both provincial and territorial governments, from industry and environmental organizations, as well as from northern native groups. Significant modifications were made to the original proposals in order to accommodate many of their concerns.

Finally, Bill C-6 contains only those amendments associated with the restructuring of existing federal authorities and those that are necessary to improve the workability of the new regulatory system. The transfer of frontier oil and gas responsibilities to the National Energy Board does not stop, or in any way delay, any future transfers of these same authorities to the territorial governments.

Some senators also expressed concern about consistency of regulation over all the frontier areas, including offshore Newfoundland and Nova Scotia. As I mentioned earlier, Bill C-6 has no impact on the existing administrative or legislative regimes offshore Nova Scotia or Newfoundland. Nevertheless, during the consultations leading up to Bill C-6, it was agreed with the East Coast provinces that a longer-term review of the frontier lands management regime would be timely.

As a result, for the past several months Natural Resources Canada officials have been engaged, with their counterparts in the Department of Indian Affairs and Northern Development and the Newfoundland and Nova Scotia energy departments, in conducting such a review. The objective is to improve the competitiveness of the Canadian frontier vis-à-vis other international frontier areas.

In conclusion, honourable senators, Bill C-6 is one step in the ongoing process to help provide industry with a certain and clear set of rules by which to operate in Canada's frontier regions. Just as important is the fact that the quality and integrity of the regulatory process will be maintained. After all, the enormous resources of the frontier are key to Canada's energy future.

Motion agreed to and bill read third time and passed.

•(1350)

RAILWAY SAFETY ACT

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

Hon. Lorne M. Bonnell moved the second reading of Bill C-21, to amend the Railway Safety Act.

He said: Honourable senators, this is a simple bill. The main purpose of Bill C-21, to amend the Railway Safety Act, is almost surprising. Many of you may suppose that what this bill will do is change something that is already in legislation. However, this bill will create an offence for trespassing on federally regulated railway property. There is a clear purpose for such a piece of legislation. It will reduce accidents and fatalities which are too often the sad consequence of trespassing on tracks. This legislation is necessary, because a similar prohibition in the Railway Act was revoked when the Railway Safety Act was proclaimed in 1989.

The original trespassing provision in the Railway Act was not included in the Railway Safety Act when the latter legislation was proclaimed in January of 1989, because it was felt at that time that the matter could be addressed effectively through subsequent regulations. A review by the Department of Justice has determined that, owing to the nature of the prohibition, the provision should be established as a part of legislation itself and not as a regulation.

This prohibition will give railway companies a strong tool in their battle against trespassing. It is our firm belief that effective, enforceable legislation, in conjunction with public education, can be a real help in reducing trespassing-related accidents on railway lands.

The department participates in Operation Lifesaver, an educational program aimed at raising public awareness about the dangers of trespassing on railway property. I cannot say enough to support this program, which is run by the railways in the communities. They make presentations to school children and community groups to try to get the message out about how quickly a train comes barrelling down the track and how extremely dangerous trespassing is.

As I said a moment ago, seldom does legislation present such a clear purpose. It is a sad fact that trespassing on railway property is one of the most frequent causes of fatalities and injuries related to railway operations, and the incidence of accidents to trespassers is increasing. In fact, last year, for the first time, the number of trespassing fatalities surpassed the number of lives lost at level crossings.

An estimated 100 people are struck by trains each year while trespassing on railway rights of way. Almost half these people are killed and the remainder are seriously injured. Many of these people are habitual trespassers and an unfortunate number of accidents involve young children and students. I am sure you will agree that these are tragic statistics indeed.

•(1400)

The federal government has introduced this bill as a means of reducing trespassing on railway lands. Trespassing commonly occurs near schools, parks, recreation facilities and commercial or residential locations that have high pedestrian traffic. The reasons trespassers give sound hollow following a tragedy. The excuses usually include the fact that it was a shortcut to get to a commercial establishment, or to a school, or to a residential area.

It is also true that many children use railway tracks for play areas. Unfortunately, a railway right of way is a dangerous timesaver and far too often becomes a deadly playground for young children. There is also a considerable problem of homeless people using railway properties as living or resting areas. Some people are also using the railway property for skidooing, skiing and bicycling.

Honourable colleagues, once you see the statistics, it is amazing just how many trespassers make use of railway property with total disregard for their personal safety.

Many people call for increased fencing. The railways do construct a considerable amount of fencing and also install highly visible signage, but that has not been sufficient to discourage trespassers.

Transport Canada has also worked with the railways to improve safety in areas where we know there is a heavy incidence of trespassers. Measures such as increased railway policing, barbed-wire-topped fences and other steps to discourage trespassers have been introduced as a result.

I should point out that the penalty provisions contained in this act are broad enough — up to $5,000 on summary conviction — to create a major deterrent against repeat offenders. There are some people who, despite being old enough to know better, will not change their dangerous ways unless they have the fear of the dollar put before them. They easily ignore the threat of a speeding train, but getting a ticket is another matter.

It is envisaged in this act that the onus for enforcement would rest with the railways, through their police forces, and there would be no additional demand on government resources as a result of this amendment.

I will add here that the amendment will not affect individuals such as native people or prospectors in remote areas, who may need to cross the tracks on a regular basis to reach their traplines or mineral claims. The purpose of the amendment is to enable railway police forces to take action in areas of continual and

dangerous trespassing. People who from time to time cross tracks in remote areas are not considered to be a problem, provided that they cross with due regard to their own safety and the safety of railway operations. It is worth noting that a similar provision existed for close to 90 years in the Railway Act with no problem for those people.

To be sure that everyone is clear on this, I understand that representatives from the railways intend to meet with native associations and representatives of various mining, prospecting and forestry associations, as well as geologists, to explain the implications of the new regulation and seek solutions to any problems.

Honourable senators, I should like to point out that this particular piece of legislation was dealt with in the other place in all three stages at the same time. At that time the official opposition and the Reform Party both voiced their support for the safety of our children.

I am hopeful that honourable senators present here today can see why we, too, would like to deal expeditiously with this matter. How can we not afford speedy consideration of a problem that can help us save the lives of Canadians — notably innocent children?

In conclusion, let me emphasize that the federal government is committed to working with the railways to reduce accident fatalities associated with Canada's railway system. This addition to the Railway Safety Act strengthens an important piece of legislation and, in conjunction with public education, should help remedy the problem of trespassing on railway lands.

Hon. Eric Arthur Berntson (Deputy Leader of the Opposition): Honourable senators, while there is no desire to deny or delay speedy passage of this important piece of legislation, our spokesman would like to review the remarks of the honourable senator and put our position tomorrow. Consequently, I move the adjournment of the debate.

On motion of Senator Berntson, debate adjourned.

[*Translation*]

ELECTORAL BOUNDARIES READJUSTMENT SUSPENSION BILL, 1994

CONSIDERATION OF REPORT OF COMMITTEE— DEBATE ADJOURNED

The Senate proceeded to consideration of the second report of the Standing Senate Committee on Legal and Constitutional Affairs on Bill C-18, to suspend the operation of the Electoral Boundaries Readjustment Act, with certain amendments, presented in the Senate on May 10, 1994.

Hon. Gérald-A. Beaudoin: Honourable senators, Bill C-18, to suspend the operation of the Electoral Boundaries Readjustment Act, was referred to the Legal and Constitutional Affairs Committee on April 21, 1994.

The purpose of this bill is to suspend for two years the electoral boundaries readjustment process and to stop any revision of the electoral map currently under way. It further provides that the existing electoral boundaries commissions be dismantled.

The committee has held public hearings on April 26 and 28 as well as on May 3 and 5. We have heard several testimonies, including those of the Honourable Herb Gray, the Honourable Moe Sihota from British Columbia and representatives from the Northwest Territories.

This non-partisan electoral boundaries readjustment system has been in place since 1964, and the commissions can be described as quasi-judicial in that they operate at arm's length.

Some expert witnesses have raised doubts about the constitutional validity of Bill C-18 under section 51 of the Constitution Act, 1867 as well as sections 3 and 15 of the Canadian Charter of Rights and Freedoms.

[*English*]

•(1410)

Section 51 of the Constitution Act, 1867 stipulates that the revision of the limits of the electoral boundaries must be done after each decennial census, although Parliament can exercise a certain discretion regarding the timing to proceed. The committee, at least a majority of its members, is of the opinion, however, that this discretion must be exercised within the ten-year period between two decennial censuses. That is mandatory.

If that were not the case, section 51 would be meaningless. When Parliament legislates, it means something. It is a well-rooted and well-known principle of law. Moreover, since 1964, when the Electoral Boundaries Readjustment Act came into force, a revision has always been done in the years following a decennial census.

If Bill C-18 is passed, it is probable that the election to be held in 1997 or 1998 will be based on the 1981 census data. That is the thrust of the testimony of the Chief Electoral Officer, Mr. Jean-Pierre Kingsley. Even the government has not ruled out this possibility, according to the testimony of Minister Gray on April 26, 1994.

Taking into consideration the fact that there are about 50 ridings that are over the 25-per-cent limit, the committee, at least a majority of its members, is of the opinion that a two-year suspension is unacceptable and is against the spirit and even the letter of section 51 of the Constitution Act of 1867.

Such differences jeopardize the principle of proportional representation and could even violate the relative equality of the right to vote of all Canadian citizens, as underlined by Professors Monroe Eagles and Kent Roach.

In 1991, the Supreme Court of Canada stated, in *re provincial electoral boundaries of Saskatchewan*, that a margin of 25 per cent from one riding to another is acceptable in a country like ours. However, a margin of more than 25 per cent would be very difficult to justify.

Only exceptional circumstances would allow for margins of more than 25 per cent.

[*Translation*]

Now there are variances of over 100 per cent in some ridings, such as North York in Toronto — 93,000 inhabitants in 1981 compared to 233,000 today.

The principle of representation by population, which is the basis of our parliamentary democracy, is expressly recognized in section 51 of the Constitution Act, 1867.

The beginning of a four-to five-year term of office is the ideal time for a government and Parliament to redraw electoral boundaries. Otherwise, the election of 1997 or 1998 will be held on the basis of the 1981, not the 1991, census. If Bill C-18 passes, the beginning of the revision period will be postponed at least until May 1996, and, in all likelihood, the next election would then be held on the basis of the old 1981 census. That is what a majority of the committee wants to avoid.

Of course, the Government of Canada and Parliament can choose to amend the redistribution system by law. Of course, they could also choose to amend section 51 to freeze the number of elected members at 300, for example. They could do so by using section 44 of the Constitution Act, 1982; this takes a constitutional amendment but it could be done with a federal law.

A few months is enough for the government to decide whether it wants to ask Parliament to amend section 51 of the Constitution Act, 1867 or if it wants to amend the Electoral Boundaries Readjustment Act with ordinary legislation. That is why a majority of the committee recommends reducing the suspension period from 24 months to 6 months. Meanwhile the commissions will continue their work.

The committee proposes three amendments.

[*English*]

The first amendment replaces clause 2 of the bill with a provision that will allow the existing commissions to complete their reports and submit them to the Chief Electoral Officer at which point the process will be suspended. If the government does not change the Electoral Boundaries Readjustment Act by February 6, 1995, the boundary redistribution process will simply continue from the point at which it was stopped.

Bill C-18, as passed by the House of Commons, dissolved the commissions immediately. The earliest time that the process would start again would be May of 1996, unless the government introduces new legislation.

The second amendment replaces clause 3 of the bill and will temporarily suspend the existing commissions, reactivating them in February next, if no new legislation is passed by the government and Parliament in the meantime. This clarifies the position of the commissions during the period of the suspension. Bill C-18 would have abolished the commissions immediately with no provisions to save their work to date. The work would be thrown out and any new commissions would duplicate the process.

•(1420)

There may be some necessary modifications to some of the sections owing to the break in the process. That is why the third amendment replaces clause 4 of the bill and ensures that such changes can be accomplished without further legislation.

Bill C-18 provides for brand new commissions and would consider them to have been established in accordance with the Electoral Boundaries Readjustment Act.

[*Translation*]

This explains why, honourable senators, a majority on the Committee on Legal and Constitutional Affairs has serious reservations about Bill C-18. Our amendments are aimed at correcting the serious shortcomings contained in this bill.

Hon. Royce Frith: When you say "our amendments," are you referring to a majority of committee members?

Senator Beaudoin: A majority of committee members.

[*English*]

Senator Frith: I was not trying to make trouble. He did not mean "ours" as "that side"; he meant "ours" as "the members of the committee." I understood.

Honourable senators, I want to move the adjournment of the debate on the committee chairman's report. Certainly anyone else who wants to may speak in the meantime. I mean to proceed tomorrow.

Hon. John Lynch-Staunton (Leader of the Opposition): Do I gather, then, that the government is not anxious to move this bill along?

I ask this because closure was imposed in the House of Commons. It was rushed through the committee during a break. Third reading was rushed through. Now there are amendments to be disposed of, and suddenly, to our surprise, we find there is a rather lax attitude. The report is here. Is it no longer a priority of the government?

Senator Frith: Honourable senators, of course Senator Lynch-Staunton can gather what he wishes about the government. I am not speaking as a member of the government. I am speaking as a member of the committee who, among others on the committee, supports the government. The chairman of the committee has given a report, in accordance with the rules, dealing with the deliberations in the committee. I have some material I want to get.

It is very difficult to adjourn a debate around here these days. Do I have to give a long explanation of why I want to adjourn the debate? Will everyone else from now on have to make a mini-speech on why they are moving the adjournment of a debate.

If the honourable senator wants specifics, I am waiting to get some material from the examination of Mr. Kingsley in the committee so that I can quote it in my speech. Is that enough reason to adjourn the debate, or do I have to go on?

Senator Lynch-Staunton: Honourable senators, I have nothing against adjourning the debate; on the contrary. It is just that I think perhaps the Leader of the Government in the Senate could explain to us why there is suddenly a change in priority of the Government of Canada. Only a month ago this was an essential bill which came under what they used to call "the draconian measure of closure," which should never be imposed because it is so undemocratic.

This bill was so essential for the citizens of Canada that it had to get through as hastily as possible. It comes here, and we have cooperated as much as we can to improve it, to make it better and more acceptable. Suddenly their chief spokesman, who I am sure is representing, if not the government at least the caucus, and therefore the general view across the way, suddenly tells us, "Well, I have to reflect on certain things, so let's adjourn it until tomorrow." That means we are to be quite casual about what was, not so long ago, priority government legislation.

Senator Frith: What does "suddenly" mean?

Senator Lynch-Staunton: To answer my own question, "suddenly" means that the Liberal Party is having a convention on the weekend, and they do not want this matter to be raised.

Senator Frith: Is it possible to move the adjournment of a debate in an "unsudden" way? I stood up and moved the adjournment of the debate, which is what one does. What does "suddenly" mean? Is there some "unsudden" way in which one can do that?

Senator Lynch-Staunton: I thought it had something to do with a change in the government's position and the embarrassment they would face in front of their own supporters this weekend for bringing forward legislation that is absolutely reprehensible.

I would gladly second Senator Frith's motion to adjourn the debate.

Senator Frith: Nothing that will happen at the convention or in between will have anything to do with the adjournment. The legislation is there.

The Hon. the Speaker: Order, please.

Hon. Gildas L. Molgat (Deputy Leader of the Government): We are giving serious thought to the amendments.

The Hon. the Speaker: Order, please. I am informed by more experienced authorities than myself with regard to the rules and regulations, that once a motion has been made, there is no debate. I assume that I interpret it correctly.

I would ask that the motion be put. Senator Frith?

Senator Frith: I move the adjournment of the debate.

On motion of Senator Frith, debate adjourned.

NATIONAL SPORTS OF CANADA BILL

SECOND READING

On the Order:

> Resuming the debate on the motion of the Honourable Senator Graham, seconded by the Honourable Senator Stanbury, for the second reading of Bill C-212, to recognize hockey and lacrosse as the national sports of Canada.

The Hon. the Speaker: It has been moved by the Honourable Senator Graham, seconded by the Honourable Senator Stanbury, that the bill be read the second time. Is it your pleasure, honourable senators, to adopt the motion?

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE OF THE WHOLE

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

Hon. B. Alasdair Graham: Honourable senators, I move that the bill be referred to Committee of the Whole now.

Senator Olson: That was sudden.

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, on that motion, it may be the wish of the Senate to proceed to Committee of the Whole now, but I believe that we will probably need to have Committee of the Whole tomorrow on another bill. It might therefore be more sensible to consider this bill at the next meeting of the Committee of the Whole, if that is agreeable. We could then process whatever bills we need to deal with in Committee of the Whole at that time. There might be a series of bills.

Senator Graham: Make it the next sitting, then.

The Hon. the Speaker: It is moved by the Honourable Senator Graham, seconded by the Honourable Senator Stanbury, that this bill be referred to Committee of the Whole at the next sitting. Is it your pleasure, honourable senators, to adopt the motion?

Hon. Senators: Agreed.

On motion of Senator Graham, bill referred to Committee of the Whole.

The Senate adjourned until tomorrow at 2:00 p.m.

APPENDIX

(See p. 435)

THE STANDING SENATE COMMITTEE ON BANKING, TRADE AND COMMERCE BILL C-2, AN ACT TO AMEND THE DEPARTMENT OF NATIONAL REVENUE ACT

Bill C-2, An Act to amend the Department of National Revenue Act and to amend certain other Acts in consequence thereof, was considered by the Standing Senate Committee on Banking, Trade and Commerce on 3 May 1994.

The Committee has not amended the bill, but the Committee feels strongly that those who appeared before the Committee, on this matter, raised a number of concerns that warrant serious consideration by the government. Consequently, the Committee has decided to present these views in its report.

The views of the government will be presented first. The views of those who feel that this bill in some way compromises border security will follow.

The Committee as well as the witnesses who appeared, both for and against the bill, recognise that there is no "right" view of what will happen. Both sides agree that with good management, good intentions and an appropriate level of resources, border security will not be weakened, and indeed may be strengthened by this bill. The concern that some, or all of these elements, may not be present has led the Committee to report the concerns of the witnesses clearly to the Senate.

THE CASE PRESENTED BY THE GOVERNMENT

National Revenue and Customs, Excise and Taxation have been two separate departments under the Ministry of National Revenue since 1926. The National Revenue portfolio administers more than 185 acts and regulations, incentives, credits, surtaxes, and international treaties. Its accountabilities as a department are to provide border services and border protection, to facilitate international trade, to assess and collect taxes, duties, levies and other payments on behalf of the Government of Canada, the provincial governments and the territories. The Department also, through tax administration, makes social and economic payments to individuals and the business sector.

This year Revenue Canada will be collecting about $190 billion in revenues from Customs duties, Excise, GST, and other taxes. The revenues taken in represent about 90% of total federal revenues.

In a given year, Canada will welcome at the Canada-U.S. border about 130 million travellers. Revenue Canada processes about 43 million transactions at the border, which represent about $150 billion worth of trade. It has to deal on an annual basis with 1.9 million GST registrants, 900,000 employers, and about 23 million individual taxpayers.

Essentially, Bill C-2 will provide a single administrative structure to execute the Department's responsibilities. It is a very simple bill. It eliminates two deputy ministers, the Deputy Minister of Customs and Excise and the Deputy Minister of Taxation, and replaces them with a single Deputy Minister of National Revenue. Beyond that the legislation will eliminate all the existing legal and administrative barriers which force Revenue Canada to administer its programs through separate administrative structures rather than through an integrated, coordinated approach.

The Minister of National Revenue is responsible for a number of statutes: the *Customs Act*, the *Excise Act*, the *Excise Tax Act*, the *Income Tax Act*, and the *Special Import Measures Act*. Because these various pieces of legislation were enacted at different times, special administrative structures have been established to administer the acts separately. For example, a separate entity deals with SIMA, the *Special Import Measures Act*. There are separate data bases for each part of the Department. There are separate information technology branches. There is the customs administration which deals with the *Canada Customs Act*. Separate structures and duplicate common services have developed, over the years, to manage the department.

The administrative consolidation, resulting from this bill, will allow the department to realize economies of scale, avoid duplication and overlap, and ensure that it takes an integrated approach to interaction with businesses, the small corporation, the client or the taxpayer, thereby maximizing the use of district offices in the field. A Canadian citizen who wants to deal with any aspect of his accounts with National Revenue will be able to do so through a single office under C-2. It will provide one-stop shopping for clients.

The only controversial aspect of C-2 is the question of whether consolidation will jeopardize the delivery of Canada-U.S. border services and the protection of Canadian sovereignty at the border.

The government assured the Committee that C-2 in no way diminishes, modifies, or abrogates the minister's responsibilities under the relevant statutes. C-2 is meant to strengthen the performance of these legislative responsibilities, specifically in terms of border services.

Customs will continue to have as its objectives, to ensure a responsible and effective enforcement of our laws at the border and our sovereignty. The facilitation of the movement of people and goods and the provision of services to other government departments -- such as to agriculture, fisheries, environment and health -- at the border will still be a priority. Customs officials will continue to assess and collect duties and taxes on behalf of the federal government and the provinces. C-2 will not change the responsibility of customs officers.

In response to questions, the Deputy Minister of Revenue Canada said that he did not anticipate an increase in the Department's base budget. Revenue Canada has been given additional resources and dollars and FTEs -- full-time equivalents -- or person years to respond to specific new policy initiatives, but it has not been given the resources required to cope with, for instance, workload increases under the existing base program. On the other hand, C-2, he stated, is not meant to reduce staff.

What the department will be doing is moving toward the reduction of personnel and money expenditure at the top executive level and the reallocation of those resources to the front lines.

The Department annually invests about $45 million in training. In support of the training function it has about 350 full-time staff devising and providing training to employees throughout the portfolio. For example, there is a training school for Customs inspectors in Rigaud.

The Committee asked the Deputy Minister what new roles people at the border will be performing that they are not now performing. The Committee was assured that the border service role will largely operate as it does now. The delivery of the program will not be substantially changed. Customs officials will continue to process and handle travellers and to process commercial goods. The integration will be at the top levels, at the headquarters, but at the border itself, the integration will not result in new activities.

There might be some complementary activities that will develop over time but not as a result of consolidation. These activities would result from the department being more client-oriented. Consolidation means that the customs administration will be able to rely on the technological capacity of the whole department. It will be able to deal with an importer not only strictly as an importer, but also as a Canadian corporate citizen. It also means that, in the future, the importer will not have a multiplicity of client accounts with Revenue Canada, but will be able to deal with the department through integrated revenue accounting.

In summary, Bill C-2 is designed to enable the Department to be managed more effectively. But it does not change the number, or the roles and responsibilities, of front-line staff who are employed at border crossing points.

THE VIEWS OF THE CUSTOMS EXCISE UNION DOUANES ACCISE

The Customs Excise Union Douanes Accise has some 11,000 members, employees of the Government of Canada who work for the Department of National Revenue. The union argues that the integration resulting from the amendments proposed in Bill C-2 will compromise national safety and security through a watering down of border protection. This will then lead to an increase in the number of criminals entering our country and an increase in the illegal importation of child pornography, drugs, firearms and other contraband.

The Union's concern is that because the proposed legislation will cause Customs and Excise to be absorbed into the Taxation administration, the daily priorities of Customs inspectors, the union argues, will be overshadowed by those of a taxation-focussed administration.

It is the Union's contention that while they share certain revenue-collection functions with the Taxation Department, these two groups have no extended community of interest. The Union asks if it is wise to erode further the enforcement role of Customs personnel at Canadian borders when smuggling is at an all-time high, when the availability of weapons and the corresponding violence is on the increase in Canada, and when criminals are making their way into Canada.

The Union cites the Ekos Report, a government-funded study conducted as recently as 1992, as confirmation of its contentions. The report cites a critical need for customs employees to be provided with a clear mandate, better working tools and more training. It also calls for more effective interdepartmental communication between Immigration and Canada Customs.

The Union also argues that less border enforcement will place an added burden on municipal and provincial police forces; this in turn places an added financial burden on provincial and municipal governments.

The Union also dealt with its view of the current status of the "anti-smuggling initiative" announced by the Prime Minister on 8 February of this year. In his announcement, the Prime Minister committed $45 million and 350 new full-time equivalent positions, or person years, to combat the massive smuggling operations which are prevalent along Canada-U.S. border. The Union stated that assurance was given that two-thirds of the 350 full-time equivalents or person years, or approximately 233 full-time staff, would be hired with the balance being staffed by various term appointments, ranging from three months to two years.

In spite of the urgency placed on this initiative by the Prime Minister, almost three months have now passed and, the Union says, only approximately 30 of the 233 full time inspectors have been hired across Canada. Instead, a number of transfers have been made, or are being contemplated, from taxation personnel, who, the Union points out have not received the mandatory testing and training to be customs officers.

The Union wants serious consideration to be given to the concept of customs officers being given full peace officer status under the Criminal Code. Their contention is that this is a necessary step to allow for the proper enforcement of existing legislation. At this time customs personnel do not even have the power to stop impaired drivers at the border and are under orders to let them go and notify city police.

The Union also suggested that the role of customs inspectors not be confused nor diluted any further by integrating them with some 40,000 other employees whose primary function is to collect taxes without first quantifying the social and economic repercussions that this integration will have on all Canadians. The Union believes that, under a taxation administration, the priority will be tax collecting. Law enforcement activities will receive less resources.

The Union claims that, under the smuggling initiative, and in the past, in spite of stringent requirements for training, supervision and testing, the department is hiring more and more students -- not only summer students under the COSEP plan but also part-time students throughout the year -- with little training.

One Union member testified: "When I go in to work, I put on a uniform. I have been involved in drug seizures, prohibited weapon seizures, pornography seizures, recovery of runaways, liquor seizures ... One of the things that keeps our officers going is a sense of pride. When you get involved in a gun seizure, a drug seizure, you feel good because you have protected someone, you have helped someone, and the officers get a little bit of, if you want to call it, a high. They feel very good about it. They do not want to lose this. We employees feel that integration will take some of this away."

The Union offered a specific example of problems it foresees. Currently, in St. Catherine's, there is a pilot project called Small Business Registration Number. In a nutshell, it combines different numbers -- import numbers, tax numbers -- into one number. It involves a six-day training. One of the uniformed customs inspectors took the training. The department is trying to teach this officer how to give basic information on income tax, corporate tax, GST, payroll deduction. This is a uniformed customs inspector. The Union feels that this approach waters down their ability to do enforcement, because when an inspector is taken away to stay by a phone or at a counter to provide information, that person is taken away from border responsibilities - to recover firearms, prohibited weapons, etc.

The bill also does away with 10 Customs regions across the country. These are being replaced with six regions which, for the most part, will be directed by Taxation personnel who will administer the service at the border. The basic argument of the union is that this is not administrative consolidation; rather, this is a major structural change in how the Customs service is delivered. What the Union is looking for is some assurances that Customs will not get lost in the Department shuffle of priorities and resources.

TESTIMONY OF:

Mr. Neal Jessop, President,
Canadian Police Association

Mr. Scott Newark, General Counsel,
Canadian Police Association

Ms Priscilla de Villiers, President, CAVEAT

Ms Linda de Belser, President
Child Find Canada Incorporated

These witnesses testified about the security now provided at our border crossings with the United States and questioned whether Bill C-2 will make an already bad situation worse.

Representatives from the Police Association expressed serious concern that the mandate of the customs service might become subordinate to the taxation/revenue functions of the department. They felt that this would place considerable added burden on local police forces and could compromise security at the border.

The President of CAVEAT stated that the concerns of that organisation come from the recommendations of a coroners' jury into the death of Jonathan Yeo. The deputy minister of Revenue Canada, in response to a letter asking for department reaction to the recommendations, made clear that the power of the Customs officer is merely to enforce the *Customs Act*. The provisions of the Criminal Code cannot be enforced.

In order to illustrate the depth of concern about the need for the enforcement component at borders, the President of CAVEAT, Mrs. de Villiers, described the circumstances of the Jonathan Yeo case.

On 9 August 1991, Nina, Mrs. de Villiers' daughter, disappeared. She had been jogging on the sidewalks around the racquet club to which their family had belonged for ten years. Nine days later her body was discovered in a marsh near Highway 401. She had been shot in the head. Her killer was identified as Jonathan Yeo, a man with a long history of violence against women who had then gone on to rape and kill another young woman. He was arrested in New Brunswick, after an attempted abduction of yet another young woman, and finally committed suicide.

Grave questions were asked about why a man accused of a vicious sexual assault on a stranger, in which he had used two weapons, uttered death threats and held the victim for eight hours, was free on bail with no weapons restriction placed on him.

He had tried to leave the country but had been turned back at the border by a U.S. immigration official who, although it was not his responsibility to do so, took it upon himself to inform the police that a suicidal armed man was being turned back into Canada. The U.S. Customs officer spoke to both Hamilton-Wentworth and Niagara Regional Police. Both felt, erroneously, that there was nothing they could do. They refused to respond. U.S. Inspector O'Hare then phoned Canada Customs, under the impression that they were able to ask to see the gun and could confiscate it. Customs passed the matter on to Canada Immigration, as they believed that Yeo had never left Canada and that they had no right to question him.

The confusion between the two departments as to when Canadian citizens technically leave Canada was not cleared up until a year later in court. The departments had conflicting views of this question.

Canada Immigration believed they had a right to question someone who had been refused entry to the U.S., but because Yeo was a Canadian citizen, he could not be prevented from returning home. Alexander Welsh, the Canadian Immigration officer, conducted a record search and decided that there was no point in talking to the police himself because, "If the police weren't interested, they weren't interested. They get pretty frustrated if you bug them. We don't always get along." He then decided that the customs officers would stay in their booths while he, the immigration officer, went to the car, questioned him as little as possible in order "not to disturb him," and quickly sent him on his way.

The supervisor of the customs officer explained in court that they were concerned because Yeo was unstable and that he might try to shoot somebody. She said that they had no mandate to try to take his gun away from him because he had not left Canada and, 90 minutes later, Nina disappeared.

This episode at the border raised serious questions about public safety. The sequence of events which had led to Nina's death, and the death of Yeo's other victim, was not evident until the coroner's inquest which began on 13 April 1992, and ended four months later.

The coroner's jury presented 137 recommendations to the Chief Coroner after hearing 108 witnesses and examining more than 300 pieces of evidence. Lack of communication both within the individual departments -- that would explain the difference in the mandate as understood by Immigration and Customs -- and as between provincial and federal levels showed a startling lack of accountability.

In a letter of response to the jury recommendations, dated 26 July 1993, the deputy minister, Mr. Pierre Gravelle, stated that the Yeo incident was such a rare occurrence that it did not necessitate changing the protocol of service at the border. Commenting, the President of CAVEAT said: "... I personally became aware of another case very similar to the Yeo incident which was never made public. I brought this to the then-minister of public security Mr. Doug Lewis' attention, but I have not yet received any official response."

CAVEAT went on to express further concerns about border safety. The President of CAVEAT argued that there must be some designated authority that is clearly charged with protecting our borders and that is accountable.

The President of Child Find Canada then expressed similar reservations about Bill C-2. In April of 1991, Child Find Canada became a partner with Project Return. This program put 34 Customs inspectors on full alert for abducted children and runaways. Child Find caseworkers work closely with Customs officers to prevent cross-border abductions. Border alerts are put out immediately upon registration of abduction cases. Pictures of all missing children are placed on hand-held computers at the border so that Customs officers have an up-to-date account of all national and international cases registered.

Customs officers are a vital link in the search process and are trained to spot possible abductions at the borders. Today, Canada Customs has reported the recovery of 72 abductees. Child Find's toll free number is frequently used by Customs officers to check names of suspicious adults and children against our national registration list. The reason for this is that Customs officers do not have access to the databank used by law enforcement officials. It is only through Child Find's on-call caseworkers and its police connections that Child Find is able to get that information to the border when a Customs officer suspects that a child is being abducted. In several cases, these abductions have actually been stopped.

The President of Child Find stated: "I have not heard anything here that indicates that customs will still provide the services that we have already coordinated with Project Return at the border. All I have heard relates to taxation and money. How will we stop the abductions at the border? As early as 22 August 1993, it was U.S. immigration that returned two abducted children to their legal guardians in North York. A month prior a similar occurrence happened in Saskatchewan. It is United States immigration that is doing this for us. It is not the customs office in Canada that is protecting our borders."

RESPONSE OF THE MINISTER

"With respect to the bill itself and whether it will make the situation worse at the border, I have to say flatly that there seems to be no possibility that it could make the situation worse, unless there were associated decisions made which would be, in my view, quite contradictory to the theme and spirit, not only of the bill itself but also some other actions the government has taken."

"Many of the concerns raised today, I think, and I say this with respect, simply do not apply to this bill. This bill is a relatively minor proposal with respect to ministerial reorganization."

"With respect to Child Find, we hope that by having more people at the border, as we are doing, that we will have a more effective process of picking up the kidnapped child. We hope we can improve that, and certainly the assistance provided by Child Find to Canada Customs has been immensely valuable. We could not do what we do without their help."

"...my belief is that Canadian Customs will be a far more important service in the future than it has ever been. We could probably be more successful with respect to the work of picking up kidnapped children, but we cannot do it if we are checking each head of lettuce in each crate as it goes across the border. We will have to change the way we do things. That is what this bill is about. It may not be enough. Perhaps I will be back in a year hence or less than a year hence with other bills. We intend to change the *Customs Act* and the *Excise Act*. You will see ... more legislative activity out of this department." The Minister went on to say "...you will probably see more [legislation from the Department] than you have seen in the past ten years."

In regard to the issue of making customs personnel peace officers, the Minister expressed serious reservations based on the psychological, training, cultural and legal implications of such a decision. He stated: "In my view our society does not become safer by arming people where it is not necessary."

Canada is not unique in proceeding along the lines indicated in Bill C-2. Denmark and the Netherlands have already done so and now the United Kingdom is taking steps to consolidate Her Majesty's customs service and inland revenue service.

In the European Community, the deputy minister proceeded to explain, the traditional customs presence as we knew it before in those countries has been dramatically altered because of the open borders. The shift has been to law enforcement activities in which the customs program is now more involved, not only in the detection of drugs at the border but also inland. There may be a similar shift, over time, in Canada.

The deputy minister closed by stating: "I will be very candid with you and very personal. I am not happy with the current state of affairs. I realize full well there are a number of things we need to do which go way beyond the departmental mandate. It is of critical importance that we do a better job at coordinating law enforcement agencies; that we have a clear focal point to talk about public security, to talk about gun smuggling, and so on. This is happening. It is not something that can happen overnight, obviously, but I am truly committed to that."

CONCLUSION

In summary the Committee feels that the witnesses have raised legitimate concerns. Taxation is the largest component of Revenue Canada. Can the customs service maintain a distinct identity with a clear mandate under consolidation?

All participants in the hearings agreed that there is nothing in Bill C-2 that would necessarily impede the enhancement of border safety. Appropriate resources, a strong commitment and a clear mandate are the assurances that Canada's borders will be safe.

Nevertheless, the Committee recommends that the Department:

examine carefully the means of providing better protection against the importation of illegal substances and materials at the border and of maintaining personal security at the border; and also ensure that co-ordination with peace officers, with appropriate jurisdiction, be strengthened;

monitor carefully the impact of consolidation on staff morale and take steps to deal effectively with any problems that may arise;

ensure that training is carried out in ways that the services delivered at the border will effectively satisfy the roles of the Department in all respects; and

not subordinate the customs function to the revenue/taxation function of the department.

The Committee expresses strong concern about the alleged growing illegal importation of weapons into Canada. It urges that the Senate consider recommending referral of this issue to an appropriate Committee for study.

Finally, the Committee intends to invite the Minister to return in one year to inform the Committee about how consolidation has affected Departmental resources and programs and how the Department has addressed the concerns raised in this report.

THE SENATE

Thursday, May 12, 1994

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

Prayers.

SENATORS' STATEMENTS

[*Translation*]

THE LATE HONOURABLE EDGAR FOURNIER

TRIBUTES

Hon. Noël A. Kinsella: Honourable senators, I have the unpleasant duty to inform this House that one of our former colleagues from my province of New Brunswick, the Honourable Edgar Fournier, has passed away. Senator Fournier died on April 29 last, in Saint-Basile, New Brunswick. Appointed to the Senate in 1962 by the Honourable John Diefenbaker, he retired from the Senate in 1983.

Edgar Fournier had a long career in public life. Elected for the first time to the New Brunswick Legislative Assembly on the Conservative ticket in 1952, Edgar Fournier quickly found his way to cabinet and became Chairman of New Brunswick Power, a position he held until July of 1960.

Edgar Fournier himself felt that his greatest achievement in that capacity had been the construction of the Beechwood power dam. Under his watchful eye, the project was completed one year early and a few million dollars under budget.

After being defeated in the 1960 provincial election, this former teacher and school principal entered federal politics and won a seat in the House of Commons as a result of a by-election in 1961.

Appointed to the Senate the following year, Senator Fournier launched into the business of this place. He took an active interest, among other things, in matters relating to the United Nations. His interests were many and varied, from the art of tattooing, motorcycles and road safety to the state of disrepair of railway service.

Our colleague, the Honourable Jean-Maurice Simard, who unfortunately has been detained today, has known Senator Fournier since 1959. He once described his Acadian friend as a work addict, a man of great rectitude guided by sound principles, who believed that above all else family was the cornerstone of our society.

Father of six, inventor and miniature train and plane buff, Edgar Fournier had a thirst for learning. He never lost touch with the ordinary working man and showed a firm commitment to human rights. New Brunswick and Canada as a whole have lost a great man. I wish to offer our deepest sympathy to his children and grandchildren for their loss.

[*English*]

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I, too, would join with Senator Kinsella in paying tribute to the late Edgar Fournier, who passed away at the age of 85 a couple of weeks ago.

I did not enjoy the privilege of working with him, because he had left the year before I joined this chamber. However, I know of the great contributions made by him to the people of the province of New Brunswick, to the Senate, and to the public life of this country.

As Senator Kinsella said, Mr. Fournier served in the New Brunswick legislature and was the chairman of the New Brunswick Hydroelectric Commission. He was also a member of the House of Commons for Madawaska—Restigouche.

Before coming to this chamber in 1962 he had enjoyed a tremendously varied career because of his many skills. He worked as a welder, a metal worker, a garage and snowplough operator, a vocational school teacher, an instructor in aircraft maintenance, and an inventor. He was quoted as saying that he believed that hobbies kept young people out of trouble and old people young. His interests, which included glass blowing, motorcycle riding — even on Parliament Hill, I am told — flying model airplanes, wood carving and oil painting, all exhibited an energy that could not be curtailed.

He was admired for his unique character, both on Parliament Hill and, I am sure, back in his home province. He was respected for his single-minded contribution to the job in this chamber and in the other place.

I join with all of my colleagues on both sides of this house in extending sympathies to his family in memory of a very fine public servant.

[*Translation*]

Hon. Louis J. Robichaud: Honourable senators, I vividly recall September 22, 1952, almost 42 years ago. This was a memorable day in my life and in the life of the late Senator Fournier. On that day, both of us were elected to the New Brunswick Legislative Assembly. I was 26 years old.

The premier of the day had called an election for September 22. Premier McNair was a Liberal and his administration had been in office for 17 years. Obviously, his team expected to win again, but a young man from Carleton riding by the name of Hugh John Fleming, who was opposition leader at the time, emerged victorious on election day. Edgar Fournier won the riding of Madawaska for the Conservatives, while I was elected as the Liberal member for Kent.

I cannot say that we were close friends, but we always respected each other. Indeed, I respected the late Senator Fournier throughout his career.

He was exceedingly aggressive by nature, but extremely competent in a range of areas. The Leader of the Government in the Senate has just listed his considerable talents in several different disciplines.

Senator Fournier was an unparalleled technician. I recall the years when he virtually oversaw the construction of the Beechwood power station, which at the time was the largest hydroelectric station in New Brunswick. The Premier had appointed him Chairman of the New Brunswick Electric Power Commission and as such, he had been put in charge of overseeing the construction of Beechwood. I can tell you that he succeeded in this undertaking and that Beechwood continues today to generate plenty of hydroelectric power.

However, all good things must come to an end, and in 1960, the government had to concede defeat at the hands of a young man who had been elected on the very same day as Edgar Fournier, and that man was yours truly.

I want to tell the Senate today that right after the election of June 27, 1960, I received only one congratulatory telegram from the former government. It was from Edgar Fournier. Even the premier did not see fit to send me congratulations because he was not so pleased with the result and neither were the other ministers. Nevertheless, Edgar Fournier thought that he should send me a congratulatory telegram. I was very pleased.

After he left provincial politics, he was briefly in the House of Commons. One thing I remember very well about Edgar Fournier is that he had a television program in Saint John called *It Could Happen to You*. He was a technician who handled cars, planes and all that.

Week after week, he would describe how car accidents happened, using miniature cars on a small set. It was so well done that it caught the attention of all TV viewers in the years 1962 to 1965, I am not too sure of the exact dates. It was a program designed and produced by Edgar Fournier, in which he was the principal actor.

Many other things were said about Edgar Fournier. I said that he was not my greatest friend, but he was not my enemy either. We had great respect for each other.

It only remains for me to express my condolences to his children and grandchildren.

[*English*]

UNITED NATIONS

INTERNATIONAL DAY OF THE FAMILY

Hon. Thérèse Lavoie-Roux: Honourable senators, I should like to underline the fact that next Sunday, May 15, is the day that the United Nations General Assembly has proclaimed as the International Day of the Family.

The family is an institution that touches all our lives but is most often the one taken for granted. To try to define the typical Canadian family today is next to impossible, as there has been growing diversity in family forms. There are still examples of what one calls the traditional family composed of a married couple and their children; but there are also families composed of common-law couples, families whose parents have remarried and families with a single parent. It looks like sooner or later we will be considering families with same-sex parents. Each family is comprised of a group of people united by certain convictions or common affiliations.

The traditional family has gone through great changes in the last 30 years. Women have joined the workforce in unprecedented numbers. The dual-income family has become predominant, surpassing the traditional one-income family unit. The reality is that many women can no longer afford to stay home and raise their children. Moreover, they also want to achieve their own aspirations.

Thus, the modern family faces many new challenges. Families must find affordable, reliable and high quality child care, which we know is not available to everyone. They must balance their time between work and children. They must also care for elderly family members.

With our baby-boom population aging, the extended family is once again becoming predominant. Because of the rapidly dwindling financial resources of our health care and social systems, many families are providing care for aging relatives. Indeed, contrary to what most people seem to think today, more of the elderly live with their families than in institutions. In fact, 25 per cent of the elderly live with family as compared to 11 per cent who live in institutions. Obviously, this is an extra load on families.

Clearly, with all the changes happening to the family unit it is necessary to highlight its importance. The family is an issue of concern to everyone. If something goes wrong in a family unit, it often has repercussions on society as a whole.

I should therefore like to pay tribute to those families who must cope daily with the many external pressures present in today's society, but yet are able to maintain the integrity of the family unit through their belief in its intrinsic value. To those who are unable to achieve the same goal, I think we have to give more thought as to how we can help them best in order to ensure that our society will be as stable and as productive as possible.

Regarding Sunday, May 15, permit me to encourage everyone here to commemorate this special day by reaching out to family members and letting them know that they are an integral part of our life.

[*Translation*]

THE LATE HONOURABLE EDGAR FOURNIER

TRIBUTES

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, I thought that Senator Lavoie-Roux was rising to say something about Senator Edgar Fournier. I am sorry that I did not rise quickly enough just now, but I would like to join in the condolences expressed for Senator Fournier.

I had the pleasure of knowing him in this house. I knew him a little differently than most of my colleagues, I am sure. We were in opposite political parties. He was a Conservative and I am a Liberal. At that time, senators shared secretaries. Having a Conservative like him and a Liberal like me share the same secretary was somewhat different from the rather partisan situation today. You know, that system worked very well, without difficulty!

Indeed, this same woman, Ginette Lafrenière, is still my secretary. To give you an idea of the kind of man Edgar Fournier was, she remained very close to him. Until quite recently, she went back to visit him every year and called him on the telephone fairly often. For me, that is the kind of man Edgar Fournier was, very likable and courteous, someone to whom one could really become attached.

I would like to join my colleagues in extending our condolences to the Fournier family.

[*English*]

TRANSPORT

SEARCH AND RESCUE— REPLACEMENT OF SEA KING HELICOPTER FLEET

Hon. Gerald J. Comeau: Honourable senators, I read with interest an article in the May 6 edition of *The Globe and Mail*, which reported that a colleague from the other place had apparently had a change of heart regarding the need to replace Canada's Sea King helicopters.

According to the press report, the Chairman of the Standing Committee on Fisheries and Oceans was quoted as saying:

> ...there is a need for the government to replace this fleet soon.

The statement certainly surprised me and has caused me to wonder if the Liberal government has changed its position regarding the safety and viability of Canada's search and rescue fleet. As senators will recall, the new government was no sooner sworn into office last fall when the contract for the much-needed helicopter program was cancelled.

The press article has caused me to reflect on how helpful those comments would have been at that time to prompt the new Prime Minister to reconsider his decision. Unfortunately, members of the government, including those from Nova Scotia, were silent on the issue, until now.

Honourable senators, I would not want to suggest that what has prompted one member to finally speak up is the tragic crash last month of a Sea King helicopter, in which both the pilot and co-pilot were killed. It would indeed be unfortunate if it takes such a horrific accident to call people to action.

Perhaps there has been a decision to adopt the same approach as the Premier of Nova Scotia, who admitted that he had deliberately kept quiet, during the election campaign, about the Liberal position on EH-101s, despite his disagreement. As senators will recall, the same premier then made a mad dash to Ottawa to try to convince his federal counterparts not to cancel the contract, recognizing not only the need for this vital and safe equipment for our forces and our fishermen who rely on search and rescue, but also the jobs that would be created in Nova Scotia as a result of the program.

Just as it was with the premier back then, so too is this intervention today too little, too late.

ROUTINE PROCEEDINGS

INTERNAL ECONOMY, BUDGETS AND ADMINISTRATION

FOURTH REPORT OF COMMITTEE PRESENTED

Hon. Earl A. Hastings: Honourable senators, I have the honour to present the fourth report of the Standing Committee on Internal Economy, Budgets and Administration, which deals with the budget of the Special Joint Committee Reviewing Canada's Foreign Policy.

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

Senator Hastings: Honourable senators, with leave of the Senate, and notwithstanding rule 59(1)(*g*), I move that the report be now adopted.

I am asking for this procedure, honourable senators, in view of the fact that the committee is in full operation. It is expected that the Senate will be away for 10 days, and the committee would appreciate the opportunity to function during the adjournment.

•(1420)

Hon. Finlay MacDonald: What was the total budget? We did not hear the numbers.

The Hon. the Speaker: Honourable senators, is leave granted?

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, we have not even seen the report, and I do not recall it being read. Do we have a copy of the report in front of us? What are we asked to give leave to adopt?

Senator Olson: How about later this day?

Senator Lynch-Staunton: No. I want the reasons why there is such haste for a report that we do not have.

Senator Hastings: I ask honourable senators that it be taken into consideration later this day.

Senator Lynch-Staunton: What are we going to take into consideration later this day?

Senator Hastings: The report of the committee.

Senator Lynch-Staunton: But we do not have the report in front of us.

The Hon. the Speaker: I am having a little bit of difficulty. Perhaps Honourable Senator Hastings is suggesting that we distribute copies and come back to this item later.

Senator Hastings: Agreed.

Senator Lynch-Staunton: Honourable senators, let us agree that the report be distributed. Then Senator Hastings, at the appropriate time, can ask to revert to this item and, if he wants to at that time, ask for leave to proceed with the report today, or we will get to it at the next sitting.

The Hon. the Speaker: From the nodding of heads, I take it that that is agreeable. Is it agreed, honourable senators?

Hon. Senators: Agreed.

On motion of Senator Hastings, report placed on the Orders of the Day for consideration later this day.

FIFTH REPORT OF COMMITTEE PRESENTED

Hon. Earl A. Hastings: Honourable senators, I have the honour to present the Fifth Report of the Senate Standing Committee on Internal Economy, Budgets and Administration, which deals with the budget of the Special Joint Committee on Canada's Defence Policy.

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

Senator Hastings: I move that the report be distributed immediately, and I ask for permission to revert later this day.

Motion agreed to and report placed on Orders of the Day for consideration later this day.

SIXTH REPORT OF COMMITTEE TABLED AND PRINTED AS APPENDIX

Hon. Earl A. Hastings: Honourable senators, I have the honour to table the sixth report of the Standing Committee on Internal Economy, Budgets and Administration, which deals with the public works plan for the Parliamentary Precinct. I ask that the report be printed as an appendix to the *Minutes of the Proceedings of the Senate* of this day.

(*For text of report, see today's* Minutes of Proceedings of the Senate.)

CROWN LIABILITY AND PROCEEDINGS ACT

BILL TO AMEND—REPORT OF COMMITTEE

Hon. John B. Stewart, Chairman of the Standing Senate Committee on Foreign Affairs, presented the following report:

Thursday, May 12, 1994

The Standing Senate Committee on Foreign Affairs has the honour to present its

SECOND REPORT

Your committee, to which was referred the Bill C-4, An Act to amend the Crown Liability and Proceedings Act, has, in obedience to the Order of Reference of Thursday, April 28, 1994, examined the said bill and has agreed to report the same without amendment.

Respectfully submitted,

JOHN B. STEWART
Chairman

THIRD READING

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

Senator Stewart: Honourable senators, with leave, now.

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, this might be a good time for me to discuss with the house the proceedings today and in the next week or so, because we are asking leave to proceed with third reading for a bill.

The reason we are asking for leave is that we expect to have Royal Assent today at five o'clock. I think our practice has been, in the past, that when we have bills that have proceeded through to third reading stage, we normally give leave. I had better get this on the record now that Royal Assent will be at five o'clock today.

Honourable senators, I am basing this on the assumption that we can complete the bills which are before us. We have Bill C-21 for which, I presume, we will have leave today to proceed to third reading. We also have Bill C-212, which yesterday was referred to Committee of the Whole. I hope those bills can be dealt with in Committee of the Whole later this day.

•(1430)

That brings me to the major bill, Bill C-29, the fisheries bill. Following a discussion with my honourable friends opposite, they have agreed to move the bill rapidly through three stages

today. As requested by my honourable friends, Ministers Ouellet and Tobin will be present this afternoon for the committee stage of this bill.

On that assumption, we will complete our Order Paper and the bills that are outstanding, with the exception of Bill C-18 which we have agreed will be carried over.

Senator Berntson: Let's do it too!

Senator Molgat: On that basis, I recommend that when we adjourn today, we adjourn to Wednesday, May 25 at two o'clock in the afternoon.

As honourable senators know, the House of Commons is not sitting next week. Therefore, there will be no legislation coming forward. When we meet on May 25, we will have before us Bill C-18, but no new legislation. It would be a great opportunity for committees to schedule work for that week, with the knowledge that they will have more time to devote to witnesses and to their work.

Last week we experimented with having a "committee week" and I thank honourable senators for their cooperation. It was a very successful experiment, and we accomplished a great deal of work during that week. It is something we can keep in mind for the future. The week of May 24 will not be a committee week, but there will be an opportunity for substantial committee work.

We are asking for leave to have third reading today on all three of those bills I just mentioned, because of Royal Assent taking place later. This may mean changing the order of business a little. If possible, I would like to be ready to proceed into Committee of the Whole at 3:00 p.m. or shortly thereafter, when the ministers will be available. To that extent, we may have to move around certain items on the Order Paper.

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

Hon. Senators: Agreed.

Motion agreed to and bill read third time and passed.

[*Translation*]

CRIMINAL CODE
COASTAL FISHERIES PROTECTION ACT

BILL TO AMEND—REPORT OF COMMITTEE

Hon. Gérald-A. Beaudoin, Chairman of the Standing Senate Committee on Legal and Constitutional Affairs, presented the following report:

Thursday, May 12, 1994

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

THIRD REPORT

Your committee, to which was referred Bill C-8, An Act to amend the Criminal Code and the Coastal Fisheries Protection Act (force), has, in obedience to the Order of Reference of Tuesday, April 26, 1994, examined the said bill and has agreed to report the same without amendment.

Respectfully submitted,

GÉRALD-A. BEAUDOIN
Chairman

THIRD READING

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

Hon. Royce Frith: Honourable senators, with leave of the Senate, I move that the bill be read the third time now.

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

Hon. Senators: Agreed.

Motion agreed to and bill read third time and passed.

[*English*]

COASTAL FISHERIES PROTECTION ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-29, to amend the Coastal Fisheries Protection Act.

Bill read first time.

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

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, with leave of the Senate, later this day.

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

Hon. Royce Frith: Honourable senators, on the question of leave, the Deputy Leader of the Government has told us that the intention is to proceed through all three stages of this bill today. I wish to ask the sponsor of the bill, and the ministers who will appear, to put on the record some clear evidence as to why we have to proceed with it in all three stages today.

I have never been persuaded that a reason for the Senate to proceed through three stages can be found in the fact that it was so done in the House of Commons. My experience has been quite the contrary, namely, that if a bill goes through the House of Commons in all three stages in one day, that is a good reason to give it a very careful look here. In fact, as a corollary, it could be more persuasive as a reason for speedier passage here to be told in the Senate that a bill took a long time to pass, and that it was given careful study in the House of Commons.

I believe the minister and the sponsor will be able to tell us that there is a good reason to do so. I only wish to register that we should always regard a request to pass all three stages of a bill at one sitting, especially in the Senate, as an exception; in fact, a rarity.

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, I hope the ministers will convince us of the urgency of the bill this afternoon. If there is a commitment on this side to proceed with the bill through all three stages, so be it, but it is not a practice we should make a habit of following. The ministers will need to be very persuasive.

•(1440)

Senator Frith: I think it is important for us to have something on the record, explaining the exception.

Hon. William J. Petten: Honourable senators, perhaps I might make an observation. I have gone through the bill and I have listened to the ministers in the other place. As a Newfoundlander, I can assure you that this bill covers our needs, and it is definitely the case that the quicker we get it passed, the better.

Would it be in order for me to take a moment to explain one little thing, or shall I wait and speak later?

An Hon. Senator: Later.

Senator Petten: Very well.

Hon. Jack Marshall: I want Senator Petten to speak now.

Senator Molgat: Honourable senators, I want to make it clear that it is not just because the House of Commons passed the bill in all three stages in one day that I am proposing the same here. I am doing so because I am convinced that this is an urgent matter. However, I agree with the comments by Senator Frith and Senator Lynch-Staunton. We are not simply here to rubber-stamp legislation. We should certainly give these matters careful thought. However, every now and then, as we have seen, for example, with bills on back-to-work legislation and so on, these emergencies arise.

[*Translation*]

Hon. Marcel Prud'homme: I must say I fully support the position taken by Senator Frith. I realize that when, on occasion, it may be in the national interest to pass back-to-work legislation, we must act expeditiously. However, I have the impression that in the other place they are making a habit of asking us to push bills through because of some emergency; or so they say.

Recently, we passed three bills, and I still believe we could have examined them more thoroughly, especially the legislation on the fixed link with Prince Edward Island and the bill to create new territories in the Northwest Territories. I think that acting on such short notice is a very bad habit for us as senators.

[*English*]

Your Honour, there is written over the door to your chamber, "Order excludes haste and precipitation." That is a phrase that should motivate senators whenever we are asked to pass legislation quickly.

Senator Petten: Honourable senators, I must speak on this point. I want to tell my colleagues that I, personally, am not insisting that this bill be passed by this house now because the House of Commons put it through quickly. I am happy that they did so, because the quicker it is passed here in Ottawa, the sooner we will stop the exploitation of small fish on the Grand Banks of Newfoundland.

The Hon. the Speaker: Honourable senators, is leave granted?

Hon. Senators: Agreed.

Motion agreed to and bill placed on the Orders of the Day for second reading later this day.

QUESTION PERIOD

ATLANTIC CANADA OPPORTUNITIES AGENCY

GRANTS TO PROJECTS IN NEW BRUNSWICK— GOVERNMENT POSITION

Hon. Erminie J. Cohen: Honourable senators, my question is directed to the Leader of the Government in the Senate. During the month of April and the first week in May, Liberal MPs in New Brunswick announced grants from Atlantic Canada Opportunities Agency to five different projects. Since the ACOA advisory board in New Brunswick was not aware of these grants and was not consulted, would the minister explain what the federal government's position is with respect to the role and responsibility of the respective boards? Can the leader advise us as to who made the decision for the granting of these funds?

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I thank Senator Cohen for her question. I am not personally aware of the announcements to which the honourable senator has referred. I shall seek information from the minister in charge of ACOA, and respond as quickly as I can.

PRECINCTS OF PARLIAMENT

PROPOSED RENOVATIONS—GOVERNMENT POSITION

Hon. Richard J. Doyle: Honourable senators, I have another question for the Leader of the Government about the flurry of apprehended construction here on Parliament Hill — construction that may be necessary to assure safety; construction that may be desirable to serve vanity, and construction that may fuel turf wars between the landlords and tenants who seek to occupy it.

Earlier questions, all of them unanswered, have pursued the building of 18 fine new office suites for senators in the East Block, as have questions relating to a so-called temporary meeting room in the Victoria Building where a nicely equipped meeting room already stands idle most days of the week, questions about an impregnable vault to be fancied up as a workplace, and questions about a post office with address unknown.

Sheds for the workmen have been built, Johnnies are on the spot, Senate parking spaces have been eliminated, bans on pedestrian traffic have been issued, and money has been spent, although that money has not been accounted for in this chamber.

Senator Olson: Is this just a preamble to your question?

Senator Doyle: Contracts or agreements for future uses have not been seen. The people in charge have continued their noisy silence.

My question, like all the questions that have gone before, has to do with permissions pushed through in a time of recession, commitment of money when boards of economy are matching wage freezes with every kind of operational penny-saving.

Senator Olson: Any question yet?

Senator Doyle: My question relates in particular to the new Centre Block committee room which will, we are told, serve the Senate until the Commons has need of it. I ask the minister if we can hope to have full information on the Senate's involvement in a nonfunded Public Works strategy, developed in 1991-92 but never brought to the attention of this chamber or debated by its members?

A quick glimpse at the sixth report submitted today by the Chairman of the Internal Economy Committee is helpful and appreciated, but it deals with anterooms and designs for the distant future. It bows to the vision of Public Works and says nothing about the state of the budget.

•(1450)

Can we not have done with the conceptual and get down to what all of this is going to cost and what spaces and facilities developed will be securely established for the use of the Senate, and then approve or deny what is being done in our name?

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, the simple answer to Senator Doyle's question is "yes." I have been pulling together information. Senator Doyle's questions are not easy and they are not short. I am in the process of pulling details together. I will add the detail of today to the list. I am hopeful that I will have an answer for Senator Doyle very soon.

INCOME TAX ACT

FEDERAL COURT OF APPEAL—DECISION TO STRIKE DOWN CHILD SUPPORT PROVISIONS—GOVERNMENT POSITION

Hon. Janis Johnson: Honourable senators, my question is for the Leader of the Government. Recently the Federal Court of Appeal struck down provisions of the Income Tax Act which required divorced custodial parents who receive child support payments from their ex-spouses to pay income tax on those payments.

Will the government appeal this ruling of Justice James Hugessen or will it allow this decision to stand? If so, who will pay the income tax on the moneys involved?

I appreciate that you cannot answer in full detail, but if I could have some idea of the government's intention in this regard it would be very helpful.

Hon. Joyce Fairbairn (Leader of the Government): I thank Senator Johnson for her question. As she knows, this is a very complex area, in some ways made more so by the court ruling that came out a few days ago.

My colleagues the Minister of Justice and the Minister of Finance are reviewing that ruling very carefully. There is no decision at the moment on the question of appeal. As my friend will know, there is a period within which the government has to make that decision.

Given the nature of this issue and the impact it has on so many lives across this country, and most particularly on the lives of children, great care is being taken in these deliberations. I will be pleased to convey the message just as soon as I have it.

TRANSPORT

SEARCH AND RESCUE—REPLACEMENT OF SEA KING HELICOPTER FLEET—GOVERNMENT POSITION

Hon. Gerry St. Germain: Honourable senators, further to the statement made by Senator Comeau during Senators' Statements in regard to the Sea King helicopters that air crew currently have to fly, in view of the most recent mishap, and in view of the decision of the military to support the acquisition of new helicopters, would the Leader of the Government in the Senate inform honourable senators what is being done to replace these archaic pieces of equipment, which I, as a commercial pilot, believe are endangering the lives of our military personnel?

Hon. Joyce Fairbairn (Leader of the Government): Thank you, Senator St. Germain, for the question. As I said in answer to your colleague a couple of days ago, we all feel great sadness because of the very recent crash of a Sea King. It is a tragic situation and everyone in this house believes that.

With respect to the helicopter itself, I will repeat to him remarks that were made by the Minister of National Defence elsewhere. The accident is under review. We do not have the results of that review yet. Nonetheless, he is assured by the military that these helicopters are well maintained, otherwise they would not be in use.

It is true, and the government has never denied it, that there will have to be some replacement at some point of these Sea King helicopters. They are judged airworthy now. As my friend will know, that judgment is extended to the year 2000.

My friend the Minister of National Defence is very conscious of all the elements involved in this issue. I reiterate, the Sea Kings would not be in use unless they were airworthy and well maintained.

Senator St. Germain: I have heard and I have read what the Minister of National Defence has said. The question of airworthiness of 40-year-old machines is rather debatable.

In view of the fact that the government made a commitment in its Red Book to scrap the EH-101s, which would have given us a tremendous lead in technology and various other spin-offs, would the government reconsider the possibility of obtaining this excellent aircraft which was approved by the military and others?

Senator Fairbairn: I will, of course, pass Senator St. Germain's question on to my colleague. The decision on the EH-101s was taken with a great deal of thought, a great deal of concern and a great deal of seriousness. As I said, the Minister of National Defence has been quite clear that, obviously, other options will be considered for the future. I will be glad to ask him the specific question and I will let my friend know his answer.

AGRICULTURE

HANDLING OF GRAIN ON WEST COAST—EFFECT OF FAILURE TO MEET COMMITMENTS—GOVERNMENT POSITION

Hon. Leonard J. Gustafson: Honourable senators, the question I will ask today is getting to be repetitious, but because of the very serious nature of the grain handling situation on the West Coast, I think it deserves some special consideration.

What in fact is happening on the West Coast? Just recently the Minister of Agriculture, upon returning from China, indicated clearly that the Chinese are very concerned about our ability to complete the orders. There is demand for Canadian grain, and this kind of congestion holding up the situation does not augur well for the future of the grain industry or for the economy of the country.

Has the Honourable Leader of the Government anything to report? I want to stress the urgency of a report in that regard.

Hon. Joyce Fairbairn (Leader of the Government): I thank Senator Gustafson for his question. I do not think there is anyone more concerned about this issue than the Minister of Agriculture, whom you know well. I was speaking to him again this morning about this issue. I am mindful of the detail you were seeking the other day as to the exact statistical situation at the Port of Vancouver and I am trying to get that precise information.

The Minister of Agriculture indeed has returned from a trip in the Far East, and he has come back more invigorated than ever to put some order into this situation. It is for that reason that he will meet in Winnipeg, on May 16, with the major players in the whole situation of grain transportation across Western Canada and at the port. At that time he will have a very frank, on-the-table discussion, not just of what the problem is, but of how the devil it is going to be solved, and solved quickly, for the benefit of the farmers in Western Canada.

Senator Gustafson: Honourable senators, Senator Olson has brought to the attention of the House the fact that his investigation showed that the grain handlers were not moving the grain with any speed, to say the least.

The question is very direct. Has there been any improvement in the way the grain has been handled? How many boats are now being stalled and paying demurrage? Is there anything to report to the house today about this?

[Senator St. Germain]

Senator Fairbairn: As I said earlier, Senator, I cannot give you numbers. I believe there is an improvement at the Port of Vancouver. There is also an indication, from the testimony that was placed before the committee in the other place, of a considerable improvement and of strengthening of will among the various parties to come to a satisfactory conclusion.

In recent days, Senator Olson has been in nearly constant contact with the ministers involved and will be watching very closely the results of the deliberations in Winnipeg next week. Then we will review the situation vis-à-vis activity on the part of this house. It is clear to all of the ministers concerned that this is a very broad question. However, there is also a narrow part of it that is causing enormous risk for this country right now. It is for that narrow part of the question that we hope to have some advice and ideas flowing from that meeting next week.

•(1500)

DELAYED ANSWERS TO ORAL QUESTIONS

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, I have five delayed answers to questions. I hope my honourable friends opposite note how quickly the answers are coming forward. I recall some difficulties in the past.

I have a response relating to a question raised by the Honourable Mira Spivak on March 17 regarding the Sagkeeng First Nation, effect of pulp mill pollution. The others are in response to questions asked on March 21 from the Honourable Senator Ottenheimer regarding Canada-China relations, representations on human rights abuses; on April 20 by the Honourable Senator Gustafson regarding delay in grain shipment from the prairies; on April 26 by the Honourable Senator John Lynch-Staunton regarding conflict of interest lobbying; and on April 26 by the Honourable Senator Spivak regarding the International Joint Commission recommendations on toxicity reduction in Great Lakes, guidelines for detection apparatus.

THE ENVIRONMENT

SAGKEENG FIRST NATION—EFFECT OF PULP MILL POLLUTION—GOVERNMENT POSITION

(Response to question raised by Hon. Mira Spivak on March 17, 1994)

Environment Canada and Manitoba Environment have launched a joint investigation into the spill of the pesticide, Busan 52, into the Winnipeg River at Abitibi-Price Inc.'s Pine Falls pulp and paper mill. The investigation will take a minimum of a few months to be completed before any decisions can be reached on possible charges to be laid.

The federal investigation is looking into the possible violation of both the Pulp and Paper Effluents Regulations for failure to report the spill immediately, and the general provisions of the Fisheries Act, for deposit of a deleterious substance into a body of water frequented by fish. The Manitoba government also has mandatory requirements for spill reporting under its Dangerous Goods Handling and Transportation Act.

The Minister of Environment has advised the members of the House of Commons that she will report back on this issue as soon as we have a final conclusion.

CANADA-CHINA RELATIONS

REPRESENTATIONS ON HUMAN RIGHTS ABUSES— GOVERNMENT POSITION

(Response to question raised by Hon. Gerald R. Ottenheimer on March 21, 1994)

This government's approach to China and human rights can only be understood in the context of our overall bilateral relationship.

We think that isolating China is both impossible and inappropriate. It has a quarter of the world's population, is a permanent member of the Security Council, is a rapidly ascendant international trading and economic power, and a nuclear weapons state with the world's largest standing army. Engagement, therefore, is the cornerstone of our policy towards China. This government wants to engage the Chinese leadership and people in a constructive dialogue that will provide an opportunity for real influence on human rights and other critical issues, such as non-proliferation, regional security, and the environment.

It is our intention to raise our concerns about human rights in meetings with senior Chinese leaders, as the Prime Minister did in his recent meeting with Vice Premier Zou Jiahua. Moreover, we have been among the most active of Western countries in developing a constructive dialogue with the PRC on this question. We have undertaken and are currently developing a number of cooperative projects to assist the PRC in reforming its legal and judicial structures.

At the same time, we intend to maximize our commercial and economic links to China, which is our fifth largest trading partner; this government is not going to apologize for creating jobs for Canadians. Trade and human rights are not two mutually exclusive policy choices. It supports the process of economic reform in the PRC, and a China, modernizing and opening up to the outside world, can only be good for its people — both economically and politically.

Our approach with respect to China is consistent with the Government's general approach to human rights. Our ultimate aim is not to punish offending governments, and certainly not their innocent citizens, but to influence governments to respect their peoples' rights under international law.

AGRICULTURE

DELAY IN GRAIN SHIPMENT FROM PRAIRIES— GOVERNMENT POSITION

(Response to question raised by Hon. Leonard J. Gustafson on April 20, 1994)

The fundamental problem with regard to grain movement during the current crop year has been insufficient rail car capacity relative to demand.

The car shortage is the result of a number of factors including: a late harvest last fall, unforeseen changes in grain markets which have resulted in longer car cycle times, harsh winter weather on the Prairies, labour-management disputes at the west coast ports, backlog of cars awaiting unloading at ports, and a shortage of grain cars on the U.S. lease market as a result of flooding in the U.S. last summer.

The car shortage is continental, i.e. similar problems are being experienced in the U.S.

Given the extent of the car shortage problem, there are no easy short-term solutions.

The government has been working closely with all the partners involved, including the Grain Transportation Agency, the railways and the grain industry, to attempt to optimize utilization of the car fleet while at the same time trying to balance the conflicting needs of various grain shippers.

A number of initiatives to expedite grain movements are being actively encouraged with limited success so far:

- weekend loading at country elevators
- weekend unloading at ports
- expanded pooling of grains at the ports
- the use of private cars for commercial grain movements
- the use of open-tapped, tarpaulin-covered, cars (weather-dependent)

In addition, the GTA has placed a relative priority on allocating cars to Canadian port destinations which have the best car cycles.

The railways' grain fleet has increased from about 21,500 cars at the beginning of October to about 27,300. Both railways have indicated that they will be adding more cars in the coming weeks and at that time it is anticipated that cars will no longer be a limiting factor.

Steps are underway to minimize the risk of recurrence next crop year. These steps include improved demand forecasting procedures and a study of car capacity supply and demand.

In particular, the Minister of Agriculture has called a meeting of grain industry officials for May 16, 1994 in Winnipeg, to discuss grain marketing and transportation issues. The Minister recognizes the need to sit down with key industry people and look at what kind of grain marketing system is wanted in the future.

Information on demurrage costs and lost sales is confidential to the industry and is not collected on a routine basis.

CONFLICT OF INTERESTS

LOBBYING, INFLUENCE PEDDLING AND SELLING ACCESS

(Response to question raised by Hon. John Lynch-Staunton on April 26, 1994)

In June 1993, the Standing Committee on Consumer and Corporate Affairs made a number of recommendations on changes to the Lobbyists Registration Act. The committee recommended more timely and comprehensive information disclosure by all lobbyists, as well as changes to improve the Act's administration and enforcement. The Standing Committee did not recommend that lobbying be prohibited.

In the Speech from the Throne of January 18, 1994, the government stated that legislation will be tabled to increase the transparency of the relations between lobbyists and the government.

The government will soon be tabling amendments to the Lobbyists Registration Act to address the Standing Committee's recommendations. The government is committed to ensuring that all lobbyists be required to substantially increase the amount of information they disclose on their activities. The public has a right to know who is attempting to influence government decisions.

It should also be recognized that everyone has a right to make his or her views known to the government. Ministers, members and the government work on behalf of the Canadian people, and the Canadian people are entitled to access to decision-makers without benefit of lobbyists.

THE ENVIRONMENT

INTERNATIONAL JOINT COMMISSION—RECOMMENDATIONS ON TOXICITY REDUCTION IN GREAT LAKES—GUIDELINES FOR DETECTION APPARATUS—GOVERNMENT POSITION

(Response to a question raised by Hon. Mira Spivak on April 26, 1994.)

Techniques used to measure low concentrations of toxic chemicals in the environment vary greatly depending upon both the nature of the target substance and the medium (water, tissue, soil) in which it is being measured. Typically, a chemical analytical procedure involves a process to concentrate the contaminant and isolate it from the host medium, a process to separate the concentrated contaminant from other material that might interfere with the measurement and a process to reliably identify it and measure its concentration.

For a wide range of contaminants, particularly such contaminants as pesticides, PCB and dioxins, mass spectrometry is a powerful tool often employed in that third and final step. It provides reliable identification and measurement, frequently at extremely low levels of detection (less than parts per billion). The process is somewhat analogous to fingerprinting. The limits of detection, however, are affected by all steps in the analytical procedure as well as by the actual selection of the mass spectrometer. These instruments vary in their measurement capability depending both on the type of equipment used and on the target contaminant itself (i.e. how a particular material reacts to a specific instrument). The results obtained using mass spectrometry will likely be corroborated using alternative equipment, also available to the Government, as an additional measure of certainty. It should be noted that there are many substances for which alternative techniques may be preferable.

A current example of high resolution mass spectrometry in this type of application is the Reference Method for the Determination of Polychlorinated Dibenzo-*para*-dioxins (PCDDs) and Polychlorinated Dibenzofurans (PCDFs) in Pulp and Paper Mill Effluents. This technique reliably measures 2,3,7,8-TCDD (dioxin) at a limit of quantitation of 15 ppq (well below 1 part per trillion).

It is likely the substances targeted for virtual elimination will indeed be amenable to mass spectrometric measurement. However, should some substances not be suitable for this technique, the Government laboratories are equipped with testing capability for virtually all materials likely to be considered. The Government is also capable of carrying out biological measurements confirming elimination of toxicity.

ORDERS OF THE DAY

DEPARTMENT OF NATIONAL REVENUE ACT

BILL TO AMEND—THIRD READING

Hon. Gildas L. Molgat (Deputy Leader of the Government) moved the third reading of Bill C-2, to amend the Department of National Revenue Act and to amend certain other Acts in consequence thereof.

Motion agreed to and bill read third time and passed.

RAILWAY SAFETY ACT

BILL TO AMEND—SECOND READING

On the Order:

> Resuming the debate on the motion of the Honourable Senator Bonnell, seconded by the Honourable Senator Lewis, for the second reading of Bill C-21, to amend the Railway Safety Act.

Hon. Janis Johnson: Honourable senators, I rise today to second the remarks of my colleague, Senator Bonnell concerning Bill C-21, to amend the Railway Safety Act.

We recognize that this piece of legislation is an important amendment to the Railway Safety Act that will help reduce injuries to approximately 100 people each year who are struck by trains because they have trespassed on railway rights-of-way. The tragic fact about this statistic is that many of the deaths and injuries that occur involve young children. Unfortunately, many people make use of the railway property with too little concern for their own safety. Continuing efforts to educate young Canadians about the dangers involved with trespassing, and to improve barriers to access on railway lands have not been enough to reduce trespassing nor the unfortunate number of accidents that occur.

This amendment to the Railway Safety Act will provide the authorities involved with the necessary tools to help reduce and prevent the incidents of trespassing on federally-regulated railway property.

Honourable senators, it is also important to note that this amendment is not intended to penalize those individuals such as native people who may need to cross railway rights of way to tend to their traplines, or individuals trying to access mineral claims and need to cross tracks on a regular basis. This amendment is needed to help the railways minimize trespassing on their property and will result in fewer accidents, deaths and injuries. This legislation is clearly in the interest of public safety and, as such, we support the bill.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE OF THE WHOLE

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

On motion of Senator Molgat, bill referred to Committee of the Whole.

COASTAL FISHERIES PROTECTION ACT

BILL TO AMEND—SECOND READING

Hon. William J. Petten moved the second reading of Bill C-29, to amend the Coastal Fisheries Protection Act.

He said: Honourable senators, before I start my speech I would ask the Clerk if he could have the Pages distribute the maps that I have left on the Table, in order that honourable senators can follow my few remarks.

Hon. Earl A. Hastings: Can we have the map appended to today's *Debates of the Senate*?

Senator Petten: Yes.

(*For map, see appendix, p. 480*)

Senator Petten: Honourable senators, I stand before this house today at a time of great crisis in the fishery on the Grand Banks of Newfoundland. It is a time of crisis for fishermen, for plant workers, for their families and for their communities. The crisis in the lives of so many is occurring because there is a crisis in the resource itself.

We do not know whether it was the Basques 600 years ago or explorer John Cabot 500 years ago who discovered what seemed to be limitless riches of cod and flounder on the Grand Banks. We do know that, for centuries, generation after generation of fishermen have made their living from this important world food source.

Now, all that is threatened. At no time in our history have these resources been so imperilled and the future of our people so uncertain.

•(1510)

It would be difficult to overstate how bad things are with the resource. There have been local failures in the fisheries throughout our history, but never before has the very existence of the resource been threatened. Today we confront that grim question: Will the resource survive?

Environmental conditions seem to be pushing down these fish stocks. There are fewer younger fish. They are growing more slowly. They are taking longer to mature. More are dying of natural causes. That is what is happening today, but it is only part of the reason that we face this crisis in the resource.

Beginning in the mid-1980s, there was massive destructive overfishing of cod and flounder on the Nose and the Tail of the Grand Banks, outside Canada's 200-mile zone.

The fishery in this area is regulated by the international organization known as NAFO, the Northwest Atlantic Fisheries Organization. NAFO sets total allowable catches based on scientific advice. These are then divided into national quotas for NAFO member countries.

Canada fished within its quotas, as did fleets from most other countries. We did what we thought was right, though now we know we fished too much.

The European community at the time showed no such restraint. They were not satisfied to fish their NAFO quotas. They wanted more. They set quotas for themselves far higher than those set by NAFO, and they failed to control catches by their vessels.

This heavy overfishing of cod and flounder began in the mid-1980s, severely depleting these resources. It was then in the early 1990s that nature dealt those badly weakened stocks a heavy blow.

We cannot command nature. We can only obey her. If we do not, then we face a terrible consequence: the commercial extinction of the once massive fish stocks. That could happen to northern cod. It could happen to the Southern Grand Banks, 3NO cod, which you can see on your maps, and it can happen to the flounder stocks on the Grand Banks.

Canada has stopped fishing these stocks inside our 200-mile limit zone. Following Canada's lead, NAFO closed the fishery outside 200 miles for the same stocks. To protect straddling stocks, all vessels must comply with these conservation measures. Canadian vessels are doing so inside 200 miles. By and large, nations from NAFO member countries are doing so outside 200 miles. However, vessels flying flags of convenience are not. Overfishing by these vessels outside 200 miles is continuing. The threat it poses to straddling stocks is serious.

A good example is 3NO cod. It has been heavily overfished since the mid-1980s. The stock is at the lowest level ever recorded. There are almost no mature fish left. There are significant numbers only of juvenile fish. If these juveniles are allowed to grow to maturity, the stock can survive and rebuild, but if these juveniles are caught before they mature, there will be no new fish in the future.

In light of this, are any vessels still fishing for cod and flounder on the Grand Banks? Unfortunately, the answer is yes. In some cases, it is a single foreign vessel whose captain does not understand or care. In other cases, whole fleets are fishing these threatened straddling stocks outside 200 miles. They are the pirate fleets. They operate under flags of convenience or sometimes no flag at all. They break all the rules. International conservation decisions mean nothing to them. They want to fish anything they can, any way they can, whatever the consequences.

These fleets now catch almost entirely juveniles. Why? Because there are almost no mature fish left to be caught and because there is almost nothing left of this once abundant resource except stray schools of juveniles. If these are caught, what then? The destruction of the resource will be complete.

The moral question, "Should this be stopped?" has a simple answer: "Yes, it must be stopped." The pragmatic question, "How should this be stopped?" has a more complex answer. When we consider the pragmatic question of how to stop this, we must be guided by the moral imperative that it must be stopped. That is the context of the legislation. Viewed in isolation from this context, one might wonder why Canada is now considering action outside 200 miles to end foreign overfishing. However, viewed within this context, one can only wonder why Canada has not been willing to take these actions earlier.

Until now, Canada's policy has been like a stool with only two legs. The first is our own conservation efforts. The second is international cooperation. However, a stool with only two legs keeps falling over. We now propose to add a third leg. We now propose to give the Government of Canada the means to act outside 200 miles to protect straddling stocks where this is necessary.

The legislation clearly states:

> ...to enable Canada to take urgent action necessary to prevent further destruction of those stocks and to permit their rebuilding, while continuing to seek effective international solutions...

The legislation would allow the government to prescribe the straddling stocks to be protected, the conservation measures to be enforced, and the classes of vessels against which enforcement action would be taken by Canada.

Lest anybody be in doubt, and no one should, let me affirm once again the three fundamental commitments by the Government of Canada: First, Canada is committed to the rule of international law. Second, Canada's goal remains to have effective international controls over high seas fishing. Third, the Government of Canada will use the powers under this legislation only where other means to protect straddling stocks have failed. This third commitment is no less strong than the first two. We will use the powers under this legislation where we have to.

I see no conflict between these three commitments. Instead, I see them as mutually reinforcing. Canada is compelled to act now out of necessity. If we delay further, it may be too late. The great fisheries resources of the Grand Banks could be lost, perhaps for a generation, perhaps forever. That would completely contradict all that is being done internationally to protect these resources. For example, it would completely undermine the conservation commitments recently made by NAFO members.

This legislation, as the purpose clause indicates, is an interim national measure to deal with an emergency pending development of a permanent international measure to effectively control high seas fisheries. The intention is to establish a broad power to act outside 200 miles, but to use it sparingly. The first target of the legislation would be stateless vessels, that is, vessels that have been deregistered by one country and have not re-registered in another country. As we speak, these vessels are wreaking destruction on straddling stocks of cod and flounder outside the 200-mile limit. If we approve this legislation, it will be used without delay to arrest these stateless vessels.

•(1520)

As well, intensive diplomatic efforts are underway to get flag-of-convenience countries to withdraw or deregister vessels flying their flags. If, despite this, vessels flying a flag of convenience continued to fish outside 200 miles, then appropriate warnings would be given. If the vessels still continued to fish, they would be arrested.

Timing is important. The fishery for 3NO cod and Grand Banks flounder stocks is largely a summer fishery. If we act quickly, we can stop it this year. If we do not, the massive destruction will continue for yet another season.

Can we afford to stand by and watch these fleets returning home, laden again with millions upon millions of juvenile cod and flounder? I say no. I believe this house will say no. I believe the people of Canada will say no. We must act now to end the wanton destruction by these flag-of-convenience fleets. This legislation is a concrete expression of the government's commitment to end overfishing by agreement where possible, for example, the NAFO moratoria on cod and flounder stocks, and to end it by action outside 200 miles where necessary.

Foreign overfishing is not a problem that can be solved by timid souls. It requires clarity of mind, constancy of purpose and a steady hand on the tiller. All these we have in the Prime Minister. He set the course on this issue. He has the support of cabinet and caucus. I believe he has the support of provincial governments. Most important, I believe he has the support of the Canadian people.

I appeal to my colleagues on both sides of the house to give unanimous support to this legislation. Let the world see that we are united in this great endeavour. Give the government the tools with this legislation. Then, judge us on how well we do the job.

Some Hon. Senators: Hear, hear!

Hon. Jerahmiel S. Grafstein: Honourable senators, I should like to ask a question of the Honourable Senator Petten.

Senator Frith questioned the government's request to deal with this bill in an extraordinary way. I note on a fast reading of the bill that clause 5 refers to urgency. Has the honourable senator, representing Newfoundland as he does so well, satisfied himself, and therefore can he assure the Senate, that there is a real and present danger, a crisis in the fishery, a real emergency to justify the extraordinary need to proceed with this legislation without delay?

Senator Petten: I thank the honourable senator for his question.

I want to give one example, that of the *Kristina Logos*, which was towed into St. John's from 228 miles offshore. She had been deregistered by her flag-of-convenience country and had reverted to Canadian registry.

The day before yesterday, I was talking to one of the Department of Fisheries officials who had gone into the hold of that ship and had opened a box there. When he opened the box, it contained fish that were the size of your hand. The official thought that perhaps that was the cullage, that the rest would not be like that. However, every box he opened contained fish of that size.

I believe, and I am subject to correction on this, that on the deck of that ship there was a liner they had neglected to get rid of quickly enough that went inside the trawl. Normally, the thing is about six to eight inches in diameter. This one was about three inches in diameter.

There are some 30,000 people in Newfoundland and 3,000 to 4,000 in the rest of Atlantic Canada on assistance now. There is no way this situation can go on forever; it has to taper off. I have never seen anything as bad in my lifetime. I was about to say my short lifetime, but I am getting to be one of the old fellows around here. I am old enough to remember the depression of the 1930s. I pray to God we never see that again. The fishery is worse now than it ever was in those days.

Hon. John B. Stewart: Honourable senators, Senator Petten has made a most eloquent plea to the house for the speedy passage of this bill. He has told us, as I understand him, that it is intended to apply only to the Nose and Tail of the Bank. When I look at the map which he has provided, I notice that in fishing zone 3N there is a large area of relatively shallow water. Are there no fish stocks there that need the protection to be afforded by this measure? If there are such stocks, why is it the intention of the government, given the importance and urgency of the matter, that the terms of the bill should not apply to that body?

To help honourable senators, let me say that the proposed new section 6(*b*)(1) refers to an area beyond and adjacent to Canada's fishing waters. I checked in the dictionary and discovered, as I suspected, that "adjacent" does not necessarily mean touching. Consequently, the bill could refer to that area of relatively shallow water in zone 3N. Apparently, then, it is the intention that the bill not refer to that area. Thus I ask, am I correct in that assumption? If I am, why is that the case?

Senator Petten: I thank the honourable senator for his question which I shall attempt to answer. My understanding of the bill is that we are going after the straddling stocks inside and outside 3NO. We will go after the flag-of-convenience ships. We hope we do not have to go too far. We hope to get one or two, and that the rest will go away.

In terms of an answer to the honourable senator's question about the other areas, I should like to wait until the ministers arrive with their legal advisors.

Hon. Gerald J. Comeau: Honourable senators, unfortunately, we have not been provided with a copy of the bill yet. Thus, I will have to rely on Senator Petten's briefing with regard to it.

Senator Petten: Honourable senators, yesterday, I myself brought copies of the bill to the pages to be distributed on that side of the house. I distributed them to this side of the house myself.

Senator Berntson: We have them.

Senator Comeau: A copy simply has not reached me yet. I will rely on my colleague to provide an answer to my question.

As I understand it, the bill is to provide for going after ships which do not have any flags, or ships that have flags of convenience. As I understand it, generally speaking, some of the European NAFO countries have traditionally set their own quotas

for these areas. They do not rely on Canadian management information, but rather on their own information. Traditionally, their quotas have been set extremely high; so high, in fact, that they are absolutely meaningless.

What happens to the NAFO countries, especially Portugal and Spain, which traditionally have disregarded completely any kind of conservation measure for these areas to which this legislation will apply? In other words, will these countries continue chasing the fish, which is destroying whatever fish there are left? In other words, are we creating a paper tiger?

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, I do not want to interfere with the questions at all. I want to point out that, at the request of my honourable friends, we have two ministers who are presently sitting in the gallery and who would be in a position to answer all of these questions in Committee of the Whole. I suggest that may be a better way of getting the answers.

Hon. John Buchanan: Your Honour —

Senator Frith: And honourable senators.

Senator Buchanan: It is good of you, Senator Frith, to remind me of that, but after 24 years of doing it the other way, it is difficult to remember.

Honourable senators, I have a few words to say about this bill. First, I am 100 per cent in support of it. It is long overdue. A bill of this nature should have been passed long ago.

•(1530)

I have always been in favour of a bill of this nature because, as the fishermen on the Atlantic Coast would say, small fish cannot become big fish if they are caught before they can become big fish. That is what is happening. Smaller mesh nets are being used. Smaller fish are being caught, and we do not know how many are being caught.

Before the other countries joined NAFO, we in Nova Scotia were just as upset as the people in Newfoundland at these vessels just beyond the 200-mile limit fishing on the Nose and Tail of the Grand Banks and in other areas, fishing with smaller nets. You can imagine the anger of our fishermen in Newfoundland and parts of Nova Scotia when they see vessels fishing out there while they, themselves, are, if you will pardon the pun, caught by the moratorium. They cannot fish, yet foreign vessels are fishing.

We can only hope the countries who joined NAFO do not fish just outside the 200-mile limit. They are also under the moratorium. However, we want to focus on those vessels flying flags of convenience, who are immorally, wrongly, and almost illegally catching what is rightfully ours on the East Coast of Canada. Therefore, I have no difficulty with this bill.

Honourable senators, let us pass this bill and have our new frigates out of Halifax arrest the offending vessels, tow them in and fine them.

A few years ago, American vessels were fishing on our side of the Grand Banks, catching the very lucrative scallops in that area. Those vessels were out there at will until Canada decided to arrest them, bring them into Halifax, and fine them. Under the international treaty, the Americans could arrest the same vessels if they rushed back over the international line.

As we speak, a vessel in Halifax harbour is under arrest. The owners will be fined $135,000 to $150,000. That is a deterrent, honourable senators, because the number of vessels fishing on our side of the Grand Banks has appreciably decreased. The operators of those vessels know that when they are towed into Halifax harbour, they will be fined. If they do not pay the fine, their vessels will be sold to pay the fine.

Honourable senators, the same thing should happen with vessels flying flags of convenience and fishing off Newfoundland and the Nose and Tail of the Grand Banks. There will be very few, if any, repercussions, because the countries involved know that these vessels are just flying flags of convenience. They will not be embarrassed on the world scene by having vessels with flags of convenience breaking the international law of the NAFO. They are doing something that is totally wrong, immoral and a tragedy!

Some Hon. Senators: Hear, hear!

Senator Grafstein: I take it, honourable senator, that you agree with Senator Petten that this is a crisis which justifies this extraordinary procedure in terms of the legislation today?

Senator Buchanan: Absolutely. This is a crisis; it is a tragedy.

Hon. L. Norbert Thériault: Honourable senators, I know our time should not be wasted in idle talk, but I must say that it is past midnight for this fishery.

Honourable senators, I am sure we are all anxious to see and hear the ministers answering the questions posed by my colleagues. However, I should like to take a few seconds to say how proud I am that the new Minister of Fisheries has taken this action, and how proud I am to be a member of the Senate, with its willingness and desire to have this legislation passed today.

Senator Buchanan: Hear, hear!

Senator Thériault: However, I wish to say to the minister that, while foreign vessels have caused a good measure of the depletion of our fish stocks, they should not take all the blame. For those of us involved in the fishing industry when the 200-mile limit was imposed — it was imposed by Canada and it was a good thing — we lost our cool. We Canadians caused overfishing. The Department of Fisheries was not there all the time to ensure that Canadians were not destroying the fishery. I say to the Canadian people, to the Senate and to the ministers, that fishermen have known for years that with the new technology they can catch the last darned fish on the bottom of the ocean!

I agree, honourable senators, that we should drive those foreign vessels out. However, when the fish return, we must ensure that we do not find governments at the provincial and federal level pouring money into buying new ships and building new plants. No fish stock can stand that kind of overfishing.

The only fisheries in good shape on the East Coast are the inshore fisheries that have been well managed — namely, the lobster and the crab fisheries.

Honourable senators, when it is time to go fishing again, I hope the Department of Fisheries will take a look at the whole system of granting enterprise quotas. These quotas may have looked all right 10 years ago, but they are not right. They are simply not right. Stocks must be managed some other way. If we use a quota system, some of the bigger companies and richer fishermen will find ways to buy those quotas. They will buy ships equipped with the latest in technology, and it will take only five years to deplete the stocks once again. Human greed is to blame, whether the problem is with fishing, farming or selling bonds and stocks.

Honourable senators, I am proud that the new Minister of Fisheries and Oceans is taking this action.

To those who wondered why we should pass this bill in one day, I say to them that, if it is passed today, comes into force tomorrow, and the next day one ship is arrested, loaded with those little fish, it will result in a saving of millions and millions of dollars for the fishermen of the East Coast over the next few years.

Some Hon. Senators: Hear, hear!

Hon. Eileen Rossiter: Honourable senators, we on this side of the chamber welcome the measures announced in Bill C-29 to protect the important fish stocks on the high seas that straddle the 200-mile limit. However, when we examine the legislation, we find that these very necessary legislative matters and the regulations thereunder are a natural progression of the measures and actions taken by the former Progressive Conservative government towards addressing the grave problems within Canada's fisheries.

Honourable senators, under the previous government, we developed one of the most advanced fisheries surveillance systems in the world by adding new technologies and new equipment, plus increased surface and air patrols, which resulted in improved monitoring of both foreign and Canadian fishing activity. As well, we brought in tough penalties under the Fisheries Act, which means that this country has one of the strictest penalty regimes of any major fishing nation.

Plans were in place to equip this country with 43 new EH-101 helicopters. These would have been better able to meet the demands of extreme weather conditions in Atlantic Canada.

Canada, as well as the other member countries of NAFO, approved of additional surveillance and control measures for fishing outside the 200-mile zone in September of 1993.

Honourable senators, we support this legislation, and we are glad this action is being taken at this time.

•(1540)

Some Hon. Senators: Hear, hear!

Hon. Jack Marshall: Honourable senators, I want to say a few words on this bill to emphasize the crisis which exists and, to borrow some words from the title of a recent committee report, I would emphasize that "It's Almost Too Late".

In 1987, the Fisheries Committee of the Senate heard from Mr. Ron Bulmer of the Fisheries Council of Canada, which at that time represented some 182 corporate entities in the fisheries, with a membership that included seven provincial organizations. It is one of the most responsible fisheries groups in Canada. Mr. Bulmer said this to the committee, but nobody listened:

> This problem of overfishing has reached that kind of priority level where the government and other ministers must support the Minister of Fisheries. Let's get this problem broadly aired, let us make the senior members of government external affairs, finance and the Prime Minister himself absolutely aware of it, and let us get it on the list of objectives so that every time they are meeting with France, Brussels, South Korea or even Washington, fish is not a nonissue in those discussions.

He went on to say later:

> Unless foreign overfishing of the stock is significantly reduced and the stock is re-built to its full capability the aspirations of long-term and sustained prosperity envisioned when Canada gained management control over the northern cod stock will remain unfulfilled.

That was seven years ago. Another warning:

> ...the magnitude of overfishing of these stocks outside Canada's jurisdiction is alarming and increasing. The ability of the Spanish and Portuguese fleets to continue to fish these stocks at levels that are totally uneconomic for the Canadian fleet is highly discouraging regarding the long-term prospects for these stocks.

Mr. Bulmer went on to say, though nobody was listening —

Senator Stewart: The committee listened.

Senator Marshall: The committee listened, but the government did not respond for 13 months after we tabled our report and made 41 recommendations.

Mr. Bulmer said:

> Overfishing by foreign fleets of Canada's straddling stock has reached the point where their long-term viability to the Canadian fishing industry is in jeopardy. The current approach is not working. The Northwest Atlantic Fisheries Organization (NAFO) is proving itself to be ineffective as a mechanism to adequately protect Canada's interests. NAFO participants such as Spain and Portugal and non-NAFO fleets from South Korea, Mexico and the United States of America are overfishing important cod and flatfish stocks by 110,000 to 130,000 tonnes...

That was in 1987. I remind the Senate again, seven years ago, and we had just reduced the stocks for Canadian fishermen at that time by 120,000 tonnes.

Mr. Bulmer went on to say:

> There is obviously a strong incentive for these fleets to continue to escalate their fishing efforts outside the Canadian zone. If uncontrolled, this activity by the foreign fleets will threaten the livelihoods of fishermen and plant workers dependent on these fish stocks. In view of the magnitude of the problem, the Fisheries Council of Canada calls on the direct participation of the Prime Minister of Canada and the Secretary of State for External Affairs to develop with the Minister of Fisheries and Oceans a concerted action plan to eliminate the foreign overfishing of those stocks which are vital to the Canadian industry and to many fishing communities in Atlantic Canada. In addition, the Government of Canada should now embark on a long-term strategy to enable Canada to gain functional jurisdiction on the Nose and Tail of the Grand Banks.

I will soon finish, but I have been waiting seven years to say this.

> Let me say I agree with you that this is an issue that is actually more serious than the Canada-France issue which you have been looking at over the last couple of weeks.

He showed us a list and a photograph taken out beyond the 200-mile limit.

> Gentlemen, this list alone comprises 164 trawlers which intend to come to our coast this winter, spring and summer, for fishing activities. So I put that in the context of the approximately 20 vessels you have been talking about...

There is more. He went on and on. I think that is enough to emphasize the crisis that existed, and yet Parliament did not listen back in 1987 when Senator Stewart and Senator Thériault and the Senate Fisheries Committee warned everybody about the crisis. The Minister of Fisheries and Oceans took 13 months to respond to the report.

Honourable senators, I am sure everybody realizes that I support the passing of this bill in the Senate. The quicker the better, so we can get back the respect of the fishermen of Newfoundland and the Atlantic region.

The Hon. the Speaker: Honourable senators, it is moved by the Honourable Senator Petten, seconded by the Honourable Senator Stanbury, that this bill be read the second time. Is it your pleasure, honourable senators, to adopt the motion?

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE OF THE WHOLE

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

Hon. William J. Petten: Honourable senators, I move that this bill be referred to the Committee of the Whole.

The Hon. the Speaker: Honourable senators, it is moved by the Honourable Senator Petten, seconded by the Honourable Senator Stanbury, that the bill be referred to the Committee of the Whole. It is your pleasure to adopt this motion?

Hon. Senators: Agreed.

Motion agreed to.

BUSINESS OF THE SENATE

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, I would remind you that Bill C-212, which was referred to the Committee of the Whole yesterday, is also awaiting consideration by that committee, as is Bill C-21. Perhaps these three bills could be dealt with contemporaneously.

COASTAL FISHERIES PROTECTION ACT

BILL TO AMEND—REFERRED TO COMMITTEE OF THE WHOLE

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, I move that the Senate resolve itself into a Committee of the Whole to consider Bill C-29, to amend to Coastal Fisheries Protection Act.

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

Hon. Senators: Agreed.

CONSIDERATION IN COMMITTEE OF THE WHOLE

The Senate was accordingly adjourned during pleasure and put into a Committee of the Whole on Bill C-29, the Honourable Earl A. Hastings in the Chair.

Pursuant to rule 21 of the *Rules of the Senate*, the Honourable André Ouellet, the Minister of Foreign Affairs, and the Honourable Brian Tobin, the Minister of Fisheries and Oceans were escorted to seats in the Senate Chamber.

Senator Fairbairn: Honourable senators, we are pleased to have with us here today the two ministers who have carried this bill forward. I am sure they would be delighted to entertain your questions.

The Chairman: Honourable senators, the Committee of the Whole is considering Bill C-29, to amend the Coastal Fisheries Protection Act. Shall the title be postponed?

Hon. Senators: Agreed.

Senator Lynch-Staunton: I would like to say how pleased we are to see not one but two ministers of the new government with us. I cannot recall when we had a double header here. It certainly stresses the importance of the issue. We do appreciate your coming to answer some questions.

I want to congratulate Minister Tobin for the eloquence of his address yesterday in the House. I did not hear him but I had the opportunity to read his speech this morning. Seldom have I read a speech on an issue where it is evident that the convictions of the speaker are so strongly felt.

•(1550)

It certainly impressed on me not only how important the issue is, but how strongly the minister and his and our colleagues from the Atlantic provinces feel about this issue, and I congratulate him in outlining the purpose of this bill with such great eloquence.

I do have some questions, Minister Tobin. My colleague, Senator Beaudoin will be asking Minister Ouellet a few questions.

The Honourable Brian Tobin, Minister of Fisheries and Oceans: I wonder if I might ask the honourable senator if I could make a small point of order at this stage. My colleague Mr. Ouellet has another engagement to which he is committed. If it is satisfactory, perhaps questions could be asked of him first in order that he may accommodate his other commitment.

Senator Beaudoin: Mr. Minister, I have no problem with the principle of the bill. I have already voted on second reading. As a jurist I am a little concerned about the reputation of our country in the international field.

I have read that some jurists have stated that, strictly speaking, Canada may be making something that is beyond law; but, of course, some other jurists will say that, yes, we are in a crisis, and I agree that we are in a crisis. So they are applying to a certain extent the doctrine of emergency outside the territory of Canada, and even over the 200-mile limit.

Do you have any assurance from your legal experts that this is not unprecedented, that we may have good reasons to do it?

[*Translation*]

Honourable André Ouellet, Minister of Foreign Affairs: I remind honourable senators that Canada took a similar approach in the 1970s with respect to the Arctic, so there is a precedent. I also recall that on a number of occasions, other countries have passed similar laws to protect what they considered to be the national interest.

Our bill, which contains provisions that enable us to take action, has a solid legal basis. As you know, to protect the integrity of this legislation, we registered a reservation with the International Court of Justice, explaining that this reservation would of course be temporary and would apply only during such time as we felt was necessary to take retaliatory action against those engaged in overfishing.

We have every reason to believe that the legislation gives Canada the right to take action against these pirate vessels and that other countries will not challenge Canada's right to act.

Senator Beaudoin: Do you see this as a necessary, temporary, extraordinary measure, to deal with an emergency?

Mr. Ouellet: Yes. We think that overfishing is a very serious threat to certain fish species and that unless we intervene quickly, across the board, we will not be able to save these species.

We have said from the outset, and Canada's representatives abroad in our various embassies have explained to our European partners and other parties, that this measure is directed first of all toward vessels that are unflagged or that operate under so-called flags of convenience, and these are the people who act like irresponsible pirates and must be removed from the Nose and Tail of the Grand Banks.

Senator Beaudoin: Thank you, Mr. Minister.

[*English*]

Senator St. Germain: We will be asking the armed forces to enforce this particular law. In Minister Ouellet's statement he stated that we are dealing with fishing pirates. Are we dealing only with them? Minister Ouellet made reference to other countries that will contest this law that we are enforcing. Can the minister assure us that he has spoken to other countries that have traditionally fished in this area and they are prepared to abide by this legislation? Will enforcement put our law enforcement agencies, whether it is the armed forces or the Coast Guard, in an untenable position? The law enforcement agencies could not be put in a worse position than having a law before them that is unenforceable.

Mr. Tobin: Mr. Chairman, I will respond to the question posed by the senator. However, I should like to take a moment to thank the Leader of the Opposition for his courtesy and consideration in allowing Minister Ouellet to respond first and to keep his other appointment. I thank you as well, senator, for your kind and generous remarks with respect to the speech that I gave yesterday in the House of Commons. I certainly appreciate your generosity.

Senator, the question you are asking is: Will other countries abide by the authority that Canada has given to itself domestically to act beyond 200 miles? The answer to the question is that Canada is giving itself a broad-ranging authority, or extending its authority beyond 200 miles, expressly for the purpose of conservation. We always said that as a nation we would attempt to resolve the problem of foreign overfishing by agreement, wherever agreement was possible, and would only act by unilateral action where unilateral action was the only remaining alternative.

With respect to the nations of the world, let us come to the question of NAFO, the Northwest Atlantic Fisheries Organization. The nations of the world that belong to a fisheries management organization include the European union, the Japanese, the Russians, and the Cubans. All those nations, as well as Canada, are members of a multilateral fisheries management organization. We sit. We meet. We share science. We undertake research jointly. We share data back and forth. We jointly and collectively set quotas. We set individual sharing of the quotas for individual nations, and we set conservation rules. Each of us is responsible for ensuring that our fleets within our nation states abide by the quotas, and abide by the rules that have been established jointly by NAFO member states.

If there are examples, and there have been, of NAFO member vessels not abiding by the rules, it is up to the individual member country to bring its vessels back into compliance. We have the means to achieve compliance within a negotiated agreement and within a multilateral organization. It does not always work perfectly. Sometimes it works less perfectly than Canada would like, but there is an organization there. We say to our NAFO partners, when we find that vessels from the member states are not complying totally, "Please bring those vessels into compliance." We can deal with those nations, and theoretically, there it is.

•(1600)

How do we deal with vessels that do not belong to NAFO, vessels that fly flags of countries they have never seen, vessels that fly flags of countries that neither the vessel nor the crew have ever visited? It is a flag of convenience. We began a policy under the previous government of trying to strip away those flags of convenience from those vessels. We discovered that, as quickly as we stripped a flag of convenience away, another flag from yet another country was issued.

Where we have been successful in stripping flags, we have even seen vessels that are literally without registration anywhere in the world and without a flag — stateless vessels — that have targeted endangered species on the Nose and Tail of the Grand Banks, vessels that are in every sense of the words not only pirates in nature but orphans in their orientation. How do you make an agreement with people who belong to no organization, who change flags at their convenience and some of whom fly no flag? There is no way to deal. We can repeatedly, as we have done — all of us in this Parliament in both chambers on both sides — warn that they should leave or action will be taken. Our warnings have yielded no results.

Therefore, to conclude with the second part of your question, how do we enforce? The *Kristina Logos* was such a vessel as those I just described. It carried a Panamanian flag and had dual registry, both Canadian and Panamanian. That vessel had never seen Panama or never visited Panama. It had a Portuguese crew. It was a flag-of-convenience vessel. It was a pirate. It followed no fishing plan and belonged to no organization. It had one motive: profit. It had one set of rules: maximize the profit. How did we enforce? We took two coast guard vessels, a fisheries patrol vessel, two RCMP specially trained SWAT teams, and specially trained fisheries officers. We had radar technology aboard the provincial airways and we tracked it, surrounded it and invited ourselves aboard.

Against that kind of well-trained, professional, competent, calm enforcement activity, I think that most vessels will do what the *Kristina Logos* did — that is, accede to our request for boarding and calmly allow themselves to be taken into harbour in St. John's or Halifax. Enforcement is possible with the proper, well-trained personnel.

Senator St. Germain: Mr. Chairman, through you to the minister, did you say that NAFO has been apprised of what we are doing, and, if so, have they concurred with this legislation, or is this urgent piece of legislation being driven by our end, without having received approval from the NAFO countries?

Mr. Tobin: Senator, I am glad you asked the question. Neither the Parliament nor the Government of Canada have asked permission of other nations to enact such a piece of legislation. It would not be our intention to ask permission of every nation. If the litmus test to determine our fate with respect to the future of these resources, not only for ourselves but for the world, was to have all nations of the world concur in this action, I am afraid this action would never happen. We have not asked anybody for permission, and we do not propose to ask anybody for permission, because we know that that would lead to continued inaction.

Let me say this to you, senator. We finished the second of three sessions of the United Nations conference on high seas fishing this past spring. The third session begins in August. We have made substantial progress at the high seas conference, begun in 1992. The conference is there because the world recognizes that increasingly, with the technology available, we can destroy the resources of the sea.

Those of us who come from Atlantic Canada or the Pacific Coast have always thought of the ocean and the resources of the ocean as being impossible to defeat, to put down or to exhaust. We have discovered that we can exhaust resources. We have wiped out fish stocks. Let us be honest, 2J3KL cod, otherwise known as northern cod, is near commercial extinction, a resource that fed commercially North America and all of Europe. A great, inexhaustible resource is now nearly dead. There has been a 99 per cent reduction in the spawning biomass of northern cod since 1989. So is it dead? We will try to bring it back, but I do not know whether we can bring it back or, if we can, whether it will be any time soon.

We achieved a moratorium in Brussels with our NAFO partners on 3NO cod on February 17, because there has been a massive reduction in that spawning biomass as well, of close to 80 per cent. There is enough left to rebuild it if we let the small fish grow, mature and reproduce. Therefore on February 17 we achieved a moratorium. On February 28, 11 days later, the *Kristina Logos* was fishing 3NO cod, a stock that the civilized world had agreed ought to be put under moratorium, a stock that the civilized world had agreed was endangered. Those are the stocks that pirate vessels target. If we withdraw the effort of Canadians, withdraw the efforts of our partners at NAFO and those who believe in conservation, we leave those endangered stocks to easy prey, to those who would move in like some scavenger of the sea and take them.

Our choice is to continue to talk through the UN and elsewhere until we achieve an international, UN-sponsored solution to this problem. Perhaps by that time we will have a solution but no resource. We have a choice between waiting for that solution, or moving now to protect what is left of the resource. That is all we are proposing. This is not an extension of jurisdiction. It is, I hope, one nation saying no to —

Senator Frith: Criminals.

Mr. Tobin: The senator is encouraging me to call it criminal activity, and saying no to the depletion and perhaps the loss forever of an important resource to the whole world.

Senator St. Germain: I admire you for your courage, and I wish you well.

The Chairman: Before I call on Senator Kinsella, I would remind honourable senators of rule 84, that when the Senate is put into Committee of the Whole, every senator shall sit in the place assigned to that senator.

Senator Kinsella: Mr. Chairman, I have a question for the Minister of Foreign Affairs, but perhaps the Minister of Fisheries can answer. Simply, has the Government of Canada received any representations, either at our missions abroad, particularly those missions in countries which provide flags of convenience, or our nearest neighbour, the United States of America, on this legislation?

Mr. Tobin: I can answer the senator by saying that there have already been some expressions by a variety of ambassadors, who have indicated that they want to know more about the legislation. They have been seeking reassurance. They hope that the legislation we have proposed will not be a precedent for other nations with perhaps less lofty ambitions or motives to try to emulate, perhaps for less admirable reasons. Those kinds of expressions have been made. I had lunch yesterday with the American ambassador and I can honestly report to you that this piece of legislation was not the subject of dinner conversation. We talked about it briefly. I think the United States, like many other nations, wants an assurance that Canada will behave in a responsible fashion. It obviously has some concerns about whether other nations with less lofty motives would use such legislation for different purposes.

•(1610)

I believe, senator, that I would not be leading anyone astray by saying that many nations will register a concern in principle, but will also register, publicly, a great deal of understanding and compassion for the position in which Canada and Canadians find themselves, particularly those who live in the Atlantic provinces. I believe that how we conduct ourselves will ultimately determine whether there is acceptance or acquiescence for what we have done.

I will cite one short illustration: In 1970, Canada passed the Arctic Waters Pollution Prevention Act. That act was passed after Canada had registered, exactly as we did on Tuesday, a reservation to the International Court of Justice. At that time there was much speculation, senators will recall, that the United States would have great difficulty with this legislation, that it would prevent the free passage of its vessels, that there could be conflict, and so on. Canada said that the sole purpose of that act was to protect a fragile environment, an arctic environment. We were concerned about the passage of supertankers.

Likewise today, we want to pass a bill, the purpose of which is to protect a fragile environment, the Nose and Tail of the Grand Banks, the spawning grounds of the once great cod resources of the Atlantic, the last remaining fragile stocks. Those stocks are not subject to the traffic of oil tankers, but are subject to the illicit traffic of predators of the sea, pirate vessels.

Our purpose is the same, and I expect that the world will acquiesce once it sees that our purpose is the same, I hope in the same way.

Senator Lynch-Staunton: Mr. Minister, I have a few questions to help me appreciate what we will be doing shortly.

Much of the success of this legislation will depend on the regulations which will flow from it. There seems to be a contradiction in your statement of yesterday with regard to how these regulations are being prepared, and where they will go before they are confirmed. You first said:

> We would publish the regulations within a week, and I can tell you we will be enforcing them very soon afterward.

Then, when the House went into Committee of the Whole, you sort of backed off a bit and said:

> When those regulations are published, they will be made public and will be available for the scrutiny of the member and all members of the fisheries standing committee.

Can you indicate the route that these regulations will take before they become official?

Mr. Tobin: I think it will take us a few weeks in total to have regulations in place; that is, to be able to actually take enforcement actions. I think we can move fairly quickly. It will take in the neighbourhood of a week to complete the drafting of regulations. The regulations will be obviously considered by cabinet, or an appropriate cabinet committee, and then made public so that you, senator, and all other interested parties can examine and comment on them.

It is probably safer for me to suggest that it will take two or three weeks to have regulations published and in place to give direction to the appropriate enforcement officials.

Senator Lynch-Staunton: There will therefore be appropriate time for any senatorial committee interested in this particular issue to examine them and, if they need improvement, to suggest amendments.

Mr. Tobin: Absolutely. As you know, this bill is fairly powerful. It is a wide-ranging bill. It is quite a strong piece of enabling legislation. Therefore, how we use it is important. We would make strategic or tactical decisions about what we ought to do. We have indicated quite strongly that our interest is in stateless and flag-of-convenience vessels. That is the primary problem, and the regulations would be drafted to reflect that strategic goal.

Senator Lynch-Staunton: What percentage of the overall commercial catches are made in international waters, compared to the percentage caught within the 200-mile limits of whatever countries those waters happen to be near, or owned by?

Mr. Tobin: Today, within waters of interest to Canada, adjacent Canadian waters, the cod fishery is, for all intents and purposes, completely closed within our own 200 miles. There is a small cod quota of about 13,000 metric tonnes off the Scotia shelf in the area of 4X. That is the only directed cod fishery left in the entire Atlantic. There are 14 moratoria in place for groundfish within our own 200-mile limit. Therefore, to answer

your question, the ground fishery, and specifically the cod fishery, is virtually shut down. All of our own effort is tied up. There are some small by-catches of cod, incidental to catches of redfish, for example. These range from 3 per cent to a maximum of 5 per cent of the by-catch.

Therefore, the only substantial directed cod fishery, where vessels are actually targeting on cod, occurs outside of 200 miles. Specifically, the Flemish Cap, area 3M, has a substantial fishery. Regrettably, much of this fish, which is outside of the NAFO regulatory zone, is small fish as well. It is a matter of concern to Canada from a conservation point of view. We have expressed that concern within the context of NAFO.

The only other cod fishery outside 200 miles is conducted as a directed fishery exclusively by pirate vessels — or stateless and flag-of-convenience vessels. I keep using the word "pirate." In my mind the two words are interchangeable. They direct on endangered species.

Senator, there are four flatfish moratoria amongst the straddling stocks in the area of the Nose and Tail that cross over the 200-mile line. There is a 3NO cod moratorium. All of these stocks under moratorium are being targeted by these pirate vessels.

You ask how much of this illegal fishery for cod is carried on by these pirate vessels. The fact is that, with the exception of 4X cod inside the 200-mile limit, all of the directed cod fishery is being carried on by pirate vessels.

Senator Lynch-Staunton: Actually, my question referred to overall commercial fishing, but since the main preoccupation is cod, I will get to that another time.

Mr. Tobin: I apologize, senator.

Senator Lynch-Staunton: No, no. The question was not out of order, but was not too relevant to what we are talking about.

However, what is relevant is a statement which we have seen elsewhere, and which you raised in your presentation, that is, the national phenomenon of colder water temperatures. Has anyone been able to evaluate the impact on codstocks or the slower maturing process which this has occasioned? I know it is not measurable in a precise sense, but it certainly is a national phenomenon which is having a double-whammy impact on top of the pirates and other predators. Can you expand on that a bit?

Mr. Tobin: Senator, we know from observation that wherever waters are warmer, fish tend to mature and grow more quickly, and therefore reproduce at an earlier age. That is an observation which has been made all over the world. We have also been able to observe that the natural mortality rate of all fish and marine life seems higher where temperatures are exceedingly cold.

We frankly do not know enough about the cold water temperatures now affecting cod and other species off Canada's East Coast. We have 65-year record low water temperatures off the East Coast. We have a change in the salt content in the water because of the additional amounts of fresh water flowing, through the Labrador current and elsewhere, into the ocean. We speculate that these cold temperatures have increased mortality greatly, and have driven stocks into deeper waters offshore.

A couple of interesting phenomena have occurred. Look on this map at the areas 2J, 2H and 3K. Not long ago, Canada had quite a buoyant, vibrant turbot fishery — some people called it Greenland halibut fishery — within the 200-mile zone. Over the last number of years, as colder water temperatures have been recorded, our catch of Greenland turbot has dropped off quite dramatically. In fact, in recent years we have not been able to catch the quota made available by successive ministers of Fisheries. Meanwhile, offshore, out on what we call the slope of the continental shelf, where the water gets much deeper, there has been a new and quite expanded fishery by the Europeans and others for Greenland halibut. For example, six or seven years ago the catch of Greenland halibut on the slope of the Grand Banks was about 5,000 metric tonnes. Last year, it was 45,000 metric tonnes. There was a massive increase in the catch of that stock.

We speculate, although we do not have the scientific evidence to be certain, that the cold water temperatures have driven that stock offshore. It is — and this is unusual — warmer in deeper water than it is in the thermal layer represented by the waters on the Grand Banks itself. We speculate that the stock has gone into warmer waters as a means of self-preservation. That stock, therefore, has become susceptible to a foreign offshore fishery.

The problem for Canada with respect to that particular stock is that it is not regulated by NAFO. When the stock was mostly within our waters, we did not regulate it because it was to our advantage not to regulate it. Now that the stock has moved offshore, where the catch is primarily foreign, it is equally not to our advantage to regulate it because we are regulating it at a time when our share has declined.

Very soon we must make a decision. We will have to decide whether to play a waiting game to see if the stock is coming back inside 200 miles, or whether the survival of the stock is more important than trying to increase Canada's share. I tend to believe that preserving the stock for humanity is more important than waiting to see whether or not Canada can get a larger share.

•(1620)

There have been some water temperature and ecological changes, all of which we do not understand, which have had a terrible effect on fish stocks. We will have to put together some directed and focused research through the universities of Atlantic Canada, through a continuation of the work of the open network, which we funded for $3 million this year, and through the establishment of a chair on fisheries conservation and management at Memorial University, Newfoundland so that we can better understand what these ecological impacts are, and what the effects are as far as fish stocks are concerned.

Senator Lynch-Staunton: My final question relates to policing. When a NAFO member's ship goes out, is there anyone on board as an inspector to see that the proper equipment is used, that the size of the nets are what they are meant to be, and that the size of the catch is what it is supposed to be. Or is the captain on his own, and is it only when he comes back to port that his boat is checked?

Mr. Tobin: No. Under NAFO rules, NAFO member states — in this case the European union — keep an enforcement vessel available. There is a vessel out of Germany that has been made available by the Europeans in the offshore to do enforcement work. We, as well, have enforcement vessels. We are entitled to board, visit and inspect each other's vessels — that is, NAFO member states — and we do that.

Since January of this year Canada has issued a total of 23 citations against NAFO vessels. These are citations indicating that NAFO vessels have been in violation of NAFO rules. There were a wide variety of citations. The ones that you would be most interested in, given your line of questioning, deal with improper gear and mesh size, and the catching and keeping of small fish — that is, directing the fishery at small fish.

The citations we issue are sent to NAFO headquarters in Dartmouth, Nova Scotia. NAFO keeps its headquarters in Canada in Dartmouth. The information is then passed on to each of the member states and the enforcement action is taken. The responsibility for fulfilling that enforcement action — that is, fines, penalties, and so on — rests with the member state. In the Department of Fisheries and Oceans we follow up on the citations to ensure that the citation and enforcement that is required under NAFO rules occurs.

It is my belief that in NAFO we have to look at strengthening the penalties for citations as they are issued to ensure that we truly have a strong deterrent. We are inspecting and issuing citations, and penalties are being undertaken. Yesterday one of my officials told me that, since January, we have five confirmations of actual court cases or regulatory action put into place. We want to see that action strengthened.

However, NAFO is not out there in the soup, in the dark, in the fog, or on its own unvisited, unregulated, fishing away. As part of the provisions of NAFO, we must enforce our own vessels. A case in point is Canada arresting a vessel a few weeks ago from Nova Scotia. It was a tuna boat. We arrested it 300 miles out, not because it was in violation of NAFO rules but because it was in violation of ICCAT rules, the international body dedicated to the conservation of tuna, because it was improperly fishing. We went 300 miles to arrest one of our own.

In this legislation we are asking others to observe a standard that is no more stringent than the standard that we have imposed upon ourselves.

Senator Lynch-Staunton: That was a vessel that was given a permit by Bermuda to fish within the border, is that correct?

Mr. Tobin: The vessel was given a permit by Bermuda to fish; it was not given a permit by Canada to fish.

Senator Lynch-Staunton: Yes.

Mr. Tobin: I am glad you raised this point, because Canada can hold its head high. Approximately four or five of our boats that went to Bermuda got a permit from the Bermuda government to fish. But Bermuda is not a member of ICCAT, and Bermuda does not have an ICCAT quota or respect ICCAT's principles or conservation rules. Bermuda was offering our people a free lift into an unregulated fishery.

Canada says that if a Canadian vessel goes anywhere in the world and takes tuna, we will deduct every pound of tuna that vessel takes from our own quota. Every pound those vessels took offshore was a pound stolen from the fishermen in Canada who are playing by the rules. That is why we went 300 miles to arrest that ship. That is something we have never done before, but is something we will not hesitate to do more of to protect our own reputation and good name in the area of conservation.

I repeat: We have gone beyond 200 miles to arrest Canadian vessels. We have put 14 moratoria in place in Atlantic Canada. We are a party to five multilateral moratoria with NAFO dealing with straddling stocks. We have closed down an industry in Atlantic Canada. We have laid off 30,000 people, fishermen and plant workers. We have even gone as far as closing the food fishery. Technology as basic as that technology found in biblical times — that is, a simple hook and line — has been denied to the people of Atlantic Canada. To go and cash catch a fish for food — that form of fishing — has been closed down also. There is no more we in Canada can do. Nothing else exists. There is no more that we can do for conservation and there is nothing less that others should do to preserve these stocks.

[*Translation*]

Senator Prud'homme: It is a pleasure to see you here, Mr. Minister. Our colleagues in the House of Commons had the privilege of doing what we are doing today, which is to examine this bill very carefully. However, upon reading yesterday's Hansard, I noticed that the debate in the House of Commons covered less than 10 pages, and yet they passed the bill. Thank goodness for the Senate!

I want to thank you for coming here personally to explain the substance of this bill. Those who are interested in the issues will have an opportunity to read the Hansard of the other place, which may not be very satisfying or even very understandable. I hope that in order to fully understand this legislation, they will also read today's *Debates of the Senate*.

I must say I was somewhat sceptical about expediting second reading of this bill. I am circumspect, as usual. I was rather hesitant to accelerate the process without knowing the exact substance of the bill and what exactly we were voting on.

[*English*]

Thank God the Senate exists to give us a chance, not only to see how brilliant you can be when you decide that you are willing to share your knowledge, but also to demonstrate your ability to understand this problem.

Most of what I wanted to ask you has already been touched upon by my colleagues. I hope others will ask questions to complete the debate.

You made reference to a document that was kindly offered to us by Senator Petten, namely the map. If you take a look at that map, and in particular at the hammer that we see to the left, in the area known as 3Ps, there is no indication what that area is. One of my colleagues asked me what it was. When I went to enlarge that part, I realized it was Saint Pierre and Miquelon. This is the French territory of Saint Pierre and Miquelon. Was I right in my explanation to my colleague?

•(1630)

Mr. Tobin: Absolutely.

Senator Prud'homme: Saint Pierre and Miquelon and the extension?

Mr. Tobin: That is the sovereign territory of France.

Senator Prud'homme: Good. That is clear.

Second, as you know, I try to predict problems that could arise before they do arise. Canada is a very good friend, as am I, of the Government of France, not this government necessarily, because it changed, but more so the people of France. Is there anything in this bill that in any way, shape or form could pit Canada against France again on this coast?

Mr. Tobin: Senator, I will answer that question by saying no, I do not anticipate that Canada and France would be in any kind of conflict as a consequence of this bill. I think that because of the settlement of the borders or zones between us some years ago, we have a very good relationship.

As you know, the Prime Minister of France recently named a minister to undertake direct discussions with Canada, not only on fish matters but on matters outside the fishery, such as economic matters, tourism, shared services, hospital services, economic joint ventures, and so on. Canada likewise, at the time of the visit of the Prime Minister to France, named a Canadian minister to undertake these negotiations. I would submit, therefore, that our relationship in this regard has never been better, and we hope to keep it that way.

Senator Prud'homme: Finally, with this bill we will have the possibility of chase and pursuit, I think is the expression in English, outside of this zone. One of the zones is very close to 3Ps, which is the French territory. What regulations do you forecast if any of these ships that we would like to chase and pursue were to go into this zone? I imagine that will require the collaboration of the Government of France. For senators who like international law, there would be cooperation needed there. It is always feasible that a ship could escape and get into French waters.

Mr. Tobin: Senator, I want to assure you that we would definitely respect the boundaries that are there. These are French waters. We do not intend to enter them, or chase people into them. If you look at the map, you will see that the Nose and Tail are quite a ways away, quite far out. We are concerned about the Nose and Tail. That is the pink or red area. It is quite far away. If any boat can turn around and get back into that French zone, then I would invite them to enjoy the hospitality of Saint Pierre and Miquelon for as long as possible, because as soon as they come back out, you will see we will have them surrounded.

Senator Prud'homme: Supplementary to that, I suppose it would be advisable to at least inform the Government of France of our intentions, ask for their cooperation, and not leave them stuck with undesirable people who may be flying under a flag of convenience.

Mr. Tobin: We will ask for the cooperation of the Government of France, and we will assure them of our respect for their territorial waters. In fact, Minister Ouellet himself will be in France in a few weeks and will meet with senior government officials, and he will specifically meet with the minister who has been assigned responsibility to negotiate with Canada, improving our relationship insofar as Saint Pierre and Miquelon is concerned. I know that Minister Ouellet intends to give these assurances while he is in France.

Senator Prud'homme: You do agree that it would be better to forecast something that may never take place, and to have a plan to deal with it, rather than to wait and be faced with some event and not have a plan of action?

Mr. Tobin: Senator, if you look at the map, you will see how close Saint Pierre and Miquelon are to the south coast of Newfoundland. I want to assure you that every bit of the tragedy, every bit of the sense of dislocation, every bit of the sense of having lost raison d'être, every bit of the sense of the loss of a way of life that visits Newfoundland also visits in as powerful a manner the people of Saint Pierre and Miquelon. I suspect, Senator, that if this chamber can, in its wisdom, in its judgment, move this bill through and give it the force of law, the applause in Newfoundland will be matched only by the applause in Saint Pierre and Miquelon.

Senator Jessiman: Mr. Minister, my name is Duncan Jessiman. I am a new senator from Manitoba, but I am on the fisheries committee. I am a lawyer. I just have a few questions.

Does any other country in the world have similar legislation?

Mr. Tobin: I am told Argentina, Chile and Peru have a similar type of legislation. I do not know if it has been actually ratified. Excuse me.

All three countries have passed legislation — this is the reason for my uncertainty — which is similarly to protect straddling stocks or stocks adjacent to the country. Again, I think all three countries have a similar problem, that is, a coastline or continental shelf that extends beyond 200 miles, and all three have some sort of predatory fishing activity.

The difference is that with the legislation that has been passed in these three countries, there has been no consequent follow-up action to actually put regulations in place, and no enforcement action taken.

Senator Jessiman: It has never been interpreted by a court?

Mr. Tobin: No, I do not think it has been interpreted by a court.

Senator Jessiman: Thank you. Did you say earlier, sir, that you did have an international firm give you an opinion that they thought it was legal?

Mr. Tobin: No.

Senator Jessiman: You do not have that?

Mr. Tobin: No.

Senator Jessiman: You did say that you are making substantial progress at the United Nations and with the members of NAFO. You also said that you have not asked anyone's permission, and that you are not about to do so. I am not sure you have even informed the members of NAFO or the people you are working with. Have you heard anything from any of the others to indicate that they know it is coming? Have you heard anything from our friends, is what I am asking?

Mr. Tobin: Senator, I want to assure you that I personally informed the Fisheries Commissioner of NAFO months ago. There is nobody today in the world who can be surprised by this action. We have forecast it publicly, and we have communicated it privately. The Prime Minister has personally communicated it to the President of the EC, has personally communicated it to the Prime Minister of Great Britain, has personally communicated it to the President of France, and to other world leaders. There can be no one today who is surprised at this action. Perhaps the only surprise might be that we have done what we said we would do, but there can be no surprise that the government has gone forward.

Senator Jessiman: Has there been any response from any of the other countries?

Mr. Tobin: There has been the kind of response that I have described. I could convey some conversations in confidence that I have had, but I do not think it would be proper for me to convey conversations that were held in confidence.

In none of my one-on-one conversations with senior officials of other nations, I did not register any sense of alarm. What I certainly received were words of advice, a desire for caution, a desire that Canada use carefully and wisely the power it would assign to itself, and that the purpose of the measure, if it were to occur, if it had to occur, be for conservation. Certainly, those kinds of expressions have been given to me. I can honestly tell you, senator, I have not had one conversation that I could describe as alarm or great surprise.

•(1640)

Senator Jessiman: Are you not concerned that your relationship with the members of NAFO will be hurt by this measure?

Mr. Tobin: I think it is how Canada conducts itself that will determine whether or not our relations with NAFO will be affected. We intend to conduct ourselves in a responsible and reasonable way. Canada wants to go beyond its clear jurisdiction to preserve frail fish stocks. That is all. There is no other purpose or reason. Some nations have gone beyond their own borders to restore governments and to conduct all kinds of other activities. I think that it is on Canada's record that we ought to be judged. We are a peaceful country. We are not expansionist. We have never been imperialistic in any way. We have never sought to police the planet.

Our only purpose in acting, after years of exhausting every other means, is to protect the stock that is near extinction. That is the only thing we shall do; that and nothing more.

Senator Phillips: Mr. Minister, in replying to the Leader of the Opposition you referred to the decrease in water temperature as having a possible adverse effect on cod reproduction. I am interested to learn if the department has been tracking the dumping of toxic wastes into the ocean. New York dumps its garbage at sea. Satellite photographs show that that garbage has reached areas such as 4W and possibly even 4V. In New York, it is quite illegal to dump toxic substances at sea.

Are any studies being carried out to find out if these substances are affecting cod reproduction?

Mr. Tobin: I thank you for the question, senator. I personally believe that this is one area to which we have to pay greater attention. It is my personal conviction that we have not paid enough attention to this problem.

On an ongoing and constant basis, we are examining the contents of the water. We are examining and tracking toxic waste. We are checking the water for the level and the variety of chemicals that are obviously toxic to sea life.

I can tell you, senator, that some years ago, both in this place and the other one, we debated a bill under the auspices of the Canada Shipping Act and Transport Canada that increased rather dramatically the fines for this type of activity. Frankly, fines levied five to six years ago were so small that dumping would be almost an acceptable cost of doing business. Those fines have been increased dramatically, up to $1 million per incidence.

The trouble is that we have not had enough convictions. I think we have to develop a better capacity amongst ourselves, the American Coast Guard and the American government to bring about enforcement in regard to that type of dumping activity. Only through enforcement, court action and very stiff penalties will we discourage that activity. As long as it is cheaper to dump at sea, people will continue to do it as a means of disposal. It is regrettable.

Senator Phillips: Will we continue, then, to have discussions with the Americans on that subject?

Mr. Tobin: Yes, we will.

Senator Phillips: You mentioned, Mr. Minister, area 2J and the increased Greenland halibut catch off the continental shelf there. I was surprised to learn that the increase was as extensive as it is. Will these vessels which are moved from the Tail and Nose of the Grand Banks move up to start fishing off area 2J?

Mr. Tobin: Senator, areas 2J, 3K, 2H and so on are pretty well a wasteland in terms of fish resources. There is not a lot being caught there. We did have a pretty good halibut fishery. We certainly had quite a large northern cod fishery off that part of the coast in area 2J3KL.

The halibut stock to which you refer has moved off into the area designated as the Nose and into the slope of the bank where the continental shelf begins to drop off into deeper water. That is where those fish seem now to be congregating. For Canadian fishermen, it means that the fish which were once abundant inside the line — and here I am speculating, and scientists will say that they are speculating because the evidence is not conclusive — appear to have moved off into deeper water where the temperatures are warmer than is the case inside. However, there is already a huge directed fishery on that halibut stock. We are concerned about it. We think the fishing effort is too large. The stock cannot sustain that kind of directed effort.

We have raised with NAFO, and I have raised with the European fisheries commissioner, the question of the health of Greenland halibut or turbot. We have raised the possibility of regulating this unregulated fishery to ensure that we do not beat it down, as has already occurred with northern cod and other flatfish stocks.

Senator Phillips: My concern, Mr. Minister, is that these power vessels will move into this unregulated fishery and deplete it, too. I am glad to hear that you are keeping an eye on that.

I must say in closing that I, too, am very pleased with the legislation and the rapid manner in which it is moving forward.

Mr. Tobin: Senator, thank you.

Senator Comeau: Honourable senators, I, too, would like to congratulate the minister in taking this very important step forward. I note that you are in very good company, Mr. Minister, because a previous minister in another life, who is, as a matter of fact, the Speaker in the Senate right now, was the one who implemented the 200-mile limit back in the mid-1960s. You are following in very good footsteps, Mr. Minister. You might want his seat later on in the future.

I want to ask a question, Mr. Minister, concerning the setting of quotas by the European Community. Do I understand that the states of Portugal and Spain, which traditionally have been the most reluctant to accept NAFO quotas, now readily accept quotas that are in keeping with what we believe are sound management quotas?

Mr. Tobin: Senator, first I should like to respond to your initial comment, and then directly to your question. The Parliament of Canada, and I mean both this place and the other, has produced ministers of fisheries. We are talking about the Speaker who, after all, is the most neutral and objective person in the place. You will forgive me if I say that the senator who now occupies the Speaker's Chair in this chamber retains, for good reason, the affection of the fishermen and industry of Atlantic Canada, and retains the title "the best fisheries minister we ever had" because of the outstanding job he did as Minister of Fisheries.

I can tell you that my first job in coming to Parliament was as Parliamentary Secretary to the then Minister of Fisheries. My instincts in this regard were all learnt at the feet of the Speaker of the Senate. It was only in latter years, when I was disassociated from him, that I got into trouble and became a bit of a scallywag as a "Ratpacker." Had I stayed with him, I would have avoided that phase of my life.

Senator Lynch-Staunton: You would have made a great senator at the time.

Mr. Tobin: Your specific question is about Spain and Portugal, Senator. There is an important distinction to be made here. Spain and Portugal, indeed, live within NAFO quotas. Spain and Portugal participate fully as NAFO member states.

Having said that, it is true that some individual vessels, primarily from Portugal, become reflagged. They go to Panama, Honduras or Sierra Leone and obtain a flag of convenience in order to continue to fish without any regulation. However,we in this country must be careful not to say that because a Portuguese vessel reflags, Portugal is a villain.

•(1650)

Portugal is no more a villain than we can say that because a Canadian tuna boat fishes outside the rules, Canada is a villain. We cannot say that Canada is a villain just because the *Kristina Logos* had Canadian registry; that Canada somehow was breaking rules. A Canadian registered vessel was breaking the rules.

It is true that a disproportionate number of those vessels which all of us today have described as "pirate vessels" have come from Portugal because they have been displaced as a result of the conservation measures of NAFO, but this is not a reflection upon Portugal or its participation in the NAFO rules.

Senator Comeau: Right I rephrase, then.

Mr. Tobin: I am not lecturing you, senator. I say this for the benefit of us all.

Senator Comeau: Are quotas now set, not by Portugal for its own fishing fleet, nor by Spain for its own fishing fleet, but by NAFO for their fishing fleets?

Mr. Tobin: That is correct, senator. The quotas are set by NAFO.

It used to be — so that we are all very frank with each other — that in the mid-1980s, even when NAFO set a quota for the European Union, the European Union would use what is called the "objection procedure" and unilaterally set its own quotas, and set them far higher than the NAFO quotas. The European Union at that time, in my mind, was fishing in a manner totally inconsistent with sound conservation principles. That is what the European Union did in the mid-eighties. That is not the case today, although it is still the case that some individual vessels reflag out of the European fleet and fish in a manner we want to put a stop to with this legislation.

Senator Grafstein: Again, I wish to congratulate the minister for this extraordinary piece of legislation.

The minister has appropriately acknowledged that due to the crisis in the fishery, there is an extraordinary scope to this legislation. Under the "Tobin doctrine," if I can call it that, there are very broad emergency police powers. The minister has indicated the government intends to limit the exercise of these broad powers to the present evil or the present danger; that is, those foreign vessels he has defined as pirate vessels.

Would the minister assure the Senate that in the event the government intends to go beyond the present evil, and that the reasonable evil expands, he will give Parliament an opportunity to at least scrutinize the expansion of such regulations so that Parliament can come to a determination as to whether or not the exercise of powers beyond the present intention is appropriate?

Mr. Tobin: I want to give the senator the assurance that the regulations will always be made public in time for sufficient public comment. I am always available to come and answer questions before senators and before the Standing Senate Committee on Fisheries or whatever the Senate deems appropriate.

Senator Grafstein: I appreciate that.

Senator Stewart: I have several questions relating to the interpretation of the bill.

When the bill passes, section 6 of the act will authorize the Governor in Council to make regulations:

> (*b*.1) prescribing as a straddling stock, for the purposes of section 5.2, any stock of fish that occurs both within Canadian fisheries waters and in an area beyond and adjacent to Canadian fisheries waters;
>
> (*b*.2) prescribing any class of foreign fishing vessel for the purposes of section 5.2;

Then we go back to the new section 5.2, which would read:

> 5.2 No person, being aboard a foreign fishing vessel of a prescribed class, shall, in the NAFO Regulatory Area, fish or prepare to fish for a straddling stock in contravention of any of the prescribed conservation and management measures.

I have two questions. Do the words "beyond and adjacent to Canadian fisheries waters" — include the Flemish Cap in 3M? If it is not included, why is it not included? Is the urgency that applies in the case of the Nose and the Tail of the Grand Banks not relevant to 3M? Is it within the NAFO regulatory area?

Mr. Tobin: The answer to the last question is: Yes, 3M is within the NAFO regulatory area, although not all of the stocks fished there are regulated stocks. The stocks are regulated on a stock-by-stock basis. An example, of course, is Greenland halibut, which I talked about already, which is not regulated.

Why is 3M not included? Because we have said that we would enact this legislation to deal with the problem of fragile straddling stocks and, in particular, the stocks that are utilized by Canada inside the 200-mile zone, and stocks utilized by other nations outside the 200-mile zone.

The scientific evidence we have to this point in time is that we have separate stocks at the Flemish Cap. They are not stocks adjacent to Canada's exclusive 200-mile economic zone or 200-mile agreement. Therefore, consistent with the spirit of saying that this is not a territorial grab by Canada but merely a measure to protect endangered species, we have not included the Flemish Cap.

Senator Stewart: For greater certainty, let me go back.

The dictionary says that the word "adjacent" does not necessarily mean "next to." Therefore, based on the meaning of the word "adjacent," the Flemish Cap would be "adjacent to." Perhaps the answer is —

Mr. Tobin: Most of us Newfoundlanders think that Ireland is pretty adjacent, too.

Senator Stewart: There you are. This could be a far-reaching measure.

Are you saying there are no stocks on the Grand Banks which straddle the Flemish Cap?

Mr. Tobin: I would not want to make an absolute comment. I am saying that the state of the science and the knowledge we have so far and the general consensus in the industry is that the answer to that question is yes, the stocks at the Flemish Cap are separate stocks. That is what we are told.

Senator Stewart: If in a year from now you discover there is a straddling stock, then this bill will allow you to apply its terms to the Flemish Cap?

Mr. Tobin: Theoretically —

Senator Stewart: That is what happens in the real world.

Mr. Tobin: Let us be careful. Theoretically, to take that argument to its extreme — which I know the senator would not want to do — we could decide that the stocks have migrated to Greenland, Iceland, continental Europe, and we could certainly expand the areas.

Canada would be expected — and the senator could expect, given that his advice would always be sought both in this place and other places —

Senator Stewart: That is not reassuring.

Mr. Tobin: — to act in a responsible and reasonable manner.

Senator Stewart: Let us stay with the same text. It says "prescribing any class of foreign fishing vessel..." In this context, what does the word "class" mean? Is it length? So many meters? What are we talking about?

Mr. Tobin: It is all of the characteristics that would define a fishing vessel. It could be length, width and technology aboard that vessel. It could be any class of fishing vessel — a vessel actually harvesting the resources of the sea. Because we cannot anticipate what kind of factory freezer trawler or what other kind of technology may be displaced elsewhere in the world and may find its way to the Nose and Tail, we have left the description broad enough that regulations could be made to apply to any class.

Senator Stewart: Therefore what the bill is saying is that "No person, being aboard a foreign fishing vessel...shall" because you can define at will the meaning of "prescribed class."

Mr. Tobin: Senator, that is correct. It is a very broad power. It gives me the opportunity to say to those — and there have been some — who say this bill is not sufficiently strong or sufficiently broad that it is indeed a strong bill. You are pointing out, better than I have — in fact, I have been accused of underselling the bill — that we have given ourselves a very substantial authority.

•(1700)

Senator Stewart: Now I want to go to clause 4 of the bill which will replace section 7 of the act. There we read:

> 7. A protection officer may
>
> (a) for the purpose of ensuring compliance with this act and the regulations, board and inspect any fishing vessel found in Canadian fisheries waters or the NAFO Regulatory Area...

Why "any" fishing vessel? Why not say "any of the prescribed class"?

Mr. Tobin: Because, Senator, again, we have left the bill, the enabling legislation, the amendment to the Coastal Fisheries Protection Act, sufficiently broad that regulations may be made at the direction of cabinet, depending upon the nature of the problem, to allow us to have our enforcement officers take an enforcement action against any vessel, period, no exceptions, which, in a consistent and irresponsible fashion, is targeting endangered fish species. Therefore you are correct again. This is a very broad power.

Senator Stewart: We are told that the enactment of the measure is urgent. Why are the regulations not ready?

Mr. Tobin: The regulations, senator, should be ready, I would hope, within a matter of days.

Senator Stewart: Will the minister undertake to have his colleague, the Leader of the Government in the Senate, table the regulations as soon as they are ready to be gazetted?

Mr. Tobin: Yes.

Senator Stewart: Why will the act not come into effect upon Royal Assent? Why the delay?

Mr. Tobin: Senator, I have to tell you that I have not been known to be too cautious and shy about granting this authority on an urgent basis. If the senator can suggest how it can come into effect upon receiving Royal Assent —

Senator Stewart: That is the normal practice, but this bill provides that it not come into effect immediately.

Mr. Tobin: — this minister would certainly accept that improvement to the process which is recommended by members of the Senate with great joy. I see that one of my colleagues is clearing his throat. I do not know if that is strategic or medicinal.

Senator Stewart: That is impossible because your bill says that this act shall come into force "on a day to be fixed by order of the Governor in Council." If we were to agree to strike out that clause, it would have to go back to the House of Commons.

Therefore I want to know. That clause was not put in there accidentally. Why will the act not come into force upon Royal Assent?

Mr. Tobin: Senator, the bill will have the full effect that is required, and will give the Government of Canada the means it requires to act upon the proclamation of regulations and the study of regulations. Frankly, senator, I must tell you that, because my experience and knowledge is less than yours, I cannot answer technically the question you are asking. I can tell you there is no plot. I have not even actually thought about the matter until you raised it just now.

Senator Stewart: I am sure someone thought about it.

Mr. Tobin: I am sure it is an important point.

Senator Stewart: I do not accept a dismissal like that, Mr. Minister. It is your bill. It is an important point. The clause is important. It was put in there for a specific purpose by someone who knew what he or she was doing. Why?

Mr. Tobin: Senator, I can assure you I am not attempting to dismiss you. I am merely pointing out that this minister does not have the senator's expertise with respect to this particular question.

Senator Stewart: Perhaps his colleague at some future date, if there is an explanation, could let us know. I am curious to know just what the reason is.

Mr. Tobin: I promise to report back, senator.

Senator Lynch-Staunton: We are having identical questions on Bill C-18, so you are just having the same problems as we are. It must be the same author.

The Chairman: Order. Ten minutes have elapsed.

Senator Stewart: I beg your pardon? I have one more question.

The Chairman: Is there unanimous consent for Senator Stewart to ask one more question?

Hon. Senators: Agreed.

Senator Stewart: This is a question that every senator who has been around here for a while will expect me to ask. Where is the appropriation clause in this bill?

Mr. Tobin: Where is the appropriation clause in this bill? I am pleased to report to you, senator, that there is no appropriation clause — and I know this deep down in my heart and soul, because the official just told me — because we are planning to use existing resources.

Senator Stewart: Then tell us why, when the bill was introduced in the House of Commons, a Royal Recommendation accompanied the bill? It says, "The Governor General recommends to the House of Commons the appropriation of public revenue," and so on. If there is no appropriation, why the Royal Recommendation?

Mr. Tobin: Senator, I do not know.

Senator Stewart: That is, I suspect, an honest answer. To get that from a minister of the Crown is really shocking. Thank you very much.

Senator Marshall: I hesitate in what I am about to say after listening to Senator Stewart.

I have no questions. I just wanted senators to know that Mr. Tobin now represents the district which I represented as a member of Parliament back in — well, a long time ago. I think I taught him well. I commend him for Bill C-29. I know it will direct the effort that we want for the people of the Atlantic region and the future of the fisheries.

Mr. Tobin: Thank you, senator.

Senator Nolin: Everybody asked the good questions which I was ready to ask about Royal Assent and all of that. Let's have the judge come in now.

Senator Thériault: I do want to say how pleased I am to have you with us, Mr. Minister of Fisheries, showing every senator in this chamber how determined you are to be the Minister of Fisheries for the fishermen.

I have one question. I do not know whether it has been asked. On your map, you have the Nose and Tail of the Banks coloured in red. Further out, you have 3M. Is there any reason to think that you will have to go outside that red zone?

Mr. Tobin: Senator, that is the one question Senator Stewart asked to which I did give an answer.

Senator Thériault: You did give him an answer?

Mr. Tobin: Yes, and I would be glad to answer it again. The area outside the zone is the Flemish Cap.

Senator Thériault: I did not know what the Flemish Cap was. That is all right. Thank you.

Mr. Chairman, I want to add that, as far as I am concerned as a Maritimer, this is a great piece of legislation. We could say it is ten years late, or two years late, or two months late; at least it is here now. I do want to commend the minister for bringing it forward and making it an urgent matter.

However, I want to at least remind the minister that, once again, we should not get carried away and think that the foreigners are the only culprits in what has happened to our fishery. As I said earlier, when those fish start to come back, the department will have to be very careful in granting licences to individuals and to companies. You have to take another look at quotas, the way they are allocated, when they are allocated, where they are allocated and to whom they are allocated. It is time, once again, that the Department of Fisheries, from the minister on down, become more concerned about the fisherpeople, as you call them, in Newfoundland. No one in this country has been hurt as much as those fishermen in some coastal communities that I have had the great pleasure to visit on a couple of occasions with the Standing Senate Committee on Fisheries.

•(1710)

I am sure you were around in 1987, 1988 and 1989, Mr. Minister, when fishermen were telling us what was about to happen. They told us, we put it in our report, and no one acted on it. Now you are acting. Congratulations. Do not give up, and for goodness sake, do not leave the impression that the foreigners are the only culprits.

Mr. Tobin: Senator, I could not agree with you more. I have been in several meetings with fisherman in the last week. I should like to make a few comments because it tells all of us something about attitudes and how attitudes change. I have been at a great many meetings with fisherman. I always remind fishermen when they ask for more enforcement that unless the attitude of our own fishermen change with respect to those fisheries that are still open, unless fishermen say that it is unacceptable for their colleagues, for them, and for their friends to break the rules, we can never hire enough enforcement people to stop overfishing.

I am fond of standing up and saying, "There is not a person in the room, not one, who has not broken the rules." I have done that repeatedly in Newfoundland. I have done in it your province, Senator, of New Brunswick. I have done it Nova Scotia, P.E.I. and Quebec. Never once have I been challenged when I make that statement because, as you have said, senator, we have all, broken the rules. We played with a different ethic, with a different attitude in a different time, and we have now come to understand, to our great pain and regret, that if we continue on we can destroy these resources.

The difference, senator, is that we have stopped fishing for two years. We have tied up our fleets. We are paying the price for our sins and the sins of others. We are giving back to the sea the little resource that is left. However, even as we tie up, others are not, and that is the purpose of this bill.

Senator Thériault: Mr. Chairman, I also wish to say to the minister, do not let Treasury Board tell you that story too strongly because what you have said is completely true and fishermen have to comply. Do not forget that if everyone obeyed the rules on the highway, there would be no need for police. Do not give up on all your policing forces. You need fisheries officers to remind the fishermen of what you say.

Senator Andreychuk: I would like to ask two questions and build on Senator Thériault's comment. In my previous life, I heard officials from our government talk about where the fish had gone, what the stocks are like, and repeatedly there was confusion from the scientific community and certainly differences of opinion from NAFO scientists and Canadian scientists. It seems to me that we built our agendas based on what we believed to be the facts about the fish, and continually we found out that the facts were not correct.

I still have not heard from you just where the cod have gone. Are they deeper in the water? Are they depleted? We do not seem to have the answers. It seems to me that you should be paying more attention to that analysis, rather than talking about only enforcement and, therefore, as soon as the cod are back we can return to a quota system. I tend to question whether we need a quota system, or is there a different way of managing the stock.

I would like to hear what the scientific analysis is today about the cod.

Mr. Tobin: The cod, senator, have not disappeared, gone away, or relocated to another zone; the cod have been overfished. The capacity of the stock, what little is left, the spawning biomass that is left to rebuild itself, has been beaten down by the fact that, in addition to overfishing, we now have the ecological problem of cold water temperatures. The cod are not showing up anywhere else in this part of the world. We have overfished the cod spawning biomass, and that is biological evidence based on long established rules for testing. The spawning biomass has declined by 99 per cent, as I said, for 2J3KL cod.

When I first became minister, I received reports based on test fisheries by our own research people, our scientists, indicating a fisheries research vessel had done a tow in an area where we traditionally had a fishery, and it would show five kilograms or seven kilograms of fish in the net. I would call the Assistant Deputy Minister of Science and ask, "What type of net was it? How large a boat was it? Surely it must have been a small test net." He would say, "No, no, minister this is a huge fishing vessel, research vessel with a regular-sized net that can hold 50,000 pounds of fish, but when we towed the net in a traditional zone we got 15 pounds of fish."

That story has been repeated over and over. We now do test fisheries and have trouble getting fish, period. We were towing a regulation size mesh so the smaller fish could go through the mesh. There are only a handful of fish big enough to be of commercial value. There are no fish.

Along the northeast coast of Newfoundland are 300 communities that have been around for 500 years and had depending upon the fishery. The cycle of the stock has been up and down over those 500 years, as is the nature of any of the resources of the sea, or any resources of the land over those 500 years, but never have fish totally disappeared. One can go to communities on the northeast coast where the skippers, the 75 or 80 year olds in good health and vigour, go out and jig for a few cod of their own, perhaps after 50 years of engaging in the commercial fishery, and they will tell you that when they go to their favourite spots where they have caught fish with fixed gear for 50, 60 years of their lives, they cannot find a single cod. There is not a cod.

It is true that we need to understand more, and that we need better science and more coherent science. However, the problem here is not one that arises out of not knowing where the fish have gone. The problem is we know there are very few fish left, that the large fish have all been caught and we are down to juveniles, small fish. If they do not survive to mature and reproduce, those fish are gone. It is not complicated.

I give you every assurance that it is not a question of our having misplaced them, having not found them, or that they have moved. We really have overfished them.

Senator Andreychuk: My plea is that in future, management take into account a more coordinated approach with other countries as to what is happening in all of the waters around the world, as part of the management of that ecosystem.

Mr. Tobin: I want to give you the assurance that today there is no difference on the stocks that we have talked about — and remember we have put five multilateral moratoria in place; there is no difference in the Canadian science and the NAFO science. In fact, NAFO science is a compilation of the work of Canadian, Russian and other research vessels. In Brussels in February, when we achieved a moratorium on 3NO cod, the science that was considered by NAFO was a combination of test surveys by both Canadian and Russian vessels, so we are now working together.

Senator Andreychuk: You have stated that this bill is coming in as a practical measure, one that you believe is necessary at this time. You might agree that it is questionable in international law, and that it may be disputed from that position.

We will be sending Canadian law enforcement officers into international waters and you are stating that you are targeting pirates, those who will perhaps behave in an uncivilized manner. What assurance and what protections will you give our law enforcement agency personnel in international waters so that we can maximize the security of these officials and their families?

•(1720)

Mr. Tobin: We will have all the experts from all the respective agencies give us their best advice on the proper course of action on how these enforcement actions should be pursued, rather than attempt to establish a system the other way round, where politicians, governments and officials are telling enforcement people how to do their job. We have been assured by officials from my own department, fisheries enforcement individuals, that when the *Kristina Logos* was boarded it was boarded by fisheries enforcement officers who, contrary to the stereotype of the fisheries enforcement officer, were highly skilled and trained very much in the mode of the RCMP or very much in the mode of special forces and military people.

We have as well a special squad from the RCMP, and I have been told by the Solicitor General that they are ready, willing and able to participate. As well, we have the reassurance of the Department of National Defence that they are prepared to participate.

It is my sense that all these enforcement agencies have the confidence that they can do the job in a professional, efficient and responsible fashion. I believe they have the desire to do this job on behalf of Canada. It is our hope that the fact that we have given ourselves such an ability in law will be enough that most vessels will cease such action. After all, they are fishing vessels. They are like gold miners; it is risk capital outside any set of rules and they are grabbing the resource and selling it. It is my hope that once they see that we have expressed our will in this incredible fashion — speedy passage of this legislation through the House of Commons, speedy passage perhaps through this chamber today, all-party support at a time when there are more parties in Parliament than ever before; now that we have demonstrated through the *Kristina Logos* incident that we can make these arrests on the high seas — a ship flying the Panamanian flag crewed from Portugal — the more pragmatic types will determine that now is the time to leave. The free, unregulated, unrestricted predation of that resource is over. It is my hope we will not have to make many arrests.

Senator Andreychuk: I hope that in your thinking you will remember that you are talking of situations of hot pursuit and that sanity sometimes does not prevail in those situations, and I hope you will give careful thought to our law enforcement officers. For the first time they will be in international waters in what I believe is a questionable, international, legal environment. I would hope those officers and people we send will have every considerable protection.

Mr. Tobin: Let me give you even greater assurance. It is our intention not to sneak up in the dead of night and collar everyone we can collar. To the contrary, it is our intention to state publicly, clearly, loudly and often, first, that we have the authority given by Parliament today, second, that we have the will and means to use that authority and, third, that we will ask those who are in violation of any sane or sensible conservation regime to leave. It would be our intention to say that publicly and clearly now, to say it a week before we intend to take enforcement action, to say it the day of the enforcement action.

Any vessel that is willing to leave can leave. Any vessel that persists after all those steps have been taken and those warnings given will be arrested, seized and prosecuted to the full extent of the law.

The Chairman: Honourable senators, two or three times this afternoon there has been reference to the map. May I have unanimous consent to append the map to today's proceedings?

Senator Petten: It was appended during second reading.

The Chairman: Shall clause 2 carry?

Hon. Senators: Agreed.

The Chairman: Shall clauses 3 to 9 carry?

Hon. Senators: Agreed.

The Chairman: Shall the title carry?

Hon. Senators: Agreed.

The Chairman: Shall I report the bill without amendment?

Hon. Senators: Agreed.

The Chairman: Honourable senators on your behalf, I should like to express our appreciation to the minister for his attendance this afternoon, for his assistance in the consideration of his bill and, probably more important, for his frankness and honesty in responding to our questions in the quest for information.

Mr. Tobin: Mr. Chairman, I want to thank each and every senator for facilitating this bill today, particularly the Leader of the Government, the Leader of the Opposition, the Speaker and you, Mr. Chairman. I want to thank you, because I think it is truly an indication to people in a part of this country, who sometimes believe that we have lost track of their trials, that, indeed, we have not; who sometimes think that we have lost the will to act on their behalf, that, indeed, we have not; and it is an indication to all Canadians who think that we sometimes in the pursuit of partisan advantage have lost the capacity to unite that, indeed, we have not.

May I say a special word to Senator Petten.

Hon. Senators: Hear, hear!

Mr. Tobin: Senator Petten is a long-time servant of the people of Canada and a long-time member of this distinguished place, in which I am becoming increasingly more comfortable; it looks better all the time. He is a great son of Newfoundland and Labrador and a great Canadian. I want to thank him for his work on behalf of the people of Canada with respect to this bill.

The Chairman: Finally, honourable senators, I want to thank the unsung heros of such hearings, the staff that accompanied the minister.

Senator Lynch-Staunton: Mr. Chairman, I want to thank the minister for his very kind words and, in turn, I should hope that he has now seen firsthand, as a minister of the Crown, the great value the Senate plays in the parliamentary process of this country. No doubt he will want to relay his impressions to his colleagues and all his friends in the Atlantic provinces.

Mr. Tobin: I hope one day to come back and participate with all of you in that great service.

Senator Lynch-Staunton: It is very nice on this side, sir.

RAILWAY SAFETY ACT

BILL TO AMEND—CONSIDERATION IN COMMITTEE OF THE WHOLE

The Chairman: Honourable senators, we now have before us Bill C-21, to amend the Railway Safety Act. Shall the title be postponed?

Hon. Senators: Agreed.

The Chairman: Shall clauses 2 and 3 carry?

Hon. Senators: Agreed.

The Chairman: Shall the title carry?

Hon. Senators: Agreed.

The Chairman: Shall I report the bill without amendment?

Hon. Senators: Agreed.

NATIONAL SPORTS OF CANADA BILL

CONSIDERATION IN COMMITTEE OF THE WHOLE

The Chairman: Finally, honourable senators, we have before us Bill C-212, to recognize hockey and lacrosse as the national sports of Canada. Shall the title be postponed?

Hon. Senators: Agreed.

The Chairman: Shall clause 1, the short title, be postponed?

Hon. Senators: Agreed.

The Chairman: Shall clause 2 carry?

Hon. Senators: Agreed.

The Chairman: Then shall clause 1, the short title, carry?

Hon. Senators: Agreed.

The Chairman: Shall the title carry?

Hon. Senators: Agreed.

The Chairman: Shall I report the bill without amendment?

Hon. Senators: Agreed.

The Hon. the Speaker: Honourable senators, the sitting of the Senate is resumed.

COASTAL FISHERIES PROTECTION ACT

BILL TO AMEND—REPORT OF COMMITTEE OF THE WHOLE

Hon. Earl A. Hastings: Honourable senators, the Committee of the Whole, to which was referred Bill C-29, to amend the Coastal Fisheries Act, has examined the said bill and has directed me to report the same to the Senate without amendment.

•(1730)

THIRD READING

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

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, with leave and notwithstanding rule 59(1)(*b*), I move that this bill be read the third time now.

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

Hon. Senators: Agreed.

Motion agreed to and bill read third time and passed.

RAILWAY SAFETY ACT

BILL TO AMEND—REPORT OF COMMITTEE OF THE WHOLE

Hon. Earl A. Hastings: Honourable senators, the Committee of the Whole, to which was referred Bill C-21, to amend the Railway Safety Act, has examined the said bill and has directed me to report the same to the Senate without amendment.

THIRD READING

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

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, with leave of the Senate and notwithstanding rule 59(1)(*b*), I move that this bill be read the third time now.

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

Hon. Senators: Agreed.

Motion agreed to and bill read third time and passed.

NATIONAL SPORTS OF CANADA BILL

REPORT OF COMMITTEE OF THE WHOLE

Hon. Earl A. Hastings: Honourable senators, the Committee of the Whole, to which was referred Bill C-212, to recognize hockey and lacrosse as the national sports of Canada, has examined the said bill and has directed me to report the same without amendment.

THIRD READING

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

Hon. B. Alasdair Graham: Honourable senators, with leave of the Senate and notwithstanding rule 59(1)(*b*), I move that the bill be read the third time now.

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

Hon. Senators: Agreed.

Motion agreed to and bill read third time and passed.

INTERNAL ECONOMY, BUDGETS AND ADMINISTRATION

FOURTH REPORT ADOPTED

Leave having been given to revert to Presentation of Reports from Standing or Special Committees:

The Senate proceeded to consideration of the fourth report of the Standing Committee on Internal Economy, Budgets and Administration.

Hon. Earl A. Hastings: Honourable senators, with leave of the Senate and notwithstanding rule 59(1)(*g*), I move that the report be adopted now.

Hon. John Lynch-Staunton (Leader of the Opposition): May I ask Senator Hastings, as Chairman, two questions. First, what portion of the total budget for this committee and the other committee, which is discussed in the fifth report, are we being called upon to pay?

Senator Hastings: Honourable senators, in the usual tradition of joint committees of the Senate and House of Commons, we are called upon to pay one-third of the total budget of the joint committees.

Senator Lynch-Staunton: The last paragraph says that the committee recommends that the Senate request Supplementary Estimates. As I recall, our total committee budget is about $800,000 or $900,000. If we do not get those Supplementary Estimates, we will be in a very difficult situation.

Can we not be a little more forceful? Can we not make this dependent on Supplementary Estimates? I just do not want to feel that we are committed here without having some knowledge or some assurance that Supplementary Estimates are forthcoming. I know that in the past we have always received them, but that was under an old government. Now we are under a new government for which austerity and other restrictive measures have become a passion. Hopefully, we will not be subjected to them also.

Senator Hastings: The Leader of the Opposition is quite correct. The budget for the committees is $800,000, I think. If this was not the subject of a further request, we would have little left for committee work within the Senate.

Your committee is recommending that Supplementary Estimates be sought to cover these joint committees because we did not consider them at the time of the Estimates, and if we do not receive Supplementary Estimates we would simply not have enough funds to operate our committees. I do not know how we could make it any more forceful than recommending that we seek further Supplementary Estimates for this amount.

Hon. Donald H. Oliver: Honourable senators, I want to ask the honourable senator about the $150,000 in the fourth and fifth reports that deal with contract agreements. Specifically, were these contract agreements put out to tender? If not, what was the process for the signing of these so-called contract agreements and what are they for? What do they cover?

Senator Hastings: I do not think the contract agreements have been executed as yet. I think they are for staff and assistants for the committees.

Senator Oliver: What was the process by which they were tendered?

Senator Hastings: I do not think they have been let out to tender as yet.

Senator Oliver: That is not a complete answer, but perhaps I can come back to it at a later date. With leave of the Senate I will come back. I wish to pursue this matter at a later date.

The Hon. the Speaker: Do you wish to adjourn the debate, Senator Oliver?

Senator Oliver: No, I do not.

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

Hon. Senators: Agreed.

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

Some Hon. Senators: Agreed.

Motion agreed to and report adopted.

FIFTH REPORT ADOPTED

The Senate proceeded to consideration of the fifth report of the Standing Committee on Internal Economy, Budgets and Administration.

Hon. Earl A. Hastings: Honourable senators, with leave of the Senate and notwithstanding rule 59(1)(g), I move that the report be adopted now.

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

Hon. Senators: Agreed.

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

Some Hon. Senators: Agreed.

Senator Lynch-Staunton: With the same reservations.

Motion agreed to and report adopted.

[*Translation*]

ROYAL ASSENT

NOTICE

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

RIDEAU HALL

May 12, 1994

Mr. Speaker,

I have the honour to inform you that The Honourable Peter deC. Cory, puisne judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 12th day of May 1994, at 5:40 p.m., for the purpose of giving Royal Assent to certain Bills.

Yours sincerely,

Anthony P. Smyth
Deputy Secretary to the Governor General

The Honourable
The Speaker of the Senate
Ottawa

The Senate adjourned during pleasure.

[*English*]

ROYAL ASSENT

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

An Act to revise certain income tax law amendments in terms of the revised Income Tax Act and Income Tax Application Rules (Bill C-15, *Chapter 7, 1994*)

An Act to amend the Income Tax Act (Bill C-9, *Chapter 8, 1994*)

An Act to amend the Excise Tax Act and a related Act (Bill C-13, *Chapter 9, 1994*)

An Act to amend the Canada Oil and Gas Operations Act, the Canada Petroleum Resources Act and the National Energy Board Act and to make consequential amendments to other Acts (Bill C-6, *Chapter 10, 1994*)

An Act to amend the Crown Liability and Proceedings Act (Bill C-4, *Chapter 11, 1994*)

An Act to amend the Criminal Code and the Coastal Fisheries Protection Act (force) (Bill C-8, *Chapter 12, 1994*)

An Act to amend the Department of National Revenue Act and to amend certain other Acts in consequence thereof (Bill C-2, *Chapter 13, 1994*)

An Act to amend the Coastal Fisheries Protection Act (Bill C-29, *Chapter 14, 1994*)

An Act to amend the Railway Safety Act (Bill C-21, *Chapter 15, 1994*)

An Act to recognize hockey and lacrosse as the national sports of Canada (Bill C-212, *Chapter 16, 1994*)

The House of Commons withdrew.

The Honourable the Deputy of his Excellency the Governor General was pleased to retire.

The sitting of the Senate was resumed.

BUSINESS OF THE SENATE

Hon. Jacques Hébert: I move that all remaining orders stand.

Hon. John Lynch-Staunton (Leader of the Opposition): Do I understand Senator Hébert is moving that all further orders stand, including the debate on Bill C-18?

Senator Hébert: Yes.

Senator Lynch-Staunton: I had understood Senator Frith was to speak to it today, after obtaining some material he wanted based on Mr. Kingsley's testimony before the committee. Has anyone checked to see whether or not he is ready? Perhaps he should be alerted. We would like to proceed with Bill C-18 and hear what he has to say.

Senator Hébert: I think that he is looking for the material.

Senator Lynch-Staunton: Do you think his search has taken him to the policy convention that the Liberal Party is having this weekend?

Senator Hébert: It would be a good place to find some good material.

Senator Lynch-Staunton: I must say, honourable senators, without repeating what I said yesterday, that this situation makes the puzzle even greater. We have a piece of legislation to which the government gave great urgency, to the extent of imposing closure on it, a procedure that they found reprehensible when the former government employed it. Suddenly, they find that it is no longer urgent to proceed with it, to the point that we will not be seeing it again for another ten days.

I hope that I am not breaking the rules, but I should like an explanation as to why Senator Hébert made the motion he has made.

The reason the bill was brought in and expedited with such haste over on the other side was to save money. That was the main reason given at the time. The money to be saved was the money which is being spent by the commissions that are presently completing their hearings. The last one is to complete its hearing on the June 10. The process of the commissions is continuing, and the savings which were implied will no longer be there when this bill comes back.

What has happened? Why does the government not want to proceed with a bill which was so essential?

Senator Thériault: We went up 10 per cent in the polls.

Senator Lynch-Staunton: I see. It is because of the opinion polls.

Senator Olson: It is getting close to six o'clock.

Senator Lynch-Staunton: Your timing is perfect. I admire the other side for its astuteness so far as the politics of this issue are concerned. However, I think those who follow the proceedings of the government closely will be extremely disappointed in seeing how the government is approaching a piece of legislation which at one time it found so essential and today dismisses as being irrelevant.

Hon. Marcel Prud'homme: On this point, honourable senators, the honourable senator was speaking of senators on this side and that side, and I want to indicate that, although I sit on this side, I do not agree with the Leader of the Opposition in the Senate.

Senator Lynch-Staunton: We are on the other side too.

Senator Prud'homme: I do not agree, because I think these ten days will provide a good time for reflection. You know how I feel on the bill. I am not backing off.

The Senate has put forward amendments. They are not Conservative amendments. They are amendments of a committee of this chamber, and I agree with these amendments. They will be referred in due time.

Senator Lynch-Staunton: After the weekend.

Senator Prud'homme: I believe the Senate has a role to play, and maybe during these ten days it would be very worthwhile for the government to reflect. They know how determined this side is. Now I can say "this side" because I do not think anyone here will contradict me. I think these ten days will be very useful for the government to come forward with a proposal having in mind the interests of British Columbia. We should reflect more and see if we cannot come to terms. The role of the Senate will be enhanced. We will have fulfilled our function.

This will be the first time in 40 years that I will be missing a convention, but I will be following it closely, and I know that they will debate the issue of redistribution. I know some honourable senators will be present listening, and they may offer their contribution to help come to terms with a very difficult situation.

I therefore say to the Whip that I am not unhappy at all that they take their time. When we come back, we may not have to put the amendment on the other side. We will listen to the speech of the Prime Minister of the country.

Hon. Louis J. Robichaud: I should like to remind the Honourable Leader of the Opposition that consistency in politics consists of the art of being consistently inconsistent, as Winston Churchill is reputed to have said.

Senator Lynch-Staunton: I think it is more a lack of conviction which is coming out, not inconsistency.

The Hon. the Speaker: Honourable senators, could we dispose of this item? Is it agreed that the remaining items on the Order Paper stand?

Hon. Senators: Agreed.

ADJOURNMENT

Hon. Jacques Hébert: Honourable senators, with leave of the Senate and notwithstanding rule 59(1)(*h*), I move:

> That when the Senate adjourns today, it do stand adjourned until Wednesday, May 25, at two o'clock in the afternoon.

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

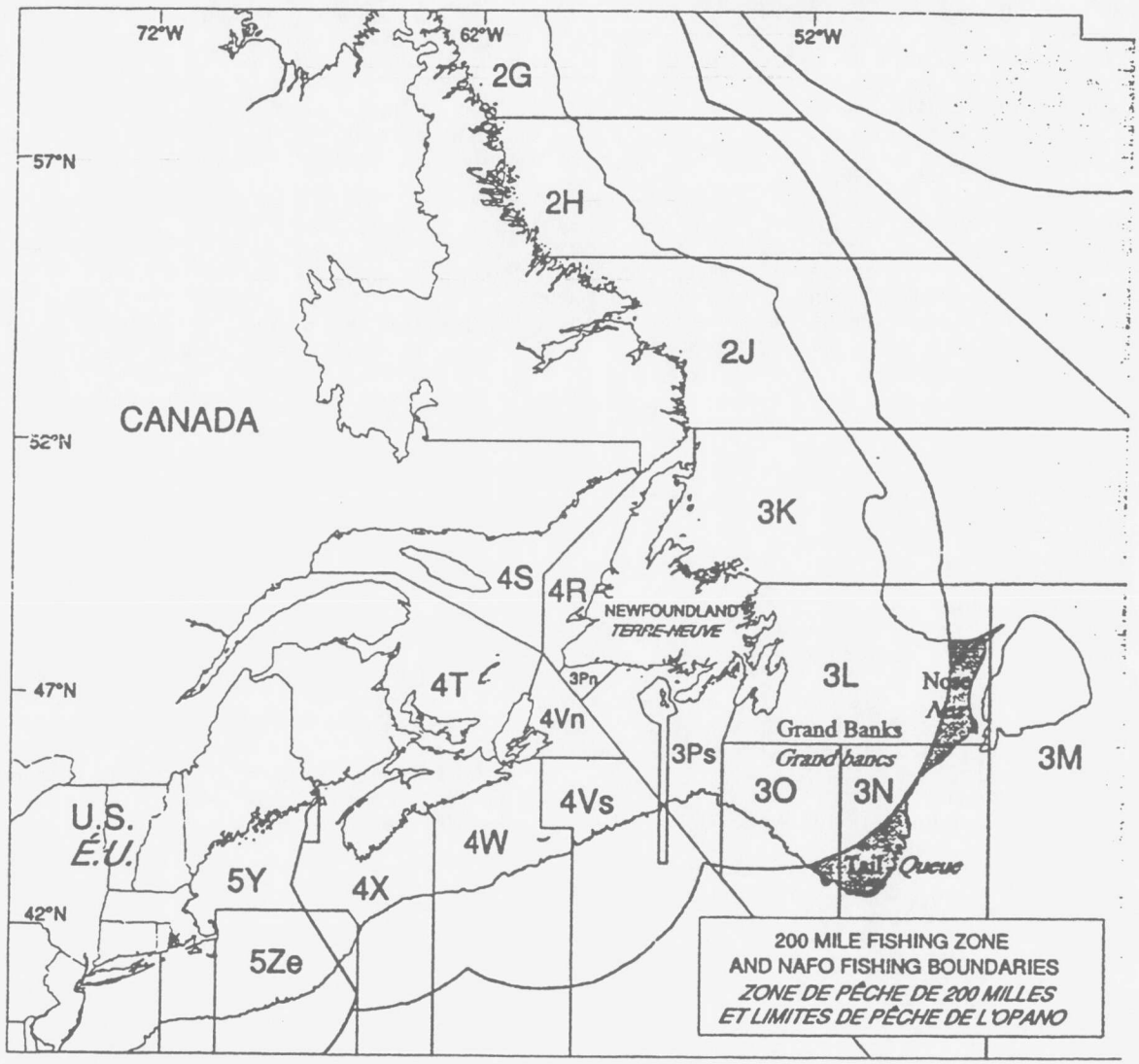
Hon. Senators: Agreed.

Motion agreed to.

The Senate adjourned until Wednesday, May 25, 1994, at 2:00 p.m.

APPENDIX
(see p. 457)

BILL C-29 TO AMEND THE COASTAL FISHERIES PROTECTION ACT



THE SENATE

Wednesday, May 25, 1994

The Senate met at 2:00 p.m., the Speaker *pro tempore* in the Chair.

Prayers.

SENATORS' STATEMENTS

SPORT

MEMORIAL CUP CHAMPIONS—CONGRATULATIONS TO KAMLOOPS BLAZERS HOCKEY TEAM

Hon. Len Marchand: Honourable senators, I am pleased to rise today to congratulate the Kamloops Blazers junior hockey team, who won the seventy-sixth Memorial Cup tournament in Laval, Quebec, this past Sunday.

We in Kamloops are very proud of our Blazers. They have been outstanding achievers and great ambassadors for our city.

The Blazers won the cup in 1992 and came close in 1993; 1994 was supposed to be a year of rebuilding because of the number of younger players on the team.

The Blazers have captured four league championships and two cups in the past ten seasons. They have never had a losing season and never finished lower than third in their division. They have placed first eight times. Honourable senators, I have been trying not to brag; I am just putting a few facts on the record, but, if it sounds like bragging, then so be it.

To Don Hay, the coach, who has to make up his mind whether he will be a firefighter or a coach; to all of the Blazers; to Bob Brown, our super general manager for the past eight seasons and all of his team: Thank you, and best of luck in the future.

The seventy-seventh Memorial Cup national junior hockey tournament will be held in Kamloops in 1995. Come and see us. We will be good hosts. We do not need to win again, but do not count us out!

[*Translation*]

STANLEY CUP

PARTICIPATION OF NEW JERSEY DEVILS IN THE PLAY-OFFS

Hon. Philippe Deane Gigantès: Honourable senators, as a Quebec senator, I do hope that the New Jersey Devils will beat the New York Rangers since the Devils' coach is Jacques Lemaire, one of the most famous former Habs. At least, in Quebec, we will have somebody to cheer for during the Stanley Cup finals.

[*English*]

VETERANS AFFAIRS

CANADA'S ROLE IN WORLD WAR II

Hon. Jack Marshall: Honourable senators, in January 1993 the Senate Subcommittee on Veterans Affairs tabled a report which criticized the contents of a three-part CBC documentary entitled *The Valour and the Horror.* The committee concluded that the series, which examined Canada's role in the Second World War, was riddled with inaccuracies, biased perceptions, and suffered from a critical lack of balance. The assessment was based on the testimony of some of Canada's most prominent military historians, not to mention respected veterans with firsthand knowledge of the events in question.

The committee recommended that video cassettes of *The Valour and the Horror* display a disclaimer stating that the series was a docu-drama only partly based on fact. That was sent to thousands and thousands of school children.

Last week, *The Toronto Star* published a front-page article claiming that the third volume of the official history of the Royal Canadian Air Force, *The Crucible of War*, effectively supported the conclusions reached in the second episode of *The Valour and the Horror.* The filmmakers argued in this segment that the bomber offensive deliberately set out to annihilate the German civilian population and that the strategy was ultimately a dismal failure contributing little to Allied victory and leaving a moral stain on the Allied cause.

Honourable senators, I should like to make two points about this latest development. I will make one today and the second one tomorrow owing to time constraints.

First, as the Chairman of the Senate Subcommittee on Veterans Affairs, I stand by the committee's report on *The Valour and the Horror.* While I respect the views of our official military historians, comparing their work with a popular, some might say sensational, film series is not unlike comparing apples and oranges.

Might I remind honourable senators that Dr. Stephen Harris, one of the authors of *The Crucible of War*, admitted before the Senate subcommittee that there were major errors in the film. Mr. Ben Greenhous, another of the authors, has also been openly critical of *The Valour and the Horror*'s research techniques and its characterization of wartime figures.

Other military historians have been no less critical of the series. Dr. William Carter, a noted author on Canada's contribution to the bomber offensive, labelled the series a:

> ...substandard work. The context was not set; there were many inaccuracies and sweeping generalizations; ...information was offered with no evidence to back it up, and there were major errors of comprehension.

Martin Middlebrook, probably the greatest authority on the bomber offensive, informed the subcommittee that it:

> ...was a gross distortion of the very complex subject which was Bomber Command's war over a period of six years.

Even the CBC ombudsman admitted that the film was seriously flawed.

Honourable senators, I will continue tomorrow, since my three minutes are up.

STANLEY CUP

BEST WISHES TO VANCOUVER CANUCKS IN NATIONAL HOCKEY LEAGUE CHAMPIONSHIP

Hon. Jack Austin: Honourable senators, I imagine that I can speak for most Canadians, probably even Senator Keith Davey, when I wish the Vancouver Canucks good fortune as they represent Canada in the Stanley Cup.

Hon. Senators: Hear, hear!

ROUTINE PROCEEDINGS

PUBLIC SERVICE 2000

REPORT TABLED

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I have the honour to table the second annual report of the Clerk of the Privy Council and Secretary to Cabinet to the Prime Minister on the Public Service of Canada entitled "Public Service 2000."

[*Translation*]

PRIVATE BILL

GENERAL SECURITY INSURANCE COMPANY OF CANADA— INTERIM REPORT OF COMMITTEE

Hon. Gérald-A Beaudoin: Honourable senators, with leave of the Senate, I wish to present an interim report on Bill S-3, an Act to authorize General Security Insurance Company of Canada to be continued as a corporation under the laws of the Province of Quebec.

[*English*]

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, I just want to raise a point with regard to the rules, which in this respect are fairly clear, although they are not contained in our own rule book. However, in Bourinot it is clear that, when a bill has been referred to a select committee and the committee wishes to make a special report and submit minutes of evidence, it is necessary to obtain permission from the house to that effect in cases where no such power is given in the original order of reference. In this case there was no power in the order of reference. Simply, the bill was referred. So this is a special request. I have no objection to its proceeding, but I just want to make the point so that we do not establish a precedent in our rules that this can be done without the permission of the Senate.

[*Translation*]

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

Hon. Senators: Agreed.

Senator Beaudoin: Honourable senators, I have the honour to present the following report:

Wednesday, May 25, 1994

> The Standing Senate Committee on Legal and Constitutional Affairs had the honour to present its
>
> FOURTH REPORT
>
> Your committee, to which was referred Bill S-3, An Act to authorize General Security Insurance Company of Canada to be continued as a corporation under the laws of the Province of Quebec, has, in obedience to the Order of Reference of Thursday, February 24, 1994, examined the said bill and now makes the following interim report:
>
> After considering Bill S-3, and having been informed that this is the seventh time since 1980 that the Senate has been asked to pass a bill authorizing an insurance company governed by the Insurance Companies Act (formerly the Canadian and British Insurance Companies Act) to be continued under provincial jurisdiction, the committee wishes to express its reservations regarding this type of private legislation.
>
> As stated in the preamble to Bill S-3, "there is no existing statutory authority to enable an insurance company governed by the laws of Canada to be continued under the laws of a province."

The committee was advised that it is this lack of authority in federal statute law that has made it necessary, in the case of Bill S-3 and in all of the previous cases, for federally incorporated insurance companies to petition Parliament when they wish to be transferred from federal to provincial jurisdiction.

The committee feels that the approval of such transfers should be the responsibility of the executive branch of government and that it should not be necessary for Parliament to become involved in what is essentially an administrative matter.

Your committee therefore recommends that the Insurance Companies Act be amended accordingly and that all future applications for private legislation of this kind be deferred until Parliament has been given an opportunity to consider such an amendment.

Respectfully submitted,

GÉRALD-A. BEAUDOIN
Chairman

The Hon. the Speaker *pro tempore*: Honourable senators, when shall this report be considered?

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

GENERAL SECURITY INSURANCE COMPANY OF CANADA—REPORT OF COMMITTEE

Hon. Gérald-A. Beaudoin, Chairman of the Standing Senate Committee on Legal and Constitutional Affairs, presented the following report:

Wednesday, May 25, 1994

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

FIFTH REPORT

Your committee, to which was referred Bill S-3, An Act to authorize General Security Insurance Company of Canada to be continued as a corporation under the laws of the Province of Quebec, has, in obedience to the Order of Reference of Thursday, February 24, 1994, examined the said bill and now reports the same without amendment.

Respectfully submitted,

GÉRALD-A. BEAUDOIN
Chairman

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

Senator Beaudoin: Honourable senators, with leave of the Senate and notwithstanding rule 59(1)(*b*), I move that the bill be read the third time now.

[*English*]

•(1410)

Hon. Royce Frith: Honourable senators, why are we giving this bill special treatment under the rules? I do not understand why we are doing that. Is Royal Assent scheduled for this evening? Is there some reason why we are proceeding with the bill now instead of at the next sitting? If so, the reason should be on the record.

[*Translation*]

Senator Beaudoin: Honourable senators, there is no special reason, and I move that we proceed with the bill at the next sitting.

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

[*English*]

BUSINESS OF THE SENATE

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, this may be an appropriate time to discuss with you the likely course of the Senate's sittings. I have had discussions with my honourable friends opposite and we have come to an agreement to have final disposition of Bill C-18 today. The bells will ring at four o'clock and there will be a vote at 4:30 p.m. to dispose of all matters concerning Bill C-18. Once Bill C-18 has been dealt with, and since there is no further legislation pending from the other place, there would be no point in our sitting tomorrow.

However, there is a house order that Bill C-17, the budget implementation bill will receive third and final reading next Tuesday at 5:15 p.m. Therefore there is no particular reason for the Senate to sit at two o'clock on Tuesday next, May 31. We would be better advised to return at 8 p.m. on that day. I hope this arrangement will suit honourable senators.

Therefore, if our work on Bill C-18, the electoral boundaries bill, is completed by 4:30 p.m. today, we can then proceed with the remaining business on the Order Paper. When that is concluded, I propose that the Senate adjourn until Tuesday next, May 31, at eight o'clock in the evening.

Hon. Eric Arthur Berntson (Deputy Leader of the Opposition): Honourable senators, I rise on a point of clarification as to how the vote will unfold this afternoon. I understand that the bells will commence ringing at 4:00 p.m., and at 4:30 p.m. all votes will be held dealing with Bill C-18, including anticipated or unanticipated amendments that might be advanced by senators on either side.

Will the Deputy Leader of the Government inquire of the other place when we might expect the flow of work beyond what he has already put before us? If we are anticipating a late June adjournment, then I think it would facilitate everyone's planning if we knew when legislation was coming. We could get the research done and complete the debate so that we are not dealing with controversial issues at the eleventh hour.

Senator Frith: Hear, hear!

Senator Molgat: Honourable senators, I will try to obtain the information as quickly as I can. I have had a discussion with my honourable friend. At the moment, I cannot give him any indication of precisely what bills we will get or when we will get them. As soon as I obtain the information, I will make the Senate aware of it. I will give the information directly to my honourable friend, even if we are not sitting, so that he and his colleagues will know. I expect that by next Monday I will have a clear picture of what will be done.

It is my understanding that we will dispose of Bill C-18 in all its facets this afternoon. At the moment, we are dealing with the report of the committee. If the debate carries on until four o'clock, then we will deal with just that. If there are any amendments, then we can deal with them as well as the main motion at 4:30 p.m.

[*Translation*]

Hon. Marcel Prud'homme: Honourable senators, if we are to dispose of Bill C-18, maybe we could reach an agreement, without necessarily asking leave from the Senate.

We could agree on the sharing of time among the senators who wish to take part in the debate. Time is flying by and, since we want to be done by 4:30 this afternoon, the allotted time should not be used up by two or three senators. Maybe it would be a good thing to allow those who want to speak to share the allotted time without necessarily sticking to the *Rules of the Senate*, which would significantly limit the participation of honourable senators.

Senator Molgat: Honourable senator, I understand your question and your point of view. As far as I am concerned, I have no objection to proceeding now with the debate on this bill and deferring the Question Period to later this afternoon. However, that decision is not mine to make. We need leave from the Senate. I so move. If it is the pleasure of the honourable senators opposite, we could proceed with the debate on Bill C-18 right away and come back later to the Order Paper.

[*English*]

Honourable senators, are there any objections to proceeding to Bill C-18 immediately and suspending the balance of the Order Paper? When we finish with Bill C-18, we will come back to the rest of the items on the Order Paper. This will ensure that we have more time for debate. If it is agreed, can we then proceed to Bill C-18?

Hon. Jack Marshall: Honourable senators, is Senator Molgat saying that we will continue with government business today, even though Bill C-18 is to be dealt with now? I ask because I am interested in a particular motion on the Order Paper.

Senator Molgat: Yes, my proposal is that we suspend the balance of the Order Paper at this point and go to Bill C-18. We have an understanding that the vote will take place at 4:30 p.m. After the vote, we will return to the Order Paper at exactly the point where we are now and then proceed with the balance of today's business.

Senator Berntson: Honourable senators, in the event that the debate on Bill C-18 concludes prior to the four o'clock bell, will we be able to go back to the items of business on the Order Paper at that time?

Senator Molgat: Absolutely. Because honourable senators have been advised that the vote will be at 4:30 p.m., I do not think we should change the time of the vote. I think we have to stick to that. If the debate is concluded before that time, then we will come back to the Order Paper and then break for the vote.

EUTHANASIA AND ASSISTED SUICIDE

COMMITTEE AUTHORIZED TO MEET DURING SITTING OF THE SENATE

Hon. Joan Neiman: Honourable senators, in view of the proposed change in our schedule, may I have leave to proceed to Notices of Motions?

My intention is to ask permission for the Special Senate Committee on Euthanasia and Assisted Suicide to meet at 3:15 this afternoon, even though the Senate may still be sitting. Members of the committee will return to the chamber by 4:20 p.m. in order to vote. This will enable us to hear from one of the witnesses, who is already present and waiting to be heard.

•(1420)

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

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, under the circumstances — that is, if there is a witness waiting to be heard who has been called for that purpose by the committee — I would agree to grant leave.

Senator Neiman: Honourable senators, with leave of the Senate and notwithstanding rule 59 (1)(*a*), I move:

> That the Special Senate Committee on Euthanasia and Assisted Suicide have power to sit at three fifteen o'clock in the afternoon today, even though the Senate may then be sitting, and that rule 96(4) be suspended in relation thereto.

Motion agreed to.

ORDERS OF THE DAY

ELECTORAL BOUNDARIES READJUSTMENT SUSPENSION BILL, 1994

REPORT OF COMMITTEE ADOPTED

On the Order:

Resuming the debate on the motion of the Honourable Senator Beaudoin, seconded by the Honourable Senator Grimard, for the adoption of the second report of the Standing Senate Committee on Legal and Constitutional Affairs (Bill C-18, with amendments), presented in the Senate on May 10, 1994.

Hon. Royce Frith: Honourable senators, I adjourned the debate on this order, and I yield now to the Leader of the Government in the Senate.

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I should like to begin my remarks today on report stage of Bill C-18 by outlining why the government introduced this legislation in the first place.

The Electoral Boundaries Readjustment Act was passed by the government of the late Right Honourable Lester B. Pearson in 1964. However, the electoral boundary readjustment process has had only minor technical changes since that time. As honourable colleagues know, today's bill is not unprecedented. With legislation similar to Bill C-18, the electoral boundaries readjustment process was suspended following the 1971, 1981 and 1991 census.

In June of 1992, Bill C-67 was passed with the unanimous consent of all parties in the House of Commons. That bill suspended the electoral boundaries readjustment process for one year in order to give the government and Parliament time to consider the relevant recommendations of the Royal Commission on Electoral Reform and Party Financing, otherwise known as the Lortie commission. The original proposal of the previous government had been to suspend the act for two years. However, the New Democratic Party objected to that period, so an amendment was passed limiting the suspension of the process to only one year. The Special House Committee on Electoral Reform studying the findings of the Lortie commission issued a report on electoral matters which formed the basis of Bill C-114, relating primarily to voting for non-residents and other administrative matters. That legislation came into force on June 25, 1993. However, that committee did not deal with the electoral boundaries readjustment process contained in the act.

As Senator Lewis explained in his speech of April 19, the suspension of the readjustment process under Bill C-67 was not extended, and on September 2, 1993, eleven electoral boundaries commissions were created: one for each province and one for the Northwest Territories. As honourable senators know, the electoral boundaries in the Yukon do not change.

Each commission has three members. One is selected by the Chief Justice of the province and the other two by the Speaker of the House of Commons.

This was probably one of Mr. Speaker Fraser's last official acts, coming as it did on the eve of the general election which was called later that month. In any event, the commissions were established and, while most Canadians were focusing on the upcoming election, the commissioners quietly and privately went about their work and, in March of this year, made public their proposals for new electoral boundaries. Some of the proposals were controversial and not just for members of Parliament but for communities.

However, the problems with the adjustment process itself, problems which were recognized by the previous government, the previous Parliament, still exist. As my colleague, the house leader in the other place, has said, the beginning of a new Parliament is the most opportune time to undertake a review of these issues. That is why the government has asked the House of Commons Standing Committee on Procedure and House Affairs to study all aspects of the Electoral Boundaries Readjustment Act and to report back no later than December 16, 1994.

The committee is being asked to consider the general operation of the act over the past 30 years, including such issues as whether there should be a continual increase in the number of members of Parliament after each census; the method of selecting members of the boundary commissions; a review of the proceedings of the commissions, and whether they ought to continuously suggest alterations to the boundaries of all existing electoral districts; and a review of the involvement of the public and members of Parliament in the work of the commissions.

Under new procedures presented by the government and approved by the House, that committee will, in effect, be authorized to frame legislation to implement its proposals and to do so as quickly as possible. Under the current procedure, provincial and territorial electoral boundaries commissions publish their initial proposals without public input, and these sometimes come as a surprise to those most directly affected: the constituents of a given riding.

There are also concerns that some commissions are not always particularly forthcoming about the reasons for their proposals, thus making it very difficult for anybody wanting to make objections or wanting to present alternative proposals. In addition, the criteria used by the commissions are not standardized, and the approach they take to readjustment differs, sometimes considerably, from province to province.

As Mr. Gray explained before the Standing Senate Committee on Legal and Constitutional Affairs, when the independent process was originally created, there was a single individual, the representation commissioner, at that time Nelson Castonguay, who served on all of the commissions and thereby helped ensure a certain level of consistency.

Without Bill C-18 to suspend the process, electoral boundary commissions will continue the expensive and sometimes time-consuming series of hearings to discuss the boundary changes they themselves are proposing. Newfoundland has not yet started its public hearings. As of yesterday, being Tuesday, only three provinces, New Brunswick, Quebec, and Saskatchewan, as well as the Northwest Territories, had completed their public hearings. I believe that the Province of Manitoba concludes its hearings today.

The objective of the government is to step back from the current process and ensure an open consultation, with public hearings, with a view to creating a renewed process that is democratic, impartial, and fair to everyone. The purpose of Bill C-18, therefore, is straightforward; it is to suspend the current redistribution process in order to give Parliament and the government an opportunity to examine all the issues surrounding electoral boundaries, including the size of the House of Commons, and to bring forward proposals for reform.

As the Honourable Herb Gray explained while before our Legal and Constitutional Affairs Committee:

> There is no point in having the commissions continue their work if the process is going to be changed.

Mr. Gray also made it clear, during his second appearance before the committee, that the 24-month suspension period was:

> ...an outside limit within which the government will have an opportunity, in fact, the ability, to carry out its intention to legislate to update the process.

That legislation will flow from the House of Commons committee which was struck immediately after Bill C-18 received third reading in the other place. The speed with which that committee was established only emphasizes the government's determination to move quickly.

As Mr. Gray explained to our Legal and Constitutional Affairs Committee:

> We wanted to anticipate the kind of concern being expressed that all we want to do is delay things. Therefore, we felt we should show our intention of getting on with the matter by introducing the motion in the House of Commons at the first opportunity. That first opportunity came after the bill had received the support of the House of Commons.

Although the reporting date of that committee is December 16, it is the government's hope that the committee will conclude its work and bring forward proposals for legislation well before that date. Indeed, it is more than the government's hope, it is the government's intention that that occur.

The pace of the committee has been accelerated. There have been meetings already between representatives of the official parties in the other place, with a view to holding public hearings early in the summer adjournment.

The government's intention is to proceed quickly with this examination and with subsequent legislation so that a new régime would be in place in time for an election held at the end of the government's normal mandate.

The main concern, honourable senators, about Bill C-18 is that the review, combined with the maximum limit of the 24-month suspension of the current redistribution process, may result in the next election being fought on 1981 census boundaries. If this occurred, Ontario and British Columbia would not receive the additional seats in the House of Commons to which they are currently entitled under the 1991 census.

Mr. Gray reiterated at the committee that the 24 months was an outside limit and that it was the goal to move before that limit.

The government has carefully listened to the representations made on this point by senators, by members of the House of Commons, by witnesses before our committee, by concerned citizens, and by delegates to the Biennial Convention of the Liberal Party of Canada.

In the course of that convention, which was held earlier this month, a priority resolution was put forward by the delegation from British Columbia, and it was adopted unanimously.

Some Hon. Senators: Hear, hear!

Senator Fairbairn: That resolution begins by taking notice of the many criticisms heard about the current redistribution process. It claims that:

> ...the reports produced by the Commission on Electoral Redistribution were badly flawed, created under inadequate supervision and without public input.

The resolution goes on to support Bill C-18, but says:

•(1440)

> Be it further resolved that notwithstanding the above, the 36th General Election be contested on boundaries which have been drawn using the 1991 census, thereby reflecting the demographic changes which have taken place in Canada since 1981, and particularly provide for fair representation for British Columbia.

Everyone at that convention recognized that British Columbia, like every other province and territory, including the province of Ontario, must have its fair share of elected representatives in Parliament.

Senator Carney: With the exception of the House of Commons.

Senator Fairbairn: In his closing remarks at the convention, the Prime Minister said to the delegates:

> You had a very clear resolution on the problem of redistribution.

At various times at the convention, the Prime Minister also reiterated that his goal was that British Columbia and Ontario would have the representation they are entitled to in the House of Commons at the next election. For instance, during a media scrum when he was asked whether British Columbia would get its extra seats before the election, Mr. Chrétien replied:

> It's the goal we've got.

Senator Lynch-Staunton: Thank God you had a policy convention. You should have one every month.

Senator Frith: They are upset over there. They got what they wanted, but they don't want to get what they wanted. In other words, they are now telling us, "Please do not give us what we want."

Senator Fairbairn: Honourable senators, the government is prepared to do whatever is required to meet this goal, including revisiting the provisions of Bill C-18. However, that reconsideration must be taken in context with the process that has been started in the House of Commons. Unfortunately, the amendments which have been proposed by my friends in the opposition essentially ignore that process.

I want to make it clear that while the government is sympathetic to the expressed principle underlying the opposition amendments, it does not believe it is realistic to expect that those amendments will achieve their professed goal within the current parliamentary timetable, and I have already conveyed that message to the Leader of the Opposition.

In a press release dated May 5, 1994, which is the day that Senator Murray moved his amendments in the committee, we were told, and I quote:

> The purpose of the amendments is to ensure that there are new boundaries in place for the next federal election.

We have no difficulty with that statement, but it is a question of timing.

The suggestion provided by the Conservatives themselves, in a chart which accompanied their press release, is May, 1996. That is when the new boundaries would be in place if the amendments proposed by the opposition are adopted. I must confess that I am puzzled by this schedule, given even the most recent history of how successive majority governments have carried out their mandates.

The 1984 general election was held on September 4, which was four years and seven months into that government's mandate. The 1988 election was held on November 21, which was four years and two months into the government's mandate. Finally, the October 25, 1993 general election was four years and eleven months into the government's mandate.

Honourable senators, during the last 35 years, all majority governments have had a life-span of at least four years and two months. This is the history and the practice which the amendments of the opposition pass over lightly.

As I have explained, Bill C-18 provides that the current electoral boundaries commissions would be disbanded while the redistribution process was suspended. The opposition's amendments would have the commissions continue with their hearings and their other work until the middle of September, at which time they would present their reports to the Chief Electoral Officer.

In 1974, in 1986, and in 1992, when governments suspended the redistribution process, there was a full suspension of the commissions. There really is no precedent that I know of for what is now being proposed by the opposition. The opposition is telling us to suspend the process, but while it is suspended, work continues, because all must be ready for an election perhaps two and a half years into this government's mandate.

The story becomes somewhat confusing when we examine what would next happen under those proposed amendments. After the commissions reported to the Chief Electoral Officer in mid-September, they would then take a break until February 6, 1995, at which point they would be poised to continue their work.

Contradictory messages have been sent, at least initially, by the opposition on this portion of their amendments. One of the first public pronouncements was contained in a press release which I referred to earlier which said:

> If the new legislation is not introduced when the House returns on February 6, 1995, and assurance is given that the new boundaries will be in effect for the next election, the process will pick up where it left off.

That is not what the actual amendment says. Part 2 of the first amendment reads:

> If no other provision is made in respect of subsection 20(2) and sections 21 to 28 of the Electoral Boundaries Readjustment Act before the 6th day of February, 1995, that subsection and those sections cease to be suspended and are in force subject to this act.

That amendment requires that a change be made to the act in order to prevent the suspension from being lifted on February 6, 1995. It is not enough to simply introduce a proposed change to the act, as that press release claimed.

Senator Beaudoin, when he spoke in the Senate on May 11, made it clear that legislation would have to be introduced and passed. He said:

> If the government does not change the Electoral Boundaries Act by February 6, 1995, the boundary redistribution process will simply continue from the point at which it was stopped.

In the committee on May 5, Senator Murray said that the commissions would be reactivated:

> ...in February, if no new legislation had been passed by the government in the meantime.

There is a significant difference between introducing legislation and having it passed by both chambers of Parliament, and I suppose Bill C-18 is proof of that. It is at this point that we have serious difficulty, and must then ask how reasonable or realistic the demands of these amendments are.

We know that there is a committee in the other place that is looking at the whole question of redistribution with a view to bringing forward proposals for legislation no later than December 16 of this year. December 16, honourable senators, is also the last day before the Christmas/New Year break. The House of Commons is then scheduled to return on February 6.

•(1450)

Though we are an independent chamber, and proud of it, we do not act in a vacuum. We are one of the two chambers that make up our Parliament, and the amendments of the opposition do not in this case, in practical terms, reflect this relationship or this reality. They do not reflect either the committee reference which was passed in the House of Commons or the sitting schedule which exists in the other place. Instead of reflecting this reality, the opposition has brought forward a proposal that calls for boundaries to be in place when the government calls a general election, perhaps two and a half years into the mandate.

The amendments offer a different impression than opposition spokespersons gave at the committee hearings. For instance, on April 26, in an exchange with the Honourable Herb Gray, Senator Murray asked whether it was possible "to have an impartial distribution completed in time for the next election, say in 1997 or 1998." In the committee on May 5, Senator Lynch-Staunton also referred to a four- or five-year mandate. He spoke of the next election being "held in the ordinary lapse of time, which would bring it to the end of 1997 or the end of 1998, maximum."

The opposition amendments we have before us are calculated on the basis of an election only two and a half years into the government's mandate, the spring of 1996. One has to ask whether that is an ordinary lapse of time for a government which did receive a solid majority in October last year. I agree with Senator Lynch-Staunton that the normal practice falls within the four- to five-year period. The amendments we have before us would ensure that the election would be fought on the 1991 census boundaries, but those boundaries would almost certainly be the ones drawn in the current redistribution process.

It is a process that we on this side and many others believe requires review and reform, but in pursuing that reform how can the House of Commons, the Senate and the government possibly meet the requirements these amendments would impose on any new process? These amendments would seem directed not just at ensuring that the next election will be fought on the 1991 census but also that it will be fought on the boundaries which have been set under the current process, which itself is now being reviewed.

Honourable senators, given what I have said about the timetable, these amendments do not provide a reasonable opportunity for Parliament to examine, to put forward and legislate proposals for reform of the redistribution system, which is the very essence of Bill C-18. The amendments would be valid only if the normal mandate of a majority government were two and a half years, and we know that that is not the case.

There is one other matter I wish to bring to my colleagues' attention and that is the timing provisions that will be under review by the House committee. Those provisions have not received the attention they deserve.

We all know that it takes approximately two and a half years to complete a redistribution process following a national census. When Mr. Kingsley, the Chief Electoral Officer, appeared before the committee, Senator Frith asked whether or not that process could be shortened, and the answer was that some changes were certainly feasible. Mr. Kingsley explained that the commissions could be established within 30 days, instead of the 60 days currently provided for in the act. The commissions could complete their reports and table them in the House of Commons in nine months instead of 12 months. Finally, the new boundaries could come into force six months after proclamation, instead of one year.

If these changes were made the entire redistribution process could be completed in 20 months, instead of the current 30 months. However, such changes, honourable senators, require legislation to amend the Electoral Boundaries Readjustment Act; they cannot be made unilaterally by the Chief Electoral Officer.

In the course of its work the House of Commons committee examining the process will be looking very carefully at these time periods. If they could be shortened in the manner described by Mr. Kingsley, then electoral boundaries in all future elections would be more likely to conform to the most recent census results.

In summary, honourable senators, I wish to make clear that the government is prepared to embark upon a democratic and impartial process. It is prepared to revisit the provisions of Bill C-18 here in the Senate and in the House of Commons. The government has followed carefully the debate in both places. It is cognizant of the evidence that was presented to the Standing Senate Committee on Legal and Constitutional Affairs — and they were good hearings. It has listened also to the message that was delivered by the delegates to the recent convention of the Liberal Party of Canada.

This government has told Canadians that it wants to receive their views and that it is prepared to act on those views. To give comfort to those who are concerned with the 24-month suspension, the government is prepared to amend the legislation to ensure that the next regular election will be held on new 1991 census boundaries.

Senator Perrault: That is good news.

Senator Fairbairn: It is prepared to do so immediately. It is prepared to change the provision for a 24-month suspension of the current process to 13 months, and that would provide an outside limit of the end of 1997, a mandate of four years and two months.

As I said earlier, all majority governments in the past 35 years have had a life span of at least four years and two months. As far as I am aware, there has never been a majority government that has gone to the electorate in less than three years in this country, which is what the amendments of the opposition would suggest.

Senator Lynch-Staunton: It can be done; you could call an election.

Senator Fairbairn: The change the government is proposing is transparent and it is reflective of the wishes of Canadians. It also provides a genuine opportunity for the House of Commons committee and Parliament to bring forward and pass legislation for reform of the electoral boundaries redistribution process.

The change would fulfill the conditions publicly set out in our committee by Senators Lynch-Staunton and Murray. On May 5, Senator Murray said:

> I would 'tilt' in favour of introducing as much certainty as we possibly can into this bill to ensure that an impartial redistribution based on the 1991 census is conducted and completed in time for a general election in 1997 or 1998.

Our proposal meets this condition. It would ensure that new boundaries would be in place for an election at the end of the government's traditional mandate, the end of 1997 and into 1998. I emphasize the phrase "traditional mandate" because all senators will know that no Prime Minister can set aside the Royal Prerogative to call an early election in the face of an extraordinary occurrence or a national emergency.

•(1500)

In committee, Senator Lynch-Staunton also seemed to recognize this distinction when he said that the government could not provide guarantees on matters within the parliamentary process. I quote:

> My question, if I may, is not the guarantee; it is the intention of the government to have this done. Not to guarantee; of course they cannot. But can they say, "This is our wish and this is what we want to happen."?

I would respond to him that yes, we can say we wish this to happen. The government is prepared to take the necessary action to provide the assurances which have been sought by senators and by members of the public, either here or in the other place.

I know from my honourable friend opposite that the opposition feels strongly about this bill. It feels very strongly about its amendments and wishes to proceed with them. This is not the first time that a majority Senate opposition has put forward amendments to change a piece of government legislation. However, as I have indicated here today, the government is prepared to respond positively to the objectives which have been brought forward in this house.

It is in that spirit, honourable senators, that I move:

> That the report be not now adopted, but that it be amended by striking out amendments 1, 2, and 3, and substituting the following:
>
> Page 1, clause 2: Strike out line 9 and substitute the following: "until thirteen months after the day on"

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, had we not agreed to have votes on this issue at 4:30 p.m., I would be more than justified in asking for an adjournment of the debate, because Senator Fairbairn has brought in some eloquent arguments, perhaps not all convincing, but certainly indicative of some relaxation of the rigidity shown by her colleague, the Leader of the Government in the House of Commons. However, we will have an opportunity to discuss her presentation and some of the points she made in greater detail on another occasion. Meanwhile, I will allow myself to make some corrections on the comparisons she made between Bill C-67 and the current bill.

Honourable senators, it must be appreciated that in Bill C-67, we never abolished the commissions — we suspended them. That is an essential element of difference between the two bills.

The committee which will review the act has been asked also to review the composition of the commissions. In our case, we suspended the commissions for a given time, for a given reason, and then proposed that they should carry on their work. In this case, to assure the impartiality of the process, we do not want the existing commissions abolished until we know what type of format will be put into place for the redistribution process.

The other difference is that Bill C-67 had all-party support. In this case, the opposition in the House of Commons was such that the Liberal government had to impose closure. As well, Bill C-67 did not affect redistribution for the 1993 election because the process is such that, even if it had not been suspended, it still would not have been in place for the 1993 election.

The other point I wish to pick up on — there are many others, but I do not have time to go into them — is the issue of the 24 months. The minister said at committee — and this notion has been picked up by the Leader of the Government in the Senate — that the 24-month period is the outside limit. However, that is not what the bill says. The explanatory note is very specific. It says:

> This enactment suspends the operation of the Electoral Boundaries Readjustment Act for twenty-four months...

It does not say "up to 24 months" or "perhaps it could be up to 24 months" or "perhaps it could be less." It says "24 months" If the intent of the government, at the time it introduced the bill, was to say that 24 months is the outside limit, it should have said that at that time. The government is only backing off now because of pressure — strangely enough, and typical of the Liberal party, not pressure from interested Conservative senators, not pressure from the Legislative Assembly of British Columbia, not pressure from the Premier of Ontario, but pressure from their own supporters at a Liberal convention over a particular weekend. Otherwise, they would not have gone so far as to bring forward this amendment.

Senator Frith: Very strange for Conservatives to do that, I guess.

Senator Gigantès: They listen to their own people.

Senator Lynch-Staunton: You listen to your own people, but sometimes you might listen to the Canadian people. Do not confuse the two, which is one of the big mistakes you make.

Senator Frith: We are listening to your concerns.

Senator Lynch-Staunton: Although the Conservative position on this bill has been made clear on more than one occasion, and at the risk of repeating much of what has been said before, I still want to emphasize a number of arguments which have led us to take the position we have.

When the vote on second reading was called, more than one of my caucus colleagues were anxious to vote against the bill then and there to indicate how strongly they felt about Bill C-18. However, they agreed not to do so in order to give the government a chance to reply to our objections, to indicate at least some appreciation of them — since by that time similar protests were being raised by many quarters across the country — and to hear these objections and analyze them at the Standing Senate Committee on Legal and Constitutional Affairs.

The minister responsible appeared twice before that committee, and each time remained rigid in his sponsorship of Bill C-18. Even when reminded that the sole objective of the Conservative senators was to make certain that the next federal election would be fought on electoral boundaries set impartially, and based on the most recent census, Mr. Gray replied:

> I cannot say that we exclude the possibility that the next election will be held on the current boundaries rather than the new ones.

Now we hear today from Senator Fairbairn that perhaps that rigidity has been relaxed a bit, but her amendment does not guarantee it.

Mr. Gray's frankness may be refreshing, but his lack of concern is deplorable. It simply gives credibility to what was repeatedly reported to have motivated this bill: pressure from Liberal members of Parliament who, once elected, saw their constituencies as personal fiefdoms not to be tampered with.

A national radio audience heard this confirmed on the CBC program, *The World at Six* on May 5 when the member for Don Valley North said:

> I worked 20 years to get here. Within two months, I lost my seat, which is not fair.

The true purpose, honourable senators, of Bill C-18 could never be better summed up than in those few words.

The Legislative Assembly of British Columbia, in a rare demonstration of unanimity, on April 21, with 52 members present out of 73 — there being 2 vacancies — condemned Bill C-18 and called upon "the Senate to reject this unfair legislation." When the Prime Minister was asked on May 10 at his press conference if he had concerns over this development, he expressed surprise at British Columbia's protest of the bill, since, he said, redistribution would add four seats to Ontario but only two to B.C. In effect, the Prime Minister said with a straight face, British Columbia would actually be disadvantaged by redistribution. I would like to think this was a desperate argument in favour of Bill C-18 rather than a confused understanding of the meaning of "representation by population," but I fear I am being somewhat generous in my interpretation.

When Bill C-18 was first introduced in the House of Commons, it was said that a two-year suspension of the Electoral Boundaries Readjustment Act was necessary "to allow for a fundamental review of all aspects of the process." The argument was repeated when the Minister of Justice moved to refer the issue to the Standing Committee on Procedure and House Affairs. This was on the morning of April 19, even before the Senate had received a message asking for concurrence in the bill. So much for the government's argument that suspension of the act, whether it is for two years or one year, is essential before a parliamentary review of it can get under way. As for the lack of courtesy shown the Senate by the government, the less said, the better.

•(1510)

Senator Frith has argued that there is no constitutional obligation to have a redistribution in place following the latest census and prior to the next one. He quotes from section 51, where it states that redistributions will take place "in such manner, and at such time as the Parliament of Canada from time to time provides." Section 51 also states that the readjustments will be made "on the completion of each decennial census."

Professor Andrew Sancton of the University of Western Ontario gave the committee a brief history of redistribution since Confederation that goes a long way in challenging Senator Frith's laissez-faire interpretation of section 51:

> The first redistribution of federal electoral districts in Canadian history occurred immediately prior to the federal election of 1872...Until the 1940s redistribution was always accomplished in time for the first election one year after the decennial census. The 1945 election was fought on boundaries based on the 1931 census...the seats were, however, redistributed in time for the 1949 election.

Now is not the time to go into the reasons for the delay at that time. However, I raise it because Parliament in 1943 did not act unilaterally. It did not invoke the "from time to time" argument. It sought approval for the delay through an amendment to the British North America Act, which was confirmed by the British Parliament the same year. Just contrast that careful understanding of and respect for the intent of section 51 with its casual dismissal today by supporters of Bill C-18.

Since the Electoral Boundaries Readjustment Act was passed in 1964, it has been impossible to have an adjustment as quickly as before, since the new, vastly improved, procedures take up to 30 months before they can come into force. Nonetheless, in the 1960s, 1970s and 1980s at least one election was held based on the previous decennial census.

While constitutional arguments can only be resolved by the courts, the narrow interpretation given to section 51 does not stand up to how it was actually applied since the beginning, and to how the authority to delay redistribution 50 years ago was sought. The least that can be said is that Bill C-18 dangerously circumvents the spirit of section 51, if nothing else.

At the committee Senator Frith also advanced the argument:

> ...to the extent the house wants to deal with something that directly affected my right to sit as a senator — as this bill directly affects the process that leads to their sitting as members — I would say that is perfectly within their jurisdiction to do it, just as it is ours to deal with this one, but I hope they will tilt it a bit our way... I am going to tilt in favour of the House of Commons, which is most directly affected by the bill...

Section 51 gives Parliament the responsibility of establishing procedures for redistribution, not just the House of Commons. Canada's electoral system and its implementation are admired around the world, to the point where specialists from Elections Canada are frequently asked to advise countries seeking guidance in the introduction and adoption of a basic democratic right. In addition, Canadians are invited to act as advisors and monitors during elections themselves.

In the last little while Senator Prud'homme has been to the Ukraine, and Senator Cools and Senator Oliver have been to South Africa. If others can show such confidence in our colleagues, at least we should be able to demonstrate the same respect for their abilities here and not be hesitant to make use of them in defining legislation of the type before us.

As for Senator Frith's argument, whether or not it was his intention, it suggests a return to the situation which existed before 1964 when members in the majority in the House of Commons had no hesitation in establishing boundaries based on political considerations.

The House of Commons does not belong to its members any more than the Senate of Canada belongs to us. Every Canadian has a direct stake in the electoral process, and if there is to be a tilt in any direction let it be in that of the voters and not in that of partisan interests.

The three amendments which are part of the report of the committee allow a temporary suspension of the process, give ample time for the House of Commons parliamentary committee to propose improved or even new legislation regarding electoral boundaries, and in any case assure that the electoral boundaries will be designed impartially, based on the 1991 census, and be in force prior to the time when the next federal election would normally be held.

The act now contemplates that December 1995 will be when the order comes into force. Bill C-18 would delay this to December 1998. Bill C-18 as amended by the opposition would bring the date back to May 1996. The next federal election would normally be due on or after October 1997, while Senator Fairbairn's amendment would extend the delay to December 1997.

It is not a question of "because the past has shown that a majority government's term averages four years and two months." The point is that as expeditiously, as fairly, and as impartially as possible there has to be a process in place, uninterrupted, that allows the new boundaries to apply to the next federal election. It is too facile to say, "We are not going to have an election until 1997 or 1998, so give us a year to suspend the act." No government can guarantee when the next election will be held under our system. The Constitution allows it a life span of up to five years. That is the only guarantee that we have — that we have to put up with a government and tolerate it for up to five years. However, no government can make the claim that, because over the years the average for a majority government has been four years and a bit, therefore, the next election will be held in four years and a bit. It could be held in three years. It could be held next year.

We all know that there are things going on in this country which, if allowed to develop, could quite rightly convince this government that a federal election should be held as early as 1996. It could be that the process that we are putting into place would not allow the boundaries to be ready for that election. However, that is not the point. The point is that the process that is in place now, we are agreed, should be interrupted for the minimum period necessary. If the Government of Canada is sincere and really believes that the next election, as normally held, should be held under new boundaries, it should, like senators on this side, the Conservative side, support the amendments that we have presented.

Hon. Pat Carney: Honourable senators, Senator Buchanan has reminded me that there is a saying in politics and elsewhere that "when you are ahead you should quit." Canadians are ahead by the government's ungracious capitulation on Bill C-18. However, there is the public record and there are some facts that should be placed on the record before calling it quits.

We understand the position being put forward by the Leader of the Government in the Senate, because the game plan of the Liberal government is to show that Liberal legislation is to be amended by Liberal senators in response to Liberal delegates to a Liberal convention. That is the game plan. However, it will not wash, because this capitulation on Bill C-18 is in response to efforts by the Conservative majority in the Senate listening to Canadians who are outraged by the government's action to devalue their votes.

The Leader of the Government stated earlier in her speech that the aim of this legislation was to renew a process and to renew it in a way that was democratic, impartial and fair. However, the problem is that it was perceived widely to be undemocratic, gerrymandering and unfair.

Senator Lynch-Staunton pointed out that, despite the quotations presented today in debate, the minister responsible for this legislation appeared twice before the committee headed by Senator Beaudoin and had the opportunity to say that this new process the Liberals were presenting would be in place before the election. Twice he appeared, and twice he refused to make that commitment. That is the quotation that counts.

•(1520)

I want to remind honourable senators that Bill C-18 is a matter of grave concern for many British Columbians. As Senator Lynch-Staunton has pointed out, every elected MLA present in the house, every elected MP — except the six Liberal MPs — opposed this bill. That is an extraordinary vote of non-confidence in this legislation. The province of B.C. sent one of its ministers, its former Minister of Constitutional Affairs and present Minister of the Environment, Moe Sihota, here to Ottawa to appear before a Senate committee to ask us to reject the bill. Given the fact that the government of the day in B.C. wishes to abolish the Senate, this move by that government to take that extraordinary step to appear before us shows the level of concern. Why? Because it was perceived as unfair and unjust. Passed under closure in the other place, Bill C-18 could deprive British Columbians of their proper representation in Parliament by delaying the addition of two MPs until some time in the twenty-first century. This is not acceptable to Canadians in Canada's fastest-growing province.

As amended by Senator Beaudoin's committee, the bill would ensure that there are new boundaries in place for the next election, as far as it is possible to determine. The process that would flow from our proposed amendments has been well outlined by Senator Lynch-Staunton.

There are three reasons why the bill should be returned to the other place as amended. First, for Confederation itself. This has not been said in this place much today, but we face very difficult times in this country. Now is not the time to cultivate resentment, frustration and distrust. We have a pending referendum in Quebec which could dissolve Canada as we know it. That threat has led to counterthreats from western premiers. That situation has not been particularly helpful. I agree with those who suggest that this is not the time to add fuel to separatist fires in the country, but in its present form Bill C-18 is a further threat by creating fears and anger in our Pacific province; a province which, you will recall, as does Senator Gerry St. Germain, rejected the Charlottetown Accord by the highest margin in the country.

The second reason for rejecting this bill is the role of Parliament itself. We do have two Houses of Parliament. The Senate committee under Senator Beaudoin conducted itself with restraint and commendable attention to the proper exercise of Senate powers. The amendments do not intrude on the ability of elected MPs to act as they wish, provided that they do not intrude on the constitutional rights of Canadians, or the rights of regions in Canada to be represented fairly. That is an important contribution to our parliamentary record and is set carefully on previous precedents.

There were precedents for the Senate to reject redistribution bills in 1889 and 1900. The work of Senator Beaudoin's committee and the contribution of senators such as Lowell Murray is in the highest tradition of the Senate. By acting respectfully, the Senate has gained a new measure of respect from many Canadians. I should like to thank all our senators for their support on this issue.

Thirdly, supporting the amendments shows that the Senate can be responsive to the will of enlightened and empowered citizens who have taken the trouble to make their views known to senators. Senator St. Germain and I have received many letters — our current tabulation is more than 150 phone calls on the Senate answering service, and around 143 letters with addresses attached — from all over the province. I should like to make mention of some of the letters on this list for the record, so that these people can receive some recognition.

I should like the record to show that these are not fanatic freakouts, as some have suggested. These are people who are very concerned. I have told you previously of some of their feelings. To give you a sample of some of the emotion in British Columbia, I have a letter from Campbell River urging us to oppose this bill saying that "Bill C-18 is a travesty. I implore you, as a British Columbia representative in Canada's house of sober second thought, to block passage of Bill C-18. Contesting the next federal election on the basis of the 1981 census is ludicrous. The efforts of the federal government to hold up the electoral boundaries process across the nation is gerrymandering at its worst."

I am reading these letters to show how people perceive this bill, which went through the House under closure, and in light of what Senator Fairbairn has stated with regard to the government's intentions.

There is another letter from MacKenzie, in northern B.C., which states that "British Columbia needs these seats to maintain its representation by population in the House of Commons. Please defeat Bill C-18 when it is debated and voted on in the Senate. British Columbia needs you to stand with us and help us in our fight to stop this injustice to our province."

Those are emotional words. When people feel that their Parliament is acting in a way that they feel is unjust, it undermines Parliament itself.

Here is a letter that will appeal to all senators. It is from Creston, B.C., and states that "In all honesty, I have not been impressed with the performance of the Senate as of late but here is an opportunity to transcend party lines and do what is required of them, namely to prevent passage of Bill C-18. What else can I say, senators? Do your stuff."

Here is a letter from North Vancouver. It states that "Whatever party B.C. senators belong to, this should be a non-partisan issue. Your duty lies with voting in the interests of B.C. That is what you are there for."

I have another letter from Pender Island in the Gulf Islands that states, "This is a request that you do all in your power to see that Bill C-18 is defeated in the Senate in its present form. It is absolutely inexcusable that the redistribution of seats to B.C. should be delayed until after the next election. Bill C-18 is nothing more than a political ploy to strengthen the hand of the governing party in the next election and it should not be allowed to pass."

I want to point out to colleagues that I am taking out a lot of the partisan material. In support of that — and I know that Senator Perrault will appreciate this letter — here is a letter from White Rock, deep in Reform Party territory. It states, "I cannot believe I am thanking you, of all people" — referring to me personally. It goes on to state, "Was I wrong about you? Were you always Pat the protector? Thank you."

Here is another letter from Prince George. It asks, "What possible necessity can there be for the suspension of this readjustment other than the attempt of the Liberal government to deprive British Columbians of their fair share of representation in the House of Commons? We in B.C. view this as a cynical attempt by the Chrétien government to assure themselves of another majority in the next election."

Hon. Raymond J. Perrault: It is a shame to say things like that.

Senator Carney: The writer goes on to state that "it could go on forever continually flying in the face of all democratic procedures." If you wish to say "shameful," I will give you this writer's address in Prince George and you can explain it him personally.

There are a number of other letters.

Senator Perrault: Let's keep this non-political.

Senator Carney: You can say that to the letter writer yourself. There is another letter here from Surrey, one of several which I will not read into the record but, unfortunately, it ties the issue of the representation in B.C. to the issue of Quebec. Many of the letters and many of the phone calls that Senator St. Germain and I have received have linked the fact that this is a malicious attempt by the federal government to ensure that Quebec keeps the 25 per cent representation of Parliament, regardless of the growth in the population in B.C.. This is an argument that we hear quite a bit. It is one that I know is not true, and no reasonable person would support, but it does not help the national debate when you have that point of view being repeatedly expressed.

There are many letters from Victoria. This exercise is being carried out on a non-partisan basis. I am sure that Senator Ray Perrault and Senator Jack Austin also received many letters.

•(1530)

This letter states that, "I urge our B.C. senators to kill the bill when it comes before the Senate. Before that, I suggest they discuss the subject with senators from across Canada and convince them that the MPs have made an unlawful and sleazy mistake which can be corrected if the Senate acts, as I hope they will." It is amazing the support that the Senate has received through this effort of the Conservative majority.

A man and wife wrote from Chilliwack to say how upset they are that the federal Liberal government is set to ram through legislation that will deprive British Columbia of fair — there is that word again, "fair" — and equitable representation in the House of Commons.

The letter repeats the argument saying they are writing to me to let me know how very upset they are about this. They ask that the Senate not allow the Liberals to misuse their power and position to take away the rights of people in B.C.

There is another letter from a Canadian citizen and resident of Victoria, B.C., who is appalled at the attempt of the federal government to deprive British Columbia of fair and equitable representation in the House of Commons.

Senator Perrault: It is not true at all. You are citing fallacious letters. You go on radio interviews and you think that epitomizes all —

Senator Carney: The senator makes a good point. I am prepared to listen to these people. I am prepared to listen to Canadians who took the trouble to write, something that the government was not prepared to do.

Senator Perrault: No wonder that the polls show that the Conservative Party has now only 1 per cent support in British Columbia, senator.

Senator Carney: If you are so upset, Senator Perrault, why not read your letters of support for Bill C-18?

Senator Perrault: Will you listen to that tirade?

Senator Carney: People who write us in the Senate have the right to have their views read into the record. Do you not agree, honourable senators?

Some Hon. Senators: Hear, hear!

Senator Thériault: Why did you not read the letters you got on the GST debate?

Senator Carney: I have another letter here from Richmond, and none of these people voted Conservatively. They are not writing their MP. They are writing to their senators.

This writer says that, on the radio, he heard the member of Parliament for Quadra shouting down Senator St. Germain. Apparently the member felt that, because the redistribution scheme is not perfect, we therefore cannot have any redistribution of seats. The writer then asked that someone please kick the member from Quadra in the shins and advise him of this writer's old school motto, "Manners maketh the man."

I am not making these letters up. These are letters from concerned people.

Another letter from West Vancouver says that the writers are extremely upset that Bill C-18 has been rammed through the House of Commons but, because of the constitutional existence of their Senate, they are trusting that they still have the opportunity to have saner heads turn down Bill C-18 in its present form. I am sure that many of you who are senior senators in this place will appreciate this support for the Senate.

There are many "Kill Bill C-18" cards. I know Senator St. Germain has received many.

Another letter from Victoria requests that I and my colleagues in the Senate take a sober second look at the legislation, and that we accept our grave responsibility to ensure that the laws and rules by which governments govern are upheld.

There is another letter from Vancouver that declares it to be about time for B.C. to get its fair share of federal voting power and to stop being hog-swoggled by the federal government.

I could continue to read these letters. I think I have given you a fair measure of the emotion and the power and the concern of the people in British Columbia.

I will read from one more letter, this one from Saltspring Island in the Gulf Islands where I reside. This writer requests that the Senate use its established powers in Canada's interests. Recognizing that this country may some day choose to change the Senate, the Senate is presently a body well defined with specific duties, one of which is to represent the regions. This writer states that he feels, for the first time in his life, that Confederation means that or nothing, that all regions must be represented without the federal government leaning over too far for one region or another. He feels the bill should be killed or at least changed to give B.C. its additional seats.

I think I have given you enough reason as to why we are showing these concerns. Senators in this house on either side do not ask to amend legislation voted by elected members of Parliament without good and sufficient reason. I know that, in my case, since every elected British Columbia MLA, and every elected British Columbia MP, except for the six Liberal B.C. members, oppose this legislation, it is my duty as a member of the second chamber to oppose it, too.

I urge you to support the Conservative amendments and return this bill to the House of Commons for further consideration.

Senator Frith: You do not intend to vote for the committee's amendments, senator?

Senator Carney: As I have said, I urge support for the bill as amended.

Senator Perrault: Honourable senators, Senator Carney may be charged under the Cruelty to Animals Act. She has been flogging a dead horse for thirty minutes. She talks in terms of: "We shall not tolerate a return to the 1981 census."

No one here is suggesting that. The parties in this chamber and the parties in the House of Commons, none of them —

Senator Carney: Point of order.

Senator Perrault: Let me make my point after your long, tedious report.

Some Hon. Senators: Order! Order!

Senator Carney: The point of order is, Senator Perrault, that since you never once attended the committee meetings, you have no idea what was said there!

Senator Perrault: That is not a point of order. That is another one of your spurious Tory delaying tactics. There are some of us in the House of Commons and in the Senate who would rather work patiently and effectively for reform behind the scenes instead of running to every open-line show in Canada.

Some Hon. Senators: Oh! Oh!

Senator Perrault: The reason you have all of these misguided letters is that you have spent most of your time on the open-line shows in Vancouver spreading false propaganda to the people about the government's intentions. Those are the facts. Those are the facts.

In reality, the parties in this chamber, the parties in the House of Commons, all subscribe to the view that there must be representation based on the latest population information. That is a commitment given again today by Senator Fairbairn. Why, then, does the senator continue to read letters saying, "We do not want redistribution on the basis of the 1981 census?" when such a premise is truly false?

Senator Carney: That is what the minister said.

Senator Perrault: Listen to these words. I thought that it was an eloquent speech by the Leader of the Government in the Senate — a speech that some of us hoped might have been responded to with greater understanding, with a greater spirit of cooperation.

Some of the senators opposite talk in terms of working effectively on a non-partisan basis. Now we see where some of them really stand. They appear to be unwilling to support a very constructive amendment proposed by the Leader of the Government in the Senate when we should all be working as parliamentarians to ensure that every region of Canada, despite its location, be given representation based on population. We agree on that.

Senator Carney: We agree.

Senator Perrault: The only question before us is how do we do it as quickly as possible and as effectively as possible. Senator Carney has indicated that there is a great torrent of support in British Columbia for the Conservative Party and the position they have taken. However, the latest public opinion polls indicate that the Conservative Party in British Columbia now have 1 per cent of the support and that the Liberals have 48 per cent of the support. I think that perhaps Senator Carney and her associates may have a credibility problem in our province.

These are some of the facts which should be remembered.

Senator Carney: Facts? Liberal facts. They change from day to day.

Senator Perrault: I want to read a resolution which came out of our party's most recent, very active venture into democracy, our convention.

> Be it further resolved that, notwithstanding the above, the 36th General Election be contested on boundaries which have been drawn using the 1991 census, thereby reflecting the demographic changes which have taken place in Canada since 1981, and particularly provide for fair representation for British Columbia.

That resolution was passed with overwhelming support. It was not even a matter of disagreement. Why, then, is the senator attempting to stir up this storm of dissent? We have had enough of this nonsense of east against west, Ontario against British Columbia, even in the recent hockey play-offs, for heaven's sake! One misguided newspaper held a silly "Why I hate Toronto" contest. "Why I love Canada" is more important than all of that claptrap. It is puerile drivel, stirring up the people of the Okanagan and other areas of British Columbia by saying "Those Liberals down there, they are trying to take seats from you in the House of Commons." You know that that is not true. It was never the intention of the government to deprive any section of Canada of its fair representation.

Some Hon. Senators: Oh! Oh!

Senator Perrault: The Prime Minister has said repeatedly that our goal is to ensure that there is fair representation for all regions. There will be a reapportionment of seats.

It should be remembered that Mr. Gray told our committee, and I quote him, that he wanted to anticipate the kind of concern being expressed, and all we wanted to do is delay things:

> Therefore, we felt we should show our intention of getting on with the matter by introducing the motion in the House of Commons at the first opportunity.

That first opportunity came after the bill had received the support of the House of Commons. There was never anything said by Mr. Gray to suggest that seats would be taken away, or seats denied to any part of the country.

I suppose it is better politics for some people, or so they believe, to whip up some sort of crisis involving Ontario, B.C. and the rest of the country. That is not the way we will save Canada.

Senator Carney: Bill C-18 certainly won't save Canada.

Senator Perrault: I suggest to the opposition that I do not doubt their sincerity when they say there should be redistribution based on the new population figures. We agree on that point. I am not criticizing them for it. However, they are now misusing this whole campaign.

The members of the majority party in this house, the Loyal Opposition, should be reminded that while their amendments have some merit, they are flawed. The statement made by the government today is that the intention and commitment is to bring in those measures necessary to provide the fairest possible system and the earliest possible redistribution.

In this process of considering the options available to us, I do not think they can be considered effectively if there is to be a lot of partisan emotion here. We should work together to make sure that the best possible reapportionment of seats is accomplished. Let us not concern ourselves with the initiators of these concepts. The philosophy of "Don't confuse us with the facts because our minds are made up," is just not good enough in the context of this parliamentary reform process.

Senator Carney's speech was almost a form of ungracious capitulation. In her own secret heart, I believe she knows that the government's response and its proposals have merit. She should be willing to accept the word of the Leader of the Government in the Senate, but still we hear about the great flow of letters that she has received, some of which she has read to us today.

Senator Carney: You are against hearing from the people?

Senator Perrault: I want to send this message to the people of our province particularly. There was never any intention to deprive British Columbia of its fair representation. That will never be done by this government, and I hope by no other government in Canada.

The initiatives which were announced today by the Leader of the Government in the Senate are totally constructive. They are worthy of the support of us all. We should get behind these proposals and give them our full support, send the amendments back to the House of Commons and see what they do with them.

Hon. Jack Austin: I thank Senator Prud'Homme for allowing me to precede him. I have undertaken to speak very briefly and, I hope, to the point.

Honourable senators, I believe we in the Senate are seeking the opportunity to make this a more significant legislative chamber than perhaps some of us have thought it to be in the recent past. We have here an offer by the government to introduce amendments which can be approved here and sent to the House of Commons for their approval. This is a gesture that, in my time in the Senate, is without recallable precedent.

The Leader of the Government has said, and I believe she has spoken correctly, that the government has accepted the principle of the opposition amendments. There is a difference about mechanics, and reasonable members of this chamber can differ about mechanics. The government will, in the other chamber, offer a similar form of mechanics to that offered by the government in this chamber.

I would suggest that this chamber advance its own cause and not play to as partisan a theme as perhaps some seek to play. I suggest we advance our own cause by accepting the government's amendments.

[*Translation*]

Hon. Marcel Prud'homme: Honourable senators, I realize that more honourable senators wish to speak in this debate.

I believe we have here an example of the best the Senate has to offer Canada.

[*English*]

We should not be afraid to trumpet across Canada what we are doing here and what we are about to do. I am on record from many months ago for having said that in a harmonious country, all parts of the country should feel as if they are part of the country. From the beginning, we knew that one of the best parts, as far as I am concerned, British Columbia, felt extremely unhappy, and rightly so.

Long before this debate started in the Senate, I went to see all of my friends, because I have worked on redistribution matters for 30 years. I alerted them to the sensitivity of trying to come forward with something we do not like.

It is obvious that any time you are a new member of Parliament, you are extremely disturbed when you see the first new map. You panic. I did the same. I repeated that in committee. However, I would prefer the law to take its course.

What would be the effect if my friend the Prime Minister of Canada, the Leader of the Government, my friend John Chrétien, was to listen to my call, a public call and a private call, to let the bill die in the House of Commons? We will vote for certain amendments today, and we will reject certain amendments today, but in the best interests of Canada, he should let the bill die in the House of Commons when we return it in one form or another. It will be in the best interests of Canada. What would be the consequences if he was to let it die? Well, the consequences will be very simple. We know that until at least the year 2008, there will be 301 members of the House of Commons, no more and no less. No provinces will feel threatened.

Mr. Milliken's committee is about to look into reducing or increasing or freezing. What would be the net effect? The net effect is that B.C. will fend for itself perfectly well. Ontario and Alberta, rightly so. Under the new formula, Saskatchewan is bound to lose up to four seats. Manitoba under the new formula would be bound to lose up to three seats. Quebec could lose up to three seats. In a formula put forward many years ago by the very astute Senator MacEachen, a new formula that was invented by him, the net effect was to give one more seat to Nova Scotia. If this new committee does anything, that seat in Nova Scotia will disappear.

What are the consequences? Instead of having only parts of Canada unhappy, you will have everybody unhappy.

Why not let the law take its course? Until the year 2008, you will have 301 members. During that time, we will have had a chance to look at all the new constitutional possibilities. We know that Nova Scotia, New Brunswick and P.E.I. are protected by the Senate, so therefore they will never have less members than they have senators. We know that.

When we invented the grandfather clause in order not to reduce members, we were unfair to British Columbia and Ontario. When my country is under attack, I have no hesitation in defending it. Publicly, for the first time, I say that I blame the official opposition in the House of Commons for not having done its duty by opposing this bill.

These people always talk about René Lévesque. Some only met him the night before he died. They claim to be les héritiers. I knew him since 1955, and I repeat here publicly that I was a candidate and I gave him my seat in 1960 at the request of Jean Lesage. I know he would be unhappy to see les héritiers, because René Lévesque was always proud to stand up for any kind of political reform, not only for the kind of bill we are talking about, but for economic reform in the sense of limiting expenses and so on. There was a good formula.

•(1550)

The Bloc has not performed its Constitutional duty to oppose this bill when it was before the House of Commons. They have played games. Those are perhaps strong words for a guy like me, but honourable senators will likely hear a hell of a lot more. As I said, if Canada is under attack I will stand up for my country. At the moment, this is my little way of standing up for Canada. I feel Jean Chrétien is a big man and that he can make everybody understand that there is nothing wrong in not backing off.

I know politicians will say, "We must make him back off so we can gain some points." Canada is under attack, and it is not the time to be trying to make points. That is my basic approach at the moment. I say that this bill is not fair. I would like to vote for the amendment which I just saw, but it eliminates the possibility of retaining the commissions that are already doing their work. I do not think the commission in Newfoundland has done its duty. They should not have pre-judged what we would do. They should have continued with their duties and not suspended their work. I do not understand how they could suspend their work. Until there is a new law, the law of Canada applies, and it says that you must do your duty as the commission for Newfoundland. Why they would suspend their work, I do not know.

Why was permission given in Prince Edward Island, after one presentation, to await the outcome of Bill C-18? That is not the way to run a country. These commissioners were appointed, and they should have followed through with their duty. They are completing their work now.

The Prime Minister is the only person who can make sense of that debate. Were he to say, "I will listen to you", he would be even more popular in British Columbia. I can imagine Jean, whom I have known since university, going to British Columbia and saying, "I have listened to you and I know what you want."

I hope my friends here will not make political points by saying that they will back off. If we do not, we will have proven that the Senate, in a difficult time, can play a great role on behalf of all Canadians and on behalf of all regions of Canada.

Hon. Gerry St. Germain: Honourable senators, I will be brief like one of my colleagues from British Columbia, Senator Austin. Late in March, I brought this issue before the Senate in what I believe was the first question on the matter put to the government leader. It is something that is of great concern to me, and logically, as so deftly put by Senator Carney, to a lot of British Columbians. What we have here, as stated in the host of letters and notes that I have received, is a perception of gerrymandering. In the Senate committee Senator Bosa said that, in his view, there was a perception that there is a sinister aspect to this bill. Those were his words, honourable senators. That is reinforced by my statements to the effect that there is a possibility or an intent of gerrymandering.

Peter Milliken, chairman of the committee which will study new legislation on boundaries, said that there was a revolt among MPs over the proposed changes, particularly in Atlantic Canada and Southern Ontario, as quoted in *The Vancouver Sun,* in March of 1994. Another member of Parliament in the House of Commons said that people were looking at how they were affected personally. That is where the pressure came from: Their personal kingdoms were being eroded and in some cases obliterated. As Senator Prud'homme has stated, when they saw the map, they panicked; especially the new members. Both these members of Parliament were from the Liberal Caucus.

If anybody has had experience as a caucus chairman in the House of Commons, I have, as I was there from 1984 well into 1988. I know the pressures and I know the reactions and frustrations. We all know what has happened in Ontario with the Liberal Party taking 98 of 99 seats, and there is a great deal of disappointment in the Liberal caucus in the House of Commons. Most of us have aspired to be cabinet ministers at one time or another. As a result, we have this sequence of events and this sequence of statements.

To be fair, the government, as Senator Austin has pointed out, is trying to come up with their amendment to deal with the matter. In spite of that amendment, I cannot see that the Canadian people have the guarantees necessary. I see no guarantee. During the Senate committee hearings when Minister Gray was questioned as to whether or not we would be able to expedite the matter, he pointed out clearly that, regardless of what happened, he could not guarantee, given the 24-month delay in Bill C-18, that we would be able to proceed with redistribution in time for the next election. I do not believe that the provision of 11 months provides that guarantee.

Therefore, in the spirit of those comments, I recommend that the amendments put forward by the official opposition in the Senate be seen as the appropriate amendments, despite what the government side has put forward today. I do not believe those guarantees are there. Those guarantees have been requested. Senator Carney, who has done an excellent job on this piece of legislation — contrary to what Senator Perrault has said about cruelty to animals — has grabbed the bull by the horns and has run with the issue. Believe me, she is not flogging a dead horse. She has taken the issue, she has run with it and she has done a remarkable job.

Honourable senators, I do not want to read into the record the letters I have received and the litany of information sent to me by fax and telephone, because to a vast degree it is repetitious. I said I would be concise and precise.

We speak of divisiveness, we speak of Confederation and we speak of the things that are important in uniting and holding us together as a country. Western alienation, my friends, is one of the greatest challenges we face as politicians who sit in the centre of this nation. Western alienation has never been more deep-rooted, more aggressive and meaner. Therefore I ask each one of you, when making your considerations, let us do it in the spirit of guaranteeing British Columbia and the Ontario regions their rightful positions in our democracy, their rightful positions in Confederation by going ahead with the amendments brought forward by Senator Beaudoin and his committee.

Hon. John B. Stewart: Would the honourable senator permit a question?

Senator St. Germain: Yes, sir.

Senator Stewart: The honourable senator, if I heard him correctly, said that Mr. Gray told the committee that he could not guarantee that the next election would take place on constituencies drawn as a consequence of the 1991 census.

Senator Carney: We were there.

Senator Stewart: Earlier today, Senator Lynch-Staunton said almost the same thing, that is, that given the prerogative of the Crown to dissolve Parliament and thus to bring on an election, we cannot say just when the next election will be. Is that what Mr. Gray was talking about? Was he anticipating what Senator Lynch-Staunton said here today, or was he saying something else? If Senator St. Germain thinks that Mr. Gray was talking about something else, what does Senator St. Germain think that "something else" was?

Senator Carney: Read the record.

Senator St. Germain: Honourable senators, if I may respond, I do not know what Minister Gray was thinking. All I do know is that under normal circumstances, and we were speaking in the context of normal circumstances, he could not assure us that we would go to the next election on redistribution.

•(1600)

Senator Frith: Could anyone?

Senator Thériault: But your amendments would not provide that guarantee either.

Senator Lynch-Staunton: If I may be permitted a supplementary comment, not only would the minister not give a guarantee, which is understandable, he would not even give his intention of trying to reach that date in redistribution. That is what we were trying to get him to say. Could he at least try?

Hon. Peter Bosa: I recall correctly what Minister Gray said at that meeting. He said he could not guarantee what the commissions would do or when they would submit their report. He could not speak for them. He had to await the committee's report to see whether an election could have been held under the 1991 census.

Senator Lynch-Staunton: Senator Bosa obviously did not listen to what Senator Fairbairn said. She has already told us what the committee will say.

Hon. Lowell Murray: Excuse me, honourable senators, but Mr. Gray agreed that, unless subsequent legislation were to overtake Bill C-18, Bill C-18 would have the effect of putting off a redistribution for another 17 months or more; in other words, an election as late as the fall of 1998 would have to be fought under the 1981 boundaries. He agreed that, unless other legislation overtook Bill C-18, that would be the effect of Bill C-18.

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, I simply cannot understand the resistance of my honourable friends across the way to the amendment proposed by my colleague the Leader of the Government.

Senator St. Germain says there is no guarantee. Well, you have a minister of the Crown speaking for the government in the Senate who says it is the intention of the government to have the next regular election — held in the normal, regular terms — on new boundaries. What more assurance can you expect? To back that up, honourable senators, what does Senator Fairbairn propose? She proposes an amendment to shorten the period. The present bill says 24 months, and she reduces that to ensure there will be time to do the necessary work so that the election can be held under new boundaries. Our objective was fair representation, and to ensure that the next regular election would be held on the new boundaries of the 1991 census.

Now, the Prime Minister — and Senator Lynch-Staunton has agreed — cannot say that any election held from now on will be held on new boundaries. That is impossible. However, the minister has just said that any regular election in the normal mandate will be on new boundaries. We are proposing an amendment to make this feasible.

Senator Murray: Will you permit a question on that point?

Senator Molgat: Certainly.

Senator Murray: Would you agree that the difference between the opposition amendments and the amendment proposed by the Leader of the Government today is the difference between having a redistribution ready in the spring of 1996, in the case of the opposition amendments, and having one ready in December of 1997, in the case of the government amendments?

Senator Molgat: You cannot have a guarantee. The proposals in your amendments are simply too tight. Senator Fairbairn has told you that the calendar of the House of Commons is such that they will adjourn on December 16 of this year. They will reconvene on February 6. The timings proposed in your amendments are simply impractical. That is the problem.

We do not disagree with the intention of your amendments. The government has listened. This is a situation where the government has been prepared to listen to the public of Canada, prepared to follow objectives, prepared to present amendments in this place, and the opposition is prepared to be the dog in the manger. Unless you get precisely what you want, right to the letter, nothing to do with the principle of the bill, you will oppose it. Well, that is your choice, but this government has shown it is prepared to listen and prepared to make changes; yet, you are prepared to refuse these changes.

Senator Frith: Ring the bells!

The Hon. the Speaker *pro tempore*: Honourable senators, it was moved by the Honourable Senator Fairbairn, seconded by the Honourable Senator Austin, P.C., that the report be not now adopted but that it be amended by striking out amendments 1, 2 and 3, and substituting the following:

> Page 1, clause 2: Strike out line 9 and substitute the following: "until thirteen months after the day on"

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

Some Hon. Senators: Yes.

Some Hon. Senators: No.

The Hon. the Speaker *pro tempore*: Will those honourable senators in favour of the motion in amendment please say "yea"?

Some Hon. Senators: Yea.

The Hon. the Speaker *pro tempore*: Will those honourable senators who are against the motion in amendment please say "nay"?

Some Hon. Senators: Nay.

The Hon. the Speaker *pro tempore*: In my opinion, the "nays" have it.

And two honourable senators having risen.

The Hon. the Speaker *pro tempore*: According to the agreement, the Senate will now be in recess until 4:30 p.m.

Please call in the senators.

•(1630)

Motion in amendment of Senator Fairbairn negatived on the following division:

YEAS
THE HONOURABLE SENATORS

Austin
Bonnell
Bosa
Cools
Corbin
Fairbairn
Frith
Gigantès
Grafstein
Hays
Hébert
Kirby
Lawson
Lewis
MacEachen
Marchand
Molgat
Neiman
Perrault
Petten
Prud'homme
Riel
Rizzuto
Robichaud
Stanbury
Stewart
Stollery
Thériault
Watt—29

NAYS
THE HONOURABLE SENATORS

Andreychuk
Angus
Atkins
Balfour
Beaudoin
Beaulieu
Berntson
Bolduc
Buchanan
Carney
Charbonneau
Cochrane
Cogger
Cohen
Comeau
Desmarais
DeWare
Di Nino
Doody
Doyle
Eyton
Grimard
Gustafson
Johnson
Kelleher
Kelly
Keon
Kinsella
Lavoie-Roux
LeBreton
Lynch-Staunton
Macquarrie
Marshall
Murray
Nolin
Oliver
Phillips
Rivest
Roberge
Simard
Spivak
St. Germain
Stratton
Tkachuk—44

ABSTENTIONS
THE HONOURABLE SENATORS

Nil

The Hon. the Speaker *pro tempore*: Honourable senators, it was moved by the Honourable Senator Beaudoin, seconded by the Honourable Senator Grimard, that this report be adopted now.

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

Some Hon. Senators: Yes.

Some Hon. Senators: No.

The Hon. the Speaker *pro tempore*: Will those honourable senators in favour of the motion please say "yea"?

Some Hon. Senators: Yea.

The Hon. the Speaker *pro tempore*: Will those honourable senators opposed to the motion please say "nay"?

Some Hon. Senators: Nay.

And two honourable senators having risen.

The Hon. the Speaker *pro tempore*: Those in favour of the motion please rise.

Report adopted on the following division:

YEAS
HONOURABLE SENATORS

Andreychuk
Angus
Atkins
Balfour
Beaudoin
Beaulieu
Berntson
Bolduc
Buchanan
Carney
Charbonneau
Cochrane
Cogger
Cohen
Comeau
Desmarais
DeWare
Di Nino
Doody
Doyle
Eyton
Grimard
Gustafson
Johnson
Kelleher
Kelly
Keon
Kinsella
Lavoie-Roux
LeBreton
Lynch-Staunton
Macquarrie
Marshall
Murray
Nolin
Oliver
Phillips
Prud'homme
Rivest
Roberge
Simard
Spivak
St. Germain
Stratton
Tkachuk—45

NAYS
HONOURABLE SENATORS

Austin	MacEachen
Bonnell	Marchand
Bosa	Molgat
Cools	Neiman
Corbin	Perrault
Fairbairn	Petten
Frith	Riel
Gigantès	Rizzuto
Grafstein	Robichaud
Hays	Stanbury
Hébert	Stewart
Kirby	Stollery
Lawson	Thériault
Lewis	Watt—28

ABSTENTIONS
THE HONOURABLE SENATORS

Nil

THIRD READING

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

Hon. Gildas L. Molgat (Deputy Leader of the Government): With leave, now, honourable senators.

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

Hon. Senators: Agreed.

The Hon. the Speaker *pro tempore*: Honourable senators, it was moved by the Honourable Senator Molgat, seconded by the Honourable Senator Lewis, that this bill, as amended, be read the third time. Is it your pleasure, honourable senators, to adopt the motion?

Some Hon. Senators: Yes.

Some Hon. Senators: No.

Senator Molgat: Honourable senators, not having seen any senators leave or enter, and seeing no weakening on the other side — that is, no one has seen the error of their ways — after two tries, could we agree to have the same vote apply to this motion as to the previous one?

That is, it would be recorded, then, with the same names as a regular vote, if that is agreeable.

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

Hon. Senators: Agreed.

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

Motion agreed to and bill, as amended, read third time and passed on the following division:

YEAS
HONOURABLE SENATORS

Andreychuk	Johnson
Angus	Kelleher
Atkins	Kelly
Balfour	Keon
Beaudoin	Kinsella
Beaulieu	Lavoie-Roux
Berntson	LeBreton
Bolduc	Lynch-Staunton
Buchanan	Macquarrie
Carney	Marshall
Charbonneau	Murray
Cochrane	Nolin
Cogger	Oliver
Cohen	Phillips
Comeau	Prud'homme
Desmarais	Rivest
DeWare	Roberge
Di Nino	Simard
Doody	Spivak
Doyle	St. Germain
Eyton	Stratton
Grimard	Tkachuk—45
Gustafson	

NAYS
HONOURABLE SENATORS

Austin	MacEachen
Bonnell	Marchand
Bosa	Molgat
Cools	Neiman
Corbin	Perrault
Fairbairn	Petten
Frith	Riel
Gigantès	Rizzuto
Grafstein	Robichaud
Hays	Stanbury
Hébert	Stewart
Kirby	Stollery
Lawson	Thériault
Lewis	Watt—28

ABSTENTIONS
THE HONOURABLE SENATORS

Nil

•(1640)

ROUTINE PROCEEDINGS

ADJOURNMENT

Hon. Gildas Molgat (Deputy Leader of the Government): Honourable senators, I believe that we were at Government Notices of Motions. With leave of the Senate and notwithstanding rule 59(1)(*h*), I move:

> That when the Senate adjourns today, it do stand adjourned to Tuesday next, May 31, 1994, at eight o'clock in the evening.

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

Hon. Senators: Agreed.

Motion agreed to.

VETERANS AFFAIRS

CANADIAN VIETNAM VETERANS' MEMORIAL— PRESENTATION OF PETITIONS

Hon. Jack Marshall: Honourable senators, I have the honour to table petitions with 1,264 names showing support for the Canadian Vietnam veterans' national memorial.

Included in these names are John B. Finlay from Oxford and Russell MacLellan from Cape Breton—The Sydneys, two very staunch and wise Liberal members of Parliament.

QUESTION PERIOD

CITIZENSHIP AND IMMIGRATION

REVIEW OF REFUGEE STATUS CLAIMANTS— GOVERNMENT POSITION

Hon. Richard J. Doyle: Honourable senators, my question is for the government leader in the Senate and has to do with the announcement by the Minister of Citizenship and Immigration of a new review of cases of all refugee status claimants who, since February 1, 1993, have been turned down by the Immigration and Refugee Board. We are talking about more than 10,000 people.

Review officers, including an unknown number of highly paid new recruits, will be trained in applying a broader application of the department's review criteria which will now include violations of fundamental human rights.

The Canadian Council for Refugees, the minister tells us, has been asked to assist the Government of Canada in this review by choosing NGOs, that is non-government agencies, that would help identify previously rejected claimants who might benefit from a further review under the broader interpretation of the refugee criteria.

The government leader will be aware that these policy decisions spring from a report prepared for the minister by two immigration advocates who, after a ten-week study, submitted a draft report in March and a final report in April. That report, with all of its complaints and political broadsides, was released for public consumption and consideration on Friday, May 13. After six days in which neither of the Houses of Parliament was sitting, the new policy was announced.

My question to the minister is why was so little time — really no time at all — allowed for public consideration of a range of changes in controversial immigration matters between release of the relevant report and announcement of government policy on the eve of a holiday weekend?

In the little Red Book, the Prime Minister speaks of "time to reflect, time to consult, and time to listen to Canadians."

Six days? Is that what he meant?

Hon. Joyce Fairbairn (Leader of the Government): Thank you for your question, Senator Doyle. I do not have an answer to the detail that you have presented. I will seek to get it from the Minister of Citizenship and Immigration.

FOREIGN AFFAIRS

ECONOMIC ASSISTANCE TO MIDDLE EAST— GOVERNMENT POSITION

Hon. Heath Macquarrie: Honourable senators, I should like to direct a question to the minister in reference to events in the Middle East which mean a great deal to Canada and indeed to the whole international community.

I refer to developments stemming from that wonderful meeting on the White House lawn last September that brought about movements in the Middle East which some of us would not have dreamed possible a year ago.

The particular reference is to the problems facing the new Gaza and Jericho, where tremendous economic needs are evident to make those communities viable. Can the minister tell the house whether our country is assisting in this measure, and, perhaps at another time, can she give us some indication of the types of assistance and the nature of its transferral?

Hon. Joyce Fairbairn (Leader of the Government): Thank you, Senator Macquarrie. Again, I will seek to have that information for you next week.

FOREIGN AFFAIRS

PROPOSED VISIT OF CHAIRMAN ARAFAT OF PALESTINE— REQUIREMENT FOR MINISTERIAL PERMIT— GOVERNMENT POSITION

Hon. Marcel Prud'homme: Honourable senators, I have a supplementary question. As you know, the Right Honourable Prime Minister and the Minister of Foreign Affairs have invited Chairman Arafat of Palestine.

Is it true that one of the difficulties in his accepting the invitation is the fact that, at this time, the government has not changed the rule and Mr. Arafat, although he is now received around the world, could only come into Canada by a permit from the Minister of Citizenship and Immigration? If that is so, I would suggest that he will not show up in Canada.

Hon. Joyce Fairbairn (Leader of the Government): I will certainly pass that question on to the appropriate minister, Senator Prud'homme, and get an answer back to you.

CANADA-UNITED STATES FREE TRADE AGREEMENT

GRAINS—BREAKDOWN IN TRADE RELATIONS—GOVERNMENT POSITION

Hon. Leonard J. Gustafson: Honourable senators, my question is on our trade situation with the U.S. with regard to durum wheat and grains in general. It seems to me, and this is just an observation, that every time we get a Liberal government trade relations with the United States start to break down.

Some Hon. Senators: Oh! Oh!

Senator Frith: We refuse to be a branch land, that's all.

Senator Gustafson: Just observe a bit. The present government has completely endorsed the free trade agreement brought forward by the Mulroney government. The question I have concerns the direction the Minister of Agriculture has been taking when in other countries, even Brazil. He has been making the point that Canada has been too highly subsidizing the grain trade, when we know that our farmers are getting $2.40 a bushel. I delivered grain last week at that price. The Americans, of course, with their subsidy program, are getting somewhere around $5 Canadian per bushel. This is out of order.

•(1650)

My question is: Can the Minister tell us what is the legal position of the Canadian exporters as regards the free trade agreement, and is the Government of Canada putting it forward to the Americans?

Hon. Joyce Fairbairn (Leader of the Government): Senator Gustafson, I want to review the last part of your question in order to give you a legal answer, which I do not have at the present time. However, I will follow up on some of the statements that you have made.

I think it is well understood that the Americans have taken a very confrontational stand toward our grain trade and the Canadian Wheat Board. The attitude that we are experiencing right now is certainly not something that we have invented.

We have a bizarre situation, which has been reflected in comments in this house in past weeks, in which the Minister of Trade was in Washington having discussions with his counterpart, Mr. Kantor, in an effort to come to some kind of a bilateral agreement on these important issues that will preclude the sort of activity that the Americans have been threatening to take under the GATT and through their own international trade commission. Those discussions have been going on both at an official level and now at the ministerial level.

At the same time, the Minister of Agriculture of the United States, quite improperly in my view, has been travelling around South America and Mexico and, in effect, urging those and other countries to come forward and oppose the Canadian Wheat Board and our trade with them. I find it incongruous, when we are dealing with our closest trading partner and friend, to have these activities going on.

For your information and the information of the house, I should like to quote comments today from Mr. James Blanchard, the United States Ambassador to Canada, when he was asked what are Mike Espy's intentions in view of his comments in Argentina, Brazil and Mexico. The answer from Mr. Blanchard, U.S. Ambassador to Canada, is:

> I don't think he had authority from the President. And I don't agree with him. But you know ... and so I don't fault Roy MacLaren for being frustrated, and I hope his speech will be reported in the United States and not just here. And maybe help us resolve this bottleneck of disputes. But I don't have any evidence to suggest that whatever's going on in Brazil is something the President authorized or supports, or is even aware of.

This was said publicly, here in Ottawa, today.

Senator Gustafson: My next question, honourable senators, is whether the Prime Minister of Canada has taken up the matter with the President? We know how serious this problem is. There have been voices from across the land. I have followed this matter very carefully. We had U.S. senators saying they should turn the missiles on Canada, and that has backfired in Canada.

The minister seems to be acting on his own. We hear the millers saying they want our grain. On the other hand, on American phone-in shows, we hear farmers coming on and saying, "We'll take their fertilizer to grow more grain, but we won't take their grain."

The questions are, what have we done about this situation under the free trade agreement, and is the Prime Minister willing to take this matter up with the President of the United States? We do hear other voices from across the border that seem to be at times even stronger than the Minister of Agriculture.

Senator Fairbairn: The senator will perhaps remember that the Prime Minister took up these issues directly with the President of the United States some weeks ago following the breakdown in discussions in Marakesh. The Prime Minister and President Clinton had a conversation, and the upshot of it was that the ministers and officials on both sides were urged to use this 90-day period of time that exists under the threat of a GATT challenge to come to a bilateral agreement that would be of benefit to both countries.

Those have been the signals that have been sent out from the leadership of the United States and of Canada. As our ministers have indicated privately and publicly in the last few days, they are prepared to work very hard for a constructive understanding and agreement on these continuing dispute issues on grain with the United States.

Suffice it to say, Senator Gustafson, that it is not the Canadian Wheat Board that is at the heart of this dispute. Rather, it is the Export Enhancement Program of the United States that is at the heart of it; there is no doubt about that.

Our ministers are prepared to do the very best they can to seek an agreement. In talking to some colleagues such as Senator Stanbury and Senator Hays who were in Santa Fe recently with the Canada U.S. Parliamentary Delegation, great support was given to our legislators from American legislators. They were saying, "We understand your position, and we support it." I guess we say to them, "Tell your President, but especially, by God, tell your Minister of Agriculture."

There is a political situation in the United States that goes back to the Congressional debates on NAFTA, when there were commitments made to bring in some of those votes in order to get that particular bill through the Congress. At this point in time, we are hearing extreme voices on the one hand, but on the other hand we hear voices such as that of Ambassador Blanchard, who certainly has the ear of the President, and is a very significant personage representing the American administration, saying, "We want an agreement, and we want to get along." That is the underlying motivation of the Canadian government in these discussions.

NATIONAL DEFENCE

DISPOSITION OF ROYAL MILITARY COLLEGE AT ST-JEAN—GOVERNMENT POSITION

Hon. Noël A. Kinsella: Honourable senators, I have a question for the Leader of the Government in the Senate. Can the Minister advise this house if the reports I read in the press are accurate. The minister, Mr. Massé, has supposedly advised the other place as to negotiations between the Government of Canada and the Government of the Province of Quebec to resolve the problem created by the budget decision relating to the Collège militaire royal de St-Jean.

Can the Minister advise this house as to what the minister of the other place advised that House, and be specific on the point of whether or not there are any negotiations on the table in this connection, and whether the Government of Canada intends to maintain a significant military presence as part of the package that the Government of Canada is bringing to the table in those negotiations?

•(1700)

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I regret that I cannot be specific. I spoke to Mr. Massé this morning, and he confirmed to me that he has had, as you know, a number of discussions with the Quebec government. He told me that there is a meeting of minds on general elements of an agreement vis-à-vis the collège militaire. The negotiations are continuing and the agreement is not yet finalized.

At this point in time, the ministers on both sides are not publicly declaring the specifics of their discussions, in order to have full flexibility in coming to a mutually desirable agreement. That agreement is expected within the next few weeks, and I will be glad to report as more elements become clear.

[*Translation*]

Hon. Jean-Maurice Simard: Could the Leader of the Government in the Senate explain the situation to her Prime Minister and to Mr. Massé? When explaining the reasons for its decision to close the Collège militaire de St-Jean, the governement said that it was confident it would be able to convince the Government of Ontario and Mr. Rae to invest substantial amounts in improving the bicultural and bilingual environment in Kingston. Today, there are Franco-Ontarians who are considering an appeal to the UN because of a lack of services in French in Ontario. To me, this is an indication that the Government of Ontario cannot even meet the responsibilities it already has according to existing provincial legislation. Considering the statements by the Franco-Ontarians, would you agree that the government is being rather unrealistic, at a time when Francophone Ontarians cannot even obtain services in their own language?

Mr. Chrétien says he is confident that in the case of Kingston, the Ontario government will spend considerable amounts in order to attract Acadians, francophones and even the country's anglophones, who want to receive their officer training in Kingston in the language of their choice.

I think this is a pipe dream. Could the Minister tell us whether she is prepared to transmit my comments to her government?

[*English*]

Senator Fairbairn : Honourable senators, I shall certainly transmit the honourable senator's message to the government, as I always do.

I should also like to reiterate what was said some time ago when this issue first was raised, that there is every expectation that the college in Kingston, in very short order, will be providing a fully bilingual atmosphere and program for students who will be attending that institution. I am not personally familiar with any communication on the matter vis-à-vis Premier Rae, but I shall transmit the honourable senator's comments and questions and return with a response.

[*Translation*]

Senator Simard: My second question is on the same subject. There are rumours in the navy that facilities for military training will be set up very shortly in Lévis or Quebec City, for future francophone navy officers.

This sounds like a half-baked proposal that is supposed to placate francophone officers. Rumour has it that there will be some compensation for the navy, and that it will be a French training facility in Quebec. Is this rumour based on a genuine and serious proposal by the government to train naval officers in Quebec, or is it just another example of Liberal gossip?

[*English*]

Senator Fairbairn: Senator Simard, I am not aware of those rumours. I shall see whether there is any substance to them and report back to you.

YOUTH

EMPLOYMENT PROGRAMS—GOVERNMENT POSITION

Hon. Ethel Cochrane: Honourable senators, Human Resources Minister Axworthy recently announced the first phase in the Youth Service Corps Program. He said that this program will involve as many as 17,500 young people over the next three years. The minister also noted that about 400,000 young Canadians between 18 and 24 years of age are unemployed.

Can the Leader of the Government in the Senate tell us what the government is doing to create jobs for the remainder of those 400,000 young people? In particular, can she tell us what new job initiatives are being offered for youth in Atlantic Canada, where we have the highest rate of unemployment?

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, my honourable friend has mentioned the recent policy announcements made by the Minister for Human Resources Development relating to not only the projects for the Youth Services Corps — a few of which have been announced but more will be announced throughout Canada in the fall — but also the substantial increase in the SEED money that is going out this summer for youth employment.

I know from working with the minister that the circumstances of young people in the workforce in this country today are probably one of the strongest motivating forces he has in making the efforts he is now making in that regard, and in reviewing our social programs with a view to bringing together the greatest elements of assistance in relation to training, apprenticeship, job search, counselling and support that can possibly be accomplished for the young people of this country.

This is particularly true in Atlantic Canada. I have said before that of the programs attached to the Atlantic groundfish strategy, those two programs will benefit young people. I cannot give the honourable senator numbers, but I can tell her in terms of one aspect of assisting people in Atlantic Canada, including young people, that we have programs through our federal-provincial literacy agreements that are being very helpful to young people.

•(1710)

I was in New Brunswick just last week at a celebration of the development of Premier McKenna's Canadian Academic Services Program through its 311 training facilities.

I am mindful of your previous questions. I will attempt to find a breakdown of the numbers. They are simply not available at this time, but as soon as they are I will transmit them to you.

Senator Cochrane: A breakdown would be very helpful.

The projects that Mr. Axworthy has announced under the Youth Services Corps are for a duration of six to nine months. Could the Leader of the Government tell us what plans are in place to provide jobs for these youths after this six- to nine-month period has ended?

Senator Fairbairn: I will attempt to get specific comments for you, senator. These short-term efforts are multipurpose. They will help with training. They will help make job contacts for young people. There is a small sum of money to assist them in furthering their education or lending a hand in setting up employment initiatives.

Over the last weekend, I noticed a number of stories in this country about young people not waiting for the job market, but using innovative ideas of their own to set up small businesses. The experience attained during those months of Youth Service Corps will enable young people to take initiatives on their own.

DELAYED ANSWER TO ORAL QUESTION

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, I have one delayed answer, and it is to a question asked on April 26, 1994, by the Honourable Senator Cochrane with regard to the Student Summer Employment Program. It may give some details to the question Senator Cochrane asked a moment ago.

YOUTH

STUDENT SUMMER EMPLOYMENT PROGRAM

(Response to question raised by Hon. Ethel Cochrane on April 26, 1994)

Funding for the Summer Employment/Experience Development (SEED) Component of the Challenge Program has been increased by $20 million, an increase of almost 23 per cent from last year. SEED will provide funding for the creation of some 60,000 jobs for the youth of Canada this summer.

It is expected that, through SEED, approximately 5,600 jobs will be created this summer for youth in Newfoundland and Labrador.

This government is also embarking on several other significant initiatives to improve the school-to-work transition and to introduce new approaches to the education and training systems.

These initiatives include the Youth Internship Program, reforms to the Canada Student Loans Program, learning initiatives, Youth Service Canada and the stay-in-school initiative.

Under Youth Service Canada, 17,500 youths will gain relevant work experience over a three-year period, which will enable them to become successfully integrated into the labour market.

And, through the Youth Internship Program, 60,000 youths will receive training opportunities over three years.

Unfortunately, the estimated breakdown of participants by province under these new youth initiatives is not yet available.

ANSWER TO ORDER PAPER QUESTION TABLED

MERCHANT NAVY VETERANS—STATUS OF BENEFIT CLAIMS

Hon. Gildas L. Molgat (Deputy Leader of the Government) tabled the answer to Question No. 26 on the Order Paper — by Senator Marshall.

ORDERS OF THE DAY

VETERANS AFFAIRS

MOTION TO PROVIDE SITE FOR CANADIAN VIETNAM VETERANS' MEMORIAL—DEBATE CONTINUED

On the Order:

Resuming the debate on the motion of the Honourable Senator Marshall, seconded by the Honourable Senator Phillips:

That the Senate urges the Government of Canada to provide an appropriate site for the Canadian Vietnam Veterans' National Memorial; and

That a Message be sent to the House of Commons requesting that House to unite with the Senate in the aforementioned action. — *(Honourable Senator Perrault, P.C.)*

Hon. Raymond J. Perrault: Honourable senators, there is no doubt whatsoever that this initiative by Senator Marshall is well motivated and has the support of many people in Canada sympathetic to the cause for which these Canadians fought.

The Vietnam War saw incredible suffering on the part of all of the combatants, including some 40,000 Canadian volunteers who served in that conflict. Of these Canadians, 113 died in action, and their names are on the Vietnam War Memorial in Washington, D.C.

The war itself, of course, was controversial. Many Canadians did not support the American initiative in Vietnam, nor the Australian initiative, because, as honourable senators are aware, Australian troops were also actively engaged in combat.

We saw our role as peacemakers. Before the trouble began, and during the course of the war, many Canadian initiatives were undertaken to bring that terrible conflict to a peaceful conclusion and to establish a stable peace.

Some month ago, a former United States marine named Rick Gidner, who lives in White Lake, Michigan, joined with two others to form the Michigan Association of Concerned Veterans, which wants to donate a monument it is building to honour Canadian veterans of the Vietnam war. His partners are Farmington Hills resident Ed Johnson of the 9th Infantry and engineer Chris Reynolds, who lives, as well, in Michigan. These three American veterans fought side by side with Canadians whom they felt were very badly treated after the war when they were denied, for many, many years, the kind of benefits enjoyed by American veterans. That situation has been virtually corrected now, but Canadian veterans who suffered and died in Vietnam were never able to claim veterans' benefits until very recently.

Ed Johnson, Chris Reynolds and others felt badly about this situation, so they raised $100,000 out of their own pockets to build a monument. They said, "We fought with these Canadians, they were wonderful people, and they fought on the same basis as did we." There have been donations of materials to make the monument possible.

It is understandable that those who served and suffered in the crucible of a terrible war want to see their Canadian comrades who died remembered and those who served honoured.

As I said, Canada's role in the Vietnam war involved mediating and peacekeeping. We sought to be the honest broker. We sought to play a constructive and peacemaking role rather than a role as military combatants. The Vietnam war was never endorsed or supported by the Government of Canada, the Parliament of Canada, or by a majority of Canadians. We sought a peaceful settlement of the conflict. We showed friendship to the United States during the Vietnam war by assisting that country to extricate itself from Vietnam. Throughout the conflict we remained good friends but never became military allies.

Indeed, many talented United States young people, some of them Vietnam dissidents, came to Canada from the United States in those difficult wartime years. Many became Canadian citizens and are now making an outstanding contribution to this nation. I suppose that most of us know a Canadian with that kind of background.

As well, as I noted at the outset, there were the 40,000 Canadians who made the personal decision to volunteer for the United States military services. Should they be remembered? Of course they should, but let us keep in mind that, unlike the first and second world wars, the United States and Canada were never military allies in Vietnam. We were never in military conflict with the government of the people of North Vietnam.

It is in the context of these facts that we are considering Senator Marshall's resolution. The resolution seeks to have a site designated in Ottawa for the placement of the monument which honours those Canadians who enlisted in U.S. forces and served in Vietnam.

Recognition of the Canadian contribution to the United States Armed Forces has not come easily. This is further to the detail that I gave you earlier. Until 1988, Canadian veterans of that haunting and terrible conflict were denied basic veterans' benefits made available to American veterans. It was only after a long and tough campaign, lobbying in Washington and here in Canada, that these Canadians received their benefits and entitlements. The campaign for equal rights for Canadian veterans was tough and difficult, but happily an agreement involving the U.S. and the Canadian governments was put in place in 1988. Today there is near equality in benefits involving both the United States and Canadian veterans of Vietnam.

Where should this monument be placed and what are the alternatives? As far as the monument is concerned, we know now that it is not within the power and mandate of the National Capital Commission to donate land for this purpose. The mandate of the NCC is to help create a capital which represents Canada and those ideas, events and principles which have built this country. The NCC has developed criteria consistent with its mandate by which to evaluate proposals for memorials on federal lands in Canada's capital. There is a real technical impediment to establishing the monument on NCC lands.

•(1720)

One requirement is that individuals or groups to be commemorated must have been "active in Canada or on behalf of the nation." The request for an NCC site, then, does not meet the established criteria.

What are the alternatives? The most obvious answer lies in the proposal that a corner of the new grounds surrounding the United States Embassy in Ottawa be set aside to honour Canadian veterans of Vietnam. It would be more than appropriate for that to be done. I understand that the grounds will be very spacious, and that there are a number of ideal sites for such a monument.

There are other veterans from Canada who fought in the wars of the United States who have never been given the kind of official monument sought so vigorously by Senator Marshall. Perhaps we should have honoured them, too. A great many Canadians were stirred by Lincoln's emancipation proclamation. They joined the Union Forces in the American Civil War. I had an ancestor who enlisted in Buffalo, New York, and who fought for the northern armies. One of his brothers never came back after having been stirred by Lincoln's emancipation proclamation. There are no monuments in Canada for those contributions.

The resolution before us should not be a source of contention. However, it should be recognized that it is not within the mandate of the National Capital Commission to provide land for monuments of this kind. Let us approach our friends in the United States. We have this new agreement between Canada and the United States. Let us extend it to a matter such as this, and ask our friends at the U.S. Embassy to provide space on embassy grounds on Sussex Drive for a Canadian Vietnam Veterans' National Memorial. This would be an appropriate action which would be greatly appreciated by thousands of Canadians.

Alternatively, let us keep in mind that situated along the 49th parallel from coast to coast are a number of international parks which celebrate the friendship which has existed between Canada and the United States down through the years. I have in mind, for example, a beautiful park in my own province, a park which some of you may have visited. It consists of several hundred acres. There is a monument in the middle bearing the stone-carved words: "Children of a Common Mother," which notes the fact that, in many ways, our two countries share a common heritage. School children, both Canadian and American, celebrate once a year the fact that we have the longest — and I suppose it is almost trite to say it — undefended border in the entire world.

Would it not be appropriate for a monument of this kind to be placed squarely on the 49th parallel, perhaps slightly on the U.S. side to meet that technical regulation that we have in our tradition? I suggest that it be located in the Peace Arch Park along the 49th parallel near White Rock, British Columbia. This park celebrates the long-standing, good relations we have with our friends to the south.

MOTION IN AMENDMENT

Hon. Raymond J. Perrault: Honourable senators, stemming from the remarks that I have made, I move that the motion be amended by striking out all the words after the word "that" in the first paragraph, and that the following be substituted:

> The Senate respectfully asks the American Embassy to provide space on its grounds on Sussex Drive for the Canadian Vietnam Veterans National Memorial or, alternatively, that the Senate make representations at the appropriate levels to secure a site for the monument on the U.S. side of one of the Peace Parks located along the 49th Parallel.

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

Hon. Jack Marshall: I move the adjournment of the debate.

Hon. Philippe Deane Gigantès: Honourable senators —

The Hon. the Speaker *pro tempore*: The Honourable Senator Marshall has moved the adjournment of the debate. If the Honourable Senator Gigantès wishes to speak, he should ask the Honourable Senator Marshall to adjourn the debate after he has finished his remarks.

Hon. Royce Frith: I take it that Senator Marshall is adjourning the debate on the amendment, which does not have the effect of closing the debate.

Senator Marshall: Honourable senators, on May 10 there was a disposition to resolve this matter one way or the other. At that time Senator Frith suggested that I could adjourn the debate. I accommodated everyone. The matter was to be dealt with again in a couple of days. That was 15 days ago. I accommodated Senator Perrault on goodwill. The Senate did not convene last week, and the matter was put over until today. At the end of today, the Senate will adjourn until next Tuesday. On Tuesday, there will be something else. We will soon go into our summer adjournment and nothing will be done about this situation until September.

I am not suspicious of the tactics, honourable senators. What I am asking for is being put in the same state of limbo as the striking of the Subcommittee on Veterans Affairs, a situation that has been going on since January of this year. That subcommittee has not yet been struck.

However, within two minutes of Senator Marchand getting to his feet, there was an order of reference taking away the responsibility of aboriginal veterans from our subcommittee and giving it to the Standing Senate Committee on Aboriginal Peoples. Theirs is a problem we have been dealing with for the past 10 years in the Subcommitee on Veterans Affairs.

On motion of Senator Marshall, debate adjourned.

VETERANS AFFAIRS

FIFTIETH ANNIVERSARY OF D-DAY

On the Order:

> Resuming the debate on the inquiry of the Honourable Senator Marshall, calling the attention of the Senate to the progress in the planning by the Government of Canada for the 50th anniversary of D-day.—(*Honourable Senator Molgat*)

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, although the hour is late, the subject is important. I should like to say a few words at this time on this matter.

First, I wish to compliment Senator Marshall for having raised this matter on June 23 last year. He was absolutely right in doing so because, as far as I know, no action was being taken at that time. I think it was Senator Marshall's proposal that caused some activity within the department, and the group called Canada Remembers was established.

I do not want to make the matter a partisan one. However, I think the real action only started after the election, when the group was formed and work began. Since then, a great deal has been done. A good program has been established under the name Canada Remembers. I believe most honourable senators will have received some material from that group.

A great many activities will take place throughout Canada to commemorate this important event in Canadian history. There will be a major activity here in Ottawa on June 6. In my own City of Winnipeg there is a very active committee at work. Two regiments from that city, the Royal Winnipeg Rifles, my own regiment, and the Fort Garry Horse, had troops who took part in the D-day exercise. It is rather unusual to have two regiments from one city. I think it is the only place in Canada where that occurred. However, there is a Winnipeg committee planning a three-day series of activities and ceremonies. Throughout Canada there will be recognition of this important event.

Similarly, in Europe, the Canadian participation will be important. Both the Governor General and the Prime Minister will be present in Normandy in the period June 5 to 7. On Sunday, June 5, the Governor General will be participating with our group in commemoration at a monument established by my own regiment at Courseulles-sur-mer. Later that day the Governor General and the Prime Minister will be at Omaha Beach at an international ceremony.

The main Canadian activity that day will be at the Canadian War Cemetery at Bény-sur-mer, where a large number of young Canadians are buried. There will be proper recognition by the Canadian government and by highly placed individuals within our Canadian Parliament.

On June 6, the Prime Minister will be in Courseulles-sur-mer and will make a D-day address on that morning, again near the monument of my own regiment, not for partisan reasons but because it happens that that monument, in the form of a crusader's sword shaped like a cross, is a fitting place to commemorate.

Canada, in all these events, has not been a war-like country. We served because we believed in peace, democracy and freedom. The young Canadians who served overseas were all there as volunteers. Unlike most other countries, we did not have conscription. The Canadians who went to serve, went willingly. Unfortunately, we lost a great number, many of whom were very young people. There will be fitting recognition of the part that Canada played in the Second World War.

One regret that I have is that there has not been established in Europe, certainly not on the Continent, any monument or memorial in the same manner as was done after the First World War when the Vimy Memorial was established. Anyone who has seen the Vimy Memorial can only stand in awe at the sight, and in recognition of what happened at that time and the participation of Canada. Unfortunately, after the Second World War no such action was taken. There is no Canadian memorial in continental Europe, to my knowledge. There are a number of individual regimental monuments and plaques, but no single Canadian memorial. This is an error. We should have had that recognition.

A few years ago a group in Caen, led by the Mayor of the City of Caen who is also, by the way, a senator, decided to establish Le Mémorial in Caen. They approached the three main governments involved in the D-day landings: the United States, the United Kingdom and Canada. I want to remind honourable senators that Caen was liberated by Canadians. Unfortunately, the Canadian government chose not to participate in the Caen Memorial. The result is that if one goes to the Caen Memorial today, although it is completely within the Canadian sector in Normandy, it commemorates the French, American or British troops, but there is very little Canadian input.

Fortunately, two years ago, a group was formed called the Battle of Normandy Foundation and, working with the Canadian War Museum, a temporary exhibit was set up. It was to be there for a year in Le Mémorial. That exhibit is excellent, but it is a temporary exhibit. We were able to convince the war museum to leave that temporary exhibit at least for this year so that Canadians who will be over there — and they will be over there in very large numbers during the period of early June — will be able to see at Le Mémorial some Canadian input.

The Battle of Normandy Foundation, of which board of directors my colleague and friend Senator Marshall is a member as I am, has been continuing its efforts to achieve more Canadian involvement. We are now involved in a fund-raising campaign, hoping to raise $1 million to be used for various purposes. One of those purposes is to have at Caen a memorial garden to Canadian participation.

We know, because Le Mémorial has again made the offer to the three countries, that the Americans are proceeding to build a garden. I understand that there will be a wall, similar to the Vietnam Memorial in Washington, which will have the names of servicemen inscribed on it. The British are proceeding with a memorial garden. Canadians cannot afford not to have a garden there in the very city that was liberated by volunteer Canadians. We are making an appeal to Canadians to support us in this fund-raising campaign so that we can establish this memorial garden.

In addition, we are proposing scholarships for students attending the University of Caen and courses at what is known as the Abbaye D'Ardennes. The Abbaye D'Ardennes is very near to the city of Caen. It was the headquarters of General Kurt Meyer and it is the location where many Canadians were murdered. Subsequently, General Meyer was charged and sentenced to death. That sentence was later commuted. He spent some time in Dorchester Penitentiary in New Brunswick, and eventually returned to Germany.

The Abbaye D'Ardennes is where many soldiers were murdered. Those soldiers were mainly from the North Shore New Brunswick Regiment. In honour of these young men, the proposal is to have a series of bursaries, not to study war, but to study how we stay out of war; to study peace in the hope of establishing structures that will guarantee peace forever, if that is a possibility. In this way, the Battle of Normandy Foundation is attempting to increase Canadian participation and the recognition of what Canada did in the Second World War.

The Hon. the Speaker *pro tempore*: Honourable senators, if no other senator wishes to speak, this inquiry is considered debated.

The Senate adjourned until Tuesday, May 31, 1994, at 8:00 p.m.

THE SENATE

Tuesday, May 31, 1994

The Senate met at 8:00 p.m., the Speaker *pro tempore* in the Chair.

Prayers.

SENATORS' STATEMENTS

VETERANS AFFAIRS

CANADA'S ROLE IN WORLD WAR II

Hon. Jack Marshall: Honourable senators, I rise to continue the statement which I began on May 25. In doing so, I wish to make the second of two points having to do with the third volume of the official history of the RCAF, *The Crucible of War.*

My second point is this: While *The Crucible of War* produces evidence which might support some of the conclusions in *The Valour and the Horror*, it also provides important context which is sadly missing from the television series. Journalistic reports have ignored this point.

For example, while questioning the extent to which the bomber offensive affected German war production, the official historians also point out that area bombing created a second front in the skies over Germany, the significance of which cannot be overstated. The human and material resources committed to the air defence of Germany were desperately needed by Hitler in other theatres of war. Indeed, had they been available, they might have had a critical impact on the fighting in the Soviet Union, Normandy and northwest Europe in 1944-45.

Furthermore, *The Crucible of War* explains that Bomber Command played a decisive role in the Normandy invasion of 1944, and launched a highly successful offensive against German synthetic oil plants later that fall. Nowhere in *The Valour and the Horror* are such achievements noted.

As to the question of whether Allied air forces deliberately targeted German civilians, might I remind honourable senators that this was total war, and at no point did morality enter into Germany's conduct of the war. As the report of the Senate Subcommittee on Veterans Affairs made clear, Bomber Command was the only offensive weapon we had in the darkest days of the conflict, and those innocent civilians, as *The Valour and the Horror* labels them, were part of the German war machine.

In short, the official history notwithstanding, in the eyes of most military historians and veterans, *The Valour and the Horror* remains a disgraceful production which presents a distorted and inaccurate picture of Canadians in the Second World War. It is merely a shame that with the approach of the 50th anniversary of D-day, this whole debate must once again rear its ugly head.

With June 6 just around the corner, our attention should be focused on the enormous sacrifices our veterans made for Canada and the Allied cause 50 years ago. They served with courage and skill, which, in the end, is all that really matters.

ROLE OF COMMANDERS AND POLITICIANS

Hon. Philippe Deane Gigantès: Honourable senators, there goes Senator Marshall again. There was no criticism of the heroism of Canadian fighting men in either *The Valour and the Horror* or in the history to which the Honourable Senator Marshall refers. Their bravery and their sacrifices were recognized fully. The criticism levelled by both the television series and this history is against the leaders who were taking such decisions.

Whenever I listen to Senator Marshall, the message I get is this: We must not re-examine what happened. There are two points to be considered here. We honour those who fought and sacrificed themselves for their country, but if we are ever to have good defence policies and a good selection of commanders, then we should be able to look at what those commanders did and what the politicians did and say, "It was a mistake. The Maginot Line was a mistake. Butcher Haig was a mistake. Bomber Harris did not take good enough care of his men."

I had no objection to the bombing of Germany into the Stone Age. I was engaged in the business of killing as many Germans as possible. I have no regrets about it, and I do not think any of our fighting men should have any regrets about it.

However, if we cannot examine whether we killed the enemy effectively, efficiently and with the least possible loss of our people, then we are not doing our job. Senator Marshall simply wants us to stand in adoration in front of commanders and politicians who made mistakes.

SOUTH AFRICA

READMITTANCE INTO COMMONWEALTH

Hon. Noël A. Kinsella: Honourable senators, I rise to draw the attention of this chamber to a rather happy occurrence in the history of the affairs of humankind. We all recall the situation created by the racist regime in South Africa which caused its withdrawal from the Commonwealth. Today the Secretary General of the Commonwealth, Mr. Anyaoku, announced the imminent rejoining of the Commonwealth by the new racist-free, democratic South Africa.

That is an event which is welcomed by all members of the Parliament of Canada, not only by senators in this chamber but also by our colleagues in the other place. We are also pleased that two of our colleagues, the Honourable Senator Cools and the Honourable Senator Oliver, participated as observers in the historic election in that country.

Today I felt that it was appropriate that that imminent return to the Commonwealth of the great country of South Africa not go unnoticed by this chamber.

ATLANTIC CANADA

TOURISM—SOURCE OF EMPLOYMENT—GOVERNMENT POLICY

Hon. M. Lorne Bonnell: Honourable senators, from time to time I hear the Government of Canada stating that they should like to increase employment — not unemployment, but employment. I wish to make a suggestion to the Senate which perhaps the Leader of the Government in the Senate could carry back to her colleagues in the Government of Canada. I should like to suggest that the government look into improving employment in Atlantic Canada by improving tourism.

Atlantic Canada, for those who are not familiar with it, is probably one of the most beautiful parts of the world, with the Cape Breton Highlands, the beaches of Prince Edward Island, the historical chambers of Confederation, and all the other tourist attractions that we have.

Senator Corbin: Yes, and the Saint John River Valley.

Senator Marshall: And the west coast of Newfoundland!

Senator Bonnell: Yes, and *Anne of Green Gables*, and all those other tourist attractions.

I have talked to some of the members of the Diet in Japan who are coming to Canada more and more to see Banff, the aurora borealis, Niagara Falls and *Anne of Green Gables*. They tell me that you almost have to be a millionaire in Japan to make the trip over here to see the setting of *Anne of Green Gables* in Prince Edward Island. First, a Japanese tourist must fly to Vancouver, then to Toronto, then to Halifax, and then take a trip over on a Dash-8 aircraft to Prince Edward Island in order to see that tourist attraction. It cost them thousands of dollars to do that.

In Canada we should be offering package tours, so that tourists can come direct to Eastern Canada aboard a 747, for example, full of Japanese people and Asians. They can spend two days golfing, two days deep-sea fishing and two days looking at the seals. They can then visit the Cape Breton Highlands and some of our historical sites. The following Friday night, another 747 could fly in, take those people back and return with some new visitors.

The greatest source of employment in Atlantic Canada is tourism. Many young people find jobs in the summer in that field so that they are able to return to university in the fall. In my opinion, tourism should be promoted. The government should be asking our embassies abroad to promote tourism to Canada. Tourism is a great money builder and an income saver. This is something we should be doing more of in Canada. Perhaps the Leader of the Government in the Senate could ensure that my suggestion is taken up with the proper ministers, so that Atlantic Canada can benefit from an influx of tourists who would enjoy seeing Cape Breton Highlands, Halifax, Nova Scotia, St. John's, the Reversing Falls, Magnetic Hill, and all the beautiful things we have in that area.

The Hon. the Speaker *pro tempore*: I must point out to the honourable senator that his time has expired.

Hon. Jean-Maurice Simard: Honourable senators, may I suggest that Senator Bonnell take his suggestion to his caucus. If he is reluctant to do so, perhaps I might be invited to his caucus, so that I can make the same representation to his colleagues.

Senator Bonnell: Honourable senators, I know this is not the time for debate, but I would point out to my honourable friend that the caucus does not make the decisions in this country. That is the preserve of the government.

ROUTINE PROCEEDINGS

BUSINESS OF THE SENATE

Hon. Richard J. Stanbury (Acting Deputy Leader of the Government): Honourable senators, I have the great responsibility of filling in for, but not replacing, the Honourable Senator Molgat. Senator Molgat has gone off to Europe as the Honorary Colonel of the "Little Black Devils." That is apparently the affectionate name for the Royal Winnipeg Rifles. He will be participating in the D-day celebrations. We wish him well.

With cooperation from my friends opposite and forbearance from my friends on this side, I will try to do the job.

THE ESTIMATES 1994-95

TABLING OF SUPPLEMENTARY ESTIMATES (A)

Hon. Richard J. Stanbury (Acting Deputy Leader of the Government) tabled the Supplementary Estimates (A) for the fiscal year ending March 31, 1995.

MISCELLANEOUS STATUTE LAW AMENDMENTS

SESSIONAL PAPER NO. 1/35-280 REFERRED TO LEGAL AND CONSTITUTIONAL AFFAIRS COMMITTEE

Hon. Richard J. Stanbury (Acting Deputy Leader of the Government): Honourable senators, with leave of the Senate and notwithstanding rule 59(1)(*f*), I move:

> That the document entitled: "Proposals to correct certain anomalies, inconsistencies and errors in the Statutes of Canada, to deal with other matters of a non-controversial and uncomplicated nature in those Statutes and to repeal certain provisions of those Statutes that have expired, lapsed or otherwise ceased to have effect," tabled in the Senate on April 19, 1994, (Sessional Paper No. 1/35-280), be referred to the Standing Senate Committee on Legal and Constitutional Affairs.

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

Hon. Senators: Agreed.

Motion agreed to.

THE ESTIMATES, 1994-95

NATIONAL FINANCE COMMITTEE AUTHORIZED TO STUDY SUPPLEMENTARY ESTIMATES (A) FOR YEAR ENDING MARCH 31, 1995

Hon. Richard J. Stanbury (Acting Deputy Leader of the Government): Honourable senators, with leave of the Senate and notwithstanding rule 59(1)(*f*), I move:

> That the Standing Senate Committee on National Finance be authorized to examine and report upon the expenditures set out in the Supplementary Estimates (A) for the fiscal year ending March 31, 1995.

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

Hon. Senators: Agreed.

Motion agreed to.

BUSINESS OF THE SENATE

ADJOURNMENT

Hon. Richard J. Stanbury (Acting Deputy Leader of the Government): Honourable senators, with leave of the Senate and notwithstanding rule 59(1)(*h*), I move:

> That when the Senate adjourns today, it do stand adjourned until tomorrow, Wednesday, June 1, 1994, at one thirty o'clock in the afternoon.

My friend the Leader of the Opposition and I have discussed this matter, and I believe he has some comments he wishes to make.

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

Hon. Senators: Agreed.

Hon. John Lynch-Staunton (Leader of the Opposition): I should like to suggest to the Senate that perhaps we are taking it for granted now that Wednesday afternoons will be short sitting days, as some committees are starting to schedule, as much as possible, their meetings as of 3:00 p.m. on Wednesdays.

The purpose of having a short Wednesday is to accommodate committees that have a full schedule, particularly a legislative schedule, in order to allow them to meet without having to ask for leave when the Senate is sitting. Now it looks as if the tail is wagging the dog. Already three committees have scheduled meetings tomorrow from 3:00 p.m. on, without knowing first that the full chamber would give approval to a 1:30 to 3:00 p.m. sitting. I think that is being somewhat presumptuous.

I urge the government to remember that we are now in the final stages of this session. We only have a maximum of three to four weeks left. Perhaps this should be the last week in which we should automatically have a short sitting on Wednesday.

Senator Stanbury: Honourable senators, I do not disagree with my honourable friend. However, his suggestion would make it difficult for chairmen of committees to know when they can schedule witnesses and when they cannot. At one time there was the suggestion that, if we were to continue to have a short sitting on Wednesday afternoons, perhaps we should meet on Monday night so that the chamber could have its regular amount of time.

The problem, as has been pointed out, is one of certainty. It is difficult for the chairmen. Perhaps we should try, at least by Monday of each week, to decide whether or not we intend to have a shorter Wednesday. It may well be that for the rest of this term we should not work on that basis.

Perhaps the Leader of the Opposition and I could have further discussion about the matter. We might take it up with some of the committee chairmen to see what might work, and we will try to arrange matters in the best interests of all.

Motion agreed to.

INCOME TAX ACT
INCOME TAX APPLICATION RULES
CANADA PENSION PLAN
CANADA BUSINESS CORPORATIONS ACT
EXCISE TAX ACT
UNEMPLOYMENT INSURANCE ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker *pro tempore* informed the Senate that a message had been received from the House of Commons with Bill C-27, to amend the Income Tax Act, the Income Tax Application Rules, the Canada Pension Plan, the Canada Business Corporations Act, the Excise Tax Act, the Unemployment Insurance Act and certain related Acts.

Bill read first time.

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

On motion of Senator Stanbury, bill placed on the Orders of the Day for second reading Thursday next, June 2, 1994.

• (2020)

NATIONAL LIBRARY ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker *pro tempore* informed the Senate that a message had been received from the House of Commons with Bill C-26, to amend the National Library Act.

Bill read first time.

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

On motion of Senator Stanbury, with leave of the Senate and notwithstanding rule 58(1)(*f*), bill placed on Orders of the Day for second reading at the next sitting of the Senate.

BUDGET IMPLEMENTATION ACT, 1994

BILL TO AMEND—FIRST READING

The Hon. the Speaker *pro tempore* informed the Senate that a message had been received from the House of Commons with Bill C-17, to amend certain statutes to implement certain provisions of the budget tabled in Parliament on February 22, 1994.

Bill read first time.

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

On motion of Senator Stanbury, with leave of the Senate and notwithstanding rule 58(1)(*f*), bill placed on the Orders of the Day for second reading at the next sitting of the Senate.

• (2030)

NORTH AMERICAN FREE TRADE AGREEMENT

TRANSITION PERIOD FOR APPLICATION OF RULES—NOTICE OF INQUIRY

Hon. H.A. Olson: Honourable senators, I give notice that on Thursday next, June 2, 1994, I will call the attention of the Senate to the outstanding opportunities and problems associated with the transition period needed to apply all the rules under the North American Free Trade Agreement.

GENERAL AGREEMENT ON TARIFFS AND TRADE

APPLICATION OF RULES TO AGRICULTURAL MARKETING STRUCTURES—NOTICE OF INQUIRY

Hon. H.A. Olson: Honourable senators, I give notice that on Thursday next, June 2, 1994, I will call the attention of the Senate to the many implications and consequences of applying the General Agreement on Tariffs and Trade (GATT) to the agricultural marketing structures in Canada.

HAZARDOUS PRODUCTS ACT

REMOVAL OF EXEMPTION FOR TOBACCO—PRESENTATION OF PETITION

Hon. Mira Spivak: Honourable senators, I have the honour to present the following petition from 250 medical practitioners and other concerned Canadians asking for the removal of the exemption for tobacco from the Hazardous Products Act.

The Petition of the undersigned, residents of Canada,

Humbly Sheweth:

That research conducted by Health Canada shows that the number of people who smoke, particularly teenagers, increases as the cost of cigarettes goes down; and

That the increase in the price of cigarettes through taxation had a far greater impact than educational programmes or social marketing advertisements on smokers' decisions to quit; and

That tobacco products are clearly linked to many forms of cancer, heart disease, stroke, emphysema, chronic bronchitis and many other illnesses; and

That tobacco products contain over 4,000 chemicals of which at least 43 cause cancer in humans; and

That the use of tobacco products is directly responsible for the premature death of some 38,000 Canadians annually; and

That tobacco can therefore rightly be termed a hazardous product.

Therefore, your petitioners humbly pray that your Honourable House may be pleased to remove the exemption for tobacco under the Hazardous Products Act.

Some Hon. Senators: Hear, hear!

QUESTION PERIOD

INDIAN AFFAIRS

STATUS OF NEGOTIATIONS ON OKA—ROLE OF CHIEF FEDERAL NEGOTIATOR

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, last November the Government of Canada dismissed the then negotiator in the Kanesatake conflict in Oka, and explained the decision by saying that Mr. Bernard Roy's mandate had come to an end on October 31, that it was not being renewed, and that the Department of Indian Affairs and Northern Development would now take over the negotiations.

In a press release dated May 25, the Minister of Indian Affairs and Northern Development announced the appointment of the Honourable Michel Robert as the chief federal negotiator for Kanesatake. The Honourable Michel Robert is to take over the exact mandate that was taken away from Mr. Roy in November, and which was to be carried on by officials of the department.

My question to the minister is this: Can she explain to us what role Mr. Robert plays in the Department of Indian Affairs to support the contention that the department is carrying on with negotiations?

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, as Senator Lynch-Staunton noted, Michel Robert has been named a negotiator by the government. Events have occurred in recent days in Kanesatake that affect the area near Oka. It is obviously a matter of concern that these events be settled, and settled peacefully. Mr. Robert has been asked to take on this assignment. I am sure he will conduct his negotiations in a very responsible way.

Senator Lynch-Staunton: My question was: Who is Michel Robert? Is he an official of the Department of Indian Affairs and Northern Development, since we were told in November that the department would take over the negotiations?

Perhaps I could help the minister by pointing out that one of the qualifications of Michel Robert, which again goes against all the principles outlined in the Red Book, is, among other things, that he was president of the Liberal Party of Canada from 1986 to 1990.

Senator Kinsella: Patronage!

Senator Lynch-Staunton: My colleagues and I have nothing against naming a former president of the Liberal Party of Canada to negotiate for the Government of Canada in any case whatsoever. We do have an objection, however, to this sanctimonious attitude that what we did in similar circumstances was bad, and what this Liberal government does in exactly the same circumstance is good.

Senator Simard: After only five months!

Senator Fairbairn: Honourable senators, I would simply say that Mr. Robert is the chief federal negotiator, as noted by Senator Lynch-Staunton. Whatever the gentleman's political affiliation may be, he is well recognized in Quebec and in this country as a very fine lawyer and a man who has had considerable experience in dealing with these kinds of situations. I am sure he will do a very fine job.

Senator Lynch-Staunton: We have nothing against the qualifications of Michel Robert. He is an outstanding lawyer and no doubt will do a fine job. However Bernard Roy is also an outstanding lawyer, was already doing a fine job, and was dismissed because of his association with the previous government. Michel Robert is being hired because of his association with the current government. In my book, there is a double standard being applied here.

Hon. Marcel Prud'homme: Honourable senators, by way of supplementary, I share the opinion of the Honourable Leader of the Opposition on the outstanding qualifications of Mr. Roy.

I wish to ask the Honourable Leader of the Government in the Senate if Michel Robert is the same Michel Robert who was my classmate, and was also appointed by Prime Minister Mulroney to sit as a member of the Security Intelligence Review Committee?

Senator Fairbairn: I would have to check, Senator Prud'homme, but I believe that that is the case.

[*Translation*]

NATIONAL DEFENCE

CLOSURE OF ROYAL MILITARY COLLEGE AT ST-JEAN

Hon. Jean-Claude Rivest: Honourable senators, the Parliamentary Committee on Official Languages established that there were too few English-speaking soldiers who were bilingual in the Canadian Armed Forces. We had, in Canada, a very efficient institution in terms of linguistic duality, namely the Collège militaire royal de St-Jean. However, the government has decided to sink it and to rebuild it in Kingston, one piece at a time.

I would like to know if the Leader of the Government in the Senate is aware that the Quebec government has turned down the offer made by Mr. Massé, which included $4 million from the federal government.

Second, could she table in the Senate, the capital expenditures planned for Kingston?

Third, can she tell us how many professors from St-Jean have agreed to move to Kingston with their family?

In conclusion, I would like the Leader of the Government in the Senate to provide us with the cost of a decision which is not only bad in all respects, but which will harm the linguistic duality of Canada.

[*English*]

Hon. Joyce Fairbairn (Leader of the Government): Senator Rivest, I cannot tell you the amount. I will certainly check with my colleagues.

With respect to the Royal Military College at St-Jean, I have nothing further to report than I did last week. The negotiations are continuing between the Government of Quebec and Mr. Massé. As soon as they are concluded, he will report.

[*Translation*]

Hon. Jean-Maurice Simard: Honourable senators, I have a supplementary, if I may.

On Sunday, May 29, *La Presse* published a front-page article on the closure of the Collège militaire royal de St-Jean, which the government announced in its last budget. We read in this article that the city council is blocking the construction of a French-language high school in Kingston.

As the government and the Prime Minister have told us, Kingston had been ruled fit to receive the only bilingual military training institution in Canada. The Prime Minister has indicated that he had invited Premier Rae of Ontario to muster the bone and sinew of the city to make Kingston truly favourable to biculturalism in every respect.

In the May 29 article, we are told that the students of École Marie-Rivier have been attending classes for the past seven years in cramped, temporary structures without sanitation facilities and that the City of Kingston recently passed a special bylaw to block the construction project, in spite of the facts that the Catholic school board of that region had already been issued a construction permit and had invested $4.2 million in the project.

I can understand why my colleague Senator Rivest asked his question, because so far the government has given us no evidence that it will save a single penny, quite the contrary.

We were told that this budgetary decision was primarily based on the savings which would result from it. Therefore, it cannot be a matter of cost.

Kingston, as the same article in *La Presse* also tells us, is not the place to have the only military college in Canada for cadets. Can we hope that the Leader of the Government in the Senate will, along with her colleagues, convince the government and the Prime Minister that this decision is a bad one in every respect? Can we hope that this decision will be reversed and that military training will be provided in French to officer cadets, in Quebec, in a French environment, in Kingston, perhaps in a bilingual but predominantly English environment, and also in Western Canada?

Does the government need any more evidence that it made a mistake regarding this issue?

[*English*]

• (2040)

Senator Fairbairn: Honourable senators, I thank Senator Simard for his question. I am not knowledgeable of all the factors he brought to my attention about the school in Kingston. I will certainly look into them. A number of factors may well have come into play that had nothing to do with the language issue.

As to the burden of his main question, I can only repeat what I have said to him before; these decisions, taken at the time of the budget, were taken for substantial reasons and with great regret. At the moment, the ministers of the federal government and the Quebec government are working very closely together to try to produce a result that will be beneficial and acceptable to both parties, as well as to the people of St-Jean.

[*Translation*]

Senator Simard: The Leader of the Government in the Senate is always telling us about these negotiations that are supposed to be going on. My colleague just told us that, for all practical purposes, these negotiations have stalled.

Our information is also to the effect that, as a basis for these negotiations, the federal government could at least let the Government of Quebec provide some language training in St-Jean, as we know very well, but never military training for cadets. We have trouble with a provincial government giving military training in any event.

To begin with, this argument, this suspense, this imbroglio, is based on nonsense, on a false premise, and on the possibility of an agreement with Quebec being dangled in front of us. I tell you that this is a distorted argument to begin with and that there is no hope of seeing the Royal Military College in St-Jean provide military training in future, either for francophones or for anglophones.

The government leader in the Senate has just told us that she does not know all the details of this decision, this insult to Kingston francophones. The report points out that the Kingston city council gave in to English-speaking taxpayers who considered it unjustifiable for the province to subsidize the construction of such a facility to meet the needs of five per cent of the Kingston population. If Mr. Chrétien wants to convince Ontario and the Kingston authorities that Kingston is the right place, he has his work cut out for him. I think it would be better for the government to reconsider its decision and really save money.

My information is that the federal government offered $5 million, and some even say $10 million, to Quebec. Where will savings come from then? We know we will need $20 million or $25 million in capital alone for the new facilities in Kingston, in addition to teachers' transfers and so on.

Please, Madam Minister, do something generous and enlightened by persuading your government to reverse this bad decision.

[*English*]

NATIONAL FINANCE

DEFICIT REDUCTION PLAN—GOVERNMENT POSITION

Hon. Gerry St. Germain: Honourable senators, my question for the government leader in the Senate has to do with the financial health of this nation. The Alberta government is moving on its own deficit reduction plan, and I believe it is doing a credible job, as does the investment community in the world. However, investors are looking to the situation in our country, as evidenced by a steadily increasing bank rate, rising 28 basis points to 6.59 per cent today, and they are really nervous. Ontario has seen its credit rating revised, and we do not know where the federal government stands on the federal deficit.

What kind of plan does the government have, if it has a plan, to deal with this issue?

Senator Thériault: That sounds like *The Globe and Mail.*

Senator St. Germain: Thank you very much, senator. I did not think I wrote that well.

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I do not want to get drawn into a discussion on comparisons with provincial governments. However, I might encourage my friend Senator St. Germain to have a conversation with my other friend, Senator Ghitter, about some of the activities in Alberta. Senator Ghitter has a very enlightened view on the situation in our mutual province.

• (2050)

On the question of the government's plan, that plan was clearly laid out in the February budget. The government is serious about its deficit reduction. It is serious about the measures that were brought forward in that budget.

The honourable senator mentions the bank rate. The government is very conscious of the fluctuations in the bank rate over the last several weeks. There is a volatile market out there. There is also in Canada a situation that adds to the instability of the market because of what is going on with some spokespersons from the province of Quebec. There is no question that that situation is having a very unsettling effect on international monetary markets. This situation is certainly not of anyone's making or of anyone's choosing: it is a fact of life.

One of the factors that has become apparent during the recent weeks of instability is the underlying and growing strength of the Canadian economy. The recovery that has been in place for the last few months has gathered strength noticeably. Over 115,000 jobs have been added to the economy, to the good fortune of Canadians. Business and consumer confidence is up. Retail sales have risen by 3.2 per cent in the first quarter. Corporate profits are up by about 40 per cent, and revenues are running stronger than has been the case for some time.

Our inflation rate has remained very low and steady. As we face these disturbing situations, we are doing so with considerable strength in the Canadian economy, and with the promise of the programs we have been bringing forward of job creation and greater opportunity for Canadians right across the country.

Senator St. Germain: Honourable senators, the Leader of the Government in the Senate speaks of the problems created by certain individuals. Those individuals and those problems were there at budget time. I am speaking of the IMF's concern that three per cent of the GDP, for a level of deficit, is not acceptable.

In Western Canada small business people are asking questions. This is the government that stated that it could be trusted; that there would be no more patronage. The Leader of the Opposition just cited a blatant case of this.

The Leader of the Government in the Senate speaks of job creation. How much did it cost us? These jobs are not being created by small business based on straight investment, based on confidence in the Canadian dollar or the economy. Investors are nervous. Is it possible for the government leader to deliver a message here that will create a level of confidence amongst small business; a confidence that is currently being eroded by this tremendous uncertainty in interest rates?

Senator Fairbairn: Honourable senators, there is a growing confidence within this country about the the governing of the country and the state of its institutions. I think all honourable senators will be pleased to know that the latest survey of the United Nations has Canada back on top as the greatest country in the world in which to live.

Senator St. Germain: That was in 1992 with the Conservative government.

Hon. John Lynch-Staunton (Leader of the Opposition): There is not much talk about Liberal achievements. You are just reading our program and our accomplishments. It must be embarrassing — no government legislation; no government achievements.

Senator Fairbairn: It is very true that the IMF would like to see the Canadian deficit program be more pronounced than it is. It is certainly the responsibility of the Government of Canada to produce a balance in its economic plan that will bring down the deficit in a serious and meaningful way and, at the same time, enable our economy to continue to grow and small business to produce jobs. As we move into the legislative plan in the weeks ahead, honourable senators will see provisions that will have very direct effects on the ability of small businesses to produce jobs for Canadians.

Senator Lynch-Staunton: You forgot about free trade. That is all that's left.

[*Translation*]

NATIONAL FORUM ON HEALTH

CONFUSION AND DELAY WITHIN GOVERNMENT

Hon. Thérèse Lavoie-Roux: Honourable senators, my question is directed to the Leader of the Government and concerns the Forum on Health that was promised in the Red Book during the election campaign. However, I want to make it clear to the Leader of the Government that I do not intend to make health a partisan issue.

There is, unfortunately, an increasing amount of confusion about this health forum. The issue is one that concerns all Canadians, and I find it hard to understand the delay and the confusion about the terms of reference. This is an urgent matter, a matter that should be discussed as soon as possible.

I would also like to remind the government that it is not starting from scratch. In recent years, most, if not all, provincial governments have conducted in-depth studies of all aspects of health care, including the economic and social dimensions of health problems. We now see a kind of confusion that is rather disturbing. At this point I would like to refer to the Red Book.

[*English*]

The Red Book stated:

> A Liberal government will establish a National Forum on Health, chaired by the Prime Minister, bringing together for public discussion the major partners and parties involved with the health of Canadians.

Are the provinces not considered major partners? Why were they not invited to participate in the forum? Does the leader find it appropriate for the government to be acting unilaterally on a matter of provincial responsibility? What is happening on the promised National Forum on Health?

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, there has been considerable discussion with the provinces on the question of the National Forum on Health. Indeed, only last week at their meeting in Gimli, Manitoba, the western provincial premiers were very interested in being part of this forum and also having one of their own participate as a member.

The federal government is committed to working with the provinces on the whole question of health. There is no usurping of jurisdiction. The provinces are our first partners in this undertaking. The National Forum on Health is on track and will be announced very shortly. There has been a commitment, a very personal commitment, on the part of the Prime Minister in this regard, and I think it will turn out to be a very useful and important exercise for all Canadians and will build on information and background that, as my honourable friend has pointed out, does exist in the system. This is an effort to get outside of the system, put the issues before the people of Canada and have them involved in these very important discussions that are critical to their futures.

[*Translation*]

Senator Lavoie-Roux: All the better if the western ministers are in agreement. They suggested that one of them act as co-chairman instead of Mrs. Marleau. It seems that, at the beginning, it was to be Mrs. Marleau. I wonder if she is being pushed aside.

Senator Thériault: Could this be a political comment, Senator Lavoie-Roux?

Senator Lavoie-Roux: It is a comment. It reflects a different opinion from what we heard from the Quebec and Ontario health ministers, who considered the government's attitude appalling. However, you are saying that it will be corrected.

My supplementary question, honourable senators, deals with an article published in *The Toronto Star* of May 28.

[*English*]

The article points out that Health Minister Marleau has incorporated many provincial suggestions in the terms of reference of the forum. We have heard often about these terms of reference. Are they ready? If they are, can this chamber obtain copies of them? Can these terms of reference be made a little less mysterious?

The article also reveals that the forum will have a four-year mandate and a budget of $12 million.

I have two questions to ask of the Leader of the Government in the Senate. Do we have four years to act in the health field? We know that several provinces have taken some liberties with the Canada Health Act and that the Minister of Health, in a manner of speaking, has had to punish them. With the health system in such a serious condition, I do not think we can take four years to examine the situation.

I should like to remind the Leader of the Government that six months have elapsed already since her party took office. I know they were not about to deal with this matter in the first days of taking office. However, will this matter go over until the next mandate?

Will the measure really cost $12 million? After all, history has taught us that when all is said and done, the cost is often more than what is estimated. We do not have money to waste. There have been so many studies that have already cost Canadians a great deal of money.

Senator Fairbairn: Honourable senators, I will try to get as much clarification as I can for the Honourable Senator Lavoie-Roux. I should point out that the purpose of the National Forum on Health is to examine, in the longer term, the health issues and the health system in this country. In no way is it usurping the responsibility of the federal-provincial ministerial government-to-government body on health. That body is a most important one. It will continue, as it has in the past, to make key decisions on health care in Canada. The forum should not be seen as usurping or interfering with that function.

I have not read the article to which the honourable senator refers, but I will try to get the clarifications she seeks.

Senator Lavoie-Roux: Honourable senators, my second question was not in reference to usurping the role of federal-provincial jurisdiction. My question was why this forum is to have a four-year mandate, which would push the government outside its present mandate. Four years is too long when everyone is trying, in some fashion or other, to change things some of which, in certain cases, should not be changed. If we do not act more diligently, sooner or later we will jeopardize our health system. I think the deadline should be much shorter than four years.

[*Translation*]

ELECTORAL BOUNDARIES READJUSTMENT SUSPENSION BILL

FUTURE OF BILL C-18

Hon. Pierre Claude Nolin: Honourable senators, my question to the minister will be quite brief. What does the government intend to do with Bill C-18, which was amended in the Senate last week?

[*English*]

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I did not catch the first part of the honourable senator's question.

Senator Nolin: What are the government's plans with respect to Bill C-18, which was amended last week?

Senator Fairbairn: Honourable senators, Bill C-18 is back in the arms of the House of Commons, as the honourable senator knows. Its future will unfold there. Undoubtedly, it will be returned to us at some point. As soon as our colleagues in the other place have studied it and the amendments, they will respond and return it to us.

ANSWERS TO ORDER PAPER QUESTIONS TABLED

VETERANS AFFAIRS—STATUS OF PERTINENT LEGISLATION

Hon. Richard J. Stanbury (Acting Deputy Leader of the Government) tabled the answer to Question No. 29 on the Order Paper — by Senator Marshall.

THE ESTIMATES, 1994-95— REDUCTION IN SERVICES TO VETERANS

Hon. Richard J. Stanbury (Acting Deputy Leader of the Government) tabled the answer to Question No. 37 on the Order Paper — by Senator Marshall.

ATLANTIC CANADA

DEPENDENCE ON SCOTIA SYNFUELS PROJECT—REINSTATEMENT OF SPECIAL INVESTMENT TAX CREDIT—GOVERNMENT POSITION— REQUEST FOR ANSWER

Hon. Finlay MacDonald: Senator Stanbury, could you take advantage of Senator Molgat's absence and use your good offices to obtain an answer to a question I posed to the Leader of the Government in the Senate sometime in March concerning Synfuels in eastern Nova Scotia. I asked an oral question and then followed that up with a written question. To the best of my knowledge, and I apologize in advance if I am mistaken, I have received no answer to my question.

[*Translation*]

ORDERS OF THE DAY

PRIVATE BILL

GENERAL SECURITY INSURANCE COMPANY OF CANADA— THIRD READING

Hon. Normand Grimard moved the third reading of Bill S-3, an Act to authorize General Security Insurance Company of Canada to be continued as a corporation under the laws of the province of Quebec.

[*English*]

The Hon. the Speaker *pro tempore*: It is moved by the Honourable Senator Grimard, seconded by the Honourable Senator Buchanan, that the bill be read the third time now. Is it your pleasure, honourable senators, to adopt the motion?

Some Hon. Senators: Yes.

Some Hon. Senators: No.

The Hon. the Speaker *pro tempore*: All those honourable senators in favour of the motion will please say "yea."

Some Hon. Senators: Yea.

The Hon. the Speaker *pro tempore*: All those honourable senators opposed to the motion will please say "nay."

Hon. Philippe Deane Gigantès: Nay.

The Hon. the Speaker *pro tempore*: In my opinion, the "yeas" have it.

Motion agreed to and bill read third time and passed, on division.

[*Translation*]

PRIVATE BILL

GENERAL SECURITY INSURANCE COMPANY OF CANADA— INTERIM REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the fourth report (interim) of the Standing Senate Committee on Legal and Constitutional Affairs (Bill S-3) presented to the Senate on May 25, 1994.—(*Honourable Senator Beaudoin*).

Hon. Gérald-A. Beaudoin: Honourable senators, I move the adoption of the report.

Motion agreed to and report adopted.

[*English*]

• (2110)

VETERANS AFFAIRS

MOTION TO URGE GOVERNMENT TO PROVIDE SITE FOR CANADIAN VIETNAM VETERANS' MEMORIAL ADOPTED

On the Order:

Resuming the debate on the motion of the Honourable Senator Marshall, seconded by the Honourable Senator Phillips:

That the Senate urges the Government of Canada to provide an appropriate site for the Canadian Vietnam Veterans' National Memorial; and

That a Message be sent to the House of Commons requesting that House to unite with the Senate in the aforementioned action,

> And on the motion in amendment of the Honourable Senator Perrault, P.C., seconded by the Honourable Senator Bosa, that the motion be amended by striking out all the words after the word "that" in the first paragraph and substituting the following:
>
> That the Senate respectfully ask the American Embassy to provide space on its grounds on Sussex Drive for the Canadian Vietnam Veterans' National Memorial or alternatively, that the Senate make representations at the appropriate levels to secure a site for the monument on the U.S. side of one of the Peace Parks located along the 49th Parallel.—*(Honourable Senator Marshall)*

Hon. Jack Marshall: Honourable senators, I rise to address the amendment introduced in the chamber by Senator Perrault on May 25 to my motion No. 13, which states:

> That the Senate urges the Government of Canada to provide an appropriate site for the Canadian Vietnam Veterans' National Memorial; and
>
> That a Message be sent to the House of Commons requesting that House to unite with the Senate in the aforementioned action.

Honourable senators, before I speak to the actual amendment, let me react to some of Senator Perrault's comments. Let me deal first with his assessment of Canada's role in the Vietnam War. He stated:

> We saw our role as peacemakers...
>
> ...mediating and peacekeeping...
>
> We sought to play a ... peace making role rather than a role as military combatants.

I remind honourable senators of the following description of Canada's role from *The Canadian Encyclopedia*, which states:

> Canadian delegates to the Truce Commission engaged in espionage for the U.S. Central Intelligence Agency and aided the covert introduction of American arms and personnel into South Vietnam, while they spotted for U.S. bombers over North Vietnam.
>
> Canadian Commissioners shielded the U.S. chemical defoliant program from public inquiry, parlayed American threats of expanded war to Hanoi and penned reports legitimizing both the rupture of the Geneva Agreement and the United States air war over North Vietnam.
>
> Ottawa would later assert that these actions were necessary to counterbalance the activities of the Eastern Bloc countries with whom they shared membership on the Truce Commissions.

That is not peacekeeping, honourable senators, nor is it peacemaking, as Senator Perrault suggests. It is not bringing that terrible conflict to a successful conclusion, as he has also suggested. It is not peacemaking or peacekeeping when we review these staggering statistics: approximately 1.7 million dead; 3 million wounded and maimed; 7 million tonnes of bombs dropped, many manufactured and supplied by Canada; 75 million litres of herbicide dropped; 10,000 helicopters and war planes lost; 56,000 soldiers killed, including over 113 Canadians with estimates of over 400; and 303,000 wounded, many of them Canadians.

The senator also indicated that the Vietnam War was never endorsed by the Government of Canada, the Parliament of Canada, or even by a majority of Canadians. I remind him again of what he conveniently does not mention, with a quotation from *The Canadian Encyclopedia*:

> Cabinet papers, confidential stenographic minutes of the Truce Commissions, as well as top secret American government cables revealed Canada to be a willing ally of U.S. counterinsurgency efforts.

That is endorsement, honourable senators.

Here are a few more quickies for honourable senators to contemplate, and Senator Perrault in particular when he said that "Canada was never in military conflict with the government of the people of North Vietnam." In reply to that I can say this: First, Canadian Commissioners shielded the U.S. chemical defoliant program from public inquiry. Second, Canadian aid during the war went only to South Vietnam, and Ottawa stopped the shipments of ecumenical medical relief to civilian victims of the war in North Vietnam.

What about the testing of Agent Orange for use in Vietnam at Canadian Forces Base Gagetown, honourable senators? What about the U.S. bomber pilots who practiced carpet-bombing runs over Suffield, Alberta and North Battleford, Saskatchewan before commencing their tours of duty in Southeast Asia?

I will repeat what I said on one of my other interventions: 500 firms sold $2.5 billion worth of war material to the Pentagon. Another $10 billion in food, berets and boots for the troops was exported to the U.S., as well as nickel, copper, lead, brass and oil for shell casings, wiring, plate armour and military transport.

In Canada, unemployment fell to a record low level of 3.9 per cent, the gross domestic product rose by six per cent yearly, and capital expenditure increased in manufacturing and mining as United States firms invested more than $3 billion in Canada to offset shrinking domestic capacity as a result of the war.

As I recall, when I gave this information previously, Senator Gigantès retorted, "Business is business."

Senator Gigantès: I did?

Senator Marshall: Turning to Senator Perrault's conception of the mandate of the National Capital Commission, he conveniently followed the same path as the Minister of Heritage by selectively changing the context of the wording of the criteria as contained in a document entitled: "Commemorations in the Capital."

For example, here is what Senator Perrault said:

> As far as the monument is concerned, we know now that it is not within the power and mandate of the National Capital Commission to donate land for this purpose...

That is dead wrong, honourable senators. The document says that, "the NCC is responsible for commemorative projects on Federal lands in the National Capital Region with the exception of Parliament Hill which is the responsibility of government services." Honourable senators, I am sure that means Public Works Canada or Canadian Heritage. Further, it states clearly that "the Commission does not initiate commemorations." In other words, its contribution to the projects is the site and the time of the staff. All other costs are the responsibility of the sponsoring organization, in this case the Canadian Vietnam Veterans' Coalition.

The National Capital Commission works with the sponsors at all stages of the project as follows. First, on the development of the design criteria. The design is already developed, honourable senators. Second, they are responsible for the selection of the design. That is already completed. Third, they are also responsible for the construction of the monument, which is also completed. Finally, they are responsible for the unveiling, which could be ready at a date to be determined. Canadians would be proud of the ceremony, which would show a respect and understanding among Canadians.

Here are a number of other factors which the senator camouflages:

> Subjects of international importance may be commemorated if they have had a significant and demonstrable impact upon Canada and the Canadian way of life.

The Vietnam war had a significant and demonstrable impact upon Canada and the Canadian way of life.

> In the case of individuals or organizations, they must be directly associated with ideas or beliefs of national significance.

Certainly, the Vietnam war had national significance.

> Evidence must be provided of the sponsoring group's financial commitment to the project including the cost of perpetual care.

Honourable senators, the Canadian Vietnam veterans have made this commitment.

Honourable senators, all the veterans are asking from the government is a site on a small piece of land to locate the gift to Canada of a memorial to pay tribute to some 40,000 young Canadians who went to war with our neighbouring United States forces and the 113 of them who died on the battlefield, in the same manner as the Canadian government gave a gift of a memorial to America to pay tribute to those young American youths who crossed the border and fought for Canada in past wars.

I repeat, honourable senators, all they are asking is a small piece of land in this vast region of Ottawa to locate the national Canadian Vietnam veterans' memorial. As a matter of fact, as reported in the local press a few days ago, there is an uproar from local Liberal MPs about the NCC wanting to sell 1,500 acres of land in the National Capital Commission area; a responsibility which they find surplus to their needs.

Honourable senators, I now wish to address the amendment introduced by Senator Perrault which states:

> That the Senate respectfully asks the American Embassy to provide space on its grounds on Sussex Drive for the Canadian Vietnam veterans memorial or alternatively that the Senate make representations to the appropriate levels to secure a site for the monument on the U.S. side of one of the Peace Parks located on the 49th parallel.

I wish to comment on that alternative suggested by Senator Perrault. First of all, he finds the answer in the proposal that a corner of the new grounds surrounding the new U.S. Embassy in Ottawa should be set aside. There were guffaws from the other side at that suggestion. However, he feels that this would be more appropriate.

Again, Senator Perrault conveniently forgets, or is being facetious when he makes such a suggestion, that the memorial is a gift from the United States to Canada for the sacrifices of Canadians in the Vietnam war. The gift is from the United States to Canada. Senator Perrault as well should know that the United States government has a policy not to place monuments on embassy grounds for security reasons. Surely he is not serious in making light of the wishes of Canadians to visit a memorial dedicated to Canadians, in order to pay their respects, when the entry to those very grounds would be restricted?

Surely Senator Perrault knows from his conversation with Lee Hitchins, the President of the Canadian Vietnam Veterans' Coalition, that such an offer will not be considered under any circumstances. Mr. Hitchins told Senator Perrault, in those exact words, that there was no question of that.

Surely Senator Perrault's inflammatory suggestion to even propose publicly to locate a memorial on the 49th parallel, slightly on the U.S. side, is an insult to those men and women who have worked tirelessly to see this memorial become a reality. I can tell Senator Perrault that his suggestion has already caused anger and dismay among not only the Vietnam veterans, but also the families of those who died.

It should be made clear that there is a Vietnam memorial in Quebec to those Canadians of that province who served and died with the United States forces. Nobody there said, "Not on our soil." Only in this chamber do they say that.

It is also obvious that Senator Perrault's amendment is not only wrong in substance, it is wrong in form as well. I quote from *Beauchesne's Parliamentary Rules and Forms*, Sixth Edition, page 207-8, citation 698(9):

> An amendment may not be proposed to insert words at the commencement of a clause with a view to proposing an alternative scheme to that contained in the clause...

His proposal is foreign to my scheme.

My motion, honourable senators, is to urge the Government of Canada to place the memorial in the capital area in Canada. Senator Perrault's motion is to ask the United States to locate the memorial in another country, which motion is completely foreign to the original motion.

Honourable senators, I respectfully suggest that the debate on the amendment be closed and the question put.

The Hon. the Speaker *pro tempore*: Is the Senate ready for the question in amendment?

Some Hon. Senators: Yes.

The Hon. the Speaker *pro tempore*: I shall read the original motion and the amendment.

It is moved by the Honourable Senator Marshall, seconded by the Honourable Senator Phillips:

> That the Senate urges the Government of Canada to provide an appropriate site for the Canadian Vietnam Veterans' National Memorial; and
>
> That a Message be sent to the House of Commons requesting that House to unite with the Senate in the aforementioned action.

It is further moved in amendment by the Honourable Senator Perrault, seconded by the Honourable Senator Bosa:

> That the motion be amended by striking out all the words after the word "that" in the first paragraph and substituting the following:
>
> > The Senate respectfully asks the American Embassy to provide space on its grounds on Sussex Drive for the Canadian Vietnam Veterans' National Memorial; or, alternatively, that the Senate make representations to the appropriate levels to secure a site for the monument on the U.S. side of one of the Peace Parks located along the 49th Parallel.

Hon. Marcel Prud'homme: Honourable senators, may I ask a question?

If I am out of order, please rule immediately, Your Honour, because we usually do not speak on the vote.

I do not wish to speak on the motion. I just want to make a suggestion, if it would be the mood of the Senate to consent, to take that vote as its first Order of the Day tomorrow. I am sure that many honourable senators were not aware that there might be a vote tonight. Even though they were present here tonight, many senators have now left for other events, and they might like to take part in this vote.

However, if my suggestion is not agreeable, I do not want to make this into a debate.

An Hon. Senator: Why not adjourn the debate?

Senator Prud'homme: I would like to adjourn the debate but the motion in amendment has already been put to a vote.

The Hon. the Speaker *pro tempore*: In answer to Senator Prud'homme, the Chair asked whether the Senate was ready for the question, and I was in the process of putting the question.

If there is agreement, then the matter can be postponed. The most sensible way would be for someone to move the adjournment of the debate, or else for there to be agreement that the vote will be taken tomorrow. If there is agreement, then I am in your hands.

Hon. Richard J. Stanbury (Acting Deputy Leader of the Government): Honourable senators, at the invitation of His Honour, and because I am aware of the absence of a number of senators who have concerns and interest in this motion, it would be wise to adjourn the debate to give us an opportunity to have a larger attendance, and to give those senators an opportunity to participate.

Hon. John B. Stewart: Why not defer the matter so that we can be sure there will be a vote?

Hon. Orville H. Phillips: Honourable senators, my understanding of the suggestion of Senator Prud'homme was that the vote be deferred, not that the debate be adjourned.

Senator Prud'homme: That was exactly my suggestion. Honourable senators, to be very clear, I know that nobody rose. I do not want my friend Senator Marshall to be unduly upset. I would understand that.

No senators rose to take the floor; therefore, unless I am wrong — and please do indicate to me if I am — it is my understanding that one got up to ask for a vote because nobody else wished to have the floor, and nobody else asked to adjourn the debate. As far as I am concerned, on the amendment put forward by our friend Senator Perrault, there is no more debate.

• (2130)

I am suggesting that the vote not take place tonight. I think Senator Phillips understands much better than I do. I will reach his level of understanding someday. Senator Phillips understood me very well. My intention is just to ask to postpone the vote until tomorrow, as first Order of the Day; not the debate, but the vote on the amendment. Then we would go back to the main motion.

I am in the hands of my colleagues in the Senate tonight. Only if you say so can the vote be postponed. Otherwise, we will vote.

Senator Marshall: Honourable senators, on May 10, Senator Perrault rose and adjourned the debate. I challenged that motion at that time. There was an accommodation made after about an hour and we reverted, and we ignored the procedures and rules of the Senate. We accommodated Senator Perrault. He said he would be in full flight the next day, which was May 11.

This is now May 31, and again an adjournment has been requested. When is the matter to be resolved? There has been repeated debate. When will it end?

Senator Prud'homme: Tomorrow.

Senator Marshall: Tomorrow? I heard that on May 10, 21 days ago. Senator Prud'homme is wondering why there was silence. The silence must have been there because there was agreement that the Chair go ahead with the vote. Here we are again.

The Hon. the Speaker *pro tempore*: I can try to be helpful. Is there agreement that the vote be put tomorrow? If there is not, then I believe I have no choice but to put the vote now. I am in the Senate's hands.

Senator Stanbury: I believe, honourable senators, that there is agreement that the vote be deferred.

Hon. John Lynch-Staunton (Leader of the Opposition): What agreement? Why tomorrow? I think Senator Marshall's point is extremely well taken. We have had this matter before us now for three weeks. I remember taking part in the debate when Senator Marshall moved the adjournment of the debate. I said no, that we should give Senator Perrault a chance to speak, and he said that he would speak the following day. He did not. The following day, nothing happened. He did finally move the amendment. He happens not to be here to discuss his amendment or to wind up the discussion, but what more is there to add? We have had debate from Senator Perrault on the amendment. We have had Senator Marshall's reply. Does anybody here wish to speak? If not, let us get on with the vote.

The Hon. the Speaker *pro tempore*: If there is no leave, which means unanimous consent, I shall put the question. Am I correct in interpreting the will of the Senate that there is not unanimous consent? Then I shall have to continue and put the question.

Having read the main motion, I shall now put the motion in amendment. The motion in amendment by the Honourable Senator Perrault, seconded by the Honourable Senator Bosa, is that the motion be amended by striking out all the words after the word "that" in the first paragraph and substituting the following:

> The Senate respectfully asks the American embassy to provide space on its grounds —

An Hon. Senator: Dispense.

The Hon. the Speaker *pro tempore*: Those in favour of the motion in amendment will please say "yea."

Some Hon. Senators: Yea.

The Hon. the Speaker *pro tempore*: Those opposed to the motion will please say "nay."

Some Hon. Senators: Nay.

The Hon. the Speaker *pro tempore*: In my opinion, the "nays" have it.

Senator Stanbury: On division.

The Hon. the Speaker *pro tempore*: We now resume debate on the main motion. Is the house ready for the question on the main motion?

Senator Prud'Homme: I want to make sure that there was no vote. You said that in your opinion the "nays" had it. I was about to ask for a roll call, but I will abstain.

The Hon. the Speaker *pro tempore*: Is the Senate ready for the question on the main motion?

Senator Prud'homme: I move the adjournment of the debate because I would like to speak on the main motion.

The Hon. the Speaker *pro tempore*: It is moved by the Honourable Senator Prud'homme, seconded by the Honourable Senator Bosa, that the debate on this motion be adjourned. Is it your pleasure, honourable senators, to adopt the motion?

Some Hon. Senators: No.

The Hon. the Speaker *pro tempore*: All those in favour of the motion to adjourn the debate please say "yea."

Some Hon. Senators: Yea.

The Hon. the Speaker *pro tempore*: All those opposed to the motion to adjourn the debate please say "nay."

Some Hon. Senators: Nay.

The Hon. the Speaker *pro tempore*: In my opinion, the "nays" have it.

[*Translation*]

Senator Prud'homme: Honourable senators, such a debate is very embarrassing.

We all know how devoted Senator Marshall is to this cause. I would like to take this opportunity to pay tribute to him for everything he has done, not only in the Senate, but in the House of Commons, and as a veteran. The comments I may make on his motion are not a reflection of the respect I have for our honourable colleague.

I moved the adjournment of the debate on the motion to be able to take part in it. I have no notes with me tonight — I do have a book, though — but I will try from memory to tell the honourable senators why we should not vote in favour of this motion.

I have always thought that only wars in which the Canadian government had officially been involved could lead to the kind of honour Senator Marshall would like to bestow on those Canadians who fought in Vietnam alongside the Americans.

[*English*]

Before I arrived in Parliament, I was already involved as a student president. In some places, because I was very opinionated, my time in university was terminated, and I had to go to other universities. I was extremely active. One of my major activities was to be involved in the question of the Vietnam war and what would be the best policy, for Canada as a country, towards the American deserters and draft dodgers. It is a very old story in the Liberal Party of the day, and a very long story.

With your permission, I have a quote I would read you. I was surprised by this, and I cannot say I was happily surprised, because when people kill others, they should not rejoice. They do their duty when their country calls upon them to do their duty. It has always been my strong conviction that a Canadian cannot go and fight under the flag of another country. I never make an exception to this unless the Canadian government and the Canadian people so decide.

• (2140)

On the debate that took place on the Vietnam war, there is a book called *The New Exile — American War Deserters in Canada*. That book was published in 1972. A guard on the Hill here who is very involved in military matters pointed out to me one day that his son had given him a book on the Vietnam war, and that my name was in it. I could read many pages, but I will read just a portion which says:

> In reality, even before the *Washington Post* article appeared, Trudeau had indicated privately to a young Liberal Party M.P. from Montreal, Marcel Prud'homme, that he wouldn't be against Parliament bringing pressure to bear against the immigration department's recent antideserter policies. Trudeau apparently preferred to have nothing to do with it himself, however, though he was once reported to have said he would step in if Parliament did not. Prud'homme had awaited just such a signal from his party leader (the Prime Minister), and thereupon brought together twenty-five Liberal M.P.s who met with Minister MacEachen and urged him to change his policy. He admitted to the anomaly in the law which allowed draft dodgers citizenship and not deserters, and promised a review and a clear statement of government policy.

They go on to say that I was involved with American deserters coming to Montreal. It was very strange because after I had finished and won, the NDP took the credit. I did not worry, because I had done the same in many other fights on other hot issues. When it goes well, there is always someone to take the credit. What is important is to do what you feel should be done.

Here we are in 1994, agonizing over the meaning of Canadian citizenship. There is a lot of meaning to it. As a Canadian, should I involve myself in a war declared by someone else without the consent of my government? If I open the door with regard to the indirect support, it is logical to say that not only will I honour tonight Canadians who fought under the American flag, and so accept that they should have a monument, but that they should be extended all the benefits that we reserve for our Canadian military. You cannot honour someone halfway.

It is not the piece of land that is important, it is the meaning. Of course we have land. We are not being mean to the Canadians who fought in the Vietnam war. However, Canada did not accept to participate in that war.

You all know where I stood on the war recently declared in the Middle East. I opposed Canada's participation. I said so to a delegation from Kuwait last week, among whom I have close friends. I told them why. If Canadians died in that war, we should definitely honour them, because Canadians participated, debated the issue and decided Canada would be part of a big team. However, on the question of the Vietnam war, we were not participants.

I could speak for hours on the debate that took place then in the national Liberal Caucus. I have all my notes from the past 30 years of every national caucus and Quebec caucus that I attended. I chaired many such caucus meetings as a servant of the party. Honourable senators know that I have often called myself a servant of the party because when they needed someone, I was there. When I felt they did not need me any more, I would withdraw. As chairman of the national caucus, I know these debates took place.

However, I do not want to go over that debate tonight. I have too much respect for these young Canadians who fought. It is a great country that allows that to happen. Many countries might have taken their citizenship away. If you are caught fighting anywhere — in Vietnam, the Balkans or the Middle East — and word gets around that you are Canadian, it reflects immediately on the reputation of Canada. No one can argue to the contrary.

In the name of brevity, I will not pursue the debate. I was glad to inform Senator Marshall of what happened recently while I was in Kiev, Ukraine. A great debate was taking place in France about kicking Canadians out of hotels. I contacted my many senator friends in the French Senate and told them about the situation before it became known. They sent me a letter, and they told me that if I wanted, I could make it public. I gave my friend Senator Marshall a copy for his files, knowing how involved he is in such matters.

French representatives thanked me for alerting them from Kiev. They immediately called the Minister of Foreign Affairs of France before the issue became too hot. That was during my friend Senator Bosa's trip to France as head of the Inter-Parliamentary Union. I am getting off topic.

I conclude by saying that if the majority of senators in their wisdom believe that I am wrong in calling upon them to reflect a little more, I should hope that at least you will join Senator Marshall and say that since we have honoured Canadians who fought with Americans in the Vietnam War, we should take our responsibility further and give them a small piece of land in Canada. We have to be logical. The next step is that these Canadian Vietnam war veterans should be recognized as veterans of Canada, with all the benefits reserved and preserved for Canadians participating in wars declared by Canada. That is my strongest point that I would like to share with you.

I repeat again that I hope that Senator Marshall, who one day will be acclaimed by all of us as the grand gentleman of veterans in Canada — because he has done so much — will not feel in any way, shape or form that, should the Senate vote against his motion, it diminishes his efforts in this regard. To me, he is an example of what senators should be. We should all be a supporter of some cause. He has chosen veterans affairs. No one can challenge Senator Marshall as the champion of veterans. Every single one of us should be the champion of a cause in Canada, so that Canadians will realize what the Senate is all about.

• (2150)

Honourable senators, I thank you for allowing me to participate in this debate, but if there is a roll call, I will sadly vote against the motion.

The Hon. the Speaker *pro tempore*: Honourable senators, it was moved by the Honourable Senator Marshall, seconded by the Honourable Senator Phillips:

> That the Senate urges the Government of Canada to provide an appropriate site for the Canadian Vietnam Veterans' National Memorial; and
>
> That a Message be sent to the House of Commons requesting that House to unite with the Senate in the aforementioned action.

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

Some Hon. Senators: No.

Some Hon. Senators: Yes.

The Hon. the Speaker *pro tempore*: Will those honourable senators in favour of the motion please say "yea"?

Some Hon. Senators: Yea.

The Hon. the Speaker *pro tempore*: Will those honourable senators opposed to the motion please say "nay"?

Some Hon. Senators: Nay.

The Hon. the Speaker *pro tempore*: In my opinion, the "yeas" have it.

An Hon. Senator: On division.

Motion agreed to, on division.

HEALTH

IMPACT OF CHANGES TO TOBACCO TAXES— DEBATE CONTINUED

On the Order:

> Resuming the debate on the inquiry of the Honourable Senator Di Nino, calling the attention of the Senate to the impact of the Government of Canada's changes to tobacco taxes.—*(Honourable Senator Bosa).*

Hon. Peter Bosa: Honourable senators, on February 8, 1994, Prime Minister Jean Chrétien announced the four-point Government Action Plan on Smuggling. Senator Di Nino targeted one part of this action plan in his statement to the Senate on April 19, 1994. He spent considerable time berating the government for the immediate action of reducing consumer taxes on tobacco. However, he neglected to mention the three additional points that are the essential long-term endeavours underlying this plan. An enforcement crackdown, special action on tobacco manufacturers and the most intensive anti-smoking campaign in Canadian history are ongoing at this very moment.

Senator Di Nino was right to point out, although he did so only peripherally, that Canada is the first country with a significant tobacco growing and manufacturing industry to make a comprehensive approach to the problems connected with tobacco use. Federal efforts to reduce tobacco use in Canada are recognized and envied around the world.

This approach was begun in the late 1960s under a Liberal government. The House of Commons committee on Health, Welfare and Social Affairs, chaired by Gaston Isabelle, looked at tobacco and cigarette smoking and noted that it was clearly contrary to the public interest for the use of a harmful product to be actively promoted. The committee called for a unique solution to this unique health and social problem. By the early 1990s, the comprehensive approach, including legislation, taxation, incentives to tobacco growers to cease production and health education and information, was credited with the continuous overall decline in smoking prevalence among both men and women.

Federal legislation supported by all parties included: The Tobacco Products Control Act, providing authority for banning all tobacco advertising, for restricting promotional activities by tobacco manufacturers, and for more explicit health warnings on tobacco product packages; the Tobacco Sales to Young Persons Act, raising the minimum purchasing age to 18 years, imposing fines for selling tobacco to minors, and restricting placement of vending machines; and the Non-smokers' Health Act, providing a smoke-free environment in all work places and certain aircraft under federal jurisdiction.

Production of tobacco was, and is, influenced by the Tobacco Diversification Plan, a program of the federal Department of Agriculture established in the late 1980s to assist farmers in ceasing tobacco production and to develop alternative crops for tobacco lands.

In the fiscal year of 1993-94, approximately $3 million was divided between the Health Promotion Directorate and the Health Protection Directorate of Health Canada. The Health Promotion Directorate budget for tobacco activities was approximately $1.3 million, allocated as $500,000 for research, $500,000 for programs, and $800,000 for public awareness.

The Health Protection Directorate had a budget for tobacco activities of approximately $1.7 million in 1993-94, with the largest portion allocated to surveys, corrective action and education, while the rest went to research and evaluation.

There is no doubt that the multi-pronged approach of the national strategy to reduce tobacco use contributed to the decline in smoking rates that was evident from 1965. By 1990, rates of smoking for persons 15 years of age and older had dropped from over 60 per cent to 31 per cent for men, and from 38 to 28 per cent for women.

What this comprehensive approach had not accounted for was the increase in smuggled cigarettes. Controls on the distribution, sale and consumption of cigarettes became useless when cheap, contraband cigarettes were readily available to Canadians. This was when the Action Plan on Smuggling in its four-part strategy, including enforcement, consumer tax reduction, export tax and health promotion surtax and anti-smoking campaign, became essential.

Cigarette smuggling was not a new issue, waiting only for action by this current government. The previous government attempted to address it by increasing the resources available for enforcement. In 1991, RCMP resources were increased for establishments at Cornwall, Ontario, and Valleyfield, Quebec, while in April 1992, an additional 52 positions and $8.2 million were allocated throughout Canada to illegal tobacco distribution locations. In June of 1993, another 70 officers were added to the RCMP anti-smuggling units. Similarly, Canada Customs stepped up its efforts.

What the previous government recognized near the end of its term was what this government faced on taking office. The contraband tobacco trade had become deep-rooted and far-reaching. Illegal tobacco accounted for almost 40 per cent of the $12.4-billion Canadian tobacco market. Organized crime controlled up to 95 per cent of the contraband tobacco entering the country. Smuggling, with its attendant increase in crime and violence, was spreading quickly from Quebec and some Atlantic provinces to Ontario and Western Canada.

Added to the criminal aspect was the recognition that smuggling was undermining the government's health objectives. As the supply of smuggled tobacco became more widely available, the average price of the contraband cigarettes became lower. Ready access by young people to cheap cigarettes was becoming a reality, and was contrary to all existing policies and legislation.

What could be done? This government recognized that increased enforcement was only one part of an effective crackdown on the organized criminal element behind the smuggling. Measures aimed at tobacco manufacturers and smokers were also vital. Canadian tobacco exports illegally reimported into the country represented about 80 per cent of the illegal market. To counter this, the government reimposed an excise tax on Canadian tobacco exports.

• (2200)

Because of concern that tobacco manufacturers not only contribute to the smuggling problem but might even profit from the federal tobacco tax reduction, a three-year health promotion surtax was imposed on manufacturing companies' profits. The revenues generated by this surtax are to be used to fund measures to reduce smoking. This campaign, funded by the health promotion surtax on tobacco manufacturing profits, provides a substantial boost to ongoing efforts to reduce smoking.

Senator Di Nino mentioned the initiatives taken by the previous government without talking about specifics. Perhaps the following comparison of figures will be useful. In 1985, the federal government launched a $1.5-million anti-smoking campaign aimed at youth. In 1994, the most intensive anti-smoking campaign in Canadian history, called the federal Tobacco Demand Reduction Strategy, allocated $185 million over three years. Ten years later, the problem is still a serious one but the commitment of resources is finally matching the need.

A preliminary outline suggests that while the largest proportion will be spent on broad-based initiatives in the community and using the mass media, significant amounts will be targeted toward youth, women, and groups viewed as "hard to reach." The issue of plain packaging was also raised by Prime Minister Chrétien in February, and a month later the House of Commons Standing Committee on Health was asked to conduct an inquiry into whether plain packaging would reduce tobacco consumption.

Many of the major national health organizations were instrumental in putting the tragic connection between tobacco use and health on the political agenda. Groups such as the Canadian Cancer Society, the Canadian Council on Smoking and Health, the Canadian Lung Association, the Canadian Medical Association, and Physicians for a Smoke-Free Canada are among those who presented evidence on the potential effectiveness of plain packaging of tobacco products to the House of Commons Health Committee. While the outcome of this inquiry will not be known until mid-June, the support of all parties for efforts to reduce tobacco consumption in Canada has again been demonstrated in this parliamentary forum.

A 1994 estimate by a Health Canada official put the direct costs to the health care system of tobacco use at about $3 billion a year. The indirect costs were estimated at about $15.9 billion annually. With 20 per cent of the deaths in Canada attributed to tobacco use, it is the leading cause of preventable death. Overall, tobacco use ranks as Canada's number one public health problem, one that requires the multi-pronged action plan outlined by this government in February. The efforts already taking place are evidence of the recognition of the magnitude of the problem and the commitment to reducing it.

In conclusion, honourable senators, I am submitting an appendix to my notes which summarizes the strategy of the initiatives that will be employed to reduce tobacco demand. The summary is extracted from the "Briefing Book for Health Canada," a presentation made to the House of Commons Standing Committee on Health on April 8, 1994.

Hon. Consiglio Di Nino: Would the honourable senator answer a couple of quick questions?

First, would he tell us what happened to this wonderful advertising campaign which was instituted by the Minister of Health several months ago? Is he familiar with that?

Senator Bosa: I am not familiar in detail, but if the honourable gentleman has read the media in the last two days, he will have seen how the $185 million have been disposed of; some in advertising and some in other areas.

Senator Di Nino: If they disposed of it the way they disposed of the last millions of dollars, which had to be pulled out because they were an insult and a joke to all those who saw them, I hope that —

Senator Bosa: Would you start from the beginning, please?

Senator Di Nino: I hope that this $185 million, or whatever portion of it, will be used in a better way than the previous money, since you had to cancel those particular ads.

Second, does the honourable senator have statistics on the use of cigarettes since the program instituted by his government went into effect?

Senator Bosa: I do not have those statistics at hand, but I would be very pleased to provide them to the honourable gentleman.

Senator Di Nino: It would be revealing if the honourable senator could provide them to the Senate. He may find that the use of tobacco has not gone down since that particular program was instituted.

Senator Bosa: That would not be surprising, honourable senators, because previously cigarettes were imported illegally and they escaped the statistics which Statistics Canada computes. If there is a perceived increase in cigarette smoking now, it is due to the fact that cigarettes smoked now go through the regular channels rather than being smuggled into Canada.

Senator Di Nino: I look forward to the honourable senator's report to us when he comes up with the actual statistics.

On motion of Senator Spivak, debate adjourned.

INTER-PARLIAMENTARY UNION

NINETY-FIRST CONFERENCE, PARIS, FRANCE

Hon. Peter Bosa rose pursuant to notice of Tuesday, May 10, 1994:

> That he will call the attention of the Senate to the Ninety-First Inter-Parliamentary Conference, held at Paris, France, from March 19 to 26, 1994.

He said: Honourable senators, on May 10 last it was my privilege to present the report of the Ninety-first Interparliamentary Congress held in Paris from March 19 to 26. Senator Andreychuk and I attended this conference along with five members of the other place; Ms Paddy Torsney, Messrs. Maurice Dumas, Joe McGuire, Patrick O'Brien, and Dr. Bernard Patry.

Before speaking about the deliberations of the conference, I would like to mention a few points about our host country. Bilateral relations between France and Canada may be described as productive and friendly. In recent years, our relations have been cultivated by a series of visits by respective heads of state and government. Our two countries cooperate closely in international organizations such as the United Nations, the G-7, the Conference on Cooperation and Security in Europe, the European Bank of Reconstruction and Development and la Francophonie, within the framework of international conferences.

Fishing is one area of concern between our two countries. An initial agreement was concluded in 1972 to manage relations with regard to fishing. On the outstanding question of delimiting the exclusive economic zone, a tribunal instituted under a 1989 agreement handed down a ruling in June 1992 under which Canada was given jurisdiction over most of the disputed zone.

Following this ruling, our two countries began discussions in an attempt to reach an agreement on fishing quotas for the French ships in the Canadian zone. However, no agreement was reached and, in October of 1992, we unilaterally set what we felt were equitable and reasonable fishing quotas for France. Last June, French Prime Minister Balladur wrote to then Prime Minister Mulroney, asking him to appoint a Canadian minister to undertake expanded discussions regarding fishing and economic cooperation between Saint-Pierre-et-Miquelon and the adjoining Canadian provinces with the French Minister of Overseas Department and territories, Mr. Dominique Perben. Prime Minister Chrétien replied this past January, appointing the Secretary of State for Parliamentary Affairs, the Honourable Fernand Robichaud. We hope for a satisfactory outcome to these negotiations.

• (2210)

The value of bilateral trade in 1992 between France and Canada was nearly $4.5 billion. Canada's main exports to France are, in order of importance, aeronautical construction products, paper pulp, non-ferrous metals, electronic equipment, papers and cardboard, and iron ore. In order of value, French exports to Canada are aeronautical and construction products, wines and beverages, passenger vehicles, chemicals, printing and publishing products, and industrial equipment. The cumulative value of French investment in Canada increased considerably through the 1980s to 1991, from $1.3 billion to $4 billion, placing France third among Canada's sources of investment.

I turn now to the conference itself. At the outset, I would like to pay tribute to the Canadian Ambassador, Mr. Benoit Bouchard, and his colleagues for their assistance and support during the conference. Shortly after our arrival in Paris, Mr. Bouchard and other staff members provided a comprehensive and informative briefing on France. In addition, Mr. Jean Bourassa attended our regular morning briefing sessions.

The first topic on the agenda of our conference was "Prevention of Conflicts, Maintenance and Consolidation of Peace: Role and Means of the United Nations and Regional Organizations." Our colleague Senator Andreychuk and Mr. O'Brien spoke on behalf of Canada in the plenary debate and represented Canada at the meetings of the committee that examined this subject and prepared a draft resolution.

The second topic on the agenda was "Waste Management for a Healthy Environment." Two of our colleagues, Dr. Patry and Ms Torsney, represented Canada in the plenary debate.

A drafting committee of nine countries, including Canada, was selected to prepare a draft resolution. Ms Torsney represented our delegation.

At each conference there is an opportunity to vote on a supplementary item to be included on the agenda, and it is here that the Canadian delegation did some of its most significant work. The Canadian IPU Group had proposed as an item the subject:

> The importance of adhering to the obligations specified in the Treaty on the Non-Proliferation of Nuclear Weapons (known as the NPT)

Recent international events have highlighted the need for restraint and effective controls on weapons of mass destruction. This treaty seeks to prevent the proliferation of nuclear weapons to non-nuclear states, while facilitating access to nuclear technology for peaceful purposes. It also commits parties to pursue negotiations toward ending the nuclear arms race and achieving nuclear and general disarmament.

This treaty is the basis of the world's non-proliferation system. Global attention was focused on this treaty when the Democratic People's Republic of Korea withdrew from the NPT and was subsequently found in non-compliance with its safeguard obligations.

The NPT is the basic guarantee of the non-proliferation of nuclear weapons. The establishment of safeguards and export control regimes serves to reassure the world community of the peaceful nature of national nuclear programs. This treaty also provides for the transfer of nuclear materials and technologies for peaceful purposes to many states that would otherwise not receive such benefits. Moreover, progress has been achieved in the reduction of the nuclear arsenals of nuclear weapon states, but these benefits and the promise of further progress would be put to risk if the persistence of the NPT were not guaranteed.

At the Nuclear Non-Proliferation Treaty Review Conference in 1995, a decision must be taken to extend the treaty. However, the preliminary negotiations on the extension of the treaty have been characterized by sterile bloc formation and increasing levels of mistrust. The Canadian group felt that the Inter-Parliamentary Union would be remiss if it failed to make a contribution to the important debate on its extension. Topics for the supplementary item should be timely, relevant and opportune. We were gratified that our fellow delegates supported this view and voted 1,010 to 76, with 189 abstentions, to have this item as the supplementary item.

Mr. McGuire and I attended the meetings of the committee and worked on the drafting committee, which included delegates from Brazil, Chile, Estonia, France, Germany, Iran, New Zealand, North Korea, Portugal and Sudan. It was not an easy task, and we spent two days working until the early evening to come up with a text. Regrettably, the Iranian and North Korean delegates did not support the draft resolution which called for the indefinite extension of the NPT, a position which was the bottom line for the Canadian group. Having heard the arguments of other delegates at the committee meeting, the two delegations agreed to adopt the resolution without a vote.

We believe that the debate and subsequent study of the extension of the NPT brought this subject to the attention of legislators from over 110 countries. Clearly, the government negotiators were experiencing difficulties in the preparations for the upcoming conference. We believe that our intervention at the parliamentary level will have a positive input in the negotiation process.

At the Paris conference, there was also a debate on "the general political, economic and social situation in the world." I used this opportunity to speak again about the importance of the indefinite extension of the NPT. Our first vice-president, Mr. Dumas, spoke about the plight of the poor throughout the world.

I would also like to mention the report of the IPU committee on the Human Rights of Parliamentarians. As you are aware, the Canadian group has been very active in the work of this committee. Our colleague Senator Neiman, who was instrumental in its establishment, was a member of that committee for a number of years.

During the Paris conference, the violation of the rights of 125 members or former members of parliament in 10 countries was brought to the attention of the delegates. The 125 cases were made up as follows: one from Bulgaria, five from Colombia, five from Haiti, one from Honduras, one from Indonesia, 81 from Myanmar, formerly Burma, one from Senegal, three from Togo, 23 from Turkey and one from Uzbekistan. Supporting actions by legislatures play an important role in securing positive developments. It is my intention to ask the executive committee of the Canadian IPU group to meet with the ambassadors of some of these countries to seek their assistance in resolving these cases. In fact, we have already made arrangements to meet with the ambassadors of Turkey and Bulgaria in the next couple of weeks.

The Inter-Parliamentary Union was founded in 1889 by two men: an Englishman, William Cremer, a Liberal Member of Parliament, and a Frenchman, Frédéric Passy, an apostle of peace and a member of the Chamber of Deputies. Throughout our conference we were reminded of the vision of these two men. In relations between states, Mr. Passy had believed in the possibility of putting an end to the religion of force, and of enabling the religion of law to prevail. That was what led him to create and organize the Inter-Parliamentary Union. At the inaugural ceremony, our President, Sir Michael Marshall, reminded us of the wise words of Frédéric Passy, when he said: "Future humanity will be formed from the bringing together and not the suppression of nations now divided."

Honourable colleagues, I can assure you that delegates at the Ninety-first Inter-Parliamentary Conference continued to work vigorously to fulfil the dream of Frédéric Passy.

The Hon. the Speaker *pro tempore*: Honourable senators, if no other senator wishes to speak, this inquiry is considered debated.

The Senate adjourned until Wednesday, June 1, 1994, at 1:30 p.m.

THE SENATE

Wednesday, June 1, 1994

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

Prayers.

SENATOR'S STATEMENT

INDIAN AFFAIRS

NEGOTIATIONS ON OKA—APPOINTMENT OF CHIEF FEDERAL NEGOTIATOR

Hon. Marjory LeBreton: Honourable senators, I rise today to address an issue raised yesterday evening by my colleague the Leader of the Opposition. It goes to the heart of the whole issue of respect for Parliament and the political process.

I do not for a moment question the right of any government to appoint individuals who support the policies, agendas and direction of the government. What I find extremely troubling is the hypocrisy and double standards to which we are subjected. This is exactly the kind of attitude which feeds public cynicism about politics and politicians.

I draw to your attention the case raised last night regarding Bernard Roy, who was relieved of his responsibilities last November with regard to negotiations with the Kanesatake Mohawks at Oka, Quebec. On November 19, 1993, in a report of *The Ottawa Citizen*, the department stated:

> Mr. Roy was terminated because his contract officially expired on October 31 and the Department will now take over negotiations.

On May 25, 1994, the Minister of Indian Affairs and Northern Development announced the appointment of the Honourable Michel Robert as chief federal negotiator for Kanesatake — not a departmental employee, I might add.

The Honourable Michel Robert is a very prominent Liberal, having held the position of president of the Liberal Party of Canada from 1986 to 1990. He was an appointee of the Trudeau government on the Macdonald Royal Commission. As my colleague Senator Prud'homme pointed out last night, he was appointed by the Mulroney government as a member of the Security Intelligence Review Committee after consultations with the then Leader of the Opposition, Mr. Chrétien.

I repeat, I do not for a moment question the government's right to appoint. What I find appalling is the duplicity of it all. A Liberal appointee is worthy and competent; a Tory appointee is something else.

In her response yesterday, the Government Leader in the Senate described Mr. Robert as:

> ...well recognized in Quebec and in this country as a very fine lawyer and a man who has had considerable experience in dealing with these kinds of situations.

Just for the record, these same qualities also describe Mr. Bernard Roy.

ROUTINE PROCEEDINGS

TRANSPORT

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

Hon. Donald H. Oliver: Honourable senators, I give notice that on Thursday, June 2, 1994, I will move:

> That the Standing Senate Committee on Transport and Communications have power to sit at five o'clock in the afternoon on Tuesday, June 7, 1994, even though the Senate may then be sitting, and that rule 96(4) be suspended in relation thereto.

Senator Corbin: What's the rush?

Senator Oliver: Tomorrow is Thursday, and I am asking permission for something to take place on the following Tuesday. We will not be sitting on Friday or Monday, in all likelihood.

Senator Corbin: Why the rush, all of a sudden?

Hon. John Lynch-Staunton (Leader of the Opposition): Senator Oliver is giving notice of a motion for debate tomorrow. He is just putting it on the Order Paper. There is no rush.

QUESTION PERIOD

THE SENATE

ABSENCE OF GOVERNMENT LEADER

Hon. Richard J. Stanbury (Acting Deputy Leader of the Government): Honourable senators, the Leader of the Government has asked me to apologize to the house for her absence this afternoon. She will be here later today, but my honourable friend opposite has agreed that we will not have Question Period on this short Wednesday afternoon.

[*Translation*]

ORDERS OF THE DAY

NATIONAL LIBRARY ACT

BILL TO AMEND—SECOND READING

Hon. Pierre De Bané moved the second reading of Bill C-26, to amend the National Library Act.

He said: Honourable senators, I welcome this opportunity today to speak to the proposed amendments to the National Library Act. These amendments will enhance the effectiveness of legal deposit provisions for the collection and preservation of publications that are part of our Canadian heritage.

[*English*]

There are problems with the existing legislation which must be addressed. Bill C-26, to amend the National Library Act, addresses those problems.

I should like to begin by explaining very briefly what "legal deposit" is and how it works. Essentially it is the legal obligation requiring publishers to deposit copies of all their newly released publications with the National Library of Canada. The purpose of legal deposits is to facilitate the development of a comprehensive collection of our published heritage.

Under the legal deposit provisions of the National Library Act publishers in Canada are required to deposit, without charge, two copies of each of their new publications with the National Library. The National Library places, as a safety measure, one copy in a preservation collection to be safeguarded for future generations. The second copy goes into a service collection where it can be used by scholars, researchers, government and the public at large, either on site at the National Library or through the Inter-Libraries Lending Network that connects libraries across the country.

[*Translation*]

However, the act contains a provision whereby publishers need deposit only one copy if the retail value of the publication exceeds $50. This provision, which has not been changed since 1969, has created a problem.

In 1969, very few new publications sold for more than $50. This means that the National Library received two copies of practically all new publications. However, in recent years, the publishing market has changed considerably, and today, many publications cost more than $50. As a result, the number of cases in which the Library receives only one copy is increasing steadily.

[*English*]

The National Library still needs two copies of each publication to properly fulfil its dual mandate of preservation and service. Therefore, the library has been obliged to purchase second copies that are exempted under the legal deposit provisions. The cost of purchasing these copies is escalating rapidly. Over the last few years the annual cost has risen to more than $700,000, and it is expected to climb to $1 million within the next five years.

The National Library cannot keep up with the increased costs. In fact, since 1991-92 the library has had to limit its spending on second copies to about $450,000 annually, due to budgetary restraints.

Once the proposed amendments to the National Library Act and the revised regulations come into force, the National Library's expenditures on second copies will be reduced to $350,000. The National Library plans to use the savings of $100,000 for the purchase of second copies of titles missed during the last few years. Therefore, the library will be in a much better position to fulfil its dual mandate of preservation and service.

[*Translation*]

The amendments being proposed would eliminate completely from the act the exemption for second copies based on the retail value. Book deposit regulations which are made pursuant to the act would introduce new and more limited exemption criteria that would still permit the deposit of just one copy, but only in instances where the deposit of the second copy would be a significant financial burden for the publisher.

[*English*]

The book deposit regulations are being revised and will be ready for implementation when the revised bill is proclaimed. The regulations will specify instances where only one copy of a publication is required for deposit. For example, the regulations would permit publishers of limited edition publications, such as livres d'artistes, to deposit only one copy with the National Library.

The penalty provisions of the act must be changed because they are outdated, ineffective and serve no useful purpose. The maximum fine of $150 in the current act has not been an effective deterrent for noncomplying publishers because often the value of the publications is significantly greater than the maximum fine of $150. Bill C-26 proposes the removal of the specific fine of $150 for noncompliance, as is stipulated in the current act, and replacing it with a provision stating that noncompliance is an offence punishable on summary conviction, rather than continue to build into the act a precise sum that needs to be updated periodically.

[*Translation*]

The courts would be able to determine the appropriate penalty and to impose a more substantial fine, if warranted. The act would, however, explicitly exclude the possibility of imprisonment being imposed as a punishment or in the case of failure to pay a fine.

[*English*]

I should like to point out that noncompliance with legal deposit is already a criminal offence punishable on summary conviction. The specific reference to a maximum penalty is being deleted in order to permit the imposition of a fine up to a maximum imposed under the Criminal Code. Therefore, it will be up to the courts to determine the appropriate fine, which could range from $150 to $2,000 for individuals and from $150 to $25,000 for corporations.

In order to ensure the deposit of federal government publications with the National Library of Canada, an amendment to the act is being proposed that would specify an obligation on the part of federal departments and agencies to deposit with the National Library all federal government publications. Every Member of Parliament has daily experience with the number of publications that are generated by government departments and agencies.

[*Translation*]

By the way, I must point out that this bill on legal deposit was the subject of consultations with publishers, of course, and, among others, with the Quebec government, which, if I am not mistaken, is the only provincial government with its own legal deposit provisions, so that Quebec publishers must send four copies to Quebec's national library and two more to the National Library of Canada.

[*English*]

Although the deposit of federal government publications is currently provided for through administrative policy, there is no clear legislative authority for the policy. English- and French-language publishers' associations were consulted regarding the proposed changes to the National Library Act. Consultations with English- and French-language publishers representing key sectors of the publishing industry, such as major trade publishers, textbook publishers, magazine publishers, small presses, specialist publishers, microform publishers and publishers of livres d'artistes, indicate that the proposed amendments, together with the regulations, would not impose any significant financial burden on publishers.

[*Translation*]

Honourable senators, I see that my colleague, Senator Beaulieu, is listening to me with, in my opinion, unjustified scepticism.

During the consultation process, we paid particular attention to Quebec publishers since this province administers its own legal deposit. Quebec publishers are therefore required to send copies of their books to Quebec's national library and the National Library of Canada. The Quebec publishers who were consulted understand and support the proposed amendments.

I would even say to those of my colleagues who are authors that it is surely an honour to see their books deposited at Quebec's national library and the National Library of Canada.

Quebec's Department of Culture and national library were also consulted and expressed their agreement with the proposed amendments.

The discussions held with publishing industry representatives suggest that the proposed amendments will not translate into major expenditures for publishers.

[*English*]

The proposed amendments will make the legal deposit provisions in the act much more effective as an instrument to support the mandate of the National Library, a cultural institution that represents our collective memory. They will enable the library to carry out its primary responsibilities of collecting, preserving and providing access to Canada's published heritage more effectively and economically. Bill C-26 will ensure the comprehensive collections of our published heritage to support the research and information needs of Canadians today as well as in the future — a collection that is an invaluable source of information on Canada's culture and our national identity.

I support Bill C-26 and I ask my fellow senators to support it as well. It will ensure that the National Library of Canada, which has the mandate to preserve for future generations and historians the collective memory of this country, will have a complete collection of all published documents.

As my colleagues know, there is also another institution called the National Archives. The National Archives is more interested in papers, correspondence and letters. I am sure that, looking to the statesmen and stateswomen in this chamber, many of them would one day like to transmit to the archives their papers so that, when historians in future generations are looking at their documents, they will be able to pass an impartial judgment both on their wisdom and on the era in which each of the senators has played a very important role.

[*Translation*]

Honourable senators, I gather from the positive reaction of various senators that they will submit their documents to the National Archives. I hope that they will. I am thinking of Senator Rivest, for example, who has written countless memos. I hope that he will turn over all these papers he wrote in the past. It will certainly be interesting reading for future generations.

For all these reasons, I ask you, honourable senators, to support Bill C-26, which will enable us to ensure the preservation of all documents published in Canada.

[*English*]

Hon. Richard J. Doyle: Honourable senators, running a national library is difficult and expensive, and, I might say, an immensely rewarding undertaking, which, fortunately for all of us, attracts the most dedicated of public servants. The

information highway is an old familiar road to librarians. A single paragraph from "Orientations: A Planning Framework for the 1990s" will serve here as a reminder of how the men and women of the National Library see the task we have given them.

> The Canadiana collections of the National Library and other repositories across the country represent an enormously rich resource for the study of Canada and its heritage. To exploit the value of that resource to its full potential we must actively promote its use and develop a portfolio of services that will support the research needs of writers, scholars, creative artists and the public at large. On one level, the promotional effort entails sponsorship of exhibits and cultural events that highlight the variety and wealth of our published heritage and celebrate the creative talents of our writers and musicians.

That is not to say that running such a library at a time such as this is an easy task or without its measure of disappointments. As Marianne Scott, our National Librarian, says:

> The key as we adapt to change in the current restrictive economic climate is to understand ourselves and to communicate the role and value of the librarian in our evolving information society.

Under Bill C-26, the National Library Act will be amended to help reduce the institution's cost of acquisitions. Under the law as it stands, publishers in Canada are required to deposit with the National Library, without charge, two copies of each new publication, except when the retail value exceeds $50. In such cases one copy will suffice. That exemption is to be ended. Regardless of value, two books are to be submitted. The savings to be realized will probably exceed $500,000 per year.

• (1400)

Nevertheless, the burden to publishers will be very low in a day when review and promotional copies are scattered with what might pass for abandon. The National Library's imposition of two copies seems slight indeed when it is realized that one copy will be kept as part of the national treasure for future generations and one will be available to scholars, researchers and the public at large.

A final word: The law as it stands provides a fine of $150 for noncompliance with the deposit provisions of the act. In the future, the maximum fines will be $2,000 for individuals and $25,000 for corporations.

I should mention here that work on these changes to the National Library Act began during the tenure of the previous government. Only one aspect of the bill, as it is presented today, should give pause to real library buffs on either side of this chamber, and that is the removal of incarceration as a punishment for not complying with the act or paying a fine. Believe me, people go to jail every day for lesser offences.

Hon. John B. Stewart: If I am not looking at the wrong document, this bill, if it receives Royal Assent, would come into effect only after proclamation. We had another example recently where such a clause was included in a bill. I raise the question now so that we can get an answer at the committee stage.

I wonder if the government would undertake to explain why in this case the bill will not come into effect upon Royal Assent. I am sure that there is some important reason. However, given the urgency of the bill as suggested by its sponsor and by Senator Doyle, we want to ensure that not a moment elapses before the bill goes into effect.

[*Translation*]

Senator De Bané: Honourable senators, we will certainly answer Senator Stewart's question. However, I can tell him right now that regulations will be needed to specify circumstances under which publishers will not be required to deposit two copies. Of course, the drafting of such regulations will have to be preceded by extensive consultations with publishers.

I will try to find that explanation for you, honourable senator, to give you an overall view of the situation.

[*English*]

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

On motion of Senator De Bané, bill referred to the Standing Senate Committee on National Finance.

BUDGET IMPLEMENTATION BILL, 1994

SECOND READING—DEBATE ADJOURNED

Hon. H.A. Olson moved the second reading of Bill C-17, to amend certain statutes to implement certain provisions of the budget tabled in Parliament on February 22, 1994.

He said: Honourable senators, I want to say a few words about Bill C-17, and I advise senators that I have shortened my remarks considerably because it is a Wednesday, when we are limited to an hour and a half. I see some senators are applauding, and that is good. I just wanted you to know that I have a whole lot more that I could say.

I welcome this opportunity to encourage the chamber to join me in supporting this important piece of legislation. When passed, this bill will implement key aspects of the February budget: a plan for action in three core areas on behalf of all Canadians in every region.

It is a plan to spur job creation and economic growth. That is one reason, for example, that Bill C-17 revamps unemployment insurance entitlements. These savings will allow us to reduce the payroll taxes identified by business, especially small business, as a major barrier to new employment.

It is a plan to get the deficit down and to set the foundations for a balanced budget, because we have to stop mortgaging our children's future and pushing taxes eternally higher. This bill is a critical step in meeting this goal by restraining parliamentary and public service salaries and reducing business subsidies for transportation and energy.

Let me emphasize that the fiscal action we are taking will not jeopardize the work that must be done to make the economy stronger and to create opportunity. Losing jobs is no way to pay off debts, either for individuals or for a nation.

It is also a budget plan to reform social security so it can boost economic opportunity while ensuring that we can sustain the cost of Canada's social safety net. Here again, Bill C-17 plays a vital role. It does so not only through the action on unemployment insurance, but by providing the provinces with two years of certainty on federal transfers under the Canada Assistance Program. This will help create the stable window of opportunity and cooperative environment that will allow the two levels of government to work together on this critical task.

Each of these action areas is an essential foundation for our country's future. To ignore one puts them all at risk.

Before focusing on the specific measures in Bill C-17, I want to step beyond the narrow details to put it in a little larger context, particularly the context of deficit reduction. The fundamental fact is that with the February budget we have taken unparalleled action to meet the fiscal challenge. Measures in the budget will result in gross savings of $3.7 billion in this fiscal year; that will rise to $13.6 billion in 1996-97. Over the three-year period, gross savings totalled $28.6 billion.

• (1410)

As this legislation demonstrates, action to spur job creation, economic growth and labour adjustment is a fundamental part of that deficit reduction strategy. Even with such investments as the reduction in the UI premiums, net savings in the budget total $20.4 billion over three years. They deliver $5 worth of spending cuts for every $1 in revenue increase action. These spending cuts are the most significant, I am told, of any budget in the past 10 or 12 years.

However, such measures are not a conclusion. They are a foundation. The deficit ratio of 3 per cent of GDP by 1996-97 is exactly what we have always said it was: an interim target. The results of the major program review launched in February, which should identify further opportunities for savings, will be included in the 1995 budget.

I should like to say a word about unemployment insurance. We are living in challenging times with many upheavals to our economic and social programs. That is why the government is committed to ensuring that our social security system is brought up to date so that it can meet the needs of Canadians now and in the future. The unemployment insurance system is a fundamental part of that system. In introducing changes to UI, we carefully weighed the needs of business, the unemployed, working Canadians and of the government's fiscal situation. The result, I think, is contained in this bill.

In making these changes we have two goals in mind: First to provide a concrete incentive to the private sector to create jobs, and second, to begin to deal in a fair way with the serious problem of dependency that the UI system has created for many Canadians.

Payroll taxes are recognized as a significant barrier to job creation. To ease this burden we will roll back the UI premium rate for 1995-96 to $3. As a result, by the end of 1996 the government expects that there will be 40,000 more jobs in the economy than would be the case if premiums were allowed to rise to $3.30. That is the level otherwise required in 1995 under existing legislation if we take no action.

The rollback must be done in a way that supports deficit reduction. That is why this legislation proposes measures to reduce UI expenditures by $725 million in 1994-95 and by $2.4 billion annually thereafter. An integral part of the changes to the UI system is also to establish a stronger link between work history and UI benefits.

A third change we propose to the UI system is to provide greater benefits to Canadians with modest incomes who support children, an aged parent or other dependents. Under the current rules people who claim unemployment receive a benefit rate of 57 per cent, no matter what their circumstances.

Hon. John Lynch-Staunton (Leader of the Opposition): Which you voted against at the time. I remember that.

Senator Olson: I do not remember that, but I will take your word for it.

Under the proposed changes there will be a two-part benefit rate — 60 per cent allowed for low-income people with dependents and 55 per cent for all others.

Senator Doody: Are you afraid to use the term "means test"?

Senator Olson: There are several ways one can construct a speech and certain phrases one can use. I understand Senator Doody is effective in using certain types of phrases, and he is welcome to them.

Senator Doody: I know you have a different script.

Senator Olson: I have a different set of phrases. By the way, I am not totally responsible for the authoring of this speech, though I checked it very carefully with the experts.

Senator Lynch-Staunton: Particularly since a lot of it sounds like Conservative rhetoric.

Senator Olson: If that is so, I presume the bill will be passed by the Conservative caucus, and that the committee meetings will go rather quickly. I am glad to hear that Senator Lynch-Staunton is of that opinion, but I should still like to explain the rest of it.

Senator Lynch-Staunton: I am looking forward to the minister explaining our policy.

Senator Olson: With fewer UI dollars to go around, we believe that it is only equitable to ensure that those dollars go out to those whose need is greatest. We estimate that the two-tier structure will improve benefits for 15 per cent of the claimants, or about 250,000 Canadians and their families.

The issue of unemployment insurance leads directly to another important element of this legislation. The budget announced the launch of an extensive process of social security reform. Given the Canadian context, this will involve the federal government, the 10 provinces and the two territories. Our common goal must be to renew and revitalize Canada's social security system over the next two years. To help create a positive, cooperative climate for this challenging task, the federal government is providing a two-year period of predictability and modest growth in social security transfers under the Canada Assistance Plan and under Established Programs Financing, commonly referred to as EPF. This means that in 1994-95 there will be no new restraint measures applied to either CAP or EPF transfers.

The legislation before us today, however, will place a ceiling on subsequent CAP transfers to each province and, as a result, they will not exceed 1994-95 levels. This ceiling will remain in place in 1995-96 pending social security reform, which we hope will take place in 1996-97.

Senator Lynch-Staunton: Like the GST reform; hide it.

Senator Olson: They used to call these kinds of comments red herrings; they drag them across your path to get you off the track.

Senator Doody: There is no herring left.

Senator Phillips: And you are not on track.

Senator Olson: Established Programs Financing is not affected by this legislation. However, existing restraint will be maintained. EPF will grow in line with population in 1994-95, and then at GNP minus three percentage points for subsequent years.

Turning now to wage freezes, I have focused on two areas —

Senator Lynch-Staunton: Which you voted against, by the way.

Senator Olson: I have focused on two areas where Bill C-17 involves fiscal restraint in the broad national arena. However, this legislation appropriately includes an important measure of fiscal discipline within the government itself.

Honourable senators will be sorry if they do not listen, because it is extremely important to understand the entire package.

Senator Doody: I will wait for the movie.

Senator Olson: Bill C-17 sets out to extend the public service wage freeze currently in effect for a further two years. It also suspends pay increment increases for a two-year period —

Senator Lynch-Staunton: Which we never did.

Senator Olson: — and enables payments to be made to full-time employees of the Department of National Defence under a civilian reduction program. The total compensation cost to the government, including the military and the RCMP, amounts to some $19 billion. Any measure to control the deficit must therefore take these costs into account.

Freezing salaries will contribute $1.5 billion in savings over three years. Also, let us not forget that the measures outlined in Bill C-17 affect ourselves as members of Parliament, the Governor General and federally appointed judges, just to name a number of the others.

• (1420)

I should also emphasize that this freeze is not indefinite. Let me add that the government has made a commitment to shorten the freeze if sufficient savings can be found. In essence, if efficiency savings can be found beyond those needed to meet reduced departmental budget targets, the extra amount will be used to shorten the freeze. An efficiency review is now under way.

Another action area included in this legislation is subsidies under the Atlantic Region Freight Assistance Act, the Maritime Freight Rates Act, and the Western Grain Transportation Act.

I think some brief background is appropriate here.

Under the first two acts, government payments defray part of the cost of certain freight shipments in the four Atlantic provinces and the Gaspé region of Quebec. Payments to the railways under the third act help reduce the transportation costs paid by western grain producers.

Our February budget proposed to reduce these subsidies by five per cent. This legislation takes that action. As well, it implements the ten per cent reduction announced by the previous government for 1995-96 and subsequent years — a reduction not yet implemented in legislation.

Honourable senators, this saving is in keeping with the overall reduction being made in most federal grants and contributions. It is important to remember that during the pre-budget consultations a constantly repeated suggestion was to reduce subsidies to business. This measure honours that advice. The five per cent cut to these subsidies announced in the February budget will save in the order of $40 million annually.

Turning to another subject, honourable senators, this bill also confirms a reduction in the transfers under the Public Utilities Income Tax Transfer Act. These transfers return to the provincial governments most of the federal business income tax paid by privately owned utilities.

In 1990, the federal budget established a ceiling on PUITTA transfers. Then, in 1992, a 10 per cent reduction was imposed for 1993-94 and for 1994-95. This legislation confirms last year's budget announcement, which extended both of these measures beyond 1994-95.

Finally, honourable senators, this bill implements a measure to provide some additional flexibility to the Canadian Broadcasting Corporation. We propose to give the CBC authority to borrow up to $25 million, subject — and this is important — to case-by-case approval by the Minister of Finance.

As well, the granting of this borrowing authority will be reviewed in two-years' time. The borrowing authority will allow the corporation to operate more efficiently. It will give the CBC the flexibility to take advantage of investment opportunities that promise a healthy return. It also supports the government's pledge to provide this important national institution with a more stable funding environment.

One of the main reasons for this measure is that, from time to time, speedy action is required to take advantage of certain opportunities, and that is why this measure is limited to $25 million.

Senator Phillips: The McKenna brothers are coming back; is that what you are saying?

Senator Olson: Honourable senators, as you can see, this legislation is a key part of this government's agenda for getting Canadians back to work. This is legislation to ensure that our budget goals will be translated into real performance. It draws directly on the advice we received from across the country. It focuses on the total economic and social picture before us and addresses the challenges we face.

In summary, this legislation represents action: action for job creation and economic renewal; action for deficit reduction and debt control; and action to revitalize and sustain a social safety net of which Canadians can be proud. By taking this action, this bill — as is the case with our budget — builds a solid foundation for success, one based on frugality, on fairness, and on a clear focus on the future.

With this in mind, honourable senators, I urge all members of this chamber to support this bill and to help us pass it before June 15 or 16, when some of the clauses in the bill come into effect. We trust that you will see the wisdom of this legislation and will support it.

Some Hon. Senators: Hear, hear!

Senator Lynch-Staunton: Maz could not have said it better.

Hon. Erminie J. Cohen: Honourable senators, Bill C-17 will put into law several restraint measures from February's budget. I will speak of those measures that concern Atlantic Canada.

Let me point out first, however, a simple fact about Atlantic Canada. We have incomes that are well below the national average and unemployment levels that exceed the national average. This means we are faced not only with a smaller tax base, but with a greater need for a social safety net. The result is higher tax rates than those faced by other Canadians.

Our provincial governments simply do not have the room to raise taxes. Ours is a fragile economy, one that cannot afford sudden changes in federal policy. Yet no region of Canada was more devastated by the recent budget than Atlantic Canada.

The budget closes defence facilities at Cornwallis, Mill Cove, Shelburne, Chatham and Moncton. It scales back the facilities at Gander and Shearwater. The result will be the loss of more than 3,000 jobs.

This bill will let the government offer employees incentives to leave DND, but will do little to help others in those communities. Consider, for example, the base at Chatham, New Brunswick. Closing that base will cost the community 10 per cent of its income and 21 per cent of the local tax base. Those on the government side may recall an election promise to consult before closing bases and to help with base conversions. Today the cry on the other side is "No more Summersides."

The budget reduced tax credits that encouraged investment in Atlantic Canada, a measure that will soon be part of a bill to amend the Income Tax Act. Freight subsidies and ACOA funding are to be reduced by a further five per cent because of the budget. Bill C-17 will deal with freight subsidy cuts from previous budgets.

Honourable senators, the distance between Atlantic Canada and the major markets of central Canada is far. Freight subsidies are a matter of survival. They make it possible for many manufacturers, and those they employ, to operate in the region. The subsidy reduces by about 25 per cent the cost of shipping goods as far west as Quebec City.

Transportation assistance, in various forms, dates back to Confederation. When we joined with Upper and Lower Canada to form this great nation, we were promised that our businesses would have access to the market of the entire country and not just to the region. In fact, it was Ontario's desire for access to maritime markets that led to Confederation in the first place. That led the central government to build railways and highways to connect the country; and, in 1927, with the passage of the Maritime Freight Rate Assistance Act, it led to the current subsidy.

A few months ago the federal transport minister, Mr. Young, suggested that the subsidies be scrapped and the money redirected to building the Atlantic portion of the Trans-Canada Highway. Honourable senators, that could mean disaster. Consider, for example, the case of a small New Brunswick manufacturer called Petrofab. Removing that subsidy would add $50,000 to their operating costs. They could not compete. It is quite likely that 15 good, full-time jobs would be lost and the company would fold. Another example is the Lantic Sugar Refinery, which provides work for 300 people in Saint John. Eighty per cent of their sales are in central Canada. Their major competitor, Redpath, has its refinery in Toronto and does not face Lantic's transportation costs.

Lantic's manager, John Wheatley, put it this way in an interview with the *Telegrap-Journal* on May 14:

> If we saw changes to the freight rate assistance program, it would jeopardize the long-term future of this refinery. We would certainly find it more difficult to compete in our major market.

Honourable senators, I would just make a small observation. These subsidies involve transport on land in both Atlantic Canada and the West. The most recent cuts were announced by a Finance Minister who is also in the transportation business, but on water and primarily in Central Canada. I am not alleging that the minister acted out of a conflict of interest, but I am a little suspicious.

In case the budget measures lead to higher welfare costs, Ottawa has served notice that it will no longer pay half the cost of the Canada Assistance Plan after this year. This bill makes that freeze in transfer payments law. We are told that even larger cuts will be made in the future.

Honourable senators may recall an election promise to provide long-term, stable funding arrangements for transfer payments; however, the government will not tell the provinces what the level of transfers will be for health care, education and social assistance beyond 1996. How can the provinces plan? They can only sit back and guess the results of Ottawa's unilateral overhaul of the social security system.

• (1430)

Without federal transfers, the tax burden in Atlantic Canada would be worse than it is already. For example, about 40 per cent of the New Brunswick government's revenues come from Ottawa. I would like to see the day when we do not need that 40 per cent, but that day is not today, and it will not be next year.

I should like to make another observation. Under the Canada Assistance Plan, Ottawa will contribute $300 million this year toward child care. Freezing CAP means freezing those child care contributions. However, the government says it will bring in a child care program if the economy grows by three per cent. Is it not a bit of a shell game to take money away from one program that helps to fund child care and repackage it as another?

With reduced federal transfers, an increased social services load and the highest taxes in the land, it will be hard for the Atlantic provinces to find money for any new cost-shared program. The good news is that there will be a child care program; the bad news is that the federal government is making it hard for the provinces to pay for it.

Finally, the government has chosen to reduce unemployment insurance in a way that asks Atlantic Canada to contribute more than its fair share. Workers in areas of very high employment must work a minimum of 12 weeks, instead of 10, to collect benefits after Bill C-17 becomes law. This will affect anyone who lives in an area where the unemployment rate is above 15 per cent, a condition which describes much of Newfoundland, Cape Breton and northern New Brunswick.

As well, the regional component of the benefits structure will be seriously watered down. For example, the unemployment rate in Saint John, New Brunswick is 12.9 per cent. Under the current rules, someone losing their job after 26 weeks of work qualifies for 46 weeks of benefits. After Bill C-17 becomes law, that same person will only qualify for 31 weeks of benefits. The impact of these two measures will be harder on Atlantic Canada than on any other region in the country.

About 8 per cent of Canadians live in Atlantic Canada. However, of the $2.4 billion to be saved by the UI cuts, $630 million of that amount, or more than one-quarter, will come from Atlantic Canada. When this bill is before committee, I hope that someone from the government can tell us why it chose to structure these measures in such a disproportionate way. Why were these cuts not more regionally balanced?

More important than the dollar impact is the human impact. Yes, there is a need to reform unemployment insurance. Yes, there is a need to reform the whole safety net. However, in the absence of jobs, in the absence of a comprehensive reform of social programs, the only alternative for many is welfare.

What is the difference between UI and welfare? You must work in order to get UI. For many able-bodied people, being put on welfare so that they can feed, clothe and house their families is the same as taking away their dignity.

The Honourable Ann Breault, Minister of Income Assistance in the New Brunswick government, said this of the changes:

> We are willing to make the needed changes to our own income support policies, and sensed that we had a plan and an agreement at the federal level to proceed with an overall fundamental reform of income security programs.
>
> We did not expect, however, a reduction of over 20 per cent of UI funding...prior to completion of the process...
>
> The impact of this cut...will obviously result in many of our unemployed workers turning to social assistance for the income needed to support their families.

The New Brunswick Legislative Assembly has passed a motion opposing these unilateral changes.

Perhaps someone from the government side can also explain why the government is proceeding with its review of social programs in such a piecemeal fashion. The government justifies these measures by saying that it will allow for a reduction in UI premiums. Workers now pay premiums of $3.07 for every $100 of insurable earnings. Employers pay 1.4 times that amount. The government says that the changes in Bill C-17 will prevent an increase in the premium rate to $3.30. The premium rate for 1995 is rolled back to the 1993 level of $3 per $100 of earnings. The government tells us that rolling back UI premium rates will create jobs. If rolling back premiums will create jobs, could the government tell us how many jobs were lost because of its decision to increase premiums for 1994?

My husband and I operate a retail establishment back home. We see unemployment insurance from three distinct angles. The first is the premiums we pay. They take away, of course, from our bottom line, so I welcome the lower premiums. However, if provincial taxes go up to pay for more welfare, then you will not have done us any favours. The second is that we know firsthand that there are indeed a few people who would rather collect UI than work, and some who lack the basic skills to run a cash register. We sometimes find this when we need to hire. This points to a need to reform the system. The third perspective is that of sales. If our customers do not have money, they cannot buy from our racks, and if they are uncertain as to how they will pay their rent next week, next month, or even next year, our fitting rooms will be empty.

The government wants to try more efficient and less costly ways of administering UI, and I applaud the initiative. Bill C-17 will allow pilot projects that try new approaches to administering UI. These would change the way employers and employees report to unemployment insurance and the way benefits are delivered. For example, Ottawa might try having claimants phone in their work reports, and deposit their cheques directly in the bank. Measures to reduce operating costs are, of course, welcome.

However, the savings must not lead to other problems. Will any of these changes affect the way the government now detects fraud? For example, are uncashed cheques not a tip-off that someone may be working or vacationing outside the country? Could you tell if someone phoned in their work report from Florida?

This section will override every other section of the act. However, there are no limits on pilot project spending and no limits on how many employees or employers could be involved in a pilot project. Anything can be done as long as it improves service to the public, regardless of what the act now says; yet "service to the public" is not defined.

Could the government set up slush funds in select ridings, using the provisions of this bill that allow projects which will improve service to the public? Why are there no limits on total pilot project spending? Why are there no limits on the number of employers and employees who will be part of pilot projects?

Honourable senators, I have several questions about this bill which I trust the government will answer in committee. However, I have one question which I do not expect to have answered: Where are the voices of the 31 Atlantic Liberal members of the other place? Why have MPs who were so willing to fight for their region in the past suddenly fallen silent?

[*Translation*]

Hon. Roch Bolduc: Honourable senators, it is well and good for the Minister of Finance to say that he is cutting back and restricting public spending, but meanwhile, government spending keeps increasing, and this year is no exception. The government is expected to spend about $164 billion in 1994-95.

The minister warned us that these spending cuts would hurt, but government spending is increasing!

[*English*]

Obviously, all sorts of distinctions are drawn between statutory expenditures and discretionary expenditures, between program spending and spending relative to servicing the debt. That is fine, except that spending still rises. No matter what the reason is, governments in Canada live above their means.

The problem is structural; that is to say that even in good economic times we overspend public funds, as we did from 1984 to 1989. Financial sectors, where they know how to count, have taken note. We are now paying the price for our lack of budgetary discipline.

Obviously there are all kinds of good reasons to justify the present rate of public expenditures. We cannot touch transfers to individuals, because pensions are sacred. We cannot strangle the provinces, because health and education are sacred. We cannot trample on the native people. Farmers are living through dark days, so we must help them. Companies are having a hard time surviving, so we must help them. Every social group has its reason to be exempt. However, when all is said and done, we are in the red and have been for some time. The moment of truth is not coming soon; it is here.

• (1440)

Everyone knows that with the statutory programs absorbing 70 per cent of our budget we cannot hope to solve the budgetary impasse without touching entitlements, or what the Americans call entitlements.

[*Translation*]

The minister claims he has taken a very close look at government spending. I have a few points the minister may wish to consider.

He may wish to consider:

Why ministers travel to speaking engagements all over North America on chartered jets, the excuse being that commercial airlines are unsatisfactory. In 1994!

Why some deputy ministers have their offices redecorated and drive around in the latest model luxury car.

Why the government is represented by several ministers at a single-theme conference, as was the case in Detroit. Five or six ministers to represent us! In C.D. Howe's time, people knew who spoke for the government on Canada's economic development.

Why Canadian taxpayers spent $97,000 to get the President of the Liberal Party appointed as head of the OECD, a statistics agency with headquarters in Paris. I fail to see why a politician should be appointed to head this agency.

Why retired federal officials, both civilian and military, are allowed to do similar work, under contract.

Why CIDA subsidizes African bursary students at our universities without bothering to find out whether they go back to their own countries to work.

Why CIDA maintains various development programs for poor countries in Southeast Asia, for instance, where the level of economic growth is among the highest in the world.

Why the Collège militaire royal de St-Jean is being closed, while here in Ottawa, we still have two centres for public service management development — Touraine and the Canadian Centre for Management Development — where senior executives retired from the Public Service work on contract.

Why we receive in our Senate offices all kinds of documents printed on fine glossy paper, in both languages, from numerous government organizations. These documents come from everywhere; it looks like a competition with the Royal Bank.

Why we do not manage to agree with provinces willing to put an end to the shameful duplicating in the field of manpower training and placement. Yet, an agreement in principle had been signed between, for example, Quebec and Ottawa on this issue! We do not know what happened to it.

Why we prevent private suppliers from competing for a wide variety of technical services which the public service monopolizes, with no way of knowing its relative efficiency, since there is no competition.

Why we introduce telecommunication tools at an incredible rate throughout government organizations, regardless of actual needs. The situation has reached the point where only a handful of senators do not have cellular phones. Just about every civil servant has one!

Why our administrative procedures include so many legal provisions that there are now as many lawyers as refugees in Canada.

Why we make income tax returns more complicated every time there is a tax reform, to the point where an army of accountants have to defend taxpayers, instead of providing technical assistance to businesses which are experiencing problems.

Why while the government was deregulating industries such as energy, transport and communications, the budgets of some regulating agencies were increasing.

Why we keep a considerable number of soldiers in Yugoslavia, as if 350 million Europeans were not enough to maintain peace on that continent. Can you imagine a French or Italian army corps going to Latin America to maintain peace there.

Why there are also three federal agencies to help the film industry: CBC, NFB and Telefilm Canada. I have a great deal of respect for the artistic world, but does the minister not agree that there are too many bureaucratic structures? I did not mention the expenses incurred by the Department of Canadian Heritage regarding issues related to the film industry.

Why we have not yet thought about introducing a certification system for parallel provincial agencies to help the National Archives or the National Library.

Why we did not think of merging the federal agency responsible for safety in fields of federal jurisdiction, such as transport, with provincial occupational safety and health organizations.

Why we did not rethink the organization of our 111 missions abroad. At the rate new UN members are accepted, it might not be a bad idea to review the organization of our services abroad, for example in Scandinavia, in Brussels, where we have three ambassadors, and in Africa.

Why we did not implement the Lortie report on lab research conducted in the departments, nor the SECOR report on CIDA's funds.

Why we did not abolish programs, which are too numerous, and instead resort to the easy solution of saying that there are too many employees. Do we realize that these people are there to implement those programs, whether they are useful or not?

[*English*]

The Auditor General's criticism on the absence of independent program evaluation in the departments has become a dead letter.

By the way, where is the cost-benefit analysis that demonstrated that helicopter contracts and the management contract for Pearson airport should be rescinded?

I had already warned our government of 1988 to 1993 that there were certain worrisome tendencies that merited an in-depth examination or we would find ourselves in serious difficulty. That still applies, and I will repeat a few here, as a reminder to the present government.

In the area of foreign affairs, for example, and this also applies to the armed forces, the system of job classification is one that is qualified as "a career plan" for the civil servants. In contrast, the rest of the public service uses a classification system that groups certain specific jobs into classes and categories. I have nothing against the use of a system that is said to be a career plan, but organization by level calls for central control of the numbers that have been quantified by level in order to ensure that the situation does not develop in which there are more chiefs than subordinates. That is precisely what has happened in External Affairs and in the armed forces with respect to the officer levels.

The freezing of salaries is being replaced with an addition of numbers in the superior classes, to such an extent that the amount paid in salaries does not diminish in relation to the other entries of public expenses.

At Indian Affairs we have built over the years a paternalistic system that perpetuates dependence, and native peoples are right to demand profound changes.

In the field of agriculture, the signing of the GATT accord should defuse the trade wars between North America and Europe and bring about changes here in our system of subsidies.

I understand that the government must facilitate the transition, but it must also keep the focus on those who will be most affected.

Moreover, I would warn the new Minister of Human Resources Development and Minister of Western Economic Diversification against the temptation to use, once again, funds from Ottawa to divert federalism from its original and healthy conception, which shared powers between the federal government and the provinces based on certain functional and cultural criteria.

I want to underline that human resources is a sphere which is linked to education, to health, to immigration and to professional orientation, mostly provincial matters, and that Quebec, for one, claims, and rightly so, to be better able to serve its citizens locally in the fields linked to its very soul.

The Minister of Finance, in social matters, has sensed that the iron is hot and has put off all major decisions until later.

The Minister of Human Resources Development is preparing for great reforms in transfer payments. All of this would strike me as being more reassuring if the financing of the federation itself was studied in conjunction with the roles of each government so as not to catch the provinces in a stranglehold that they would not accept.

Finally, I should like to underline for the government that certain social programs financed in part by Ottawa, such as education, health, and culture, channel expenses disproportionately to families whose revenue is in the top 30 per cent; it is to 60 per cent in the case of cultural expenditures, to 45 per cent in the case of education, and to 38 per cent in the case of health. It has reached the stage where the redistribution that was envisioned at the start is subjected to a perverse effect, as the sociologists say.

There is a second worrisome tendency: federal expenditures diminish for public infrastructure but grow for entitlements. As David Perry mentioned recently, we wanted the American level of taxation and the European level of public services, but it seems, in his view, that we will have the American level of service and the European level of taxation.

[*Translation*]

To conclude, honourable senators, I ask the Minister of Finance to go back to the drawing board and to prepare, for the fall, a budget review taking into account the statistics published by his department, the data that came out of the symposium on the debt and the deficit held in April 1993 by the Auditor General, as well as the article which appeared in the February 14, 1994 issue of *The Globe and Mail*, showing that real per capita expenditures have not stopped increasing since 1965, and that it is getting urgent to reverse that trend.

[*English*]

On motion of Senator Phillips, debate adjourned.

[*Translation*]

THE BUDGET

STATEMENT OF MINISTER OF FINANCE— DEBATE CONTINUED

On the Order:

> Resuming the debate on the inquiry of the Honourable Senator Phillips, calling the attention of the Senate to the Budget Statement made by the Minister of Finance, on Tuesday, February 22, 1994. — (*Honourable Senator Kinsella*)

Hon. Fernand Roberge: Honourable senators, I am speaking today for the first time in this august chamber with all the humility and respect I have for this great institution which, regrettably, is not afforded the respect it deserves.

It is up to us to change this perception.

Honourable senators also deserve a great deal of respect. All one has to do is glance at their résumés to appreciate the extent of their achievements.

If only we could make Canadians aware of these accomplishments, of the breadth and quality of the talent in the Senate, perhaps then the public's perception of this institution would be altered dramatically.

Having said that, I would like to comment on the Liberal government's budget brought down by the Minister of Finance, Paul Martin, on February 22, 1994.

Some of the measures contained in the budget are particularly ill-suited to the situation they are supposed to resolve. They are illogical in their simplicity and inconsistent with other measures the Liberals have since taken, measures which defy the spirit of this document which purports to be a serious financial statement.

Because of the measures it contains, and also because of those it surprisingly does not, the Liberal government's budget openly betrays the public's trust in its leaders. I would even venture to say that it fuels the sense of dissatisfaction with our politicians which unquestionably is prevalent in Canada.

This budget fails to offer even the faintest glimmer of hope to the unemployed, be they residents of Quebec, Alberta or Newfoundland. Instead, it calls for tax increases

totalling $33.4 billion over three years. We were expecting a budget that would create jobs and we were bitterly disappointed.

[*English*]

This budget attacked Canadians from all walks of life, especially those in Atlantic Canada where five military bases were closed and two other defence institutions reduced. However, there is more. In spite of declining fish stocks and the closing of fish processing plants, the Liberals have made things even harder for Atlantic Canadians, who now must work longer to get fewer unemployment insurance benefits.

Honourable senators, I ask you, where is the logic in this measure? What does the future now hold for all fishermen and plant workers affected by the federal budget?

Paul Martin also cut special investment tax credits for Atlantic Canadians, and slashed the budget of the Atlantic Canada Opportunities Agency by $16 million. In fact, none of Canada's regions is exempt from the finance minister's knife. Both the Federal Office for Regional Development in Quebec and the Western Diversification Office have to contend with budget cuts. However, these cuts, combined with the changes in UI eligibility, will hurt more deeply in Atlantic Canada than anywhere else.

[*Translation*]

Furthermore, regardless of their province of residence, seniors had a very nasty surprise when they read about the budget in the newspapers. They learned that the age credit would be reduced for seniors earning over $26,000, which for some means a tax increase of $950.

Nevertheless, honourable senators, the Liberals' famous Red Book did not call for higher income taxes for seniors. Why did Paul Martin dip into the pockets of those who built Canada?

For other taxpayers, Paul Martin's budget provides a tax increase of $30 to $50 for employees whose employer offers a life insurance plan. What a bargain!

The Minister of Finance also abolished the $100,000 exemption for capital gains made after budget day, but only for small unincorporated businesses. Incorporated companies are still entitled to the exemption. Why the double standard?

Abolishing the exemption is even more unexpected in that, during the last election campaign, the Liberals let it be known that they would not touch it in the near future. To a question on the capital gains tax from the Canadian Organization of Small Business, they answered:

> A Liberal government does not intend to change the capital gains tax for now.

So what happened between October and February?

Honourable senators, I believe that small-business people were misled by the Liberal Party, in more ways than one.

[*English*]

In fact, the Liberal Party, which repeated over and over in its famous Red Book that it would encourage private sector growth, is being grossly unfair to small businesses and independent workers. The budget lowers to 50 per cent from 80 per cent the limit on business meals and entertainment deductions. Do the Liberals realize how many jobs will be put at risk in the food services sector? During the election, the Tourism Industry Association of Canada asked the Liberals a direct question about this tax measure. Their answer did not say a word about cutting it. Surely, plans to that effect were already in the works.

Small businesses are not the only ones to feel short-changed by the February budget. Have honourable senators spoken to the federal public servants who put their trust in the Liberals because they vehemently opposed almost all of the measures the preceding government took as part of its spending-cuts program? As soon as they could, the Liberals changed their policy and extended the public service wage freeze. The government will also extend bargaining agreements for an additional two years. It seems Paul Martin has forgotten his party's policy set out in a document called, "The Liberal Approach to the Public Service" wherein it is stated:

> A Liberal government will be committed to the process of collective bargaining.

In the face of such betrayal, the Public Service Alliance of Canada is threatening to go before the United Nations International Labour Organization to get the government to backtrack. I tell honourable senators that if I were a public servant today, I would feel very much like I had been betrayed by my friends and allies.

Where are the Liberal members of Parliament in the National Capital Region who were always so vocal in their opposition to the PC government's measures, including the public servants' wage freeze? They fought long and hard against this measure. Where are they expressing their outrage today? They are nowhere to be seen.

[*Translation*]

Contrary to rumours circulated before the budget was tabled, Paul Martin thought it prudent, thankfully, not to touch registered retirement savings plans. Now this is one decision that I fully support. However, there is a fly in the ointment: The Minister of Finance is awaiting the results of a study on RRSP contribution rates. I fear that the minister's next budget might yet have some unpleasant surprise in store for us in that respect.

I have noticed, as you no doubt did, that Jean Chrétien's finance minister's budget not only brings no hope in terms of employment, but it feeds and increases the deficit.

There are no medium-term forecasts on measures contemplated to reduce the deficit to 3 per cent of the gross domestic product, as promised in the famous Red Book the Prime Minister brandished every chance he had last fall, a target which will translate into much too high a deficit still.

By the way, the C.D. Howe Institute advised that the only way the government could reach the 3 per cent of GDP target it has set for itself is by reducing the deficit by another $7.2 billion. One of the institute's economists stated in a study published this morning that the measures the government has announced to reduce the federal deficit are likely to fail.

For that reason and others, I think this budget shows all Canadians how short-sighted this Liberal government is and how it lacks singleness of purpose and vision. For example, it has promised one study after another, in conjunction with consultations, reviews and more consultations. However, that did not stop it from cutting UI funding before its comprehensive plan to reform social programs was even officially initiated and ministers of the federal and provincial governments had met to discuss the matter.

The reform promised by the Liberals in that area certainly has got off to a bad start, not to mention that the federal-provincial meeting cancelled at the last minute in April will probably not be held for several more weeks. Meanwhile, unemployed Canadians receive less money and wait desperately for the jobs promised by the Liberals in the last election campaign. I dare hope that they did not make empty promises.

Talking about promises, the Liberals also undertook to consult the people before closing military bases. However, they went back on their word and announced in the budget the following changes to the defence infrastructure: 4 bases, 4 stations and 13 units will be closed; 5 bases and 2 stations will be reduced; 2 bases will be merged with others; and 3 planned facilities will be cancelled. All this, let me remind you, while waiting for the Canadian defence policy review that was commissioned by the minister and whose findings will be released only in the fall. Are they not putting the cart before the horse?

The Liberals are in a hurry. In their haste to close the military college in St-Jean, which is famous for the quality of its teaching and has been a Quebec tradition since 1952, the Liberals forgot to check whether the students of the college in St-Jean will enjoy the same advantages in Kingston, where they want to consolidate the language training given to Canadian Forces officers. Kingston is a very nice city but it is far from offering the same opportunity to live in French as St-Jean did.

Do not forget the eagerness with which the Liberals cancelled the program to buy EH-101 helicopters as soon as they took office. On April 27, two members of the military died in the crash of a Sea King helicopter, which is the type that was considered obsolete by the Conservative government, and two others are in critical condition after this accident.

The defence minister, who took great pleasure in throwing the EH-101 helicopter project overboard at a cost of up to $1 billion in cancellation fees, admitted that this crash demonstrates the need to replace DND's old helicopters. Minister David Collenette said:

> There is no doubt that the Sea Kings will have to be replaced.

That, honourable senators, clearly shows a lack of foresight and a thoughtlessness that have already cost hundreds of millions of dollars, as well as hundreds of jobs that Canadians were eagerly awaiting.

[*English*]

I am sure you will agree that one of Canada's most urgent problems is its public debt and colossal deficit. In light of such problems, why did Paul Martin use the word "debt" only once in his entire budget speech? He only used it once, honourable senators, and that was in reference to what Canadians said in the pre-budget conferences.

• (1500)

Ignoring the problems of Canada's debt will not make it go away. Quite the contrary. No country can live beyond its means indefinitely. Why did Paul Martin fail to propose a national debt management plan that could be developed and implemented jointly with the provinces, which are experiencing the same serious debt problems as the federal government. The former Conservative government was aware that, as a country, we would succeed in eliminating our deficits and debts only if we worked together and agreed on the facts, the plans, and on the way to proceed to implement those plans.

The national debt management plan proposed by the Conservatives is based on four cornerstones. I want to explain that concept because the deficit and the debt are such serious problems that they go beyond partisan politics.

[*Translation*]

First of all, we need a consensus on taxation, spending, borrowing and deficit levels. Steps must be taken to prevent tax relief provided by one level of government from being neutralized by measures introduced by another government. There must also be a concerted effort to get rid of waste and duplication, both within individual governments and between various levels of government. Finally, we must carefully consider the services provided by various governments, the public's expectations and what level of government is best suited to providing these services.

Those are some of the principles the Minister of Finance could have usefully included in a national debt management plan which we would have welcomed wholeheartedly. The provinces must feel very isolated in their respective struggles to fight the deficit, at a time when the central government is making them shoulder an increasing share of the debt.

The February budget does not contain much that is good for the provinces, on the contrary. Mr. Martin announced a reduction of $1.5 billion in transfer payments for health, education and social welfare, effective in 1996. Ironically, all this preceded the government's much-touted reform of social programs. Mr. Martin indicated recently that the next budget would contain even more cuts in transfer payments. This would seem to contradict the Liberals' promise of more stable long-term funding plans for the provinces.

As the Minister of Finance, Mr. Martin should be looking for effective ways to reduce the debt.

I was therefore surprised when I read in an article in *Le Droit* on April 16 that the president of Petro-Canada, the oil company with the best financial results in 1993, had been unsuccessful in convincing the Liberal government that it was time to sell the 170 million shares in Petro-Canada which the federal government still has today. The sale of these shares could have brought in roughly $2.4 billion, money which Paul Martin could have used to reduce the deficit and, indirectly, the debt. However, judging from the article, the suggestion of the chief executive officer went unheeded.

The Hon. the Speaker *pro tempore*: Honourable senator, I should point out that your time has expired. Is there leave to allow Senator Roberge to conclude his speech?

Hon. Senators: Agreed.

Senator Roberge: Thank you, Your Honour. In the interim, the stock market collapsed, along with crude oil prices. Such a transaction would now be impossible.

The Liberal government tabled a budget that was faithful to its centralizing principles, a budget which, rather than restore confidence, puts fear into investors and creates instability on the markets.

Abroad, as our colleague the Honourable Senator Beaulieu pointed out, the prestigious German Deutsche Bank has recommended to its investors to steer clear of Canadian share issues because of the country's degree of indebtedness. Here at home, the provincial governments live in fear of federal intrusion into their fields of jurisdiction.

The federal government has demonstrated its inflexibility with respect to manpower training by rekindling the tension between Ottawa and the provinces and by letting the mandarins govern instead of firmly taking hold of the reins itself. When will Mr. Martin start taking concrete steps to put Canada back on the road to prosperity? If the Liberals truly believed last November that the deficit would total $45 billion, why did they not freeze discretionary spending as soon as they took power?

The government of Brian Mulroney did not hesitate to take this kind of action, and did so twice in fact. Substantial savings were realized. Moreover, his government passed the Expenditure Control Act, setting down in legislation provisions to reduce expenditures. Now the Liberal government says it wants to repeal this legislation. In other words, the government should no longer be under any obligation to tighten its belt. Say goodbye to restraint and austerity!

In conclusion, honourable senators, the Liberal government's budget has convinced me that the worst is yet to come. I have no doubt that the financial statement scheduled to be delivered this fall will contain nothing in the way of good news and that ordinary Canadians could once again be facing the prospect of paying for the excesses of a government party well known for its expensive tastes and habits.

On motion of Senator Kinsella, debate adjourned.

[*English*]

AGRICULTURE

GRAIN HANDLING CAPACITY OF PORTS OF VANCOUVER AND PRINCE RUPERT—DEBATE CONCLUDED

On the Order:

> Resuming the debate on the inquiry of the Honourable Senator Olson, P.C., calling the attention of the Senate to the grain handling capacity of the Ports of Vancouver and Prince Rupert, and asking the Senate to consider establishing a Parliamentary committee to ascertain the factors related to increasing the amount going through the elevators onto the ships for our export customers.—(*Honourable Senator St. Germain*)

Hon. H.A. Olson: Honourable senators, I asked Senator St. Germain earlier in the day if he would yield to me on this matter, because it is fairly important that I give a report to the Senate today.

• (1510)

The Hon. the Speaker *pro tempore*: Honourable senators, I should point out that if the honourable senator speaks now, it is my understanding that his speech will have the effect of closing the debate.

Senator Olson: Yes. I think that is agreed. I can put down another inquiry if and when it becomes useful to do so.

Honourable senators, on April 28 I brought forward an inquiry and gave notice to the Senate that there was a very serious grain handling problem on the West Coast. I advised that I would be returning later with a motion to set up a special committee to enquire into this problem.

I want to report to the Senate that there has been a very significant improvement in that situation during the past four weeks. There are a number of reasons for this. For example, the House of Commons committees on Transport and Agriculture set up two subcommittees, which met and called in a number of the major stakeholders in the whole grain industry from all across the prairies and from the Port of Vancouver. They invited me to

participate in those hearings as if I were a member of the committee, which I appreciated. I can tell you that there were a lot of explanations given for some of the bottlenecks that they found. However, the process seemed to be helpful.

In addition to that, and of equal importance, the Minister of Agriculture, Mr. Goodale, called a meeting in Winnipeg to which he invited all of the senior officers of the stakeholders, the railways, the grain companies, the port, the terminal operators, the shippers, and so on, and he asked these people to give their view of where the bottlenecks are. At the time, there were over 40 ships waiting in the harbour to be loaded with wheat. I have to say that the participants at that meeting responded by taking on certain tasks, and they are to report to the Minister of Agriculture, I believe, later this week. In any event, if it is not this week, it is very soon.

It is clear that if the bottlenecks are not identified and resolved by the end of the crop year, which is July 31, we will take another look at this situation to see if there is something that the government or Parliament ought to be doing about it. I hope quite frankly that they are resolved, and I have some reason for optimism that that will be the case.

I do want to keep this short, but I have one other thing to say, and it is important. I know the grain handlers' union has taken a lot of criticism because they were not working from Friday afternoon at five o'clock until eight o'clock on Monday morning. Discussions we had lead me to believe that that criticism was a little unfair.

The grain handlers union, led by their leader, Mr. Henry Kancs, gave an undertaking at the hearings we had in Ottawa that they would offer to work 24 hours a day, seven days a week, if they could work out some kind of arrangement. There is a limit for overtime under the Canada Labour Act, and there is the problem that costs go up, and the terminal elevators objected to that.

I can tell you that Mr. Kancs went to Vancouver. In about four days he was back in Ottawa. He phoned me immediately, as I believe he phoned a whole lot of other people, and he showed me the agreement that was signed between the terminal operators and his union. They will solve the overtime problem, both the cost factor and the limitations on it, by sharing it amongst all of the workers instead of having it pile up on some. That was a tremendous improvement.

I want to tell you that he is also willing to share the jobs. In other words, they would have the men who are working on the so-called shop floor be certified to do four different jobs, not just one. It will save an enormous amount of time if there are people who can do four different jobs and therefore create a steady flow of grain through the port.

There is much more that I could talk about, but I want to say that there has been tremendous improvement. I want to give credit to everybody who was involved, including the terminal operators, the railroads, the grain companies, and the unions. The situation has improved. I am told there were one or two days when the number of ships waiting was down to 10 from 40. It should be known that the grain is going through at near-record levels now. That is what we set out to try to do, and I think we have succeeded.

If the Senate agrees, and I hope it will, we would suggest leaving this matter in abeyance, at least until after the end of the crop year. Obviously, if there is not a long-term improvement, we can pick it up again. In the meantime, the situation is working itself out, and I think we should leave it at that and just keep an eye on it.

Hon. Joyce Fairbairn (Leader of the Government): With the indulgence of the chamber, may I just express my thanks to Senator Olson, Senator Gustafson and Senator St. Germain for the interest they have taken in this issue and for the fact they were as vocal about it as they were. I believe it certainly prompted some of the action that has taken place to ease the situation. On behalf of all of us, we appreciate that.

Hon. Senators: Hear, hear!

BUSINESS OF THE SENATE

Hon. Richard J. Stanbury (Acting Deputy Leader of the Government): Honourable senators, with your permission, I would ask that all remaining orders stand.

The Hon. the Speaker *pro tempore*: Is it agreed, honour senators?

Hon. Senators: Agreed.

The Senate adjourned until tomorrow at 2 p.m.

THE SENATE

Thursday, June 2, 1994

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

Prayers.

[*Translation*]

SENATORS' STATEMENTS

DISTINGUISHED VISITORS

SEMINAR—CANADIAN PARLIAMENTARY SYSTEM

Hon. Marcel Prud'homme: Honourable senators, as you know, for the past three years, the Parliament of Canada, under the auspices of His Honour and those of the Speaker of the House of Commons, has organized a seminar on the Canadian parliamentary system.

This year, and in fact Your Honour presided over the opening ceremonies, Canada is privileged to welcome delegations from many countries.

From Bulgaria: Geuorgui Bojinov and Draguia Draguiev.

From Estonia: Kalle Jurgenson, Mart Nutt and Ivi Otto.

From Hungary: Miklos Banki, Director of Legal Affairs, and Laszlo Juhasz, legal advisor.

From Latvia: Aivars Berkis, member of Parliament and Deputy Leader of the Saeima, the Latvian Farmers' Union Party; Andrejs Silins, member of Parliament, Latvian Way Party; Anja Rugate, member of Parliament, Christian Democratic Union Party; Janina Kusnere, member of Parliament, Latvian National Independence Movement; and Maris Steins, Director of the Chancellory of the Saeima.

From Lithuania: Algirdas Cricius, member of Parliament and Vice-Chairman of the Foreign Affairs Committee, and Arunas Godunavicius, advisor to the Speaker of the Seima.

From Poland: Ryszard Czarny, senator and Deputy Speaker of the Senate; Jerzy Derkacz, senator and Vice-Chairman of the Social Policy and Health Committee; Ryszard Grodzicki, member of Parliament and Chairman of the Committee on Regulations and Members' Business; Janusz Szymanski, member of Parliament and Vice-Chairman of the Committee on Legislation; Grazyna Kaszynska, officer, Foreign Liaison Office, Senate Chancellory.

From the Czech Republic: Hana Hubackova, Head of the Department of Foreign Relations; Stanislava Miksova, Executive Secretary of the Foreign Affairs Committee; and Jindriska Syllova, Parliamentary Institute.

From Romania: Voicu-Valentin Glodean, senator; Constantin Sava, senator; Nicolae Draghiea, member of Parliament; Christian Radulescu, member of Parliament; Ioan Ilie, advisor, Senate Foreign Relations Office.

We also have representatives from Ukraine.

Your Honour, I know that you see these discussions on new forms of parliamentary democracy as a very important event, and we are honoured by the presence of these delegations and their members.

Today, in the visitors' gallery facing us, and I would ask you to give them a very warm welcome, we also have the Deputy Speaker of the Senate, Mr. Ryszard Czarny; Vice-Chairman of the Committee on Social Policy and Health, Senator Jerzy Derkacz; the Chairman of the Committee on Regulations and Members' Business, Mr. Ryszard Graodzicki; the Vice-Chairman of the Committee on Legislation, Mr. Janusz Szymanski, and the Officer in charge of the Foreign Liaison Office at the Senate Chancellory, Ms Grazyna Kaszynska.

[*English*]

I know that honourable senators will want to give them a warm welcome.

Hon. Senators: Hear, hear!

NEW BRUNSWICK

REOPENING OF SAINT JOHN'S IMPERIAL THEATRE

Hon. Erminie J. Cohen: Honourable senators, I rise today to pay special tribute to a remarkable landmark and an achievement in my home city, Saint John, New Brunswick.

Last Tuesday evening, May 24, the official opening of the Imperial Theatre took place. The theatre is an architectural masterpiece and was designated that day as an historic site by the Lieutenant-Governor.

This opening represents a triumph for the people of greater Saint John. It is a story of the community that thought it could, and did. It is a unique and exciting story of grass roots support for a cultural project, a project of the people, whose diligence and vision were instrumental in restoring the Imperial Theatre to its original splendour. It is a story of dedication and perseverance. The history of the Imperial Theatre reveals a priceless record of the city, the province and the country.

In 1913, Saint John was on a prestigious theatrical circuit which included London, New York and Boston, and hosted such theatre greats as Gracie Fields, John Philip Sousa, Ethel Barrymore and Walter Pidgeon.

Within its walls, Canadian Forces being sent off to both the First and Second World Wars listened to inspirational messages just prior to departure.

Mackenzie King spoke from the Imperial's stage.

The theatre was billed as "the finest in Eastern Canada" when it first opened in September of 1913, and it regained that distinction upon its grand reopening on May 24, 1994, some 81 years later.

The story of the people's project began in 1982, when a group of volunteers who were determined to give Saint John a performing arts centre sparked a public appeal, and the response was overwhelming.

The theatre was purchased from a church group for $1 million with only $1 as a down payment and the promise to raise the remaining $999,999 in one year. The amount was raised in one year, when three-quarters of Saint John's population contributed services and money through auctions, benefit concerts, book sales, prize raffles, and donations from groups, corporations and private donors.

Since that heady year of fundraising, the reconstruction of the Imperial Theatre has gone through many ups and downs. The reconstruction took 11 more years to come to fruition, as the amount of money needed to properly restore the theatre was far above the original projection.

Much credit must go to the tri-level committee of Gerald Merrithew, former Conservative MP for Saint John, Premier Frank McKenna and Elsie Wayne, former mayor, for their understanding, foresight and commitment to the success of the theatre.

What is happening at the Imperial is an inspiration to theatres across the country. If any honourable senators from across the country would like to visit this impressive theatre, let me assure them they need not show a New Brunswick birth certificate to gain entry. The Imperial Theatre welcomes one and all. We are open for business!

HUMAN RIGHTS

CHINA—FIFTH ANNIVERSARY OF TIANANMEN SQUARE MASSACRE

Hon. Consiglio Di Nino: Honourable senators, tomorrow, June 3, marks the fifth anniversary of the Tiananmen Square massacre. I rise today with great sadness to speak on this dark day in our history.

Senator Bonnell: It is not our history.

Senator Lynch-Staunton: It is part of the history of the world.

Senator Di Nino: It is the history of us human beings.

I rise with sadness for that dark time in our history when many students, children, men and women lost their lives as the Chinese army shot its way into the square and trampled many innocent people under the weight of their tanks.

Were those protesters engaging in violent acts against the state and against the wellbeing of the Chinese people? No, they were not. Rather, they were demonstrating peacefully for the democratic principles that we in Canada consider essential to our way of life. For those brave demonstrators, many of whom lost their lives, it represented the only real possession they had: their hopes and their dreams; the hopes and dreams of a life free of oppression and a life in which people are able to choose their own destiny; freedom from the control found at the end of a gun; and the freedom to speak their minds without the risk of imprisonment or worse.

Like many in this chamber, I am saddened at the thought of people such as Ms Ding, who lost her 17-year-old son on that fateful night of June 3, 1989, and who now risks her own life to help others who had their loved ones taken from them on that same dark night.

However, my sadness is not exclusively related to the past. I am also deeply disappointed at the Chrétien government's position on the broader issue of human rights abuses in China. This government chooses to view China as one billion potential consumers and the human rights issue has been all but ignored.

Amnesty International voiced its concern over this government's position on China by stating, as reported in *The Globe and Mail* on June 1, 1994:

> ...in a stampede to take advantage of trade opportunities, Mr. Chrétien and other Canadian politicians are guilty of wilful public neglect of Canada's commitment to the protection of international human rights.

Many senators have heard and are aware of my views regarding China's aggression against the people of Tibet.

The Hon. the Speaker *pro tempore*: I am sorry to interrupt the honourable senator, but I must point out that his three minutes have expired.

Is there leave, honourable senators, to allow the honourable senator to continue?

Hon. Senators: Agreed.

Senator Di Nino: Thank you, honourable senators.

I have gone so far as to accuse publicly the government of China of cultural genocide. China's leaders have thumbed their noses continually at criticism of their position on human rights, environmental issues and their preoccupation with nuclear power for other than peaceful purposes. Many questions have been raised about China's disposal of nuclear waste. Environmental devastation and degradation taking place in China and Tibet pose a real threat to the entire planet, and, as reported in *The Toronto Star* of June 1, 1994, China is about to explode another hydrogen bomb at its Lop Nor test site.

It is in the context of human rights abuses, environmental degradation and China's misguided and uncontrolled nuclear policies that I question why this government chooses to ignore the facts and instead seems to focus its energy only on trade.

Of serious concern to me is the message that this government is sending to the courageous and selfless defenders of basic rights and freedoms everywhere. Amnesty International, as reported in *The Globe and Mail* article of June 1 to which I referred earlier, suggests that:

> Canada's public silence about human-rights violations is interpreted by the Chinese government as recognition that they were justified in crushing the democratic opposition in 1989.

On the question of whether we should trade with China, I agree with those who state that Canada can have some influence on the Chinese government by being a partner rather than by being absent from China's affairs.

• (1410)

However, the Chrétien government wrongfully identifies the Chinese situation as two mutually exclusive choices, one being open trade and the other being a hard line in support of human rights. I choose to view these two choices as interdependent and in Canada's national interest. As countries embark on volatile trade agreements with China, they must use human rights issues as an element of any trade agreement.

Honourable senators, the Chrétien government is wrong in deviating from Canada's long-standing policy of understanding, compassion and support for all those who reach out to us.

As we all remember —

Senator Frith: Did the previous government not —

Senator Di Nino: — the events that unfolded —

The Hon. the Speaker *pro tempore*: Order, please. Order!

Senator Lynch-Staunton: This is a statement, not a debate.

Senator Di Nino: I was given permission to finish. I have only three seconds left.

An Hon. Senator: We know you are ashamed of yourselves.

An Hon. Senator: And you should be ashamed.

The Hon. the Speaker *pro tempore*: Order, please. Order!

Senator Di Nino: As we remember the events that unfolded in Tiananmen Square on the infamous night of June 3, 1989, let us not forget Canada's long-standing role in upholding rights and freedoms throughout the world.

The Hon. the Speaker *pro tempore*: Senator Olson, did you have a statement?

Hon. H.A. Olson: No, I want to comment on Senator Di Nino's comments.

The Hon. the Speaker *pro tempore*: I cannot hear you, honourable senator. Order, please, honourable senators.

Senator Olson: Honourable senators, I will not make a statement. The Honourable Senator Di Nino is entitled to his opinion on these matters. However, in case silence means acceptance, I want to tell him that I completely reject all of his interpretations of the Prime Minister's motives and actions.

Hon. John Lynch-Staunton (Leader of the Opposition): Read Ouellet's statement. It is all in there.

The Hon. the Speaker *pro tempore*: Order, please!

CANADA'S HISTORIC LEADERSHIP ROLE

Hon. Ron Ghitter: Honourable senators, I too have listened to the Prime Minister of this country and our Minister of External Affairs. I have the same concern as my honourable colleague Senator Di Nino, and I want to express it to you today.

An Hon. Senator: Order! Order!

An Hon. Senator: Make your statement and save the speech.

Senator Ghitter: I will endeavour to do so if I have an opportunity to speak over the chorus of "boo"s and probably embarrassment of some of the members on the other side.

Senator Frith: And on your side.

Senator Ghitter: On my side as well. It is time we graduated.

Senator Frith: As long as we are clear about that.

An Hon. Senator: Order!

Senator Ghitter: I rise today, if I may, to express to my fellow senators my deep concern over the deteriorating commitment of governments, both federal and provincial in this land, to assist those who are deprived of basic rights and freedoms that are so dear to all Canadians. Some 50 years —

Hon. H.A. Olson: That is not true.

Senator Ghitter: May I finish?

Senator Olson: That is simply not true.

Senator Ghitter: Is this being taken from my time, Your Honour? I see that it is.

Some 50 years ago, Canadian men and women died on the beaches of France to preserve our fundamental freedoms and those of many others in the world. Canada came of age on the beaches of Normandy, and since that date has enjoyed an enviable record in this world for its recognized leadership in assisting nations and individuals facing oppression, war and intolerant governments.

Canadian governments have repeatedly spoken for Canadians in their opposition to the deprivation of human rights wherever it has occurred throughout the world. Canada has led by example. We have linked foreign aid to improvement in human rights. We have linked our trade policies to changes in human rights. We have demonstrated that Canada is prepared to do more than just talk about the things we believe in. We have displayed our national conscience in the international arena and, by so doing, we have made a proud difference in this world.

When the apartheid regime of South Africa first learned that Canada would impose trade sanctions on that nation, they stated that they were not concerned. Today we are able to participate in that nation's truly national democratic election. That would not have happened had it not been for Canadian leadership and the leadership of other nations in exposing the atrocities of apartheid.

Canada has sent its soldiers to other lands in peace-keeping efforts that have brought us an international reputation as a compassionate, tolerant and concerned society.

Recently we seemed to have lost our zeal, our concern and our compassion for those who do not enjoy the freedoms that we regard to be an entitlement of all citizens of the world. In the NAFTA agreement, there is no reference to human rights even though Mexico is continually being cited for extraordinary human rights abuses to its citizens.

Now a timorous Canadian government seems to be taking the attitude that it is more important to sell wheat, tobacco, tractors and pizza to China than to face up to them and bring them to task for the atrocities that they commit daily upon their citizenry.

How complacent we have now become. How forgetful of history our government seems to be. How regrettable it is that our Prime Minister and our Minister of External Affairs stand before the world of public opinion and say that trade is one thing and human rights is another and will not bring any relationship between the two.

Some Hon. Senators: Oh, oh!

The Hon. the Speaker *pro tempore*: Order, please!

Senator Frith: Hypocrisy, part two.

The Hon. the Speaker *pro tempore*: Order, please!

Senator Ghitter: May I have leave to finish, please?

Some Hon. Senators: Oh, oh!

The Hon. the Speaker *pro tempore*: Order, please!

Senator Ghitter: Does that mean I have the unanimous consent of my colleagues?

Hon. John Lynch-Staunton (Leader of the Opposition): You can continue next week.

Senator Ghitter: I will be happy to continue next week.

The Hon. the Speaker *pro tempore*: Order, please!

Senator Lynch-Staunton: There is no shame over there.

The Hon. the Speaker *pro tempore*: I interrupted the honourable senator, as the rules require, to point out that his three minutes had expired. If the honourable senator has leave, he may continue.

Senator Olson: No, he does not have leave.

The Hon. the Speaker *pro tempore*: The honourable senator does not have leave.

CANADA-CHINA RELATIONS—GOVERNMENT POLICY

Hon. Jack Austin: Honourable senators, I too wish to make a statement on the subject of human rights and Canada's policy with respect to China. The concept that has been offered by Senator Di Nino and Senator Ghitter, that Canada is turning away from its commitment to advance the cause of human rights in the world, is not a correct one. Canada's commitment to human rights remains as it always has been under this government and under previous governments.

We are a Liberal democracy. We govern ourselves according to a system of values, and those values are on show for the world to see. When we meet with countries — China is only one, and there are many others — whose concept of human rights we do not agree with, we meet with them standing absolutely firmly on our values as a country. We cannot reform the world by pressing our values as a precondition to any form of relationship.

Hon. John Lynch-Staunton (Leader of the Opposition): What happened in South Africa? Why are you picking on Haiti, then?

Senator Austin: There is an old saying, that if you meet a person and you begin the relationship by establishing with that person those topics on which you disagree and you make your disapproval clear and patent, then the chance of ever developing a coherent and positive relationship with that person is unlikely.

Senator Lynch-Staunton: Would you say that we failed in South Africa? Unbelievable.

Senator Austin: If you meet someone and you put forward those issues on which you can agree and can develop a working relationship, then respect and trust will develop, and an exchange of values can also develop towards a very long-term and stable relationship.

The question of values and what our values are is not in issue. We are trading with China. We are trading with Saudi Arabia. We are trading with a substantial number of countries that do not have liberal democratic values. We do that because, as the countries of the world get to know one another better, it becomes a better world. Trade is one of the main routes of communication, and exchange of real interests creates an interest in us, and that is why in Western Europe and North America we have created successful societies, and why the liberal democracies have been successful societies.

I spend a good deal of time in China, and I can tell you that the distribution of economic power in China that is going on today is a major advance in China's political evolution. I cannot tell you how it will advance, where it will advance, or when it will advance, but I can tell you it is an advance.

The Hon. the Speaker *pro tempore*: I interrupt the honourable senator to point out that his time has expired. Is there leave to continue?

Senator Lynch-Staunton: Ask Senator Olson.

The Hon. the Speaker *pro tempore*: I understand there is leave.

Senator Austin: Honourable senators, if I may add one sentence, Canada's opportunities to advance human rights with China will be included in the development of our overall relationship, cultural, political, and economic.

Senator Lynch-Staunton: Dollar for dollar.

The Hon. the Speaker *pro tempore*: Order, please! If honourable senators are standing under Senators' Statements, I must point out that the 15 minutes which the *Rules of the Senate* provide for Senators' Statements have expired. If there is leave, then obviously one can continue beyond the 15 minutes. Is there leave?

Some Hon. Senators: Yes.

Some Hon. Senators: No.

The Hon. the Speaker *pro tempore*: My understanding is that there is not leave.

• (1420)

POINT OF ORDER

Hon. Finlay MacDonald: Honourable senators, I am not standing for Senators' Statements. I am standing to ask His Honour to give a ruling for the benefit of this house on whether statements are what we thought they were or are a recipe or a catalyst for debate?

We have had a very interesting exchange here today. I take no part at this stage in what has gone on. However, I would ask His Honour to inform the house, in his own time, whether or not statements can be used as a forum for heckling and as a forum for debate.

Hon. Earl A. Hastings: Honourable senators, on the point of order which has been raised by Senator MacDonald, I would draw to Your Honour's attention rule 22(4), which says:

> Matters raised during this period shall not be subject to debate.

The Hon. the Speaker *pro tempore*: Honourable senators, if I may deal with the matter raised by Senator MacDonald, all I will do is read the standing order. That is all I will do now, and perhaps that is all that is required. Rule 22(4) reads as follows:

> When "Senators' Statements" has been called, senators may, without notice, raise matters they consider need to be brought to the urgent attention of the Senate. In particular, Senators' Statements should relate to matters which are of public consequence and for which the rules and practices of the Senate provide no immediate means of bringing the matters to the attention of the Senate. In making such statements, a senator shall not anticipate consideration of any Order of the Day and shall be bound by the usual rules governing the propriety of debate. Matters raised during this period shall not be subject to debate.

I think that the quotation of that section of the standing order addresses the point of order which Senator MacDonald raised.

Senator Frith: Which was out of order at this stage.

The Hon. the Speaker *pro tempore*: Also, as has just been stated, points of order arising from, or which would occur to one during, the period of Senators' Statements should be raised only after Question Period.

There are really two points. First, points of order which might occur to a senator during statements by senators should be made after Question Period. Second, I think the standing order is quite explicit with respect to what is in order and what is not. Perhaps we can leave it there.

Hon. Royce Frith: It seems to me, honourable senators, that it will just not be practical to enforce that rule during Senators' Statements, if senators use Senators' Statements to attack each other. It will only provoke debate, if I use Senators' Statements to attack the opposition, or if opposition members during Senators' Statements raise questions attacking the government. I am not suggesting that there is any reason why they should not be attacked, but that is not the place for it. It is unrealistic to think that, if I stand up under Senators' Statements and attack the Conservative Party, some senator is not going to react to it and that it will not lead to debate.

Just to be clear, when we speak under Senators' Statements, we should try not to do so in a particularly provocative way, because there is no way that that will not provoke debate.

For example, you can ask these questions of the government. That is what Question Period is there for.

An Hon. Senator: Naturally, we have never heard you do it at all.

Senator Frith: Of course I do it. That is the reason I am saying it. Of course I do that. I am just the kind who is likely to use Senators' Statements in a provocative way, and, if I do, I expect you will react, and then we are into a debate. I am simply saying that we can have these kinds of exchanges and should have these exchanges, but they must be made under other headings. That is all.

Hon. Gerry St. Germain: Honourable senators, on the same point of order —

The Hon. the Speaker *pro tempore*: Order! Honourable senators, our procedure has been somewhat stretched, but certainly any additional point of order will have to come at the appropriate time. We are now on Tabling of Documents.

ROUTINE PROCEEDINGS

COASTAL FISHERIES PROTECTION ACT

AMENDMENTS TO REGULATIONS TABLED

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I have the pleasure to table in both official languages, the amendments to the Coastal Fisheries Protection Regulations which were published in the *Canada Gazette* on May 31, 1994, regarding fishing by stateless and flag-of-convenience vessels on the Nose and Tail of the Grand Banks of Newfoundland. This is pursuant to an undertaking given by the Minister of Fisheries, the Honourable Brian Tobin, to my colleague Senator Stewart, when he appeared before us during Committee of the Whole on the bill.

Hon. John Lynch-Staunton (Leader of the Opposition): If it is appropriate, I would ask a question of the minister on that. When the Minister of Fisheries was here before the Committee of the Whole, he was asked about the regulations. I asked him:

> There will therefore be appropriate time for any senatorial committee interested in this particular issue to examine them

the regulations, that is —

> and, if they need improvements, to suggest amendments?

And the minister replied, "Absolutely." Now we find that they are published, they are gazetted and they are in force. I just want to draw to the attention of the Leader of the Government that there was a commitment made by the Minister of Fisheries to bring these regulations before the committee. Now we see that we have been ignored again.

[*Translation*]

SOCIAL AFFAIRS, SCIENCE AND TECHNOLOGY

SECOND REPORT OF COMMITTEE PRESENTED AND PRINTED AS APPENDIX

Hon. Thérèse Lavoie-Roux: Honourable senators, I have the honour to present the second report of the Standing Senate Committee on Social Affairs, Science and Technology, which asks permission to incur special expenses pursuant to the directives governing the financing of Senate committees.

I ask that the report be printed as an appendix to the *Minutes of the Proceedings of the Senate* of this day.

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

Hon. Senators: Agreed.

(*For text of report, see today's* Minutes of the Proceedings of the Senate).

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

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

[*English*]

EUTHANASIA AND ASSISTED SUICIDE

FIRST REPORT OF SPECIAL SENATE COMMITTEE PRESENTED AND PRINTED AS APPENDIX

Hon. Joan Neiman: Honourable senators, I have the honour to present the first report of the Special Senate Committee on Euthanasia and Assisted Suicide, which requests that the committee be empowered to incur special expenses pursuant to the procedural guidelines for the financial operation of Senate committees.

I ask that the report be printed as an appendix to the *Minutes of the Proceedings of the Senate* of this day.

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

Hon. Senators: Agreed.

(*For text of report, see today's* Minutes of the Proceedings of the Senate).

The Hon. the Speaker *pro tempore*: When shall this report be taken into consideration?

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

[*Translation*]

MISCELLANEOUS STATUTE LAW AMENDMENTS

SIXTH REPORT OF LEGAL AND CONSTITUTIONAL AFFAIRS COMMITTEE TABLED

Hon. Gérald-A. Beaudoin, Chairman of the Standing Senate Committee on Legal and Constitutional Affairs, tabled the sixth report of the Standing Senate Committee on Legal and Constitutional Affairs.

• (1430)

PRIVATE BILL

CANADIAN ASSOCIATION OF LUTHERAN CONGREGATIONS— REPORT OF COMMITTEE PRESENTED AND PRINTED AS APPENDIX

Hon. Gérald-A. Beaudoin: Honourable senators, I have the honour to present the seventh report of the Standing Senate Committee on Legal and Constitutional Affairs, dealing with Bill S-5, to incorporate the Canadian Association of Lutheran Congregations.

I ask that the report be printed as an appendix to the *Minutes of the Proceedings of the Senate* of this day.

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

Hon. Senators: Agreed.

(*For text of report, see today's* Minutes of the Proceedings of the Senate.)

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

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

INTERNAL ECONOMY, BUDGETS AND ADMINISTRATION

SEVENTH REPORT OF COMMITTEE PRESENTED

Hon. Earl A. Hastings, Chairman of the Standing Committee on Internal Economy, Budgets and Administration, presented the following report:

THURSDAY, June 2, 1994

The Standing Committee on Internal Economy, Budgets and Administration has the honour to present its

SEVENTH REPORT

Your committee has examined and approved the budget presented to it by the Standing Committee on Legal and Constitutional Affairs for the proposed expenditures of the said committee for the fiscal year ending March 31, 1995, to engage the services of such counsel and technical, clerical and other personnel as may be necessary for the purpose of its examination and consideration of such bills, subject-matters of bills and estimates as are referred to it, as authorized by the Senate on Wednesday, March 16, 1994. The budget is as follows:

Professional and Other Services	$ 9,400
Transportation and Communications	6,052
All Other Expenditures	1,500
TOTAL	**$16,952**

Respectfully submitted,

EARL A. HASTINGS
Chairman

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

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

EIGHTH REPORT OF COMMITTEE PRESENTED

Hon. Earl A. Hastings, Chairman of the Standing Committee on Internal Economy, Budgets and Administration, presented the following report:

THURSDAY, June 2, 1994

The Standing Committee on Internal Economy, Budgets and Administration has the honour to present its

EIGHTH REPORT

Your committee has examined and approved the budget presented to it by the Standing Committee on Transport and Communications for the proposed expenditures of the said committee for the fiscal year ending March 31, 1995, to

engage the services of such counsel and technical, clerical and other personnel as may be necessary for the purpose of its examination and consideration of such bills, subject-matters of bills and estimates as are referred to it, as authorized by the Senate on Wednesday, March 23, 1994. The budget is as follows:

Professional and Other Services	$ 8,500
Transportation and Communications	2,200
All Other Expenditures	700
TOTAL	**$11,400**

Respectfully submitted,

EARL A. HASTINGS
Chairman

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

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

NINTH REPORT OF COMMITTEE PRESENTED

Hon. Earl A. Hastings, Chairman of the Standing Committee on Internal Economy, Budgets and Administration, presented the following report:

THURSDAY, June 2, 1994

The Standing Committee on Internal Economy, Budgets and Administration has the honour to present its

NINTH REPORT

Your committee has examined and approved the budget presented to it by the Standing Committee on Internal Economy, Budgets and Administration for the proposed expenditures of the said committee for the fiscal year ending March 31, 1995, with respect to its consideration of all matters of a financial or administrative nature relating to the internal management of the Senate. The budget is as follows:

Professional and Other Services	$2,500
Total	**$2,500**

Respectfully submitted,

EARL A. HASTINGS
Chairman

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

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

FOREIGN AFFAIRS

THIRD REPORT OF COMMITTEE PRESENTED AND PRINTED AS APPENDIX

Hon. John B. Stewart: Honourable senators, I have the honour to present the third report of the Standing Senate Committee on Foreign Affairs. This report concerns the international trade study budget application for the fiscal year 1994-95.

I ask that the report be printed as an appendix to the *Minutes of the Proceedings of the Senate* and the *Debates of the Senate* of this day, and that it form part of the permanent records of this house.

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

Hon. Senators: Agreed.

(*For text of report, see appendix, p. 571.*)

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

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

AGRICULTURE AND FORESTRY

NOTICE OF MOTION TO AUTHORIZE COMMITTEE TO EXAMINE THE FUTURE OF AGRICULTURE IN CANADA

Hon. Dan Hays: Honourable senators, I give notice that on Tuesday next, June 7, 1994, I will move:

That the Standing Senate Committee on Agriculture and Forestry be authorized to examine the future of agriculture in Canada and report upon the following:

a) evaluate present agri-food objectives and modify them for the year 2000 and beyond using, among others, the criteria of fairness, sustainability and sustainable development, competitiveness and efficiency;

b) examine the agri-food sector's role in rural life and in the Canadian economy;

c) involve producers, processors, consumers and other interested parties in developing a long-term national strategy for agriculture; and

d) identify the components that together constitute an overall farm policy that will take the agri-food sector into the next century.

That the committee have power to act jointly with the Standing Committee on Agriculture and Agri-food of the House of Commons when considering the above order of reference; and

That the committee present its report no later than March 31, 1995.

[*Translation*]

SECOND WORLD WAR

PARTICIPATION OF CANADIAN TROOPS IN ITALIAN CAMPAIGN—NOTICE OF INQUIRY

Hon. Eymard G. Corbin: Honourable senators, I give notice that, on Tuesday June 14, 1994, I will call the attention of the Senate to the capital and heroic participation of Canadian troops in the Italian campaign in 1943 and 1944, during the Second World War, and the pilgrimage other Canadian parliamentarians and myself have had the privilege of making from May 6 to May 19, accompanied by a group of 50 veterans from every province and by the Secretary of State (Veterans).

AMATEURISM IN JOURNALISM IN CANADA

NOTICE OF INQUIRY

Hon. Eymard G. Corbin: Honourable senators, I give notice that on Tuesday June 14, 1994, I will call the attention of the Senate to the amateurish journalism practised in Canada, in both the French and the English press, in a series of news stories on meetings I attended in Paris, in March, as part of Canada-France Inter-Parliamentary Association activities, as well as the important role played by the parliamentarians who represent Canada in this association and the benefits to Canada of strengthening these special and historic ties between our respective legislative assemblies.

[*English*]

• (1440)

GOVERNMENT OF CANADA

HUMAN RIGHTS POLICIES—NOTICE OF INQUIRY

Hon. Ron Ghitter: Honourable senators, in order to allow members of the Senate to engage in the debate to which Senator Frith alluded earlier, I give notice that on Wednesday next, June 8, I shall initiate an inquiry into the human rights policies, or lack thereof, of the Government of Canada.

Senator Frith: That's the ticket. That's the way to do it.

QUESTION PERIOD

THE SENATE

DISTRIBUTION OF DEBATES AND MINUTES TO MEMBERS OF THE HOUSE OF COMMONS

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, my question arises out of some extraordinarily disdainful comments made in the House of Commons on Tuesday, May 31, by Mr. Peter Milliken, the Parliamentary Secretary to the Leader of the Government in the House of Commons, and therefore, he was reproducing, I assume, the thinking of the minister there.

Mr. Milliken was deploring the fact that when Bill C-18 was returned to the House of Commons, for some reason, the *Votes and Proceedings* there did not reproduce the amendments and, therefore, he could not understand why the amendments were not in written form in the House of Commons publications. He stated that he had tried to get copies of the amendments from our own publications here in the Senate. I think that those senators who have not seen his extraordinary statements will certainly be as startled by them as I was when I read them.

He stated:

> The Senate amendments are not printed in any other House documentation and I do not know whether Your Honour has ever tried to get minutes of the Senate. I have tried to subscribe for the five or six years I have been in this place, and I cannot get them delivered on a regular basis.
>
> They are very difficult to obtain and I could send a staff member to the distribution office to get a copy but that seems needless trouble every day. That is what I am expected now to do; at least that is the only way I seem to be able to obtain the minutes of the Senate.

The point of this is not so much the lack of understanding of how to get copies of Senate documentation. It is that he also prefaced his remarks by stating:

> I suggest that while many may regard the proceedings in the Senate as irrelevant and unimportant, in this particular case they have some importance...

Could the Leader of the Government in the Senate arrange for the name of her caucus colleague to be added to the distribution list of our proceedings, or at least pass on her copy to him in order that he and any of his like-minded colleagues are made aware that our proceedings are both relevant and important.

Hon. Joyce Fairbairn (Leader of the Government): I thank my honourable friend for drawing those comments to my attention. I will definitely see that Mr. Milliken is on all of the distribution lists of the Senate, and I am sure he would find the speeches that are made in this place and the questions asked to be informative, relevant and to the point.

I should also say to my honourable friend that I know Mr. Milliken, and I know that he has respect for this place. I do not know whether the words on the page reflect the manner in which he spoke. I will speak to him and assure him that he will receive material. I will also convey my honourable friend's question and comments to him.

I would assure my honourable friend that I do know that Mr. Milliken holds this place and the people in it in high regard.

Senator Lynch-Staunton: Perhaps the Leader of the Government in the Senate could also draw to Mr. Milliken's attention another unfortunate comment he made during the same presentation, and this is a direct quotation:

I know there are many members

This is speaking of members of the House of Commons —

> who feel it inappropriate for the Senate to make changes to Commons bills, but the fact is that it does happen from time to time and we do have to tolerate this inconvenience.

Some Hon. Senators: Shame, shame!

Senator Lynch-Staunton: Perhaps we are supposed to feel apologetic for "inconveniencing them" as we attempt to improve legislation.

My question to the leader — as she reminds him of the respect he has shown to this house, by her definition — is, does she agree with the Parliamentary Secretary's pompous remarks, particularly as she herself moved an amendment to Bill C-18?

Senator Fairbairn: Honourable senators, we had a most important debate in this house and it is an important issue. The Senate obviously has the right to move amendments to legislation. I thought the interventions on this issue were informative. I thought the amendments on both sides, depending on one's point of view, were compelling, and I will certainly reinforce this with Mr. Milliken when I next see him.

NATIONAL FINANCE

DEFICIT REDUCTION PLAN—GOVERNMENT POSITION

Hon. Gerry St. Germain: Honourable senators, in the eyes of most Canadians, this government has failed to provide any credible deficit projections or economic plan, and a 200-basis-point hike in the long-term interest rates since February 25 is proof of that.

The government's own budget plan indicates that a 100-basis-point hike in interest rates, one per cent, will add about $1.7 billion to this year's deficit. Honourable senators, a quick mathematical calculation will indicate that the government is out by some $2 billion.

Last Tuesday, the Leader of the Government in the Senate, in response to a similar question I posed, referred to the issue of Quebec. I do not disagree with the unsettling effect of this situation. However, the government, specifically the Minister of Finance, cannot continuously use this as an excuse for inaction. Investors, both democratic and international, also look at a country's balance sheets, and they do not like what they see.

Will the Leader of the Government in the Senate please ask her cabinet colleague the Minister of Finance to address the uncertainty regarding the deficit targets by formally outlining a revised and accurate strategy, and to do so prior to the summer recess, for the sake of small business and others in this country?

Hon. Joyce Fairbairn (Leader of the Government): I thank the honourable senator for his question. He will not be surprised if I tell him that I do not totally agree with his assessment of the situation.

The Minister of Finance has said, time and again, that one of the most important underlying tasks that this government and this country has is to get the deficit and debt in order. That is his goal. He began with a budget in February and made it clear that it was the first of a two-part effort, the second being the budget that will be introduced next February. He is holding tight and the Prime Minister is holding tight to the three-per-cent GDP deficit reduction in three years. That is short term. Obviously, the goal for the longer term, and as soon as it can possibly be achieved, is the absolute elimination of the deficit.

• (1450)

My honourable friend would indicate that the government has been inactive in promoting the second part of its agenda, which is the companion to the deficit reduction, and that is the pursuit of economic growth. The government has pursued this vigorously in recent months with the National Infrastructure Program, the incentives for employment and learning for youth, the Adjustment and Job Creation Program in the Atlantic fishery, and the rollback of UI premium rates that is contained in a piece of legislation now before this house. We are undertaking a social policy review to try to bring the social programs in this country together in the most effective way that will not only help the security of Canadians, but will give them every possible incentive to get back to work.

I believe, honourable senators, that this goal of the government will be reached. I have visited some infrastructure programs in this country. Canadians are already getting back to work in useful jobs.

Senator St. Germain: Honourable senators, I believe I am making progress. The Leader of the Government says she does not totally agree with me, but obviously she is in partial agreement, so we may be making some headway as we proceed on this very important initiative.

The government leader again referred to 3 per cent of GDP as the level for deficit reduction, which we know the IMF has questioned. When I ask for an official fiscal update from the Minister of Finance prior to the summer break, I hope that I am not asking for the impossible for the honourable members of this chamber. My understanding is that in the budget the minister promised an update in the fall. Surely internal updates are provided for ministers from time to time, as they were prior to October of 1993, outlining the government's fiscal position.

Senator Thériault: We never heard of them.

Senator St. Germain: Interest rates and inflation were so low that you did not need them.

Having said that, have there been any internal fiscal updates since the budget? If so, could the minister share them with the members of this Senate?

Senator Fairbairn: Honourable senators, I will be very pleased to pass my friend's comments on to the Minister of Finance. I have tried periodically in answers to questions to indicate to my friend the improvements that have been occurring on a regular basis in our economy over the last weeks, and indeed even days.

I think that he is aware of the creation of 115,000 jobs since February, which is almost, I believe, a record. He is aware of the improvement in manufacturing shipments and in retail sales. Consumer spending is up and exports are healthy.

I am sure we all take some pleasure from the fact that all of the indicators, which had been virtually stuck or declining for so long, are now moving forward. We have a positive movement in our economy. The Minister of Finance is firmly holding the course on his fiscal plans.

The record speaks for itself, but I would be pleased to pass on my honourable friend's additional comments to him.

AMOUNT OF DEFICIT FOR 1993-94—GOVERNMENT POSITION

Hon. David Tkachuk: I should like to address a question to the Leader of the Government concerning the deficit numbers. Perhaps, Senator St. Germain, although it is not my place, I can explain why the government is not answering your question. Frankly, they do not know. I say that because the Minister of Finance seemed to have no trouble last fall saying, "The sky is falling in. Our deficit for this year is going to be $45 billion rather than the $35 billion predicted by the previous government and the Minister of Finance, Mr. Mazankowski."

The government had no trouble estimating that the deficit would be $45 billion. Knowing that a Liberal is a Liberal is a Liberal, I, frankly, did not believe that. In committee in March and April, I continued to ask what the revenues of the government were. They did not know, and to this day they have not answered that question. I am talking about the revenue numbers from 1993-94. They do not know the revenue numbers.

The Fiscal Monitor has said that perhaps the deficit will be down in March of 1994. The deficit declined in the period from April 1993 to March 1994. The federal 1994 budget will possibly be below it and the final results will be published later. However, it is not clear whether it will be below the $45 billion that they have said it will be or below the $35 billion that Mr. Mazankowski predicted.

What will the deficit be for 1993-94?

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I cannot answer that, but I think we can all take some pleasure from the fact that, because of increased revenues during that period, it looks as though the deficit figures will be less than had been anticipated. I cannot feel particularly gloomy about that.

With regard to the padding, as my honourable friend calls it, I think we all know that there were items in that period of time that led the Department of Finance and the minister to draw certain conclusions from the figures. The Minister of Finance, as you know, has not yet conceded, and will not until all the figures are in, what the numbers will be. However, the movement that we have seen to date indicates that there were improvements in the revenue position of this country, and I think that is very gratifying.

Senator Tkachuk: Honourable senators, none of us, especially on this side, take any pleasure whatsoever from the fact that interest rates have gone up and the dollar has dropped. Notice that they had no trouble in the fall of last year predicting that the deficit would be $45 billion. Now it is June of 1994 and they do not know what the deficit was from 1993 to 1994.

I believe that the deficit was overestimated deliberately so that they could make their budget of February 1994 look lower, because they did not have the courage to address the questions that were affecting the country.

Will the Minister of Finance apologize to the Canadian people, if the deficit is $35 billion, which I predict it will be, for what has happened to the dollar, to interests rates and to the Canadian economy?

Senator Fairbairn: Honourable senators, the Minister of Finance has absolutely nothing to apologize for. He has set us on a course in this country that is putting Canadians back to work, that is helping young people find their way in this economy and in the job market. He has nothing to apologize for.

He will be extremely proud for the country, not for himself, if the deficit figures come in better than predicted. He did it honestly. He did not pad. He did not invent. He has nothing to apologize for. Frankly, I think the Minister of Finance of Canada could use a little bit of support at this time for the efforts he is making to put Canadians back to work.

• (1500)

THE SENATE

PROPOSAL FOR DEBATE ON FOREIGN AFFAIRS AND NATIONAL DEFENCE—REQUEST FOR COMMITMENT

Hon. Marcel Prud'homme: Honourable senators, my question is directed to the Leader of the Government in the Senate. Earlier today, there was a highly interesting exchange of views from both sides of this chamber on human rights. I am sure that many other senators would have liked to participate in that exchange.

At the moment, two major committees of Parliament are meeting. One is the Special Joint Committee of the Senate and the House of Commons on Canada's Defence Policy; the other is the Special Joint Committee on Reviewing Canada's Foreign Policy. In view of the fact that sometime in September these committees will publish their respective reports, will the

Leader of the Government consider taking the initiative to allow a full debate this September on both these issues, with special emphasis on foreign affairs? The focus could be subdivided into categories including CIDA, external aid in terms of foreign and international affairs, and the most important question of human rights.

I am glad that Senator Ghitter will start the ball rolling on Wednesday. I will be happy to participate in that debate.

When we look around this chamber we see an extraordinarily large pool of expertise on both these issues. It would be sad if our views were not communicated publicly. Not only will people who are interested in these two matters be glad to read what we have to say, but the government may want to take into consideration what is said before it publishes a white paper on these two issues.

Will the Leader of the Government give us a commitment in this regard before the end of June?

Hon. Joyce Fairbairn (Leader of the Government): I thank Senator Prud'homme for his question. I must say, one of the great things about the Senate is the freedom, collectively or individually, to use this place as a forum for debate on these issues.

I am sure that when the reports to which the honourable senator refers are available, there will be ample opportunity in this place for full debate so that the views of senators may be made known. I, too, look around this chamber and see colleagues from both sides who have enormous experience in these areas. I am sure there will be ample opportunity for debate at that time, or at any time, as Senator Ghitter proved today.

CHINA

HUMAN RIGHTS AND COMMERCIAL RELATIONS— GOVERNMENT POSITION

Hon. Noël A. Kinsella: Honourable senators, as we heard earlier in the proceedings today, Amnesty International and other international and domestic NGOs have raised questions concerning China's human rights record. Amnesty International reported recently about the human rights abuses in China since the Tiananmen Square massacre. These abuses include unfair trials, administrative detention without charge or trial of government opponents, and the torture and ill-treatment of prisoners.

Why is the Government of Canada "delinking" our traditional human rights position from our commercial relations with that country?

Further, I should like to ask a second question of the Leader of the Government in the Senate. Did the Prime Minister raise the matter of the human rights performance of the Chinese government when he met in China with Mr. Wu Bangguo, the senior member of the Communist Party's powerful politburo, on Monday, May 31? What specifically was the Government of Canada's message to Mr. Wu Bangguo at that time?

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I am pleased to respond to Senator Kinsella's question. It is not a question of "delinking," as the honourable senator says. Nor is it a question of Canada stepping aside from its traditional position on human rights.

The Prime Minister has made very clear what is the government's policy. I cannot specifically say whether he conveyed his views to this particular gentleman, although I will ask him directly. However, the Prime Minister did say in the House of Commons this week:

> Mr. Speaker, this government's policy has always been clear: we deplore regimes that do not respect people's freedoms.
>
> We have told the Chinese government this at every opportunity.

The Minister of Foreign Affairs has also made a similar statement.

As honourable senators probably know, Canada sponsored a resolution condemning China's human rights record at this year's March session of the UN's Commission on Human Rights. That was a public and necessary declaration of this country's point of view.

There is another side to this matter. We do not assist in the cause of human rights when we isolate a country like China, or any other country for that matter.

Senator Lynch-Staunton Tell us about Haiti? What about South Africa and its failure? Let's hear about that.

Senator Fairbairn: There is no question that we are engaging with the Chinese in economic pursuits and in trade. We will continue to do that. At the same time, the Prime Minister has made it clear to the Chinese and to the world that we will not support or tolerate the abuse of human rights, no matter where it occurs in the world. Isolation is not the way to impress on that nation the good values that we in this country support.

Senator Lynch-Staunton: And Haiti has no role to play. Let's keep that embargo going.

TRANSPORT

PROPOSED STUDY OF ATLANTIC CANADA FREIGHT RATES— GOVERNMENT POSITION

Hon. J. Michael Forrestall: Honourable senators, I wish to raise a question about government practices and consultation. We have heard about plans that the government has made to look at the proposition of burying very deeply in the total price of goods a harmonized provincial and federal sales tax.

Much to my regret, we have news that the Department of Transport is about to embark on a closed-door internal study with respect to the Atlantic Canada freight rate subsidy programs. Honourable senators will be aware that this is in some contrast to the open consultative process which was followed by the previous government. We understand that this study is not simply a continuation of a previous study, something which has been discussed widely with the stakeholders in Atlantic Canada, but that the entire program is under review.

Will the Leader of the Government take time to find an opportunity to speak to her colleague the Minister of Transport, or to the President of the Treasury Board, about the practice of doing things behind closed doors?

If we are to suffer further cut-backs in a program that is already generations old and so deeply entrenched in our infrastructure, and if we are to discuss it privately, then I suggest this chamber should call upon the other chamber most forcefully to start acting openly so that stakeholders are aware of what is going on. In this way, they can plan from one year to the next. They will then know where they stand with respect to this very important subsidy program for Atlantic Canadians.

• (1510)

Hon. Joyce Fairbairn (Leader of the Government): I thank my friend for his question. I recognize the importance of that program, and I will certainly take his questions and follow them up with my colleagues.

VETERANS APPEAL BOARD

ORDER IN COUNCIL APPOINTMENT—GOVERNMENT POSITION

Hon. Marjory LeBreton: My question is to the Leader of the Government in the Senate, and has to do with the Order in Council listing that was released yesterday, June 1. It is with specific regard to Order in Council Number 820, the appointment of one Patricia Landers of Saint John, New Brunswick as an additional member of the Veterans Appeal Board, effective June 1, 1994. This is a GIC 4 position with a salary range of $73,400 to $86,400.

Is this the same Patricia Landers who was the candidate for the Liberal Party of Canada against Elsie Wayne in Saint John, New Brunswick in October, 1993; who is the spouse of former Liberal Member of Parliament Mike Landers, who sat in the House of Commons from 1974 to 1979 and from 1980 to 1984, and who was appointed by Prime Minister Turner to a full-time position on the Canadian Transport Commission on the very day he called the 1984 election, July 9? Is this the same Patricia Landers?

Senator Lynch-Staunton: She does not fit the Red Book criteria, so it cannot be the same.

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I thank Senator LeBreton for her question. She certainly has been able to outline the outstanding qualifications of Ms Landers. I should advise the honourable senator that this is the same Patricia Landers who is a member of the Saint John City Council, one of the most prominent spokespeople in that community, particularly on environmental matters and the health of that beautiful city. She is an extremely accomplished, experienced and knowledgeable woman, and I think she will do as fine a job in her additional responsibility as she has in the past.

Senator LeBreton: As a supplementary —

The Hon. the Speaker *pro tempore*: Order, please. I point out that the 30 minutes alloted to Question Period has expired.

Senator Lynch-Staunton: Aw, shucks. Let's give leave.

The Hon. the Speaker *pro tempore*: If there is leave, we may continue.

Senator Lynch-Staunton: Keep it going.

The Hon. the Speaker *pro tempore*: Do you have a supplementary question, Senator LeBreton?

Senator LeBreton: I have a very brief supplementary.

The Red Book promises to ensure that necessary appointments are made on the basis of competence. I point out that Ms Landers has been appointed as an additional member of the board.

Despite all of Ms Landers' other accomplishments that you cite, has the government assured itself that Ms Landers meets the standard of competency required to deal with veterans pension issues?

Senator Fairbairn: I have no doubt that Ms Landers will deal with this particular subject with the same competence and zeal that she has applied to the other assignments she has fulfilled for her province, for her city of Saint John, and, indeed, for this country.

Senator Lynch-Staunton: To the tune of 80,000 green ones a year.

DELAYED ANSWERS TO ORAL QUESTIONS

Hon. Richard J. Stanbury (Acting Deputy Leader of the Government): Honourable senators, I have a response to a question raised in the Senate on March 15, 1994, by the Honourable Senator Finlay MacDonald regarding Synfuels project, termination of the Special Investment Tax Credit; a response to a question raised in the Senate on April 19, 1994, by the Honourable Senator Mira Spivak regarding the Saint Lawrence Vision 2000; a response to a question raised in the Senate on May 10, 1994, by the Honourable Senator Terry Stratton regarding the replacement of Sea King helicopters; and a response to a question raised in the Senate on May 12, 1994, by the Honourable Senator Erminie J. Cohen regarding the Atlantic Canada Opportunities Agency.

ATLANTIC CANADA

DEPENDENCE ON SCOTIA SYNFUELS PROJECT—REINSTATEMENT OF SPECIAL INVESTMENT TAX CREDIT—GOVERNMENT POSITION

(Response to Question raised by Hon. Finlay MacDonald on March 15, 1994)

A uniform Investment Tax Credit of 5% was introduced in 1975 to stimulate business investment. It was a credit that was deducted from federal taxes otherwise payable. Over the years, the rate was increased, but not uniformly. In 1980, a *Special* Investment Tax Credit was introduced for certain "designated" areas of the country. It was more generous, but applied only to certain business activities.

There were numerous disagreements about which business activities qualified for the credit, as well as numerous concerns that the boundaries of the eligible regions did not accurately reflect economic and geographic realities. In some cases, urban centres wholly within the boundaries of an eligible region did not qualify for the credit.

The government's decision to terminate the Special Investment Tax Credit will encourage businesses to place more emphasis on sound business practice when making their investment decisions.

The question of whether the grandfathering rules announced in the 1994 Budget should be modified so as to include projects such as the proposed Synfuels facility is being addressed by the Minister of Finance. His officials have already met with the project sponsors, as well as the sponsors of certain other projects that will be affected by the Budget announcements. The Minister of Finance will continue to be both fair and reasonable to all of the projects that were affected and if the Minister of Finance decides to make modifications they will be announced shortly.

THE ENVIRONMENT

ST. LAWRENCE VISION 2000—REDUCTION OF POLLUTION—GOVERNMENT POSITION

(Response to question raised by Hon. Mira Spivak on April 19, 1994)

The federal government, in cooperation with the governments of Quebec and Ontario, will do its part in cleaning up the Saint Lawrence River and the Great Lakes, through the Saint Lawrence Vision 2000 and Great Lakes 2000 programs. The job will take time, and it will require the assistance not only of the aforementioned governments, but also of municipalities, the private sector and local residents. The task is so complex that it will not be finished by the year 2000, although it will be well advanced. The $250 million will be gradually invested in clean-up plans. That is why the federal government has chosen an approach based on precise objectives, so as to measure its actions and follow their progress on-site.

With regard to toxics, the long-term goal of Saint Lawrence Vision 2000 is to reduce toxic liquid wastes and to virtually eliminate wastes of persistent and bioaccumulated toxic substances. That objective will not be achieved during the course of the initiative, but the program is an important step. The precise goal will be to reduce by 90 per cent, or to the greatest possible extent, waste toxic liquids from 56 of the most polluting factories.

The long-term goal of Great Lakes 2000 is to virtually eliminate the use and, generation, and, the release into the Great Lakes ecosystem of the persistent bioaccumulative toxic substances identified by the International Joint Commission (IJC) and binational agreement for priority action. Again, that objective will not be achieved by the year 2000, but substantial progress will have been made.

The detailed objectives, targets and schedules for action under Great Lakes 2000 will be released on the occasion of the signing of the Canada-Ontario Agreement respecting the Great Lakes ecosystem.

The government is preparing its formal response to the IJC's 7th Biennial Report, and will consider all its recommendations, including the "reverse onus of proof standard."

As part of the government's commitment to preventing pollution before it is created, the New Substances Notification Regulations were promulgated on April 6, 1994. They will ensure that no new substance is manufactured in or imported into Canada on a commercial scale before an assessment has been done to determine the potential risk of the substance to the environment or human health, as required by the Canadian Environmental Protection Act (CEPA). Under the new regulations, industry will submit the required information, which will be assessed by Environment Canada and the Department of Health to determine potential effects on the environment or human health.

With respect to air pollution, no serious study has yet been made on the atmospheric deposit of toxic substances into the Saint Lawrence. That is why Vision 2000 will make it a priority to determine the proportion of airborne chemical contamination for 18 organic substances and seven metallic substances.

TRANSPORT

SEARCH AND RESCUE—REPLACEMENT OF SEA KING HELICOPTER FLEET—GOVERNMENT POSITION

(Response to question raised by Hon. Terry Stratton on May 10, 1994)

The Canadian Forces' equipment requirement is one of the many issues being examined during the course of the current review of defence policy. Our defence policy will be right for Canada in the 1990s and into the next century.

The Sea Kings will remain airworthy and continue to provide search and rescue services at sea as well as to support UN and other contingency operations as required, up to the year 2000. Until the outcome of the defence policy review is known, decisions on additional major defence equipment acquisitions are on hold.

ATLANTIC CANADA OPPORTUNITIES AGENCY

GRANTS TO PROJECT IN NEW BRUNSWICK—GOVERNMENT POSITION

(Response to question raised by Hon. Erminie J. Cohen on May 12, 1994)

The Minister responsible for the Atlantic Canada Opportunities Agency has the ultimate authority to approve project funding. In the past, the ACOA Advisory Board has been asked by the Minister to provide advice on projects over $1 million in eligible costs. The projects announced in April and the first week of May did not exceed $1 million in eligible costs.

Minister Dingwall has reviewed the role of the ACOA Board, as part of the government-wide review of the size and relevance of all federal and advisory agencies, boards and commissions and an announcement is forthcoming on its future role and responsibilities.

BUSINESS OF THE SENATE

Hon. Eric Arthur Berntson (Deputy Leader of the Opposition): Honourable senators, perhaps I might ask the Acting Deputy Leader of the Government if we can expect all outstanding delayed answers before the anticipated summer break?

Hon. Richard J. Stanbury (Acting Deputy Leader of the Senate): We will do our best.

Senator Lynch-Staunton: The session only goes back three months. Since you have no legislation, you could at least give us some answers.

ORDERS OF THE DAY

BUDGET IMPLEMENTATION BILL, 1994

SECOND READING

On the Order:

Resuming the debate on the motion of the Honourable Senator Olson, seconded by the Honourable Senator Stewart, for the second reading of Bill C-17, an Act to amend certain statutes to implement certain provisions of the budget tabled in Parliament on February 22, 1994.

Hon. Orville H. Phillips: Honourable senators, the sponsor of Bill C-17 delivered a better budget speech than the Minister of Finance. Fortunately for Canadians, no one believes either speech. It is my hope that the next time Senator Olson introduces a bill, he will prepare his own introduction. It might be a bit longer, a bit more windy, but it will at least contain a few facts and a bit of information on the bill. The speech yesterday certainly did not.

It is interesting to read the remarks of the cabinet ministers who spoke on Bill C-17 in the other place. They carefully avoided the contents of Bill C-17. It is very obvious that the Grits are ashamed of Bill C-17, and well they should be.

The President of the Treasury Board spent his time trying to justify the government's treatment of public servants. How quickly attitudes change, and how quickly Grits break their promises. During the election campaign, the Grits, with the cooperation of Mr. Bean, successfully convinced the public service that any restraint placed on the public service by the previous government would be removed. The Red Book committed the Liberal Party to collective bargaining. In fact, the Grit organizers in the Ottawa area organized a street dance for the public service on election night.

Shortly after assuming office, this government introduced a wage freeze that will be in effect for six years. To show further respect for public servants, the Grits eliminated the pay increments. This is supposed to put everyone in the same boat for the next two years. Honourable senators, that boat is already leaking, and it may not be afloat in two years' time. Presumably when Bill C-17 receives Royal Assent, the Grit organizers will again organize a street dance for the public service. I am really looking forward to seeing Mr. Daryl Bean and Sheila Copps trip the light fantastic on one of our downtown streets to celebrate the passing of Bill C-17.

Hon. Finlay MacDonald: She will resign, though. She said she would resign if the GST fails.

Senator Phillips: We only have a few more months before she resigns. That is one consolation.

The CBC is being allowed to borrow $25 million annually. The sponsor of the bill said this was for wise investments. Does anyone really believe that there is a senior executive in the CBC capable of making a wise investment? This organization, which complains it is always short of funds, recently organized a dinner in Toronto. They flew in individuals from all over the world to have dinner and an evening in Toronto at taxpayers' expense.

Senator Lynch-Staunton: A wise decision.

Senator Phillips: I rather expect the $25 million will be used to pay for extended vacations and bonuses for senior employees.

Those who in the past have raked millions from the CBC are already lining up to claim their share of the $25 million. Of course the first in line are the McKenna brothers, followed very closely by Pierre Berton.

I ask, honourable senators, what control will Parliament have over the expenditure of this $25 million? It will be an expenditure; it will not be an investment. After a few years, we will find out that the CBC has a huge deficit.

• (1520)

Then the question arises: Who pays the interest on the deficit? That is really a needless question. We all know the answer: It will be the taxpayers because the interest will be put into the CBC operating budget.

The Minister of Finance, in his brief, mentioned new unemployment insurance changes and the removal of the premiums; premiums which the Minister of Finance increased in January of this year and now plans to remove in May 1995, and then he states that this removal will create 40,000 jobs.

I will give an example of a firm employing 100 employees which would save $30,000. This would give them $30,000 to hire a new employee. However, he neglected to point out that the federal government will take a share of that $30,000 saving, and so will the province. The firm will be lucky if they end up with a saving of $20,000.

In Atlantic Canada, in our small towns and villages, we consider anyone employing ten people to be a major source of employment in that village. Ten employees would give a reduction of $3,000. After the federal and provincial governments have dipped into that amount, the individual will have approximately $2,000 left. The number of new jobs created by this measure will not overburden the CEIC.

I ask, how many jobs would this measure create in Charlottetown, Chatham, Truro, or Come-By-Chance, Newfoundland? My prediction, honourable senators, is zero. In speaking on the inquiry respecting the budget, I asked: Why not remove the increased premiums now and create the 40,000 jobs when they are really needed? Yesterday, Senator Cohen, in her excellent remarks, asked a similar question. The answer is obvious, honourable senators. The Minister of Finance does not believe his own propaganda.

In my remarks on the budget, I stated that the purpose of the increased number of weeks required to qualify for unemployment insurance benefits was in order to eliminate many people, especially those in Atlantic Canada, from the unemployment insurance rolls.

Recently, the finance department issued figures on the first three months of 1994 on the unemployment insurance fund. In the first three months of this year, payments from the fund decreased by ten per cent. More money was paid into the unemployment insurance fund than was paid out to recipients. There was an $800-million surplus in three months. Yet Bill C-17 removes $5.5 billion from the unemployed. Surely someone over there must have a conscience. Stats Canada reports that the number of recipients of unemployment insurance benefits has decreased by 11.2 per cent, yet unemployment remains at the same level.

London, Ontario had a drop of 28 per cent in its recipients. Toronto, Montreal, St. John's, Newfoundland, all the cities surveyed by Stats Canada had a drop of 13 per cent. Canada had 1.6 million people unemployed during this period. Those receiving benefits dropped from 70 per cent to 58 per cent of the 1.6 million unemployed.

The reasons for fewer unemployed people receiving benefits were listed as increasing long-term unemployment, which means that more unemployed persons have exhausted their benefits. The number of those not eligible for benefits increased. This was particularly evident among the young people aged 18 to 24 years.

The budget inflicted a longer qualifying period for this group and other groups. As a further insult, the benefit was reduced from 35 weeks to possibly as low as 26 weeks. Small wonder, honourable senators, that the Grits are so reluctant, so unwilling to discuss the contents of Bill C-17.

In my closing remarks on the budget inquiry, I ask the Liberal members of the House of Commons and the Grit senators from Atlantic Canada to speak out against this severe blow to the Atlantic region. They are still silent, as Senator Cohen reminded us yesterday. The only hope these people have is to turn to welfare. The Minister of Finance and his Grit colleagues did not forget to block this avenue of hope. The Canada Assistance Plan has been frozen, which will ensure further hardship to those hard hit by the proposals in Bill C-17.

When this bill is referred to the Senate committee, I hope members of that committee and, indeed, the entire Senate will think twice about the unfair treatment meted out to Atlantic Canada. Eight per cent of the population assumed a quarter of the cut-backs in Bill C-17; $630 million out of the Atlantic economy this year is a severe blow to our fragile economy.

As a member of this chamber for a number of years, I have listened to Liberal colleagues say they would not abandon the unemployed, the weak, the aged, and those on welfare. I ask honourable senators, where are those people today? We have not heard from one of them. Can someone from that side not rise and advocate fair treatment for Atlantic Canada? Where are my honourable friends Senator Bonnell, Senator Thériault, Senator Corbin? You were eloquent on this subject a few years ago and I am sure you could be today, Senator Thériault. Will you not rise and take part in the debate, and urge the others to do the same?

Honourable senators, in closing, I ask you to give this bill not only second thought, but give it third thought, fourth thought, and ask your colleagues on the other side to join you in condemning Bill C-17.

I would point out to honourable senators that I think I finished within my allotted 15 minutes, which is unusual, I admit.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

On motion of Senator Olson, bill referred to the Standing Senate Committee on National Finance.

• (1530)

INCOME TAX ACT
INCOME TAX APPLICATION RULES
CANADA PENSION PLAN
CANADA BUSINESS CORPORATIONS ACT
EXCISE TAX ACT
UNEMPLOYMENT INSURANCE ACT

BILL TO AMEND—SECOND READING

The Hon. L. Norbert Thériault moved the second reading of Bill C-27, to amend the Income Tax Act, the Income Tax Application Rules, the Canada Pension Plan, the Canada Business Corporations Act, the Excise Tax Act, the Unemployment Insurance Act and certain related Acts.

He said: Honourable senators, let me say at the outset that Bill C-27 does not deal with one specific issue or topic. Rather, it is legislation that brings together a number of unrelated measures, most of them technical in nature, under the umbrella of this bill in order for them to be passed into law.

In essence, Bill C-27 is a piece of parliamentary housekeeping, which is not in the least contentious, and it therefore warrants speedy and unchallenged passage. Accordingly, I urge my colleagues opposite to treat this bill in a fair-minded way because most of the components of Bill C-27 are holdovers from when the previous government was in office.

Essentially, Bill C-27 fine-tunes the Income Tax Act. It proposes a number of mostly technical amendments to the Income Tax Act which, as I just indicated, were left over from the previous government.

There is one item that was not part of the earlier package of changes. The draft legislation relating to scientific research and experimental development, or SR&ED, expenditures was announced by the Minister of Finance in the February 1994 budget.

The other measures were part of a package of technical amendments to the Income Tax Act which were released in August 1993 but never introduced in the House. They never got past the draft legislation stage because the 1993 election intervened. However, the Minister of Finance announced last December that we would proceed with this legislation. The proposed tax changes in Bill C-27 are changes that would be routinely made regardless of the government of the day.

Naturally, a tax system like Canada's needs to be technically refined on an ongoing basis in order to keep up with changes going on in the world. For a growing, competitive economy, our tax system must operate as smoothly as possible — and it must be responsive to the changing needs of Canadians and governments.

Public consultation — a priority of our government — often has a direct impact on changes to the tax system. Amendments are usually released in draft form first in order to stimulate public discussion. Changes are made based on the feedback received from the public.

The amendments before us today were no different. Many were revised after being put out into the public domain as a result of public feedback. Many changes to our tax system take effect the same day they are announced, as happens with so many budget measures. This occurs particularly with measures that relieve a certain situation, or modify an irregularity in existing tax law. So it is with Bill C-27.

I urge my honourable colleagues to remember that several of the changes have been in effect ever since they were announced, and it would be inappropriate and unfair not to enact them permanently into law. Honourable senators, most of these provisions are technical in nature, and Canadians have already adjusted to their being in effect.

I should also like to emphasize that none of these provisions are designed to generate new revenues, although a few will protect revenues generated by previous measures.

Honourable senators, having outlined, by way of these introductory remarks, the reasons why this bill should be passed quickly, let me turn now to the specific measures contained in Bill C-27.

Bill C-27 has both some relieving and some modifying tax measures. To begin with, many of the amendments relate to retirement income plans, and I include in this RRSPs and certain pension plans. For example, Bill C-27 ensures that the taxpayer's RRSP limit reflects in a fairer way the taxpayer's retirement savings under certain types of unregistered pension plans, such as foreign pension plans. Also, the list of qualified investments for RRSPs and RIFFs, or register retirement income funds, and deferred profit sharing plans is expanded under Bill C-27, as is the tax exemption for RRSPs and RIFFs on business income from qualified investments.

Bill C-27 also modifies the rules for RRSPs on death. It used to be that the date of death determined the ability of a deceased person's legal representative to pay an RRSP premium for the benefit of a surviving spouse. This payment can now be made up to 60 days after the end of the year of death.

Honourable senators, Bill C-27 simplifies the existing rules with respect to the income tax treatment of automobile operating cost benefits. There is now a formula for determining the operating expense benefits for employees with automobiles provided by employers.

Bill C-27 also clarifies the rules governing the acquisition of the depreciable property where consideration for the property includes a trade-in. The cost attributed to the trade-in cannot be higher than the fair market value of that property.

Many of the amendments in Bill C-27 provide various forms of tax relief warranted by specific situations. One, for example, which changes the nonresident withholding tax rules on securities lending arrangements, will help maintain the liquidity of Canadian securities markets. It will also improve the ability of our own securities dealers and financial institutions to take part in such transactions from Canada. Honourable senators, what Bill C-27 does is exempt certain interest payments made under short-term securities lending arrangements from nonresident withholding tax.

Bill C-27 also deals with the loss of source of income. The interest on money borrowed to earn business or certain types of investment income, in cases where the property financed by the borrowing has either been sold at a loss or become valueless, is now deductible.

As well, the residence rule for individuals or companies moving into or out of Canada are improved through this bill. It used to be that a Canadian company operating elsewhere could never again be considered a "Canadian corporation" for tax purposes, even if it moved back to Canada. Bill C-27 rectifies the situation. Its overall effect is that Canada will now recognize only income or losses earned in Canada, or attributable to the time that the taxpayer resided here.

Another measure in Bill C-27 eliminates a tax avoidance technique — commonly called a "cross-border purchase butterfly" — which is used by Canadian corporations with non-resident shareholders to avoid paying tax when their assets are sold. This technique converts a corporate distribution normally subject to a withholding tax into a capital gain, which is often sheltered from Canadian tax by a treaty exemption. It is not the government's intention to allow our tax laws to be used to provide special breaks for structuring corporate asset sales in this way.

Next, since the end of 1992, life insurance companies have been paying a special capital tax designed to ensure that they pay their fair share of taxes. Bill C-27 enshrines this provision in law. I might add that this measure was designed in consultation with the life insurance industry.

Finally, for income tax purposes, calcium chloride and diamonds will now be treated as minerals, thereby providing those producers with access to income tax incentives for mining.

Honourable senators, another item included in Bill C-27 is draft legislation requiring companies to identify their scientific research and experimental development expenditures as such on their tax returns in order to qualify for the investment tax credit. This is the one item in Bill C-27 that stems from the February 1994 budget. The reason it is included here is that it needs and deserves to be passed expeditiously.

The SR&ED incentives were originally designed to encourage new research and development; not to be used by companies who wanted to have their past tax calculations adjusted. The number of requests to adjust SR&ED claims for previous tax years has increased significantly in the last four years. This amendment rectifies this problem by requiring companies that want to claim these incentives to identify their SR&ED expenses as such within a reasonable time. In addition, there is a special transitional rule for expenses incurred in a taxation year ending before the February budget. I am told that the reasonable time is one year.

In these few minutes, I have provided my honourable colleagues with a summary of Bill C-27. I have also provided some reasons why this bill should be passed quickly, and unchallenged. Honourable senators, there is nothing contentious in this bill, and I hope that my colleagues from the other side will agree to proceed with it immediately.

• (1540)

Hon. Marjory LeBreton: Honourable senators, I am pleased to respond to this bill. This bill, like so many bills we have seen of late, has its origin with the former government. It is technical in nature and its purpose is to correct and clarify income tax law.

I am advised that these bills are before us on a routine and yearly basis. Most of the provisions of Bill C-27 were tabled in draft form by the Honourable Gilles Loiselle in August 1993 and by the Honourable Don Mazankowski in December 1992. Indeed, the only part of this bill with any connection to the current government is the new rule that imposes a deadline for investment tax credit claims.

In some cases, such as employee car benefits, there will be simpler tax rules. In other cases, Bill C-27 closes loopholes. An example of this mentioned by Senator Thériault is the technique called the "cross-border butterfly." These butterflies are used by companies with nonresident shareholders to convert taxable income into nontaxable capital gains.

Many tax measures are made more flexible by this bill, an example being those for eligible RRSP investments. In total, this bill makes technical changes to no less than 138 clauses of the Income Tax Act.

Honourable senators, aside from the deadline for claiming investment tax credits, income tax measures from the recent budget are not part of this bill, but will be part of a separate bill. Having acknowledged that, I would just make a brief comment on the tax changes announced in the February budget.

Taxes in this country are at the limit. Until Mr. Martin's budget there had been no tax increases since 1991, and, indeed, the February 1992 budget even cut taxes. It appears, however, that this government does not think that taxes are at the limit. The February 1994 budget hikes taxes by $3.4 billion over three years.

We have heard the Minister of Finance say that there will be another round of spending cuts. I would like to hear him say that there will not be another round of tax hikes.

During the campaign Mr. Martin stated "I am saying this country cannot afford any new taxes." That quote was in the *Financial Post* of September 30, 1993. It would be nice to hear him repeat those remarks as minister.

In the Red Book was a promise that the House of Commons Finance Committee would look at ways to make the tax system fairer. There was not one word in the Red Book about cuts in investment tax credits, about higher taxes for senior citizens, about higher taxes for workers on their company life insurance plan, or about the elimination of the capital gains exception.

It now appears that the government's solution to the GST will be to bury it in the price — GST under another name, hidden and presented to the taxpayer wrapped in a big Liberal red bow! Obviously, a hidden tax will make it easier for the Liberal government to increase the tax rate.

Honourable senators, imitation is the sincerest form of flattery. Much of what we have seen from the Liberal government to date simply carried forward the Progressive Conservative agenda. Sometimes, as in the case of NAFTA, they have simply seen the light and abandoned their campaign promises.

Four out of every five measures in the Throne Speech were taken from the agenda of the previous government. Sometimes they borrowed from our agenda outright. In other cases, they just changed the wrapping.

Just a handful of examples includes: Lobbyists legislation, parliamentary reform, the information highway, training for small business managers, cutting interprovincial trade barriers, expanding Pacific Rim trade, literacy, environmental assessment, self-government and reducing duplication and overlapping.

In the case of so-called new legislation, most of the bills we have seen so far have had their origins in the PC government, and some of those bills are direct copies of our legislation. These include: Bill C-6, which is our former Bill C-35, dealing with the power of the government to make regulations for the offshore; Bill C-7, which is our former Bill C-85, dealing with designer drugs; Bill C-9, which made law tax changes from the December 1992 Economic Statement and the April 1993 budget, was introduced in the last Parliament as Bill C-136.

Some of those bills reflect decisions we took but for which legislation had not been introduced. These include Bill C-2, the reorganization of Revenue Canada; Bill C-8, the protection of coastal fisheries; Bill C-13, GST improvements; Bill C-15, the reorganization of the income tax statute; Bill C-16, Indian lands claims settlements; Bill C-26, new acquisition rules for the National Library; and Bill C-27, this bill, which makes technical changes to tax law.

Honourable senators, for the reasons outlined above, and because I supported these measures previously, I support them now and I recommend passage of this bill.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

On motion of Senator Thériault bill referred to the Standing Senate Committee on Banking, Trade and Commerce.

[*Translation*]

THE BUDGET

STATEMENT OF MINISTER OF FINANCE—DEBATE CONTINUED

On the Order:

> Resuming the debate on the inquiry of the Honourable Senator Phillips, calling the attention of the Senate to the Budget Statement made by the Minister of Finance, on Tuesday, February 22, 1994.

Hon. Pierre Claude Nolin: Honourable senators, I would have liked this speech to be my first but legislative circumstances led me to deliver an earlier speech on Bill C-13. I must tell you that I do not regret the speech I made about a month ago.

Honourable senators, since the dawn of Confederation, several generations of new senators, men and women from all backgrounds and regions of Canada, have come to this forum to express their convictions and their hopes and to explain their conception of the public good.

However, there is a voice which has rarely been heard here: It is the voice of our young people, of those who tomorrow will lead Canada's destiny and who will soon want to fulfil their potential in the society our generation is now defining. In 1991, Canadians under 18 years of age accounted for 25 per cent of the population, or more than 6,800,000 people.

I think it is all the more urgent and important that we look at our young people's situation since those who have been elected to pave their way and who are responsible for ensuring their welfare and increasing their chances of success in the future, that is, the members of the current parliamentary majority, seem unable or unwilling to tackle this problem.

Like many other Canadians, I fail to understand why, for example, the government did not even see fit, in the budget statement before us today or in the Throne Speech, to announce how it intends to participate in the International Year of the Family.

The objectives of this international year are as follows:

> To underline the importance of the family, to promote awareness of its functions and the problems it encounters ... and to focus attention on the rights and responsibilities of each member of the family.

It is hard to believe that these very modest objectives are beyond the government's capacities.

A little over three years ago, Canada's role in and Prime Minister Brian Mulroney's personal commitment to child welfare were recognized by the international community and by the United Nations in particular. The UN made Canada co-chair of the Summit on Children held at the UN headquarters in October 1990.

The 71 national leaders who participated in this summit ratified a declaration based on 10 great principles covering various areas, such as the supply of drinking water, birth control and the implementation of the United Nations Convention on the Rights of the Child.

An action plan was also approved, stating specific objectives, as well as a series of measures to improve the plight of children throughout the world, including the control of diseases affecting children and fighting malnutrition, as well as the causes of infant mortality.

Canada signed this UN convention in December 1991 and, by the end of August 1993, 146 member countries had followed its example. This may be the kind of leadership that Canada deserves.

In May 1992, the Canadian government of the day implemented a $2.6 billion program called "Brighter Futures" to help the more than one million Canadian children exposed to poverty, unsanitary conditions, negligence and violence. In order to harmonize the tax measures designed to help low-income families with children, the Conservative government grouped these measures in a single program and increased family benefits by $400 million annually, or more than $2.1 billion over five years. As you all know, 82 per cent of these families are female single-parent families with one or several children.

In June 1993, the former Conservative government also passed Bill C-126, to improve protection for women and children against physical violence, sexual abuse and harassment. In November 1992, that government announced the creation of five research centres on family violence, and in August 1991 it set up the Canadian Panel on Violence Against Women.

In February 1991, the government approved the implementation, over a four-year period, of specific measures to fight violence against women, with a budget of $136 million. During its first mandate, the former government also launched a special program against family violence, allocating $40 million for that purpose, including $22 million for housing only.

After hearing this list of decisions, which were often made in difficult financial circumstances by the former government, what is the new government waiting for to announce how it intends to support UN efforts regarding children and families? When will it tell us what it intends to do to help Canadian families in difficulty?

I do not deny that, lately, this government has made a few announcements, but in the absence of any significant action by the Prime Minister, the Minister of Health, or the Minister of Human Resources Development regarding the International Year of the Family, or the problems confronting Canadian children, we can only conclude that this government has not yet developed any coherent family policy. Even the Red Book, which contains the Liberal election promises and which the Prime Minister kept quoting all the time, does not offer much specific information of interest to young Canadians.

Mention was made of a Youth Service Corps on which the government would spend $100 million per year. However, the details of this program were so vague that one had to wonder if this was nothing but a veiled attempt to resurrect the Katimavik program, the cancellation of which caused so much grief to one of our colleagues.

Here is what the Red Book had to say about this program:

> ...the corps will give our young people a renewed sense of hope through the opportunity to engage in social and environmental services in their own communities and across the country.

It goes on to say that this program

> ...will offer Canadians under 25 a wide range of experiences that support personal growth, education and career development, community involvement, intergenerational cooperation and practical environmental awareness.

In the January 16 Throne Speech, this program was suddenly touted as a means to create employment for young people, since the government claimed that it would, and I quote:

> ...create a Youth Service Corps to begin putting young Canadians back to work.

However, in the February 22 budget, the literary flourishes are very much in evidence once again. The Minister of Finance stated that this program was launched, and I quote:

> ...to give young Canadians meaningful work experience and to develop their personal skills.

Last April 15, the Minister of Human Resources attempted to put a concrete spin on these nebulous commitments by announcing with a flourish a series of timid measures to occupy the time of several thousand young people. In truth, he was unable to present to our youth and to those concerned about their future a comprehensive, coherent strategy.

Moreover, as was noted in a recent edition of *The Globe and Mail*, 70 per cent of the sums promised by the minister, the source of which still remains a mystery, will not be spent on job creation, but for the most part, on post-secondary education.

Will this program have an effect on youth unemployment? Young Canadians are the hardest hit by this problem.

Furthermore, the program does not take into account two important facts: first, youth unemployment in visible minority groups and the various native communities is higher than the national average, and second, the unemployment rate is particularly high among young people in Atlantic Canada and Central Canada.

Impatient to give the impression it was fulfilling its election promises, the government acted so hastily and haphazardly that it only managed to alarm the very people who should have been its partners in this endeavour but ended up not even being consulted.

The Government of Quebec for one, was so outraged by the offhanded attitude of the minister that it decided against attending a social affairs ministers' meeting. Apparently, this member of the Chrétien cabinet did not realize he was infringing upon the exclusive provincial jurisdiction over education.

Other provinces have also expressed serious concerns about the minister's intentions and policies. As we know, in the end, this federal-provincial conference, one of the very few initiated by this government, had to be postponed indefinitely.

The last thing our children — these 6,800,000 Canadians, or 25 per cent of our total population, who may unfortunately be considered less important because they do not have the right to vote yet — need right now is to bear the brunt of a constitutional squabble between Ottawa and the provinces, something they do not understand anyway. This is nonetheless the absurd situation in which Jean Chrétien's Liberal government has put itself a mere seven months into its mandate. The same minister is supposed to conduct the social programs reform. That is promising!

This minister went to show off in a high school by announcing his generous gifts, but came home contrite, having even been rebuffed by youth associations in Quebec. With his intransigence and arrogance, the minister has already compromised any possibility of agreement with Quebec on the key issue of manpower training. He has just shown, beyond any doubt, that he lacks the sensitivity and vision needed to reach agreement with the provinces. Needless to say, in the present political environment in Quebec, the minister's attitude could have serious consequences for the future of the whole country.

If he had searched through his records, the same minister could have used the agreement in principle reached in August 1993 between the previous Government of Canada and the Government of Quebec.

However, like the restoration Bourbons, the federal Liberals returned from opposition, having learned nothing and forgotten everything.

What's bred in the bone will come out in the flesh.

Quebecers have already passed a harsh judgment on this blind centralizing form of federalism that destroys ambition. What they rejected in 1984 is no more acceptable ten years later, and Mr. Chrétien's government is setting all Canadians up for some heavy going if it does not change course as soon as possible. Even though it today announces some very timid and ill-considered initiatives to prepare young people for the labour market, we cannot overlook the fact that Liberal governments imposed a cruel and unfair burden on our youth: our debt which is growing exponentially, like a monster feeding on its young. Greek mythology even gave a name to this monster, the Titan Kronos.

Generation X must today lower its expectations and live with the anxiety of not being able to achieve its ambitions because, for nearly 20 years, governments led by former Prime Minister Trudeau managed the nation's finances carelessly and irresponsibly. This Prime Minister is in fact the one who begot the monster, like Uranus who fathered the famous Titan Kronos.

The Hon. the Speaker *pro tempore*: I must advise Senator Nolin that his time has expired. He needs permission from the Senate to continue. Is leave granted, honourable senators?

Hon. Senators: Agreed.

Senator Nolin: Thank you, honourable senators. The best is still to come!

[*English*]

• (1600)

Before 1984, for every dollar of tax revenues it collected, the government of the day spent $1.23 on programs. For 15 years, program spending in Ottawa increased at a rate of 14 per cent per year. When the Liberals left office in 1984, 32 cents of every dollar in revenues went to service the debt — one of the worst records in the industrialized world.

Speaking of "worst," let me draw our attention to the most recent study by the Fraser Institute on the indebtedness of countries. *The Globe and Mail* stated in its May 12 edition that Canada is a Third World debtor. That is frightening. Yet when the Progressive Conservative government set out to restore the fiscal sanity of our public finances, the Liberal opposition tried to block its efforts at every turn. However, in eight very short years, by reducing program spending to an annual average of 4 per cent and initiating a series of strong spending control initiatives, the former government managed to bring down the deficit as a percentage of the gross domestic product by more than 40 per cent.

[*Translation*]

In June 1993, almost at the end of this short eight-year period, for each dollar of revenue, 97 cents went for purposes other than the service of the debt.

[*English*]

Recently, a respected columnist, John Geddes, from *The Financial Post*, passed a rather pessimistic judgment on the government's stated resolve to cut spending and to tackle the problem of our national debt. He wrote that:

> So far, the message is disjointed. The government has announced a bewildering array of program reviews, some clearly aimed at saving money, others with no clear spending targets. Neither Finance Minister Martin nor Prime Minister Jean Chrétien has been able to knit the strands into a single compelling vision. Any attempt to bring the picture into focus must start with Human Resources Minister Axworthy.

That, it is now obvious, is by no means reassuring.

[*Translation*]

We cannot accept that our young people should pay for past thoughtlessness and the present confusion of the Liberals. Belatedly and timidly the Liberals recognize that the deficit and the debt are a major problem, but they seem incapable of taking the strong measures required. Yet, the Minister of Finance seemed to be on the right track when he called his provincial counterparts to a meeting last December. Were we going to see the implementation of a concerted national program to fight the Titan Kronos?

I would like to remind you that the Honourable Jean Charest defended this approach during his bid for the leadership of our party last spring. After the budget of February 22, and especially after hearing the chorus of provincial finance ministers, I lost the illusions I had in December.

Today, 1.7 million young Quebecers 17 and under, who have never had the opportunity to elect a government, have to assume individually the equivalent of a $25,000 debt. For the 6.8 million underage and non-voting Canadians, this debt amounts to an average of $23,000. The growing monster keeps on devouring its offspring. For Quebec children like mine — I have three — the debt totals $41 billion and, for this whole generation of young Canadians, it amounts to over $170 billion.

Have you ever tried to explain to your young children what one billion is, or what it means to have a $20,000 debt? I have. You would be surprised to hear what kind of response you get when you try to explain such a situation. The least these young people could have expected from a new government was that it did not get bogged down in sterile and costly confrontations with the provinces.

While the government is messing up, the situation of children and young people in Canada and abroad is worsening. According to Statistics Canada, children from low-income families will remain one of the most economically disadvantaged groups in Canadian society. Potential long-term problems are obvious.

These children will not have the opportunity to fulfil their potential to the same extent as other children, will not be as healthy or educated, and therefore will not use their full potential for the good of society. It is noted that children are more likely than other Canadians to live in low-income households.

According to a UNICEF report published in September 1993, for example, the number of school drop-outs and adolescent suicides is up. It has also been demonstrated that, in the last 20 years, parents have been spending less and less time with their children. The increase in the divorce rate and in the number of children abandoned will influence the futures of more and more young people.

In Canada, the child poverty rate has risen by two per cent between 1980 and 1990. In 1992, over 1,260,000 children under 18 lived in low-income families. Much of the problem lies with the inadequate support they receive from all levels of government. Real income from government programs for children has gone down. Financial support per child fell from $913 in 1978 to $751 in 1989.

As UNICEF and the World Health Organization have stated time and time again, many of the problems among the worst ones facing young people around the world can be resolved. These past few years, Canada has resolutely and positively contributed to such initiatives. The government is under a moral obligation to support and sustain these efforts.

I wish to congratulate the current Minister of Justice on his statement about a national child molesters registry. I make this comment in spite of the partisan overtone of his remarks.

The Minister of Human Resources Development is currently reviewing all Canadian social programs, including those dealing with the well-being of our children, my children! The details of the proposed reforms have not yet been submitted to the Cabinet.

Recent remarks by the Minister of Human Resources Development certainly do not prompt us to trust him blindly.

Honourable senators, I have delivered a speech that I consider somewhat partisan. I am not about to go back on everything I said about the efforts and achievements of the previous government. After writing this speech and reading it over — I have been waiting for a few days to give it, thus giving me time to ponder over it — I got the impression that we go nowhere with partisan speeches.

I discussed this matter with our colleague Senator Thériault.

Senator Thériault: You have my undivided attention now.

Senator Nolin: I am pleased to hear it.

To my mind, I am not merely making partisan speeches or trying to highlight certain illogical decisions made by certain governments, regardless of who they may be. That would not be very productive.

In my presentation, I spoke about the financial matters which affect the financial legacy that we will leave to our children. However, there is an even more serious problem threatening our Canadian society. What kind of future and what kind of country will we be passing on to the next generation, which still cannot express itself democratically?

Setting aside partisanship, we have to recognize that we are in the throes of a major conflict. However, having admitted this, we must not come to the conclusion that the outcome will be negative. I believe that we must maintain a positive frame of mind. The mere fact that a conflict does exist shows that our goals and needs have evolved. This conflict is not new, it is merely a latent conflict.

Since the last election, from seeing the performance of the Leader of the Official Opposition in the House of Commons, I fear that this conflict, which I try to see as healthy and leading to a promising future for our country, will degenerate. I am telling you all this because I feel that our house has a role to play in solving the conflict. I will add the following proviso. If we continue to act in a more or less partisan way every sitting day, we cannot claim to play a serious role in solving this conflict.

I have been here for almost a year now, and except for the first six months when I was involved in considerably more partisan activities, I have trouble seeing how the Senate can participate with all the required credibility in solving such a serious problem. I think that too much partisanship in the Senate hurts this credibility. That is what I discovered on coming here. We are sort of in a culture of shame. Why should I be ashamed of being a senator, a senator appointed by my government? The trouble is, our attitude seems to reflect a willingness to accept this situation, and I think this is something that must be changed.

In concluding, I have two brief questions. Can the Senate play a role in resolving this conflict? I think it can, but it will require a different approach. I think we will have to be more creative, more stimulating and more original in the way we look at how we should serve Canadians.

Does it make sense to use our independence to serve Canadians? Again, the answer is yes, it does. I raised these questions, although I think it is clear where my loyalties lie. I have always been partisan, and I think I always will be.

When I arrived in the Senate almost a year ago, after examining the proceedings and reading about the role of this institution, I felt — and I had a discussion about this with Senator Thériault — maybe I was somewhat naive, that because this institution was not accountable to the voters, as we do not need to be elected — we can make the decisions we believe are right, in the interests of Canadians. We can set aside our political or partisan affiliations without having to go to the people to ask for their approval.

This independence, if we use it wisely, may be crucial to resolving the conflict facing Canada today.

I have discussed this with several colleagues. Others who will read or hear this appeal and who, like me, are interested in finding ways to take part in resolving this conflict — well, you have my telephone number! I will always be available, less partisan and with a greater respect for the future of our country.

On motion of Senator Stanbury, debate adjourned.

[*English*]

• (1620)

HUMAN RIGHTS

ESTABLISHMENT OF STANDING COMMITTEE— DEBATE CONTINUED

On the Order:

> Resuming the debate on the inquiry of the Honourable Senator Andreychuk, calling the attention of the Senate to the desirability of establishing a standing Senate committee on human rights. — (*Honourable Senator Hébert*)

Hon. Donald H. Oliver: Honourable senators, on this matter, I spoke to Senator Hébert, who took the adjournment of this debate, and asked him if I could speak to it. He indicated that if I spoke to him before I did so, I could. He is not here today, but I wish to speak now to this matter.

Honourable senators, I rise today to address two matters which I think are inter-related. First, I wish to speak in support of Senator Andreychuk's notice of inquiry of February 10, 1994, calling the attention of the Senate to the desirability of establishing a standing Senate committee on human rights. Second, I wish to offer my thoughts on a restructuring of the standing committee system so that it may accomplish more effectively and efficiently the tasks given to it by this chamber.

The protection of human rights, the study of human rights, and the protection and promotion of minority interests is a natural field of endeavour for this chamber. The Senate was designed to protect regional or sectoral interests in its distribution of seats, both among the provinces and particularly, as they are designated, in Quebec. The property qualification and method of selection of senators were also aimed at protecting minority interests.

The Senate was established to protect against abuse by the popular majority as demonstrated in the House of Commons. It is therefore a logical extension of this role that the Senate concentrate on human rights issues which deal primarily with equality of opportunity, discrimination and racism practised at the hands of the majority against the minority in society.

This country was founded on the rule of law and the Christian ethic of dignity of the individual. We as Canadians inherited a long line of statutes which proclaim the rights of the minority or rights of the people against the oppressor. The Magna Carta of 1215, The British Bill of Rights of 1689, the Quebec Act of 1774, the Constitution Act, 1867, and the Constitution Act, 1982 all declare the rights of various individuals and groups of individuals which are to be held inviolate.

The preamble to the Charter of Rights and Freedoms proclaims Canada as founded upon principles that recognize the supremacy of God and the rule of law. This confirms and acknowledges a way of life in Canada which upholds the rights of minorities and the due process of law. Therefore the placing of the security of human rights within the Senate is consistent with the continuation of the original objectives proposed by the Fathers of Confederation in 1867 when the Senate was created by British statute.

The modern origins of the idea that the Senate should have a human rights committee came with the Report of the Lamontagne-Goldenberg committee in November 1980. In its "Report on Certain Aspects of the Canadian Constitution," this subcommittee of the Legal and Constitutional Affairs Committee of the Senate listed a number of functions for the new Senate which it proposed. Two of those functions were a "representation of minorities function" and "the human rights function."

The former dealt with protection of minorities and, in particular, linguistic minorities, while the latter stressed the novelty of the subject of human rights and that this subject will be of increasing importance whether or not a revised constitution includes an entrenched charter of rights. This section of the report concluded with the statement that the Senate should have a specified procedure for dealing efficiently with these two issues.

In an article entitled "Senate Reform" written in 1987, the late senator and constitutional authority Eugene Forsey commented favourably on the Lamontagne report's recommendation regarding the Senate and human rights. He stated:

> The new Standing Committee on Human Rights might be of special importance if the House of Commons passed a bill curtailing those rights, by virtue of section 33 of the Charter of Rights and Freedoms, the "notwithstanding" section, which enables Parliament to override, for a renewable period of five years, section 2 (fundamental freedoms) and 7 to 15 (legal rights and equality rights) of the Charter.

I agree with Senator Forsey, and I believe the time is right for the Senate to act in this regard. Human rights are under seige, both internationally and within our own borders. While the multicultural genocide being practised in many areas of the world, in places such as Yugoslavia and Tibet, is well known, we also have problems within Canada.

Until very recently, the concept of multiculturalism was accepted as one of the cornerstones of Canadian life. The only questions were the speed of delivery or the type of support that various cultural groups would receive. Now the whole issue as to whether Canada should become a melting pot like the United States is before us.

I am deeply concerned by this movement. My Canada is a Canada which former Justice Thomas Berger describes in his book *Fragile Freedoms* as being a country where:

> The constitution has always recognized we are a plural, not a monolithic nation. This is one of the first Canadian traditions. Refugees from every race, people of all faiths, and persons seeking political asylum have all found their place in Canadian life. It is our good fortune not to be of one common descent, not to speak one language only. We are not cursed with a triumphant ideology; we are not given to mindless patriotism.

In Alberta, the government is considering disbanding the Human Rights Commission or, alternatively, relegating it to the status of a toothless tribunal. Our own Senator Ghitter appeared before the review panel in Alberta recently and pleaded passionately for the Human Rights Commission to be increased in stature and independence — not disbanded.

I believe the Senate is uniquely placed within the Canadian constitution to protect minority interests. The tenure of senators isolates them from the whims of public pressure to curtail minority rights, and at this time, this chamber contains a large number of senators who are interested in the area of human rights and have experience in defending the rights of minorities.

What would a standing Senate committee on human rights do? I believe its tasks would be divided between looking at the protection of minorities, both nationally and internationally. I submit that questions of human rights and dissent in Canada are linked to questions of human rights and dissent around the world. I would therefore urge such a committee to look beyond Canadian borders in its work.

Therefore, the mandate of such a committee could be, domestically, to review Charter court decisions to determine their effect on minority rights and recommend changes in statutes where appropriate; to review the work of the Canadian Human Rights Commission, its annual report and the proposal of legislation through the use of Senate bills to implement changes to the Canadian Human Rights Act suggested by the commission; to review the work of the Centre for Human Rights and Democratic Development, giving this centre a place to report to the Parliament of Canada on its work; to undertake investigative studies into human rights abuses within Canada, and report recommendations for action to the Senate.

Internationally, the committee could study and report ways for the Government of Canada to deal with human rights abuses internationally. Such studies could reveal the nature of abuses and recommend methods by which international pressure could be brought to bear on countries where abuse is taking place. Studies of international human rights would, it is hoped, influence Canada's foreign policy, perhaps placing renewed emphasis on social and economic rights in our foreign policy.

The committee could also study whether there should be a linkage between foreign aid and human rights abuses, and review the responses made to the various United Nation's committees by the Canadian government in relation to the implementation of the numerous international human rights treaties and conventions to which Canada is a signatory.

These tasks are much too great and too important to be taken on piecemeal by an existing Senate committee. I believe that it is now time for the Senate of Canada to illustrate that, both domestically and abroad, it stands for what is right and decent in human beings, and to this end should establish a standing Senate committee on human rights.

Honourable senators, I am aware that such a recommendation becomes a catalyst for a complete review of the Senate standing committee system. We have often heard the complaint that there are too many committees, and I agree with this sentiment. When I spoke in this chamber on February 10, 1994 I suggested to the Honourable Leader of the Government opposite the establishment of a special committee to look at all issues involving Senate renewal, including restructuring the committee system. Such a committee would report before the summer recess. I still believe that this is the proper method to achieve change, but I will also add my suggestions for change to the system.

The first item of business for such a review of the Senate committee system is, I submit, to get back to basics and analyze the purpose of a Senate committee system. Once we have determined the purposes of the system, then it becomes easier to determine the deficiencies in the present system and recommend solutions.

I submit that Senate committees have the following purposes, perhaps not necessarily in this order: scrutiny of legislation through pre-study and committee hearings when the legislation is before the committee, having been passed by the House of Commons; policy influencing through investigative studies; holding the government to be fiscally accountable; and protection or advancement of regional interests.

• (1630)

In order to address all of these purposes, the Senate committee system should contain fewer committees, perhaps with fewer members, so that some measure of specialization among senators in particular subject areas could be achieved.

While I do not want to get mired in a discussion of which committees should be merged or amalgamated or should disappear, I have a few suggestions to make. Perhaps it would be appropriate for Fisheries to be combined with Forestry and Agriculture; National Finance with Banking; Legal and Constitutional Affairs with Aboriginal Peoples; or perhaps it would be more appropriate to refashion Legal and Constitutional Affairs into two new committees, one on Justice and Legal Affairs, and the other on Federal-Provincial and Constitutional Affairs. This is similar to a suggestion advanced some years ago by Senator Bosa.

As we all realize, these are a number of combinations of subject-matters and committees which we could discuss and which I submit should be addressed by a special committee on renewal.

The bottom line for me is that a new standing committee on human rights should emerge out of the whole process. The establishment of such a committee is consistent with the original purpose of the Senate, is consistent with Canada's policies of promoting peace, human rights, and democracy internationally and is consistent with the need for protection and advancement of minorities here at home.

On motion of Senator Stanbury, for Senator Hébert, debate adjourned.

SOUTH AFRICA

FIRST DEMOCRATIC ELECTIONS—INQUIRY—DEBATE ADJOURNED

Hon Donald H. Oliver rose pursuant to notice of Tuesday, May 10, 1994:

> That he will call the attention of the Senate to his participation as a United Nations observer at last month's first democratic elections in South Africa.

He said: Honourable senators, I rise this afternoon to speak about my recent experiences as a United Nations observer in last month's general election in South Africa.

Why speak about this election? What made this election any different from hundreds of other elections held around the world each year? I will tell you what made it different. We all realize that, as long as history is written about our world and the triumph of democracy, this election in South Africa will be a major focal point. It is different because millions of black people stood for hours in lines stretched as far as the eye could see, hour after hour, with little or nothing to eat or drink, in order to have an opportunity to mark their ballots. These Africans had faith in a process which they barely understood; faith that, in the end, the will of the people — democracy — would prevail.

Their faith was rewarded — a black man, a former political prisoner is now President, leading his own black people's party.

It was also an important election from the point of view of Canadians. The end of discrimination against the black people of South Africa has been a part of our foreign policy since the days of John Diefenbaker in the 1950s. Mr. Diefenbaker, because he was from a minority group, always felt allegiance to the blacks of South Africa.

It was in the mid-1980s, when apartheid was at its zenith, that Canada's role in support of black South Africans became critical on the world stage. Who can forget former Prime Minister Brian Mulroney standing up to Margaret Thatcher and insisting that the Commonwealth stick together in imposing sanctions and a trade boycott on South Africa in order to bring down the apartheid regime.

It was of great interest for me to be in South Africa as an observer because of my long association with electoral law in Canada. I have been fortunate to be a legal advisor to my party in election law through six general elections, and for years I was an advisor to the then Chief Electoral Officer, Jean-Marc Hamel.

What I should like to do today is to speak about the United Nations Observer Mission in South Africa, about how it was organized and what it was designed to do, and to tell you a little about the real South Africa as I saw it for the first time in my life, the South Africa of the black townships, the homelands. I will give you my impressions of the election, but most of all my impressions of the black voters of South Africa. I will conclude with my thoughts on the future of South Africa: the challenge faced by President Nelson Mandela's government in its first term in office.

The United Nations Observer Mission in South Africa actually began in September of 1992 as the UN Security Council authorized Secretary-General Boutros Boutros Ghali to send a mission to help South Africa, in coordination with the National Peace Accord, to reduce the level of violence in their country and promote progress towards democracy.

Early this year, in January, the Secretary-General reported that the mandate of UNOMSA would be expanded to have two operational arms: a peace promotion division and an electoral division. The peace promotion division carried on the mandate of the UN much as before, but concentrating as well on freedom of expression and movement during the electoral campaign. The new arm of the UN, the electoral division, became responsible for ensuring, as best it could through monitoring, that the election was free and fair.

In order to do this it was given the following tasks: observing the actions of the Independent Electoral Commission (IEC) and its organs in all aspects and stages of the electoral process, verifying their compatibility with the conduct of a free and fair election under the IEC and Electoral Acts; observing the extent of freedom of organization, assembly and expression during the electoral campaign and ascertaining the adequacy of the measures taken to ensure that political parties and alliances enjoy those freedoms without hindrance or intimidation; monitoring the compliance of the security forces with requirements of the relevant laws and decisions of the Transitional Executive Council; verifying the satisfactory implementation of the dispositions of the Independent Media Commission and the Independent Broadcasting Acts; verifying that qualified voters were not denied the identification documents or temporary voter's cards that enabled them to exercise their right to vote; and so on.

The observation by the electoral division of the UN Mission of the administration and conduct of the election concentrated on several points, including the issuing of identity documents to persons entitled to vote and the preparation by the IEC for the election at its central headquarters.

Some 1,800 people observed in South Africa under this expanded mandate of the UN during the election. In addition, over 3,000 international observers were in the country and their work was coordinated by the UN; 180 of those observers were Canadians.

Approximately 21,000,000 people were eligible to vote throughout South Africa in the election. The country was divided into 374 electoral districts with 7,000 voting stations. Mr. Ron Gould, in his briefing session, told us that we should have had about 9,000 voting stations, that 7,000 were really not enough.

The electoral system in South Africa is based upon proportional representation with parties putting up a national list and local lists. Each elector in the April election cast two separate ballots, one for the national election and one for the provincial election. Of the 400 seats in Parliament, half are elected from the national list and the rest from the local.

In proportional representation jurisdictions, there is a perception — a feeling — among the people that their individual votes really count, because the more the party gets, the more members it elects, unlike our first-past-the-post system, where we vote for individual candidates and our vote seems insignificant when the winning candidate has a large plurality.

Before I get into the details of what I did, saw and felt during the three-day election period, I believe it is important that I lay out for you the South Africa that I visited. It is a country of contrasts, a country of contradictions.

It is a country of stunning physical beauty and charm and a land of great mineral resources and great wealth. However, the proceeds from the exploitation of the resources are basically only shared among whites. There is a wide, wide gulf between the wages and standard of living of white society living in South Africa's most modern cities, while blacks live in the outlying townships or homelands where there are few facilities, no paved roads, and running water. Few are educated.

South Africa has one of the highest rates of child labour in the world. There are 60,000 children between the ages of 8 and 14 working as farm labourers. There are over 2 million black pupils without school spaces while there are 307,000 empty spaces in white schools. The unemployment rate for blacks is over 50 per cent in several provinces.

• (1640)

The health system is characterized by the same racism as the education system. Virtually five times as much money is spent on the health care of whites as on blacks, and the discrepancies in quality of life and benefits provided as between whites and blacks just goes on and on.

After three days of security briefings in Johannesburg, I was deployed to the North West Province. That covers about five per cent of South Africa's land mass and contains approximately 1.8 million people, or 4.8 per cent of the total South African population. The mainstay of the economy in this part of South Africa is mining — gold, platinum and uranium. This mining activity represents virtually 30 per cent of the total mining production of South Africa; in other words, it is a wealthy province. The second largest industry in the North West Province is agriculture. Two of the main problems in this province are poverty and poor health care. TB is rampant.

The North West province was divided into four large areas. In total, we had 28 electoral districts, 779 voting stations and over 1.7 million potential voters. The voting procedures were slightly different than what we are used to in Canada. The polls were due to open at 7:00 a.m. and close at 7:00 p.m. There was no general list of eligible electors. An elector could vote anywhere in South Africa that they wished.

There were two election officials at the door of the voting station. Voters were requested to show voter identification documents. Once inside the centre, the voter would place both hands under the ultraviolet light scanner, and if the voter's hands did not show traces of the invisible ink used to mark a voter's hand after he or she has voted, then the voter would go to the document check table in order to have the voter identification documents inspected and approved.

Once the documents were approved, then the voter would proceed to the ink-marking table, where their fingers would be brushed with invisible ink. This procedure would then be tested to make sure that the marking had taken effect, and the voter would then go to the ballot paper issue table, receive a ballot, and then take it to the ballot booth, marking it and placing it in the ballot box.

Our job as observers, as you might guess, was to observe this whole procedure and report any incidents that could make the election either not free or unfair. We were to determine if the necessary staff were at the polling station; whether the polling stations were ready for the voters; whether the voting procedure ran smoothly; where there were delays; whether anyone was discouraged from voting, et cetera. We had been briefed. We knew what our responsibilities were, but no one could prepare us for the experience we were to undergo in the next three days of voting.

Honourable senators, communities in the North West region are remote, and the roads dirty and dusty. Few are paved. There were few road signs, inadequate maps, no electrical power and no telephones. Life is tough there. The people I met are some of the poorest people in the country.

The part of North West Province to which I was deployed consisted of 99.9 per cent blacks in the townships, but they are not poor in spirit. They make the most of the little they have. There were no washers or dryers for washing cloths; no dishwashers for dishes; no lights for reading; no power for watching TV or listening to a radio, so when it got dark at the polling stations around 5:30 or 5:45 p.m., in the absence of a portable generator that worked, you were left to candlelight. Thousands of South Africans voted in the dark, by candlelight.

Apartheid has ghettoized the black people of South Africa. They have laboured in mines for low wages and with poor working conditions, or they worked on the white-owned farms. I asked one teenage girl, lined up and getting ready to vote, what she did. She told me she was self-employed. I questioned her. She explained she worked on a white farm in the cornfields. She worked from 8:00 a.m. to 4:30, six days a week, with half an hour off for lunch! Her daily pay: 18 Rand, or $8.00. At the end of the day, the white landlord farmer gave her two ears of corn to take home.

Honourable senators, the voters moved me most of all in my South African experience. North West Province was electric with excitement and anticipation. After decades and decades of the pain of apartheid, true democracy had a chance to take over.

We — I had a partner from Bratislava — had five voting stations to observe on the first ordinary polling day. When we arrived at 6:50 a.m. on the first morning for voting in the ordinary poll, we were staggered by the interminable line of first-time black electors patiently lined up to exercise their democratic right. You could see smiles of satisfaction when they finally emerged from the voting station.

Honourable senators, Nelson Mandela assumed the status of saint — a god; a saviour —

Hon. Royce Frith: Excuse me, senator. Just so we can get the picture — which is very interesting — how were you identified? Did you wear something?

Senator Oliver: I had on a blue United Nations hat with a blue United Nations jacket. We had a car with a driver, and a United Nations flag.

Nelson Mandela assumed the status of saint — a god; a saviour; a divine being who could pull blacks out of the morass of apartheid.

In one station where I was an observer, one very elderly gentleman was standing in the polling booth almost 20 seconds after having received his ballot. Their polling stations were very much like ours. There was a little booth, and you could see people's legs underneath. You could see that this man was not moving. He was a man of about 85 years of age. Nothing was happening. It was painfully obvious that he was having a problem. He was embarrassed. He could not read or write.

Under the law for this election, the presiding officer had the right to go to such a person and ask them if they would like assistance in casting their vote. She did this. She asked him, "Would you like some assistance?" and he nodded his head "yes." The appropriate monitors or observers were then called over, and the elector was asked in their presence to express his voting preference. After a short lull, a soft, quiet little voice uttered, "Mandela, Mandela." An "X" was placed by "ANC Mandela" and the ballot paper folded and returned to the elector for deposit in the box. A broad smile of personal satisfaction covered the voter's face. It was thanksgiving for a job well and truly done.

Honourable senators, this was democracy in action. This was grassroots politics. This was politics of conviction and strength. This is what perseverance was all about. This was a graphic demonstration of the healing power of the vote. Now black Africans have a chance to be free! Now their vote is equal to the vote of the white man. Colour is no longer a factor in political power! By the positive act of voting, there seemed to come a realization that their situation was about to change.

However, in spite of this excitement, administratively and logistically, many things went wrong. Voting stations were not supposed to be more than 4 kilometres apart. That was theory. Some were more than 14! Voting did not start on time because the ballot papers had not arrived. Some of the other problems were that there was no power to run the UV machines to mark their hands and do the test; there was no seal to properly close the ballot box; there were no pencils to mark the ballots with. These problems went on and on.

In one of the security briefings we had in Klerksdorf and Rustenburg in the North West Province, we were told there was no real fear of mugging on the street or other petty crimes. But instead, because the area was rich in ore and mineral wealth, such as gold, diamond and uranium mines — all owned and white controlled — the biggest fear, particularly of the security forces, was that explosives used in mining operations might be used to attempt to sabotage the electoral process. We were warned, for instance, that white extremists might plant bombs at polling stations in the black townships to attempt to deter blacks from voting! In fact, there were such racial incidents not too far from where we were stationed. A black American journalist was badly beaten by white extremists at Rustenburg, our headquarters for United Nations Observations in the Monipole region! A bomb was found and fortunately diffused near a polling station a few kilometres from where I was! To put this in perspective geographically, Rustenburg is an historical platinum town situated approximately 130 kilometres from Johannesburg and Pretoria.

Because the United Nations has been strong in its condemnation of the National Party of President de Klerk, it was not considered to be a neutral party in these elections. Therefore, as United Nations observers, we were not to participate directly in the electoral process; we were only to observe. We had a questionnaire to complete each day to help the UN make the ultimate determination whether the elections were free and fair. My partner and I found no evidence of duress, coercion, oppression, undue influence, threats, intimidation or blatant attempts to influence the way electors voted, or to deter them from voting as they wished.

The Hon. the Speaker *pro tempore*: Honourable senator, I must point out that your time has expired. With leave, the honourable senator, might continue.

Senator Frith: Senator Oliver, do you wish to finish today or continue at another time?

• (1650)

Senator Oliver: Honourable senators, I believe that I can finish in five or six minutes.

That was the test as to whether it was free. The next question was: Was it fair?

How can it be said to be fair when a 90-year-old man or woman was left standing in scorching heat for 12 hours waiting for ballot boxes, ballot papers, pencils to mark with, when in several of the white areas these problems did not occur. It is not my contention that the election should be voided, but it did not strike us as being fair. It was almost as if the racism that so characterized apartheid was going to be with the black Africans right up until the close of voting.

The election was one of those remarkable events in history, when one can truly say that what is good and right in our world won out over everything else. Black people spoke through their ballots. They spoke with conviction and strength. They spoke to end a regime found to be intolerable by most of the civilized countries of the world, and they were successful: good did triumph over evil.

Now, what about the future of South Africa. It will be important for Nelson Mandela to reach out to his opponents to solidify his role and to ensure that all will come together in a common cause. He has certainly done this with the way he has formed his cabinet.

He must also make it clear to the international monetary community that he intends to be an exacting steward of the country's resources and monetary policy. Initially, he has done this by retaining Mr. Derek Keys as the finance minister. In his last two years as finance minister Mr. Keys has proved to be a tough fiscal disciplinarian. He has halted the rise in government spending and reined in the budget deficit. The other major economic post he has given to its incumbent, Mr. Chris Stals, who will stay on as Governor of the Reserve Bank, or central bank, when his term ends in July.

Perhaps even more than showing sound financial discipline, Mr. Mandela must reach out to blacks all over South Africa in order to diminish the huge expectations that they have for this administration. He must explain to them that the years of doing without and of being considered to be lesser beings have ended, but that it will take time to realize the tangible benefits.

This is a job which I submit Mr. Mandela is equal to. He realizes that not all white-run industry is necessarily bad by definition and will work with both leaders of industry and the people of South Africa to start the process which will bring about tangible benefits for all.

What are these benefits that are so desperately needed? The list is long. Housing seems to be at the top of every list, followed closely by spending on power and water and education, training, telecommunications and transportation. This will be good for South Africa and it will be good for Canada, as these are areas where our industries have expertise.

These needs cannot be denied: six million people are unemployed, nine million are without technical skills, 10 million have no access to running water, 23 million have no electricity and because of the struggle for equality virtually a whole generation of blacks are totally uneducated.

This renewal program will take years to accomplish, but it is achievable. Statements have already been made that taxes will not be raised and industries will not be nationalized. Projects will be funded either through budget reallocation or through the international bond market.

I am optimistic. Having been given this great opportunity to be recognized as equal, to end apartheid forever, black South Africans will follow the leadership they trust as they move into the twenty-first century.

Honourable senators, perhaps I may be permitted a closing personal note. It has been said by many who were in South Africa that events seemed to be directed by some form of divine intervention. Perhaps the most talked about demonstration of this theory was the work of a Kenyan professor, Washington Okumu, who helped broker the deal that brought Zulu leader Mangosuthu Buthelezi into the election in support of the process. There is a story about engine problems on a plane that allowed Professor Okumu and Mr. Buthelezi to meet one more time — the last time, when the deal for his support was sealed. Without that support, the support of the Zulu people, Mr. Mandela's road would indeed have been much more difficult than it already is.

I believe democracy has triumphed in South Africa, and it is now time for the nations of the world to recognize this and begin to help with the building that is so vitally necessary to aid the black South Africans. I hope that the present Canadian government will support this building process, just as the previous government worked hard to do so, and, in fact, was a world leader in rejecting apartheid and supporting the black people of South Africa.

On motion of Senator Bosa, debate adjourned.

TRANSPORT

COMMITTEE AUTHORIZED TO MEET DURING SITTING OF THE SENATE

Hon. Donald H. Oliver, pursuant to notice of June 1, 1994, moved:

That the Standing Senate Committee on Transport and Communications have power to sit at five o'clock in the afternoon on Tuesday, June 7, 1994, even though the Senate may then be sitting, and that rule 96(4) be suspended in relation thereto.

Motion agreed to.

ADJOURNMENT

Leave having been given to revert to Government Notices of Motions:

Hon. Royce Frith: Honourable senators, on behalf of Senator Stanbury, with leave of the Senate and notwithstanding rule 59(1)(*h*), I move:

That when the Senate adjourns today, it do stand adjourned until Tuesday next, June 7, 1994, at two o'clock in the afternoon.

The Hon. the Speaker *pro tempore*: Honourable senators, is leave granted?

Hon. Senators: Agreed.

Motion agreed to.

The Senate adjourned until Tuesday, June 7, 1994, at 2:00 p.m.

APPENDIX

(see p. 549)

THIRD REPORT OF THE STANDING SENATE COMMITTEE ON FOREIGN AFFAIRS

THURSDAY, June 2, 1994

The Standing Senate Committee on Foreign Affairs has the honour to present its

THIRD REPORT

Your Committee, which was authorized by the Senate on Wednesday, April 27, 1994, to monitor and report on the implementation and application in both countries of the Canada-United States Free Trade Agreement, and on the implementation and application in Canada, Mexico, and the United States of the North American Free Trade Agreement, as well as any other related trade development, respectfully requests that it be empowered to engage the services of such counsel and technical, clerical and other personnel as may be necessary for the purpose of such study.

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

Respectfully submitted,

JOHN B. STEWART

Chairman

STANDING SENATE COMMITTEE ON FOREIGN AFFAIRS
INTERNATIONAL TRADE STUDY
APPLICATION FOR BUDGET AUTHORIZATION FOR THE PERIOD FROM APRIL 1ST, 1994 TO OCTOBER 31, 1994

Order of Reference

Extract from the *Minutes of Proceedings of the Senate* of Wednesday, April 27, 1994:

The Honourable Senator Stewart moved, seconded by the Honourable Senator Bosa:

That the Standing Senate Committee on Foreign Affairs be authorized to monitor and report on the implementation and application in both countries of the Canada-United States Free Trade Agreement, and on the implementation and application in Canada, Mexico, and the United States of the North American Free Trade Agreement, as well as any other related trade development; and

That the Committee present its report no later than March 31, 1995.

After debate,
The question being put on the motion, it was adopted.

SUMMARY OF EXPENDITURES

Professional and Other Services	$60,200
Transportation and Communications	2,558
All other Expenditures	1,000
Total	**$63,758**

The foregoing budget was approved by the Standing Committee on Foreign Affairs on May 11, 1994

The undersigned or an alternate will be in attendance on the date that this budget is being considered.

Date — Chairman, Standing Senate Committee on Foreign Affairs

Date — Chairman, Standing Senate Committee on Internal Economy, Budgets and Administration

The Senate administration has reviewed this budget application.

Date Gary O'Brien, Director of Committees and Private Legislation

Date Siroun Aghajanian, Director of Finance

INFORMATION NOTE — PAST BUDGETS

	Budgets	Expenditures
Total budgets for 1989-90	$173,062	$124,978.16
Total budgets for 1990-91	$123,900	$ 95,233.75
Total budgets for 1991-92	$ 57,560	$ 30,498.00
Total budgets for 1992-93	$ 90,483	$ 63,864.00
Total budgets for 1993-94	$ 47,860	$ 32,209.00

STANDING SENATE COMMITTEE ON FOREIGN AFFAIRS
EXPLANATION OF BUDGET ITEMS

PROFESSIONAL AND OTHER SERVICES (0401)

1.	**Professional Services (0401)** 10 experts advisors to produce summer paper Salary: approx. 10 days each paper @ $600/day = $6,000 x 10	$ 60,000
2.	**Registration (0406)** Conference on Hemispheric Trade Liberalization University of New Brunswick, Fredericton, N.B. May 18-20, 1994 (2 participants @ $100 each)	$ 200
	TOTAL	**$ 60,200**

TRANSPORTATION AND COMMUNICATIONS

1.	**Travel Expenses (0201)** Conference on Hemispheric Trade Liberalization University of New Brunswick, Fredericton, N.B. May 18-20, 1994 2 participants	
	Air transportation: Ottawa-Fredericton 1 part. x $530	$ 530
	Accomodations: 3 nights @ $80 x 2 part.	$ 480
	Ground transportation: 4 rides @ $20 x 2 part.	$ 160
	Perdiem and incidentals: 3 days @ $48 x 2 part.	$ 288
	Total	**$ 1,458**

2.	**Courier Services (0213)**	$ 500
3.	**Conference phone calls, faxes, etc.**	$ 600
	TOTAL	**$ 2,558**

ALL OTHER EXPENDITURES

1.	**Miscellaneous (0799)**	$ 1,000
	TOTAL	**$ 1,000**

GRAND TOTAL	**$63,758**

THE SENATE

Tuesday, June 7, 1994

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

Prayers.

SENATORS' STATEMENTS

CANADA REMEMBERS

FIFTIETH ANNIVERSARY OF D-DAY

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, 50 years ago today, Canadians awakened to the news that the long-awaited second front in Europe had become a reality. On that day, newspapers across this land spoke of our successes. "West Wall Breached," proclaimed the front page of *The Globe and Mail* of Wednesday, June 7, 1944.

Today we reflect, not only on what was won 50 years ago, but also on what was lost and what must be remembered. By the time Canadians learned of the D-day landings, more than 359 of their family, friends and neighbours lay dead on the beaches and in the fields of Normandy. More than 700 lay wounded. However, the 15,000 Canadian troops who landed on Juno Beach on Tuesday, June 6, 1944 accomplished what they had set out to do: They established a beachhead and, with our allies, went on to win the Battle of Normandy, which led to the end of a devastating war.

Those who stormed the defences at Juno Beach had volunteered from every part of this country; from our cities, from our towns, from our farms, from our aboriginal lands. There were Canadians old and new, many from other countries with different cultures, languages, religions and traditions. In Normandy they came together as one people with but one purpose: the liberation of Europe and peace and security at home. As it was put so eloquently yesterday by our Prime Minister:

> In death they were not anglophones or francophones, not from the west or the east, not Christians or Jews, not aboriginal peoples or immigrants. They were Canadians.

Their units, which made up the Third Canadian Division and the Second Armoured Brigade, reflect that diversity and now occupy an honoured place in our nation's history. For the record of this house, I would like to name those units: Highland Light Infantry of Canada; North Nova Scotia Highlanders; Stormont, Dundas and Glengarry Highlanders; the Queens's Own Rifles of Canada; Régiment de la Chaudière; North Shore (New Brunswick) Regiment; the Royal Winnipeg Rifles; the Regina Rifle Regiment; the 1st Battalion Canadian Scottish Regiment; the 6th Armoured Regiment (1st Hussars); the 10th Armoured Regiment (Fort Garry Horse); the 27th Armoured Regiment (Sherbrooke Fusiliers) and the Cameron Highlanders of Ottawa.

Then, of course, there was the 1st Canadian Parachute Battalion which, in the early morning hours of June 6, landed behind enemy lines to secure the eastern flank of the invasion.

It is not only in Canada that we pay tribute to those regiments and battalions and to those who served in them. On both sides of the English Channel, Canada is being singled out with particular affection, respect, and gratitude. On Friday last, in a ceremony attended by Queen Elizabeth and our Prime Minister, a monument was unveiled in the heart of London, in Green Park, dedicated to the memory of Canadians who fought and died in two world wars. On Saturday last, the citizens of Gosport paid tribute to Canadian soldiers who, 50 years ago, set off to sea from their port in England to destiny in Normandy. Yesterday, in a moving speech in Courseulles-sur-Mer, Mr. Chrétien spoke of how a young nation had come of age through the events of D-day, and how the legacy of that day must be a Canada united from sea to sea to sea.

Three of our Senate colleagues are now in Europe participating in celebrations being held to commemorate those historic landings. Earlier today my deputy leader, Senator Molgat, who is the Honorary Colonel of the Royal Winnipeg Rifles — sometimes known as the Little Black Devils — was at a commemoration ceremony at Bretteville-sur-Laize cemetery where 2,872 Canadian soldiers lie buried.

Senators Gigantès and Marshall are in Caen, where they will be joined by Senator Molgat, Mr. Chrétien and countless others to remember the sacrifices made by our soldiers as they fought their way off Juno Beach. For Senator Marshall, who is a D-day veteran himself, this must be a very special time indeed.

Honourable senators, our colleagues are but a few of the thousands of Canadians — veterans, their families and friends — who have assembled in Britain and France over the past several days. As they attend the various services, they represent every Canadian, just as so many of them did once before when they left our shores more than 50 years ago. Their recollections are poignant, sombre, and proud. Through the power of television, we have heard it in their voices as they shared their stories. We have seen it in their eyes as they listened and stared with tears across those beaches and out to sea, under the same grey skies that hung over their efforts five decades ago.

Honourable senators, it is impossible to pay adequate tribute to the courage and patriotism of those young Canadians who fought for the values of freedom and tolerance which have made Canada the strong and independent nation it is today; those same values which have made the name Canada synonymous with peacekeeping all around the world.

Our strongest tribute to the memory of those young soldiers, airmen, paratroopers and sailors must be the continuing education of young Canadians about their history, the history of our country and its defenders, and how the D-day forces fought and died to keep it free. Our young Canadians must know also of the strength and commitment of all of those who supported those efforts here at home, and their anguish and hope as they waited for news. Those stories, honourable senators, must be repeated, savoured and honoured with pride and deep gratitude year after year, generation after generation, because it is only through the knowledge and understanding of the efforts and sacrifices of the past that we can ensure the protection of the future of a Canada that is united and free.

Hon. Senators: Hear, hear!

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, is it not extraordinary that Canada, this most peaceful of nations, finds that some of the most glorious pages of its history were written during some of war's most horrible moments. At Vimy where, as Desmond Morton wrote, those who survived the winter "lived like moles, underground and in darkness." On April 9, 1917, the Canadians — relentlessly trained on a mock-up of the ridge itself, drilled almost to exhaustion and backed by 1,000 artillery pieces — suddenly attacked on a six-and-a-half-kilometre front. They did what British and French soldiers had not been able to do: They chased the beaten enemy off the ridge, suffering in the process 10,602 casualties, 3,598 of whom died.

"This magnificent victory," says *The Canadian Encyclopedia* created "a sense of achievement and national pride that gave Canadians a great feeling of self-confidence." "Vimy," it is often repeated, "is where Canada grew up." Even sermons have been based on this theme. How astonishing that a staid and peaceable people should gain not only international fame but esteem among themselves because of the brutal acts of war.

Then there is Operation Jubilee, the now seldom used designation for the 1942 Dieppe Raid. The operation by itself was a tragic failure, but what of the lessons learned? Thousands of lives would be saved down the line because of 5,000 extraordinarily brave Canadians, 800 of whom were killed, 1,200 wounded and 2,000 taken prisoner. Two Victoria Crosses were awarded for this Canadian tragedy written in blood.

One could go on: the Battle of the Atlantic; the exploits of Bomber Command, which alone cost 10,000 Canadian lives; the bravery of the Merchant Marine. Each of these, with other equally eloquent chapters, deserve much more than a fleeting reference, but they at least must be mentioned, since they all kept hope alive in the face of terrible odds until Operation Overlord.

At the end of the first day of Operation Overlord, General Crerar sent a telegram to Prime Minister Mackenzie King: "As Canadians," he wrote "we inherit military characteristics which were feared by the enemy in the last Great War. They will be still more feared before this war terminates."

Operation Overlord was, by far, the greatest military operation in history. It frightened even the people who staged it. After six days, 326,000 people had landed in Normandy; 54,000 vehicles had been transported across the choppy channel. After a month, someone counted the King's men and women in the invading force and found they were equally divided — British and Canadian.

Easy going? Historian Morton writes: "At Verrières Ridge the Black Watch, a Montreal militia regiment, had only 15 survivors from a long, hopeless assault:" "I guess," one of them explained, "that's what they expected from the Black Watch." The whole operation cost 1,965 men.

In August, Winston Churchill summed up the bloody campaign from Caen to Falaise: "Without the great sacrifices made by the Anglo-Canadian armies in brutal, slugging battle, the spectacular advances made elsewhere by the Allied forces could never have been made."

There is in the British Prime Minister's War Memoirs a description of the Germans' desperate release of their first flying bombs, exactly a week after the beginning of Overlord. Churchill makes this harsh and handsome tribute: "As I said in Parliament, the people at home could feel they were sharing the perils of their soldiers." In three weeks the doodlebugs, as they were called, essentially indiscriminate in their nature, purpose and effect, killed 2,724 people, almost all of them Londoners. However, no battle plans were changed to relieve the new civilian distress, nor was any change asked in the British capital.

As we watched and read and listened over the last few days to the great events of half a century ago, what Canadian did not feel an emotional tug at being reminded of the magnificent sacrifices made by fellow citizens?

[*Translation*]

Every Canadian of a certain age has vivid memories of a close relative, a family friend, or a neighbour who answered the call to defend some fundamental values, far from home, in countries which, for the most part, were only names which they had read in their geography books. Those people were always convinced that only victory on foreign soil could guarantee the survival of the same fundamental values in Canada.

[*English*]

What all these men and women had in common — these soldiers, sailors and airmen — was that they went to liberate from a tyrant countries thousands of kilometres away, ensuring that their own country would continue as the free and peaceful one they knew and had left. Their shoulder patches had but one word: Canada. Their loyalty was but to one country: Canada. The strength that they showed in battle they drew upon again in peacetime to build a better country for all of us: Canada. And they did!

Canada has been described as a noble dream — a dream which some claim has failed. They are wrong. In war, Canadians have never hesitated to do more than their share, as they continue to do today in many corners of the world. They were and are extensions of what Canadians have always been — believers in that noble dream. We cannot, and must not, let them down.

Hon. Senators: Hear, hear!

[*Translation*]

Hon. Guy Charbonneau: Honourable senators, I will not try to emulate the very eloquent comments made by Senator Fairbairn and Senator Lynch-Staunton, but since we are commemorating the 50th anniversary of the landing of Canadian troops in Normandy, I want to pay tribute to my fellow companions who, during that campaign, displayed the courage and the determination which eventually led us to victory and freedom.

[*English*]

Unfortunately, we had to bury many of our close friends, but I know that their sacrifice has not been in vain. May I say that I was proud to serve with them and that I cherish their memory.

Hon. Senators: Hear, hear!

Hon. Daniel A. Lang: Honourable senators, by way of a preliminary remark, I suspect some of you might realize that this is my last week in the Senate before my retirement. However, I would ask all of you to withhold, please, the blasphemy and libel of a so-called tribute until the end of this week, when I will still be here, good health allowing.

I am impressed by the statements of the Leader of the Government, the Leader of the Opposition and Senator Charbonneau about our rememberance of D-day. It is fitting and proper that Canada and its Allies should now commemorate, and I emphasize the word "commemorate," the massive landings in Normandy 50 years ago.

This is not a glorification of war but, rather, a cogent reminder that the human condition is such that force must be used when evil exploits the frailties of the human condition. Certainly, that was the case both before and climaxing on D-day.

Turning for a moment to Canada's contribution in that great event, it is too often forgotten by our Allies that close to one-third of all the military forces in the initial assault were Canadians. The other two-thirds were made up of Americans and British. The magnitude of Canada's contribution is unbelievable, when we consider that at that time we had a population of under 20 million people and that everyone who went over there went as a volunteer. Infantry, armoured regiments, artillery and paratroops were all components of Canada's contribution to the war effort.

• (1420)

In the air, Canadians had 48 RCAF squadrons. That is an astounding number! In the navy armada at Normandy there were 64 Canadian warships and countless small landing and other craft, including some little cockleshells made of plywood that were called motor torpedo boats or gunboats. That event was undoubtedly the greatest concentration of national effort in our entire Canadian history. It was equal to that of the United States and of Great Britain on the initial tough assault.

In retrospect, it staggers the imagination of what the Canadian will can accomplish. We cannot express too deeply our pride in those who did not return, in our wounded, and in those who were lucky enough to return. When one looks back on this event, we must realize how great is the potential of this nation and its people. My God, we must look forward to a future that is unimaginably promising and a united, free and democratic country, the most favoured place on earth!

On that awful day we all wore, as has been mentioned, our Canada flashes, which joined us in a true sense of commonality as Canadians. President Eisenhower, speaking before the embarkation, said:

> You are about to embark upon the Great Crusade, toward which we have striven these many months. The eyes of the world are upon you. The hopes and prayers of liberty-loving people everywhere march with you. In company with our brave Allies and brothers-in-arms on other Fronts, you will bring about the destruction of the German war machine, the elimination of Nazi tyranny over the oppressed peoples of Europe, and security for ourselves in a free world.
>
> Good luck, and let us all beseech the blessing of the Almighty God upon this great and noble undertaking.

And, please be advised that we were scared.

Hon. M. Lorne Bonnell: Honourable senators, as Deputy Chairman of the Veterans Affairs Committee, I wish to inform you that my chairman, Senator Jack Marshall, who is a veteran of D-day, is now in France. It is therefore apropos that I should say a few words.

I was sitting in a divinity school in Halifax 50 years ago yesterday, trying to get an education, while Senator Jack Marshall was on the beaches of Normandy. Thank God I left the divinity school to enter the field of medicine instead.

On that day in 1944, Canada took part in one of the most extraordinary military operations of all time: the Allies' great amphibious assault on German-occupied France. It was an event of tremendous importance to our country. It was the day that Canada and her allies gambled all to defeat Hitler and win the war. It was the day that Canada, once and for all, assured itself a place as a player on the international stage. It was the day that more than one thousand brave Canadians were wounded or killed in the name of freedom and peace.

What happened on D-day and how was Canada involved? Most Canadians today have only a vague idea of the answers to those questions, but for those who took part in the great enterprise and for those who waited anxiously at home for the news, it was a day they will never forget.

On the morning of June 6, 1944, an incredible armada of gigantic proportions crossed the English Channel and reached the shores of Normandy. Seven thousand Canadian, British and American vessels, carrying more than 150,000 soldiers and accompanied by more than 8,000 Allied aircraft, were prepared to attack. Their goal was to break through the German Atlantic Wall, as the fortifications of the coast of Normandy were known, and establish a beachhead from which they could carry the torch of freedom to the occupied countries of France, Belgium and Holland and Northwest Europe.

Their job was danger itself. Hitler's Fortress Europe was heavily defended and his troops were seasoned and well equipped. The Allies had quickly to gain the upper hand or they would be driven back into the sea. Success was crucial. Without a threshold on the Western Front, the Allies could not pursue the war to a satisfactory conclusion.

June 6, 1944, then marks the beginning of the end of the Second World War. Every part of Operation Neptune, as the assault phase of the undertaking was known, was meticulously planned. Nothing was left to chance. The troops had trained for over a year and special equipment had been developed to ensure the operation's success. There would be no repeat of Dieppe.

All three of Canada's service forces took part in D-day. Thirty-seven squadrons of the Royal Canadian Air Force attacked the Germans' beach defences and inland positions. Ten thousand members of the Royal Canadian Navy ferried troops and supplies across the English Channel and shelled coastal targets. Four hundred and fifty Canadian paratroopers landed behind enemy lines to knock out strategic targets in advance of the main attack. Fifteen thousand soldiers of the Canadian army stormed the coast of Normandy on what was known as Juno Beach.

Imagine what our troops faced as they disembarked. The crossing had been difficult and many were seasick. They were greeted in their landing craft by enemy artillery and machine guns. They were laden with equipment. Some were dropped off in water that was over their heads. To reach the other side of the beaches, they had to run a murderous obstacle course of barbed wire, mines, booby traps, machine guns and hand grenades.

Words cannot describe the scene that day, the fighting was so furious and intense. Death and destruction were everywhere. However, by day's end, all of our units had reached their objectives. D-day was a success; but it came at a price. One thousand and seventy-four Canadians were wounded in that first day in Normandy. Of those, 359 either died on the battlefield or died later.

D-day cast a long shadow across the households of our nation and there were more casualties to come. The summer of 1944 was hot and deadly for the Canadians as they fought their way across Normandy. Thousands more of our men were killed or wounded before our Allies liberated Paris at the end of August and before our forces could free the people of Belgium and Holland. It was a dark time in world history, but the men and women who made up our forces, and the millions of Canadians who backed them up at home, believed they had no choice but to fight for the freedom and dignity of others.

Fifty years later we pay tribute to the courage of those brave Canadians who made victory their own on that long day in June. This year, on the anniversary of D-day, Canadians everywhere are being asked to pause and remember this important event which had such an impact on our nation. Events at the local, national, and international level are commemorating D-day. A special ongoing program led by Veterans Affairs Canada, known as "Canada Remembers," further reminds Canadians of her veterans' contribution to this country's tremendous war effort.

I hope you will join with me in honouring the gallant men who died that day, fighting for freedom for us all. They died believing in the justice of our cause. They gave their lives that others might live in peace. Theirs was the ultimate selfless act. Let us remember them.

Perhaps, honourable senators, when the last speaker has spoken, we could all stand for two minutes of silence to remember those great veterans who served.

The Hon. the Speaker: Honourable senators, I will try to accommodate everyone who wishes to speak. I assume that the house is agreed that we should give leave to extend Senators' Statements for those who wish to pay homage. Is it agreed, honourable senators?

Hon. Senators: Agreed.

Hon. Gerald J. Comeau: Honourable senators, it is indeed an honour for me to join with others today to pay tribute to our Canadian veterans.

During the past few days we have watched with pride the tributes being made to the thousands of Canadian men and women who risked their lives during the Second World War to ensure that the generations to follow would live in peace. Some of these brave soldiers made the ultimate sacrifice. Yesterday, we commemorated the fiftieth anniversary of one of the greatest victories of the war, which took place on the beaches of Normandy on June 6, 1944, known as D-day. Although D-day did not mark the end of the war, it was a decisive victory for the Allied forces in their battle to break the German stronghold and liberate Europe.

• (1440)

Canada played a key role in the nearly 200,000-strong Allied force. Thousands of Canadian soldiers stormed Juno Beach and began the assault on the supposedly impregnable German Atlantic wall. There were the Nova Scotia Highlanders, the Regina Regiment, the First Canadian Parachute Battalion. Senator Fairbairn named many others, so I will not name them all. They all participated in the full frontal assault on the Germans.

Yesterday, during a remembrance ceremony here in Ottawa, I had the honour of speaking to Gunner George Comeau, no relation of mine but a good friend and a gentleman from my community of Clare, Nova Scotia. He landed on Juno Beach on the morning of June 6, 1944. Mr. Comeau was a member of the 12th Field Regiment, Third Canadian Division, and he related to me how proud he was to have served Canada. He is now particularly touched by the gratitude that has been expressed by Canadians in these past few days, especially by the younger generation.

Although the casualties were fewer than officials had predicted at that time, we must never forget that 359 Canadian men lost their lives on that fateful day 50 years ago. To those who survived the battle, you have helped to keep the memory of your comrades alive and to ensure that future generations recognize how precious our freedom is. Lest we forget.

Hon. Duncan J. Jessiman: Honourable senators, I am sure most of you remember your 21st birthday. I can tell you I remember mine. My 21st birthday fell on June 5, 1944. At that particular time, we were ordered to stay in barracks in Portsmouth, ready to move in our small MTBs, as Senator Lang mentioned. He was with one of the two Canadian flotillas of motor torpedo boats known as the 65th Flotilla, consisting of the larger torpedo boats with four torpedoes. I was in the 29th Flotilla made up of eight smaller torpedo boats with two torpedoes in each. That day, June 5, was the day we were to move out. Eisenhower decided that the action would be postponed for a day, and it was. Thank God he did, because our boats were small. How well I remember my 21st birthday.

I want to make just a few preliminary remarks prior to talking about my comrades on that day. I think we were all fortunate that the Germans had not yet invented the doodlebug, which was known as the V1. It was terrible. It was terrifying. However, it was not half so terrifying as the V2, because, with the V1, at least you could hear it coming, and if you could not get out of the way, you knew you were about to get it. With the V2, there was simply an explosion, and whatever was close by was finished. You should have seen the Solent with all those ships ready to go across. If they had had many more V1s and V2s, we may not have had a successful D-day.

My second remark has to do with what Senator Lang said in respect of one-third of the initial assault being Canadian. That is interesting. I want to tell you about a person who spent a lot of time with the *Winnipeg Free Press*, Brigadier Dick Malone. The authorities were intending to announce that first day that an assault had taken place by the Americans and the British. After some complaints from Malone, they said the Americans, the British and some colonies of the British. Malone was a very powerful person, I must say, because he was dealing with Eisenhower, and I think he threatened to go to Prime Minister Churchill. They finally included the word "Canada," and well they should have.

I do not want to bore you with long stories of what we did, but I will just tell you briefly. We moved out from Portsmouth. There were eight boats, and we went in teams of four. We would go over there for three days at a time, and we lived on the beachhead. We did that for about six weeks, or a little less. Then we moved to the beachhead, and the eight boats lived on the beachhead for about two months. I am familiar with places in France such as Arromanches, where we actually tied up, and Bayeux, which is a small town in France that was not touched. The Germans actually moved right past Bayeux and went to Caen. I was there the day following the taking of Caen by the Canadian soldiers.

There are two incidents I will tell you about. First, I wanted to have a German helmet. Someone said, "Well, there is one just down the river. Go and pick it up." I went down the river, but I did not pick it up. As you can imagine, there was someone in that helmet.

The other incident was on the day following the taking of Caen. I was just there as a spectator. We came along, and the army people said, "Boy, are we glad you are here." We asked why, and they said, "Those big shells coming from our battleships, the British battleships, one has not exploded and we want you to take the detonator out." We told them they had the wrong guys. Those are my two experiences there.

Within the period of roughly eight weeks, we lost three of our eight boats. We did not lose all the men, but we lost a number of them. We lost two good friends of mine, and I will just mention their names. There are others, but there was a Lieutenant David Killam, DSC, and a Lieutenant Hunt. David was from Vancouver. Their boat blew up. David was heard talking in the water, but he was never seen again.

Fortunately, from my point of view, I left the flotilla in about December of 1944. Unfortunately, through a tragic accident, all the boats blew up, including our own, and a great number of people were killed.

As with Senator Charbonneau, I was proud to serve with the others, and I do cherish the memory.

Hon. Joan Neiman: Honourable senators, I intended to make a somewhat longer speech than you are now about to hear, because I had thought for a few minutes that the navy might not be well represented here today. However, it is more than well served by both Senator Lang and Senator Jessiman in their comments to us today. They can give you far more personal and vivid accounts of what actually occurred in the navy than I ever could.

I was one of the numerous WRNS, or "Wrens" who fought the Battle of the Rideau Canal for four years. However, as I happened to be in the Directorate of Officer Personnel, I had a very good idea of what was happening as the plans for D-day went forward.

I might say that Senator Lang's wife, Frances, who is up in the gallery today, used to be upstairs from me at naval service headquarters, in some secret room, planning all sorts of things that I was not supposed to know anything about down in my department. However, we could infer from the kinds of signals we were getting and the requirements we needed for officers that the plans were going ahead very quickly. There were requirements for approximately 16 of the Bangor minesweepers that patrolled the Canadian shores. They had to be completely refitted and rearmed.

• (1450)

All the surviving corvettes that could make it were sent back to Canada for refitting. The men were posted to England to secret places for special training. The minesweepers had a very difficult job. They had to clear the lanes in the English Channel. We followed the secret and top secret signals to see how they were surviving during those days.

To me, it was a magnificent and exciting time to be part of the service.

I cannot help but mention that Lieutenant David Killam was a very close friend of mine from Mount Allison University. He was from Vancouver, but spent a year at Mount A. when I was there. As Senator Jessiman said, his MTB blew up in July of 1944. I remember that because I lost two other good friends that same month. The signals came across our desks as the casualties came in. About two months later, when I was going home to Winnipeg on leave, I sat beside a sailor who had been one of David's crew in his MTB that day. He told me that as he was going down in the water David leaned over, grabbed him, and threw him over a piece of floating debris, and then David himself went down. It was as a result of that incident that he received his DSC.

I will not recount any more stories. You heard the important events from Senator Lang, Senator Jessiman and others who really took part.

I will refer briefly to Joe Schull's book, *The Far Distant Ships*, which is the official account of the naval service during World War II. He was at headquarters with me for some years. To give you an idea of what happened in the merchant and naval services during the war, I will quote some of the statistics he cites, which are still quite amazing.

He said:

> Canadian ships, alone or in company with other ships and planes, sank a total of twenty-seven U-boats during the war. They sank, captured or destroyed forty-two enemy surface ships. The statistics of battle are not unfavourable...but they are dwarfed by the main achievement. During 2,060 days of war, 25,343 merchant ship voyages carried 181,643,180 tons of cargo from North American ports to the United Kingdom under Canadian escort. Over the bridge which the navy helped to build and maintain some 90,000 tons of war supplies passed daily toward the battlefields of Europe.

Of course, all that was accomplished with many losses of corvettes, frigates, small boats and many brave merchant seamen. In fact, around the world we lost 1,797 Canadian naval men at sea; three hundred and nineteen were wounded, and 95 became prisoners of war.

The pictures in our minds of those days and of those men are becoming blurred, even to us who lived through them. To our children they are almost unreal, and to our grandchildren they certainly are.

We honour those who lie in graves in foreign countries and beneath the boundless ocean, as well as those who came home to die of their wounds or to continue to live with their memories. We can do so by reminding young Canadians and new Canadians that they are living here in peace and liberty today because of the people they never knew who were prepared to sacrifice their lives for those who would come after them. They could not have known how diverse we would become, but they would want to know that we are unified, as they were, in love of and pride in our country.

Hon. Senators: Hear, hear!

Hon. J. Michael Forrestall: Honourable senators, I feel somewhat humble. I thought my years as a merchant mariner placed upon me somewhat the obligation of paying some tribute to them. I do rise, nevertheless, to join with those who have paid tribute. I listened with interest to the humour of Senator Lang and Senator Jessiman. I was particularly moved when Senator Lang said to us very clearly: "Remember that we were scared." A young soldier was scared in Bosnia a couple of days ago, with resulting tragedy.

Honourable senators, like all of you, I was quite moved by the tributes that were paid by a broad range of people over the weekend, and particularly yesterday, with regard to the events surrounding the invasion of occupied France some 50 years ago.

It was just a year ago that Senator Perrault and I stood together in Liverpool, the eastern terminus, as Senator Neiman said, of all that movement of troops, materiel, food and everything else that sustained that great European campaign from 1939 to 1945. We stood there to pay tribute to merchant mariners and the sailors from the Allied nations who protected the convoys that sailed from here and other parts of the world. We remember their sacrifices as we remember the sacrifices of our parents. I remember the "West Novies." I have relatives buried in Italy as a result of that campaign; they died just weeks ahead of the events of 50 years ago.

Honourable senators, as we listen to the memories of some of those 14,000 men and women who landed and took part in Normandy, in Operation Overlord, we are reminded of the tremendous personal human sacrifice that was made for us. We lost 359 men that day, and another 700 or more were injured. Their acts of courage in the face of incredible danger is testimony to their dedication to the fight for freedom. Canadians on Juno Beach faced intense fighting but soldiered on, finally taking their beachhead, which eventually, as we know, lead to a massive move inland.

• (1500)

The war did not end on the beaches of Normandy. There was a lot of fighting ahead, a lot of Canadian lives to be lost and a lot of Allied sacrifices to be made. This victory surely was instrumental in that successful campaign. Along with the British, American and other Allied forces, the Canadians successfully reached the great Atlantic wall, and the Allies were back in Europe being welcomed by a grateful civilian population. The 11 months of fighting that followed saw Canadian forces continue to play a very full and vital role.

So it was that yesterday, my colleagues, 50 years later, we remembered and paid homage to those men who walked into the battle in the name of freedom, and came out victorious on their Longest Day. If over the past few days Canadians have learned anything, may it be that those who fought, and particularly those who died for us, should not just be in our thoughts every few

years. Our freedom should be a constant reminder of their bravery and of the sacrifices they made. They are truly our heroes and their place in history must never be forgotten, just as now those serving in Bosnia-Hercegovina, Rwanda and elsewhere in the world must always be in our thoughts and, above all, in our prayers.

Hon. John Sylvain: Honourable senators, I was either very lucky or very unlucky not to be a part of the invasion. I suppose it depends on how strongly you believe in King Henry V's speech at Agincourt about being there on Saint Crispin's Day. However, flying with the RAF Transport Command did have its moments.

Over the past couple of days, I found it most rewarding to watch the coverage on CBC, both the French and English stations, and on CTV. They did a splendid job of portraying the unbelievably difficult task that the people at that time had to face. At one point the commentator was interviewing a group of young people. He asked the young people whether they felt that they could do the same. He pointed out that the beach had not been stormed by a bunch of grey-haired, slow-moving, bemedalled people but by young people around the ages of 20 and 21.

I do not know how each of them responded but I do have this feeling: Recently I have had the opportunity to meet with a lot of officers and men of our Armed Forces through the work of the National Defence Committee. These people represent every high ideal that was present 50 years ago. I think these people could be the core around which the present generation might rally. They would become symbols, and they would be able to shape the new generation, as much as we sometimes disparage them, into the same type of people that we have been applauding this afternoon.

I do not despair of the young generation. I think they need leadership, and that the Armed Forces we have now are every bit as capable, dedicated and brave as the people who were at Normandy 50 years ago.

[*Translation*]

Hon. Marcel Prud'homme: Honourable senators, what you have already said today was said so well that I certainly do not intend to repeat it.

There are, however, two points I would like to make, and the first one concerns what was said by our Prime Minister yesterday. I would like to read his comments into the record, and I quote:

> They did not die as anglophones or francophones, as easterners or westerners, as Catholics or Protestants.

He also called on Canadians:

> ...to promote the values of tolerance, understanding and generosity...

I think these words should be an inspiration to us all, especially to us as senators. I insist on seeing us as the keepers of a tradition that is fast disappearing in Canada.

We have heard a few examples in what was said by Senator Lang, Senator Jessiman, and those who are not with us today, Senators Marshall and Molgat. These people represent part of the history of our country.

What inspired me, and this is my second point, were the comments of Senator Fairbairn.

[*English*]

She spoke about young Canadians. If we believe in Canada, we must have a knowledge of the history of Canada. Who will teach not only our young Canadians but millions of new Canadians who have just come to the country, unaware, most likely, and I say that respectfully, of the history of this country, of our nuance, of our differences?

Today, I should like to pay tribute and homage to the media. It is not customary but I want to do it. They have done an extraordinarily dignified job of reporting a part of our history.

[*Translation*]

I want to pay a special tribute to the CBC. I know it is unusual to pay tribute to a corporation whose mission, after all, includes teaching us about our history.

[*English*]

In 1964, I was a member of the committee studying the arts and encouragement to the arts, including the CBC during the famous events surrounding the program, *This Hour Has Seven Days*. I regularly attended the committee hearings. I remember saying that the CBC has a duty to Canada, both in French and English, and they must not fail us. It is to teach the history of Canada. They have a mission. I will say on this particular issue that no one in what I call French Canada — because it exists — will deny the remarkable job that the media has done.

[*Translation*]

The CBC covered the celebration in a dignified manner. Their reports were forceful and very moving. I am sure my honourable colleagues will want to join me in thanking this public corporation, as I intend to send a copy of these very simple comments to the CBC.

[*English*]

I want to tell the CBC that they have a greater duty from this time forward, starting today, when every Canadian is extremely moved, when we are about to enter into — I will not exaggerate and call it "dramatic times" — but difficult times in our history in Canada. For example, the CBC has a duty to explain the contribution of the Ukrainians who arrived in Western Canada to open up the land — all parts of that history.

• (1510)

As a French Canadian whose ancestors came here in the 1600s, I also have a duty to understand that before my ancestors came to this land, people already occupied this great land. I see some of them here in the Senate. We must understand the history of Canada. They are a part of the history of Canada.

Honourable senators, Canadians should respect each other!

Hon. Senators: Hear, hear!

Hon. Richard J. Stanbury (Acting Deputy Leader of the Government): Honourable senators, I wish to thank everyone who participated in this excellent tribute this afternoon. Some spoke from a personal standpoint, some from the standpoint of history, but all talked about the significance to our country, of this great event and about the courage with which Canadians went into that event.

Honourable senators, I would just add my own personal experience. I was not on the beaches of Normandy on D-day of 1944. I was in a special officers' training centre at Sussex, New Brunswick, on that particular day. Just a few weeks before we moved into that centre in May, a large group of Canadian officers, freshly trained, left for Europe as Canloan officers to fill the decimated ranks of the officers in the British army. Those officers were among the troops who went ashore at Normandy on June 6, 1944. Within two weeks, we were advised that 90 per cent of them had died.

I finished up the war as a one-pip wonder — a second lieutenant for those who are uninitiated — training a company of Canadian soldiers in the use of American weapons at a camp on Gwadkin Lake near Deep River. We were just about to leave for Fort Benning, Georgia, when the Pacific war was over.

Therefore I was safely discharged and was a civilian law student by September of 1945. Many of my friends were not so fortunate: Alex Strang, who played coronet duets with me in the Sunday school orchestra in Exeter, Ontario; Ralph Delbridge, the 100-yard sprint star of our high school in Exeter; Ralph Notman, my next door neighbour as we moved to St. Catharines; Bob Watt, my closest friend in the boys' bible class at Knox Presbyterian Church in St. Catharines; and Stuart Preston, a co-founder of the OWL Club, a little informal group of friends at high school. This is just the beginning of a list which all of us have, a list of close personal friends who died either on D-day or just shortly before or shortly after that cataclysmic event.

Our children and our grandchildren can hardly be expected to react to our recollections of D-day and of the Second World War as we do. They have not lost their dearest friends in a battle for democracy and for the relative peace of the world. Let us hope that the continuing examples of brutality that they see in the world, these 50 years later, will ensure that they will never attempt to resolve the failures of political and diplomatic negotiations with violence and bloodshed.

Perhaps, honourable senators, we might do as Senator Bonnell suggested and rise for two minutes of silence.

The Senate rose in silent tribute.

Senator Stanbury: Thank you, honourable senators.

ROUTINE PROCEEDINGS

COMPETITION IN TRANSPORTATION, POLICY AND LEGISLATION IN REVIEW

REPORT OF TRANSPORT AND COMMUNICATIONS COMMITTEE PRESENTED AND PRINTED AS APPENDIX

Hon. Donald H. Oliver: Honourable senators, I have the honour to present the second report of the Standing Senate Committee on Transport and Communications, concerning its special study on the report of the National Transportation Act Review Commission, which requests that the committee be empowered to incur special expenses pursuant to the Procedural Guidelines for the Financial Operation of Senate Committees.

I ask that the report be printed as an appendix to the *Minutes of the Proceedings of the Senate* of this day.

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

Hon. Senators: Agreed.

(*For text of report, see today's* Minutes of the Proceedings of the Senate.)

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

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

RADIO CANADA INTERNATIONAL

REPORT OF TRANSPORT AND COMMUNICATIONS COMMITTEE PRESENTED AND PRINTED AS APPENDIX

Hon. Donald H. Oliver: Honourable senators, I have the honour to present the third report of the Standing Senate Committee on Transport and Communications, concerning its order of reference to examine and report upon the mandate and funding of Radio Canada International, which requests that the committee be empowered to incur special expenses pursuant to the Procedural Guidelines for the Financial Operation of Senate Committees.

I ask that the report be printed as an appendix to the *Minutes of the Proceedings of the Senate* of this day.

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

Hon. Senators: Agreed.

(*For text of report, see today's* Minutes of the Proceedings of the Senate.)

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

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

MARINE SAFETY

REPORT OF TRANSPORT AND COMMUNICATIONS COMMITTEE PRESENTED AND PRINTED AS APPENDIX

Hon. Donald H. Oliver: Honourable senators, I have the honour to present the fourth report of the Standing Senate

Committee on Transport and Communications, concerning its study of the role of lightstations, which requests that the committee be empowered to incur special expenses pursuant to the Procedural Guidelines for the Financial Operation of Senate Committees.

I ask that the report are printed as an appendix to the *Minutes of the Proceedings of the Senate* of this day.

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

Hon. Senators: Agreed.

(*For text of report, see today's* Minutes of the Proceedings of the Senate.)

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

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

• (1520)

BUSINESS OF THE SENATE

ADJOURNMENT

Hon. Richard J. Stanbury: (Acting Deputy Leader of the Government): Honourable senators, with leave of the Senate and notwithstanding rule 59(1)(*h*), I move:

> That when the Senate adjourns today, it do stand adjourned until tomorrow, Wednesday, June 8, 1994, at one thirty o'clock in the afternoon.

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

Hon. Senators: Agreed.

Senator Stanbury: Honourable senators, there are several committees meeting tomorrow, and one may be a little concerned following last week's discussion about the three o'clock meetings of our committees. Therefore, I thought it might be wise to put on the record the minutes of a meeting of Senate committee chairmen which took place approximately one year ago, at which it was agreed:

> (i) the Senate meet on Monday evenings, when necessary and with as much notice as possible;
>
> (ii) the Senate meet on Wednesday afternoons at 1:30 p.m. for the following items of business only. Senators' Statements, Routine Proceedings, Question Period and urgent government business.
>
> (iii) at approximately 3 p.m. on Wednesday afternoons, a maximum of four Senate committees only meet, followed at 5 p.m. by another four committee meetings.

In other words, committee chairmen are entitled to some certainty as to their meetings on Wednesday. It was agreed earlier that we would operate in that fashion and, if we needed more time in the Senate, then we would meet on Monday evenings; but, if we do that, we will try to give everyone a good deal of notice.

Those comments are perhaps necessary in view of this motion.

Hon. Eric Arthur Berntson (Deputy Leader of the Opposition): Honourable senators, this might be a good time to raise a couple of questions and perhaps review the record as it relates to government business this session.

We all know the value of Senators' Statements, Question Period and committee work. However, based on the work that is before us, some honourable senators might wonder what we are doing here this week. Approximately two weeks ago I asked my counterpart, Senator Molgat, if he could enlighten us as to the flow of business from the other place, and, to his credit, he attempted to do so. He sent me a note with a list of legislation that the government would like to get through this session. There were 33 pieces of legislation on that list and both he and I agreed that at best it was an optimistic wish list. As of May 26, the date this letter was received, 14 pieces of legislation had not been introduced in the other place.

We have attempted to accommodate the government in every way imaginable in terms of getting the business of Parliament done in this session. The problem is the business of Parliament has not been getting to this house. It is somewhat frustrating. We have people here in large numbers ready to do the work of Parliament. We do not like to come here and spin our wheels. We will be here in large numbers when work is to be done.

As the Honourable Senator Stanbury correctly pointed out, there is committee work to be done from time to time, but not prior to the work of the other place arriving here.

I also understand that the House of Commons is planning to adjourn on June 23. If even a small part of this list is to get through Parliament by that anticipated adjournment date, we have a right to expect that it be delivered to this house in order that we can give it ample debate, send it to committee, hear from witnesses and deal with the business of Parliament.

Senator Murray: There is always pre-study of course.

Senator Berntson: We would be happy to hear anything members opposite might have to say about pre-study.

My comments are not meant to be threatening. All I am saying is that we have a job to do. That job is to ensure that the debate on these pieces of legislation in this house does take place and that the work on behalf of Canadians and Parliament is done. No one should expect us to play dead on June 23.

We raised this issue one week ago. We raised it two weeks ago. We raised it four weeks ago. We urged members opposite at that time to see what could be done to get the work flowing. We do not want an eleventh hour logjam. That would not be fair to anyone.

Without meaning to sound threatening in any way, shape or form, because that is not my intention, I simply ask: Where is the work? We would like to get at it.

Senator Stanbury: Honourable senators, I have been here for more than 26 years, and I have heard the same discussion in every one of those 26 years. That does not mean that I am putting the argument down. The opposition is not the only group which is frustrated by this situation. Continuous efforts are being made to find some way of overcoming it.

I inherited the list that Senator Molgat gave to the Honourable Senator Berntson. We have been attempting to follow up on it. Things have not moved through. Promises have been made to us which have simply no possibility of being fulfilled.

Senator Berntson: Maybe we can lend you Harvie Andre.

Senator Stanbury: Harvie Andre did not do any better at all.

Senator Doody: He did it more loudly.

Senator Frith: He did it more nastily.

Senator Stanbury: Honourable senators, I will not make any further comments. My head is full of possible comments.

I am advised that the House leaders in the other place are meeting this afternoon, and we should have some definite answers as to what we are expected to do. I have also made it very plain to members of the other place that we have to know what is on the short list, what is absolutely needed and what can be put over, or some portion of it, until we return in the fall. I do anticipate being able to give honourable senators more information within the next day or two.

Senator Berntson: Is the Honourable Senator Stanbury suggesting that no matter what the status of business is on June 23 we will be adjourning for the summer recess?

• (1530)

Senator Stanbury: No. If we are lucky, we will have a short list of bills which the government feels it really must have before we break. Then with respect to the remainder of the list of 33 bills that we have been discussing, if they have moved along in the House, hopefully there will be an understanding that those bills will not be finalized until we return in the fall.

Motion agreed to.

NATIONAL FINANCE

COMMITTEE AUTHORIZED TO MEET DURING SITTING OF THE SENATE

Hon. C. William Doody: Honourable senators, with leave of the Senate and notwithstanding rule 59(1)(*a*) I move:

> That for the purposes of the examination of Bill C-17, An Act to amend certain statutes to implement certain provisions of the budget tabled in Parliament on February 22, 1994, the Standing Senate Committee on National Finance have power to sit at four o'clock today, Tuesday, June 7, 1994, even though the Senate may then be sitting, and that rule 96(4) be suspended in relation thereto.

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

Hon. Senators: Agreed.

Motion agreed to.

QUESTION PERIOD

DELAYED ANSWERS TO ORAL QUESTIONS

Hon. Richard J. Stanbury (Acting Deputy Leader of the Government): Honourable senators, I have a response to a question raised in the Senate on May 12, 1994, by the Honourable Senator St. Germain regarding the replacement of the Sea King Helicopter Fleet; a response to a question raised in the Senate on May 25, 1994, by the Honourable Senator Macquarrie regarding economic assistance to the Middle East; and a response to a question asked in the Senate on May 25, 1994 by the Honourable Senator Prud'homme regarding the proposed visit of Chairman Arafat of Palestine.

TRANSPORT

SEARCH AND RESCUE—REPLACEMENT OF SEA KING HELICOPTER FLEET—GOVERNMENT POSITION

(*Response to question raised by Hon. Gerry St. Germain on May 12, 1994*)

> Significant cuts in defence spending were announced in the most recent budget. About one-half of the $7-billion reduction called for in the budget will be achieved through the cancellation of the EH-101 helicopter project. The $5.8 billion which had been originally budgeted for the EH-101 over the 13-year life of the project has been removed. The Department will still have to find money for replacement helicopters should the requirement be confirmed in the defence policy review.

It is the government's responsibility to ensure that taxpayers' money is spent in the most sensible way, especially in times of fiscal restraint. In its acquisition strategy, the Department of National Defence will emphasize the purchase of equipment "off the shelf," the use of commercial standard technologies, and unless absolutely necessary, the avoidance of military modifications.

The EH-101 would not have been available to the Canadian Forces before the end of this decade. The Labradors and Sea Kings will remain airworthy, without modification, and will continue to provide Search and Rescue services at sea, as well as to support UN and other contingency operations as required, up to the year 2000.

The department will rely to a greater extent on the existing capacity of the private sector to meet the Canadian Forces in-service equipment support needs. Notwithstanding the decrease in capital equipment procurement announced in the recent budget, there may well be greater opportunities for the private sector to participate in the provision of services to the department, providing the business case can be made.

In determining which reductions would be implemented, the government was mindful of the importance of maintaining a balance of regional economic benefits. The essential determinant was that these difficult decisions made military and economic sense.

The reductions of the budget will have an impact on National Defence's capital equipment program in the short term. The long-term capital spending plans will be shaped by the results of the defence policy review. Until the outcome of the defence policy review is known, decisions on additional major defence equipment acquisitions are on hold.

FOREIGN AFFAIRS

ECONOMIC ASSISTANCE TO MIDDLE EAST— GOVERNMENT POSITION

(Response to question raised by Hon. Heath Macquarrie on May 25, 1994)

In line with its active role in the Middle East Peace Process, Canada responded quickly to the historic signing of the Declaration of Principles between Israel and the Palestine Liberation Organization (PLO) on September 13, 1993.

At the international Donors Conference held in Washington October 1, 1993, Canada pledged $55 million over five years in support of the Israeli-PLO accord. Canada also agreed to front-end load as much of this assistance as possible to respond to urgent needs. This pledge includes ongoing as well as new assistance. We are currently considering a request from the National Council on Canada-Arab Relations to accelerate the process of transferring these funds.

1. Ongoing Assistance

At the time of the accord, Canada was already providing on average $9.0 million per year to the Palestinians of the West Bank and Gaza.

The major part of this assistance, about $5.5 million per year, is channelled through the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA). The other half of Canada's grant to UNRWA ($ to be 11 million in 1994/95) supports Palestinian refugees in Jordan, Lebanon and Syria. Other ongoing activities include:

i) cooperation programs between Canadian and Palestinian institutions and non-governmental organizations ($ 1.5 million per year);

ii) a Fund for local community development projects, administered by the Embassy in Tel Aviv ($1.0 million per year);

iii) support through two regional programs that support the Middle East Peace Process ($750,000 per year);

iv) support provided through other multilateral organizations ($250,000 per year).

2. New programs

Since the signing of the accord, Canada has undertaken a number of new initiatives geared to improve daily living conditions and to build-up the capacity of Palestinian institutions.

The Minister of Foreign Affairs, the Honourable André Ouellet, will soon be providing detailed information on Canada's assistance to the Palestinians.

In the meantime, among the projects already undertaken are:

– a $500,000 project that funded additional community development projects immediately after the accord;

– a $500,000 project, implemented by UNICEF, for youth centres;

– a $620,000 program, through the Canadian Public Health Association, to establish a Palestinian Public Health Association;

– a $1.2 million grant to assist in the relocation of Palestinian refugees to Gaza;

– a $1.0 million project to support Palestinian authorities in dealing with key issues of water policy and programming;

– a $1.0 million grant the Hoslt Peace Fund, a World Bank administered fund designed to meet start-up costs, including salaries, of various Palestinian administration services.

Other activities will help build Palestinian self-government, encourage democratization and the development of civil society, and improve natural resource management.

FOREIGN AFFAIRS

PROPOSED VISIT OF CHAIRMAN ARAFAT OF PALESTINE—REQUIREMENT FOR MINISTERIAL PERMIT—GOVERNMENT POSITION

(Response to question raised by Hon. Marcel Prud'homme on May 25, 1994)

To date, visa officials have not received an application from Mr. Arafat to visit Canada. Once his application is received, then the appropriate visa/permit can be considered. Until an application is received, the question of the immigration document he would be issued remains a hypothetical one.

[*Translation*]

ORDERS OF THE DAY

SOCIAL AFFAIRS, SCIENCE AND TECHNOLOGY

SECOND REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the second report of the Standing Senate Committee on Social Affairs, Science and Technology (Budget — Subcommittee on Veterans Affairs), presented in the Senate on June 2, 1994.

Hon. Thérèse Lavoie-Roux: Honourable senators, I move the adoption of the report.

Motion agreed to and report adopted.

[*English*]

EUTHANASIA AND ASSISTED SUICIDE

FIRST REPORT OF SPECIAL SENATE COMMITTEE ADOPTED

The Senate proceeded to consideration of the first report of the Special Senate Committee on Euthanasia and Assisted Suicide (Budget), presented in the Senate on June 2, 1994.

Hon. Joan Neiman: Honourable senators, I move the adoption of the report.

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, I should like to ask a question of Senator Neiman. Does this budget amount come within the regular budgetary allocation for Senate committees?

Senator Prud'homme: No.

Senator Lynch-Staunton: I am asking Senator Neiman if the $800,000 which is in our budget for the current fiscal year to cover committee expenses includes the amount which is set out in this report.

Senator Neiman: Honourable senators, I believe it does. I was not told anything to the contrary. Perhaps Senator Bosa knows, since he is Chairman of the Subcommittee on Budgets. I assume it was in the regular allocation of funds.

Hon. Peter Bosa: Honourable senators, there will be a shortage of approximately $150,000. We may have to go to Treasury Board to borrow the balance of the funds necessary to complete this study.

Senator Lynch-Staunton: If I understood Senator Bosa correctly, there is already a shortage of $150,000, assuming all the budgets that have been approved by Internal Economy are approved here in the Senate. We have also accepted an expenditure of $450,000 for our share of the two joint committees, one on foreign policy and one on national defence policy. That brings the total up to almost $700,000.

Will we respect the budget? Do we have a guarantee from Treasury Board? Or shall we just keep our fingers crossed?

Senator Bosa: Honourable senators, perhaps I did not express myself clearly. We believe that of the almost $800,000 that is needed to complete the study on euthanasia, we might be short about $150,000. This is after some of the surpluses that we have in different committees are rearranged.

I am new to this position as Chairman of the Subcommittee on Budgets. However, I understand that if we are short of funds for this particular study we can get the money from Treasury Board.

Senator Lynch-Staunton: Honourable senators, the point I will make, and the one on which I will end, after which I will be exhausted and will not bring it up again, is that I think it is essential that when we do form joint committees or go into an item which is not provided for in the budget, we at least know ahead of time for how much we are committing ourselves. Now we have no choice. The Euthanasia Committee is doing an excellent job. Had we known the budget figures before the committee started its study, then at least we would not have to have had this discussion today.

The Hon. the Speaker: It is moved by the Honourable Senator Neiman, seconded by the Honourable Senator Olson, that this report be adopted now. Is it your pleasure, honourable senators, to adopt the motion?

Hon. Senators: Agreed.

Motion agreed to and report adopted.

PRIVATE BILL

CANADIAN ASSOCIATION OF LUTHERAN CONGREGATIONS— REPORT ADOPTED

The Senate proceeded to consideration of the seventh report of the Standing Senate Committee on Legal and Constitutional Affairs (Bill S-5 to incorporate the Canadian Association of Lutheran Congregations, with amendments), presented in the Senate on June 2, 1994.

Hon. Gérald-A. Beaudoin moved the adoption of the report.

He said: Honourable senators, Bill S-5, an act to incorporate the Canadian Association of Lutheran Congregations, was referred to the Standing Senate Committee on Legal and Constitutional Affairs on April 28, 1994. The committee studied the said bill and reported it with three amendments on June 2, 1994. Those amendments were proposed by Senator Olson, the sponsor of the bill, who, if I am correct, will speak later on this subject.

• (1540)

The purpose of the bill is to incorporate the Association of Lutheran Churches. We are not concerned here with a corporation sole.

The amendments proposed improve the bill. Let me briefly explain those three amendments.

The first amendment concerns the list of current members stated in clause 17(2) of the bill. It is a practical impossibility for the national church to have an up-to-date list of all its members because, as the witness has said, "Theoretically, any Sunday morning we could have two new members and then, in the middle of the week, a funeral for someone." That is why section 17 (2) has been redrafted. It now states:

> The corporation shall prepare and maintain adequate accounting records, as well as a current list of
>
> *a*) its member congregations,
>
> *b*) its associate members,
>
> *c*) the members of the board of elders and board of trustees, and a record of the decisions of the board of elders and board of trustees.
>
> This information will be available to all members of the church.

The purpose of the second amendment is to delete clause 16(2), which stipulates that the name of the members of the board of trustees shall be notified to the Minister of Industry, Science and Technology. There are two reasons for this amendment. First, the information is already required to be filed with Revenue Canada. This could be a duplication if clause 16(2) is not deleted. Second, it involves, according to one of the witnesses, "a philosophical question": whether or not the church is required to report this information. In any event, that information must be reported to Revenue Canada in order that the church keep its charitable status.

The third amendment relates to clause 21. Instead of having an annual meeting, it is proposed that a biannual meeting be held. It is proposed that section 158 of the Canada Corporations Act not apply to the bill.

Honourable senators, that is the substance of the amendments proposed by the Standing Senate Committee on Legal and Constitutional Affairs concerning Bill S-5.

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

Hon. H.A. Olson: Honourable senators, Senator Beaudoin gave an excellent explanation of the reasons behind the three amendments that were made. I am almost tempted to ask that third reading be given now.

Senator Berntson: We would have nothing to do tomorrow, then.

Senator Olson: It is the usual practice of this honourable house that when a bill comes back from any committee — and I am not saying that it is mandatory — third reading is asked for at the next sitting so that any member who may have any interest in those amendments may at least look at them.

I wish to thank Senator Beaudoin for an excellent explanation.

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

INTERNAL ECONOMY, BUDGETS AND ADMINISTRATION

SEVENTH REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the seventh report of the Standing Committee on Internal Economy, Budgets and Administration (Budget — Standing Senate Committee on Legal and Constitutional Affairs), presented in the Senate on June 2, 1994.

Hon. Peter Bosa, for Senator Hastings, moved that the report be adopted.

Motion agreed to and report adopted.

EIGHTH REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the eighth report of the Standing Committee on Internal Economy, Budgets and Administration (Budget — Standing Senate Committee on Transport and Communications) presented in the Senate on June 2, 1994.

Hon. Peter Bosa, for Senator Hastings, moved that the report be adopted.

Motion agreed to and report adopted.

NINTH REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the ninth report of the Standing Committee on Internal Economy, Budgets and Administration (Budget — Standing Committee on Internal Economy, Budgets and Administration), presented in the Senate on June 2, 1994.

Hon. Peter Bosa, for Senator Hastings, moved that the report be adopted.

Motion agreed to and report adopted.

FOREIGN AFFAIRS

CANADA-UNITED STATES FREE TRADE AGREEMENT AND THE NORTH AMERICAN FREE TRADE AGREEMENT — REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the third report of the Standing Senate Committee on Foreign Affairs (Budget — Study International Exchanges) presented in the Senate on June 2, 1994.

Hon. John B. Stewart: Honourable senators, I move that the report be now adopted.

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

Hon. Marcel Prud'homme: Honourable senators, having attended all these meetings, I wish to draw to the attention of the Senate the remarkable presentation made by the chairman in explaining the budget. Those who would like to know more should get in touch with the members of the subcommittee and the committee. The explanations were of a most concise, precise and interesting nature. I certainly would not hold up the budget.

Motion agreed to and report adopted.

THE BUDGET

STATEMENT OF MINISTER OF FINANCE—DEBATE CONTINUED

On the Order:

> Resuming the debate on the inquiry of the Honourable Senator Phillips, calling the attention of the Senate to the Budget Statement made by the Minister of Finance, on Tuesday, February 22, 1994.—*(Honourable Senator Atkins).*

Hon. Richard J. Stanbury (Acting Deputy Leader of the Government): Honourable senators, Senator Spivak has asked to speak on this inquiry, and that is fine as far as I am concerned.

Hon. Mira Spivak: Honourable senators, a number of senators on this side of the house have made admirable responses to the inquiry that Senator Phillips presented. It is not my intention to go into the budget in detail. I merely want to make some comments on one particular aspect, namely the lessons that can be learned from abroad, and from other places in "greening" a budget.

In introducing his budget last year, British Prime Minister John Major referred to his budget as "the greenest budget ever." What Prime Minister Major was reflecting is the realization that has become increasingly common in Europe. The framing of budget policy is usually carried out with very careful attention to the likely impact of the budget on the economy — that is, such things as international money markets, exchange rates, job creation, levels of inflation, and other economic indicators.

• (1550)

These effects of budget policy are closely watched by business commentators, interest groups, opposition parties, economists, the media and even the average person. However, budget policies, on the other hand, are not usually framed with the environment in mind, even though a government's budget policies will have more of an impact on the environment than anything else the government may do.

For example, extensive subsidies to resource industries are common to all governments, which greatly accelerates the rates at which our forests, minerals and fish stocks are depleted. In the same way, all governments have historically subsidized and underpriced oil, gas, coal and other fossil fuels, a practice followed in the name of economic development, but a practice which also leads to excessive energy consumption, reduced gains in energy efficiency, higher levels of CO_2 in the atmosphere, and slow progress in the development of less harmful energy alternatives.

The question is whether in the future, if Europe is an indication, Canadians can be expected to take a harder look at their budget policies and ask whether they are good for the environment or bad for the environment? If the current mix of tax and subsidy policies is not working for the environment and sustainable resource use, what changes are required?

One very important step in this direction was promised in the recent federal budget. I welcome the commitment to strike a task force whose mandate is to identify budget policies that act as barriers and disincentives to sound environmental management. I would hope that the task force will examine closely the lessons from Europe and elsewhere. There are now more and more international precedents in the "greening" of government budgets.

The experience of Sweden is not the only example, but it is one of the more interesting. Sweden's tax system is currently undergoing a major overhaul. Income tax is being reduced, with the money to pay for the cuts coming from a broader tax base, which now includes energy and environmental taxes. New carbon dioxide and sulphur taxes have been introduced, for example. These changes will transfer almost $3 billion a year from taxes on earned incomes to various types of energy and environmental taxes.

These are ideas that are rooted in the late 1960s. According to the thinking that developed at that time, consumption of fresh air and clean water is comparable to the consumption of housing, clothing and books. The question was how practicable pricing systems could be found for these environmental resources which had been regarded as free goods.

In simple terms, the argument was that people would be more careful with the environment if they themselves felt the cost which emissions or exploitation of a particular natural resource represented. The cost which a deteriorating environment entailed for the community as a whole would be transferred into cost to firms in the form of charges or taxes. It would no longer be possible to pollute for free.

Questions of environmental taxes and charges have been discussed for quite some time, but only relatively recently have economic instruments become a force to be reckoned with in environmental policy. Until the early 1980s, the very few economic instruments in use were still experimental and limited in scope. Governments relied heavily on legislation and regulation, and the economic approach had little place in environmental policies.

A distinct shift took place during the first half of the 1980s and has since gathered pace. An OECD report published in 1989 identified some 150 instances of various economic instruments in 14 countries of which 80 were pollution charges and taxes. Things have moved on considerably since then, and numerous countries, especially in Scandinavia, have introduced new economic instruments.

Between 1987 and early 1993, the number of economic instruments increased by 50 per cent. The most significant growth has been in energy and air pollution taxes, which are becoming increasingly "green": carbon taxes in Denmark, Finland, Norway, Sweden, and the Netherlands; sulphur taxes in France, Norway and Sweden.

Heavier taxation on leaded petrol in numerous countries has done much to encourage wider use of lead-free fuel. Many other polluting products, such as pesticides, fertilizers, packaging, oil wastes and so on, have been taxed. Hence the emergence, still tentative but genuine, of a pattern of "green" public finance and budgeting policies, which, if taken to its logical conclusion, implies real tax reform, as in Sweden.

Some of the best examples warranting attention for Canada in the years ahead lie in the following area: new taxation policies that tackle air pollution problems, such as acid rain and ozone depletion, and reforms to subsidy programs that encourage environmental stewardship in the agricultural sector.

Since the late 1960s, when the concept of acid rain first gained public attention, the problems of air pollution have come more sharply into focus as their visible toll has mounted. From the dead and dying trees in Germany's Black Forest to the depleted red spruce stands on the Eastern U.S. seaboard, the effects of air pollutants have become abundantly clear.

The evidence that air pollutants do not respect political boundaries has stimulated a serious response in recent years among industrialized nations. This response notwithstanding, most scientific projections indicate that air pollution effects will get much worse before they get better, particularly in view of development patterns in developing regions in Central Europe.

Large-scale forest decline is probably the most alarming manifestation of the effects of acid rain. The rapid decline of European forests since the 1970s is the most dramatic example to date. According to one recent analysis, about 75 per cent of Europe's commercial forests have suffered.

In Germany, forest surveys indicate that over half of all trees had suffered some defoliation damage by 1989, though the rate of forest decline there shows signs of lessening. In many parts of Central Europe and the Baltic Republics, damage is even more serious and the rate of decline seems to be increasing.

Forest die-back of such dimensions has substantial economic costs. A 1990 study put the cost of pollution damage to European forests at roughly $30 billion a year, equal to the revenues of Germany's steel industry, three times as much as Europe's current financial commitment to air pollution abatement. Forest decline is also evident in North America, although not yet on the scale found in Europe.

Given the widening scope of the air pollution problem, it became increasingly clear that there had to be a coordinated multinational response to pollution abatement. It is not surprising that the European Community became the first to act, since, there, the trans-boundary effects of pollution were most apparent.

In 1979, 35 nations from Central and Western Europe and North America signed a convention on long-range transboundary air pollution. This has become a fairly effective mechanism for reducing regional emissions. As a result, substantial declines in SO_2 emissions have already been realized in the industrial world, especially in Europe, where overall SO_2 emissions have fallen more than 20 per cent from 1980 to 1989.

In several countries where the political momentum for pollution abatement is particularly strong, much greater reductions have been made. For instance, Germany, whose concern over forest decline runs deep, reduced sulphur dioxide emissions by 53 per cent from 1980 to 1989.

Going even further in solving the problems of air pollution will continue to require a mix of technical improvements and policy initiatives. On the technical side, coal washing, switching to a lower sulphur fuel, and the application of pollution reduction technologies, such as stack "scrubbers," have achieved impressive results.

In terms of public policy, policy-makers in industrialized countries have turned in recent years to the marketplace by providing economic incentives that reward polluters for developing and deploying cost-effective abatement schemes.

Perhaps the simplest application of this principle is the pollution tax, under which emitters are taxed per unit of pollutant discharged. France became the first nation to impose a direct pollution tax in May 1990, when a tax on SO_2 emissions was established. A more comprehensive statute that places new taxes and charges on CO_2 and nitrogen oxide or NO_x emissions, in addition to SO_2, came into effect in Sweden.

The Swedish nitrogen oxide charge is a leading example of how an economic instrument can be used to reduce pollution without distorting the competitiveness of the industry. Since January 1991, in Sweden, a charge has been levied on actual nitrogen oxide emissions from large combustion plants for energy reduction. Smaller combustion plants are not liable, because of the high cost of continuously measuring the emissions. Most of the liable combustion plants are found in energy production, that is, heating and power plants.

The pulp and paper industry, the chemical industry and the metal industry also have combustion plants for energy production. Waste incineration plants producing energy are also liable for the charge for nitrogen oxide in Sweden. The charge is not a tax. All revenues from the charge are distributed back to the plants — but in proportion to the plants' energy production. In other words, "clean" plants will earn money from the system, while "dirty" ones will have to pay.

• (1600)

The refund system was necessary in order to achieve a fair system. The competition between small — that is, non-liable — and large — that is, liable — combustion plants would have been distorted if the charge was not refunded back to the liable plants. The fact that the charge is refunded and therefore only has an environmental purpose, not a revenue raising purpose, has facilitated acceptance of the charge. There is no doubt that it is a successful instrument for reducing nitrogen oxide emissions.

Many companies started reducing nitrogen oxide as soon as the parliamentary decision was taken in 1990 in order to have as low emissions as possible when the charge came into force in January, 1992, and so the expected reduction in 1992 of 35 per cent for 1995 was fully reached.

The Swedish refundable tax on acid rain is, in many respects, a close cousin of the idea of transferable emission discharge permits or credits. In these kinds of schemes, an overall emissions cap is set within a region, and permits are required for all emissions. If a facility reduces emissions further or more quickly than required, it earns emissions credits that can be applied to future emissions or sold to others. The owners of other facilities can then opt to purchase these credits to cover their emissions, or take abatement measures themselves with whatever technology they choose.

The United States was the first to adopt this flexible approach when it updated its air pollution laws in 1990. A similar system has been discussed in Europe as well, although the multitude of different jurisdictions there would present administration difficulties.

Before leaving the subject of air pollution, let me give one last example: the United States tax on CFCs. As part of the U.S. plan to implement the Montreal Protocols under the Vienna Convention, in 1989 Congress enacted a $4.3-billion excise tax on ozone-depleting chemicals, ODCs. The tax has been a major success in reducing CFC production. Although the Environmental Protection Agency issued regulations capping the total emission of CFCs, chemical producers have been induced by the tax to produce lower amounts of CFCs than allowed by the caps in every year since the tax was enacted. The tax has twice been raised and is a significant source of revenue. The most striking effect of the tax has been to encourage technological development. Most of the major producers of ODCs are now, by their own account, producing replacement chemicals which are less expensive, more effective, and more environmentally benign than those they replaced.

It is true that this is an example of the kind of tax often resisted by business, but the example is nonetheless instructive. It was the United States which first realized that CFC production was dangerously unsustainable. The result is that American firms have prospered in the quest for an ozone-friendly generation of chemicals. With the spur of increased taxation and the opportunity of new markets, they led the way in research and patents for ozone-friendly refrigerants and solvents, and in profits. Their dominant market share of the new product lines, established early, guarantees continued profitability.

To turn to the subject of agricultural subsidy reforms, Jim McNeill was Secretary General of the Brundtland Commission and principal author of their final report. According to his research, reforms to agricultural support programs are essential if better environmental management is to be achieved in the farming sector. I quote from the report:

> Take agriculture, for example. Agricultural subsidies provide one of the best examples of unwittingly destructive policies.

That can be interpreted to mean government budget policies.

> Virtually the entire food cycle in North America, Western Europe and Japan attracts huge direct or indirect subsidies. These subsidies encourage farmers to occupy marginal lands and to clear forests and woodlands. They induce farmers to use excessive amounts of pesticides and fertilizers and to waste underground and surface waters in irrigation.
>
> According to the Organisation for Economic Cooperation and Development (OECD) and other sources, the farm-subsidy structure now costs Western governments in excess of $300 billion a year. What conservation programs can compete with that?

With the conclusion of the recent GATT negotiations, many existing agricultural subsidy programs will have to be scaled back or reformed, which offers an opportunity to "green" these programs and put environmental stewardship up front as one of their primary goals.

Over the past ten years, limited steps have been taken in these directions. For example, in 1985, the European Community approved a directive for funding management agreements to protect environmentally sensitive areas. The ESA designation which has been used in the United Kingdom, the Federal Republic of Germany, France and the Netherlands, permits agricultural ministries to pay farmers to retain traditional agricultural practices in order to maintain biologically important habitats and traditional landscaping. The United Kingdom has identified ESAs where farmers can be paid to maintain or improve the environment by, for example, deferring hay making, using less fertilizer, or leaving their fields unploughed.

One of the most ambitious land retirement programs established to date is the Conservation Reserve Program in the United States which was created by the Food Security Act of 1985. The program pays farmers to idle highly erodible land for ten years. About 14 million hectares were enroled as of 1991. U.S. farm programs also link eligibility for federal benefits to compliance with conservation programs.

The Hon. the Acting Speaker: I regret to have to interrupt, but the honourable senator's allotted speaking time has expired. She would be allowed to continue if there were unanimous consent.

Hon. Senators: Agreed.

Senator Spivak: Thank you, honourable senators.

For highly erodible croplands not covered by the CRP, farmers must implement an approved conservation plan by 1995 or lose eligibility for nearly all federal program benefits. Other provisions of the 1985 law deny eligibility for farm program payments to any farmers who plough previously uncultivated highly erodible land or drain wetlands for cultivation. The effectiveness of these programs is greatest in periods of low commodity prices when farmers rely most on government benefits.

Other governments have taken steps to subsidize protection of environmentally fragile lands. The U.K. Countryside Commission provides premiums to farmers who implement environmentally preferred management practices on set-aside lands. In almost all German townships, farmers can receive payments to protect native plants and animals by leaving some meadows uncropped, and avoiding the application of certain fertilizers and pesticides on grasslands and on the edges of fields. Most such programs are managed by the state level "Lander" governments. Sweden and some other European countries provide investment aid to farmers who upgrade manure storage facilities. Portugal, as part of its program to reduce soil erosion, offers subsidy and loans to farmers for reforestation and establishment of permanent pastures.

Some European governments subsidize the conversion to organic farming, both as a means to alleviate environmental problems and as a way to reduce agricultural surpluses. The rationale for the subsidies is that, during the transition to organic farming, farmers must usually make some capital investment, yet they are unable to charge premium prices for their produce until it is certifiably organic, which usually takes two to five years. Yields may also decline, especially in the first few years.

To help farmers get through this transition period, countries such as Austria, Denmark, Finland, Germany, Norway, Sweden and some cantons in Switzerland offer conversion subsidies, usually for three years. The Swedish subsidy program seems to have made a difference in farmers' decisions. One thousand farmers signed up when state aid was available in 1989, but only 85 farmers started converting without the aid the following year.

As these examples illustrate, the "greening" of government budgets offers some very important insights into the relationship between budget making and the environment, and some enormous new possibilities for improved resource and environmental management. A government's taxation subsidy policies offer important new instruments as governments search for the means to achieve sustainable development and environment-friendly economic progress.

The recently announced task force in the budget statement should be urged to think boldly in its work. It should be guided by the simple principle of "subsidize the goods and tax the bads." This principle would create the proper framework for realigning economic progress along more sustainable and environmentally friendly lines.

• (1610)

This principle sounds deceptively simple, and, of course, to follow the principle is easier said than done. Moving from principle to practice will present its full share of problems and adjustments, since it will involve in many cases a full-scale reversal of the way we do things. As Lester Brown, President of World Watch, has said:

> Collectively, governments spend tens of billions of dollars a year supporting environmentally unsound economic practices. Subsidized irrigation services, biased utility regulation, and below-cost timber sales are but a sampling of the numerous public programs that result in wasteful resource use and environmental damage. Often just where taxes are justified to reduce a harmful activity, a public subsidy instead promotes it.

We can, however, if we take full measure here in Canada of what we can learn from abroad, overcome these difficulties. They are not insurmountable and they should not be an excuse for inaction.

Hon. Donald H. Oliver: Honourable senators, I rise today to join the budget debate, and I do so as a spokesperson from Atlantic Canada. One of our main functions as senators is to represent the regions from which we are appointed, and I believe this budget has a negative impact on the Atlantic provinces.

No, I shall not speak about the disproportionate share of military base closures that Atlantic Canada has had to endure. The economy of this area is not tied to one or two military bases, and one of the wonderful characteristics of the people of this area of Canada is their ability to adapt. We have adapted to change since the sailing ship went out of existence, and we can certainly adapt to the closure of bases, as difficult as that may be.

I should like to speak this afternoon about the fact that there is nothing in the budget to aid the entrepreneurial sector of the economy. Business, manufacturing, industry: These are the engines that drive our economy in Atlantic Canada, and I can find little in this budget that would give business any degree of confidence to invest in Canada or, in particular, in my part of Canada.

Honourable senators, you should know that in the east, as well as having been blessed at one time with enormous natural resources of fish stocks, minerals and forests, we as a people have also developed and maintained an entrepreneurial spirit which is second to none anywhere in this country. I suppose this love of establishing businesses and industries grew out of the fact that Canada, long before it was Canada, began to be settled in the east, and the east had to be self-sufficient and self-sustaining. That meant that it had to have its own indigenous business, manufacturing and industrial class. This group was involved in making items both for domestic consumption and for sale abroad, because, do not forget, it was we in Atlantic Canada who were capitalizing on trade opportunities with the world long before trade became an issue in Upper and Lower Canada.

The entrepreneurial class in Eastern Canada is legendary. Lord Beaverbrook, Max Aiken, with his love of newspapers and media, became recognized internationally because of his holdings. Such a list would of course include K.C. Irving and many of the offshoots of his petroleum empire. More recently, you have the Ganong chocolate manufacturing plant in New Brunswick and of course the McCain frozen food empire which now supplies the globe.

It has been this spirit, this drive to do business with the world, to take on the world, that has sustained the economy of the Atlantic region throughout the years, because, as you know, the resource industries, agriculture, mining and fish, are cyclical in nature, depending sometimes on the weather and sometimes on the vagaries of world markets for success, whereas the entrepreneurial class, those who are part of it, will tell you that their success is directly related to the amount of energy and hard work invested and the intelligent decisions that are made to overcome the competition.

This entrepreneurial spirit is still alive in Atlantic Canada and is starting to emerge from the world-wide recession we have endured. This group has taken advantage of the trade opportunities that were put in place through the Free Trade Agreement with the United States, and with the NAFTA agreement negotiated by the previous Progressive Conservative government and now so heavily endorsed by members opposite.

For example, according to the Atlantic Provinces Economic Council, Newfoundland's newsprint mills have recovered by being remarkably versatile in switching sales between North American and European markets, depending on where the demand lies. Sales to other markets, such as Latin America, have also increased.

While Prince Edward Island's economy still rests on exportation of lobsters and potatoes, in 1993 a full 15 per cent of its exports were manufactured goods, such as eyeglass frames, medical diagnostic kits, kitchen pots and fish vaccines. This is new for Prince Edward Island, and with this diversification the economy is strengthened.

We are fortunate in Nova Scotia to have a growing diversified export base, which will help to alleviate the problems in the fish and lumbering industries. Nova Scotia exports such end products as tires, cars, electronic and navigation equipment and aerospace devices. Since 1992 these exports have totalled more than a quarter of the exports of Nova Scotia and are now approaching one third of the total.

Although New Brunswick exports more than the other three Atlantic provinces, only 3 per cent of exports are manufactured end products. Exports still rely heavily on markets for the products of the resource-based economy.

As Bob Doherty, Senior Policy Coordinator of the Nova Scotia Economic Renewal Agency, said recently at the Atlantic Trade and Export Forum held in Halifax:

> Although many traditional markets may be in decline we have seen some success in both lumber and fish. More value added manufacturing is being done to traditional products. The people that are being successful are going after new markets aggressively; they are thinking about new niches and new products.
>
> One of the things that trade deals like the GATT and NAFTA are about is a greater capability to have export protectionist problems solved. There are now mechanisms to deal with these problems that were not there before the FTA. So there are more opportunities to trade and more opportunities to have road blocks solved when you run into them.

However, honourable senators, although this recovery based on trade is very fragile, it is on the verge of taking off. The Atlantic Provinces Economic Council has recently published an inventory of major opportunities in Atlantic Canada, and the list is impressive. What impresses is that when you strip away the government projects like the fixed link there are many small private expansion projects that are scheduled to take off this year or next. But the question is, will they? Will more projects join them? These are the critical questions, because, I submit, there was nothing present in the February budget that would give industry the confidence necessary to invest or reinvest in areas that would stimulate the economy and create jobs from these new companies.

After inflating the deficit figure and creating alarm in the investment and industrial community, the finance minister did nothing to reduce the deficit in this budget, nothing in terms of real spending cuts that could bring back confidence to our economy. In fact the recent estimates show an overall increase of more than $3 billion in government spending.

I realize that the budget speech by the Minister of Finance stressed help for small businesses and the need to create jobs. However, anything productive that may come from these statements must await the conclusion of reviews and task forces.

There was little immediate action. There are studies on social problems and the GST; a task force to work with banks and small business on the subject of lending money; studies on how to successfully export goods, and another task force to study the removal of regulations that may have a negative impact on the growth of small businesses. Lots of talk, little action. The promises in the famous "Red Book" remain just that, promises.

There is no coherent plan in the budget for the economy, no coherent plan that business can look to with confidence, no plan that says, "This is the way we will go from here to there, from the beginnings of a recovery to a full scale recovery." There is no coherent plan that would give business the confidence to say that it is going to invest in Canada.

The fact that there was not a word about manufacturing in the budget led Steven Van Houten, President of the Canadian Manufacturers' Association, to comment as follows:

> The budget measures don't add up to a coherent plan that will help manufacturing grow, modernize and reinvent itself for the 21st century.

Until this government realizes that sustained economic growth depends on a healthy and dynamic manufacturing industry, our chances of economic recovery are very slim. The previous government put in place trading agreements that will be of benefit to business and industry for many years to come. It is up to the present government to build on these initiatives to fulfil the promises of the Red Book. The government must recognize that only business can create sustainable employment. Business generates the investments that lead to innovation and economic growth.

This first budget of this Liberal administration fails to address these fundamental economic truths. It is a disappointment for Canadians and it is a disappointment especially for us in Atlantic Canada.

On motion of Senator Stanbury, debate adjourned.

• (1620)

AGRICULTURE AND FORESTRY

COMMITTEE AUTHORIZED TO EXAMINE THE FUTURE OF AGRICULTURE IN CANADA

Hon. Dan Hays, pursuant to notice of Thursday, June 2, 1994, moved:

> That the Standing Senate Committee on Agriculture and Forestry be authorized to examine the future of agriculture in Canada and report upon the following:
>
> *a*) evaluate present agri-food objectives and modify them for the year 2000 and beyond using, among others, the criteria of fairness, sustainability and sustainable development, competitiveness and efficiency;
>
> *b*) examine the agri-food sector's role in rural life and in the Canadian economy;
>
> *c*) involve producers, processors, consumers and other interested parties in developing a long-term national strategy for agriculture; and
>
> *d*) identify the components that together constitute an overall farm policy that will take the agri-food sector into the next century.
>
> That the committee have power to act jointly with the Standing Committee on Agriculture and Agri-food of the House of Commons when considering the above order of reference; and
>
> That the committee present its report no later than March 31, 1995.

He said: Honourable senators, I wish to speak in support of this motion today, asking the Senate for a reference to the Standing Senate Committee on Agriculture and Forestry for a rather ambitious study.

I draw the attention of honourable senators to the fact that Canadian agriculture is at a crossroads. The signposts at the crossroads are the North American Free Trade Agreement, which is a trilateral agreement succeeding the bilateral agreement with the United States. The NAFTA may expand to other Latin American countries with the proposed accession of Chile and Ecuador.

Another signpost is the General Agreement on Tariffs and Trade, which is to be ratified by the Parliament of Canada before January 1. It will probably be ratified by the Congress of the United States before that same date; if not, no later than July 1. There is no indication that this will not happen, although there are problems in the United States that may result in what is called "other than a clean GATT."

Another signpost is that, during the last 10 years, Canadian agriculture — particularly that sector concerned with cereals and oilseeds — has experienced a rather difficult time. In other words, it has been an unprofitable business for most of the people engaged in the production of those commodities, and these farmers have been surviving, for the most part, on off-farm income.

Another signpost is the change in the Government of Canada and the notice of the new government that it intends to replace the current safety net program, namely GRIP — which evolved from the previous government's Growing Together initiatives — with a farm income support program, and that levels of support will be less than those we experienced under the previous government.

Another signpost on this crossroads is that Canada, under the GATT, has given notice that it intends to continue to practise supply management, which came into effect in 1965 for the dairy industry and 1972 for the feather industries, notwithstanding that the philosophical approach of the GATT and the actual agreement runs counter to that particular system of supporting agriculture.

Another crossroad is that the beef industry has seen the abandonment of national tripartite stabilization as a means of stabilizing the up and down prices in that cyclical commodity. In fact, the pork industry will follow suit on July 2 of that year, abandoning national tripartite stabilization for pork. All in all, we face a very uncertain, difficult, and trying time.

Senator Spivak gave a very interesting speech on the budget and quoted Mr. Jim McNeill as saying that agricultural programs have been unwittingly destructive of the environment, an issue that does come up, and also quantifying the costs of agricultural support at some $300 billion per annum on a developed world basis. That is probably a little higher than it actually is in these times, but nonetheless it tends to highlight the reality of agriculture, which is that it has been heavily supported. That heavy support has not always metamorphosed into an effective and efficient means of supporting the people we want to support, namely, farmers. We usually characterize those farmers we are targeting for support as family farmers or people on family farms.

Therefore, honourable senators, the motion before you asks for an opportunity on the part of the Standing Senate Committee on Agriculture and Forestry to do a broad policy field study on what should be happening in Canadian agriculture at this time. However, we will not be conducting this study in isolation. Other countries — the United States, notably — are in precisely the same position as we are, having signed the GATT and made similar commitments on environmental issues. They have a similar propensity to support agriculture, but in a less enlightened way than we do. That tends to give rise to bilateral concerns, such as those involving pork exports from Canada to the United States and the export of cereal grains — in particular, durum wheat and barley — to the United States. American politicians have given notice that we can expect more problems in those sectors where high volumes of Canadian products are exported to the United States. We should be looking at some of the real reasons as to why these areas are having problems. That is one of the things that the committee, in its work, will be able to do.

Honourable senators, setting out on a journey of any kind, particularly the beginning of a study such as this, is always interesting because you do not know exactly where you will end up. The language of the reference is to the effect that we would like to evaluate our present policies and hear testimony from departmental witnesses, academics, producer groups, individual farmers and people living in rural areas as to what they think should be the future direction of Canadian agricultural policy. I believe that the Senate committee is ideally suited, given its membership, to carry out such a study.

I point out, honourable senators, that the intention of the committee is not to do this study alone, but to do so in conjunction with the House of Commons Subcommittee on Agriculture and Agri-food; not as a joint committee of the two Houses but rather as two committees sitting together to hear a common body of evidence, and to hopefully come up with a joint report on what it is that we feel, together, should be done by way of the future direction of Canadian agriculture. If not, it is open for us to draft separate reports. If we are unable to get along, I suppose we may find ourselves holding separate hearings, although that is not the intention at the beginning of this study.

In the end, honourable senators, it is long-term strategy with which we must concern ourselves. To use the Gross Revenue Insurance Program as an example, it has a life of something less than 10 years, around 6 or 7 years. Through that life, it represented a minor and not a major variation on the traditional approach to supporting Canadian agriculture.

At this time, given the agreements and signposts I have referred to, we must make dramatic changes in the way we address the problems we face. A book that has prompted a lot of thinking on the development of agricultural policy is entitled *Sacred Cows and Hot Potatoes — Agrarian Myths in Agricultural Policy*. In its conclusion, it sums up something that we should have in mind as we proceed with this study. It admonishes those who wish to reform agriculture.

• (1630)

I would ask honourable senators to bear in mind that this is an American text with American references that I will not change for purposes of this speech, but will read them as they are. I wish to state at the outset that I believe they apply equally to the development of Canadian agricultural policy. The admonition is to:

> Develop specific programs to address rural development needs. While many of these needs are more appropriately the concern of state and local governments, the federal government has a role in providing services to rural areas. Rural development can be farm policy if it broadens opportunities for small scale farmers.

The policies must:

> Recognize that farm size, location, and economic circumstances influence who gains and who loses from federal agricultural programs. If benefits continue, they must be directed to particular classes of farms if they are to achieve any meaningful social or economic goals.

They must:

> Insist that farm program benefits, if they continue, no longer be tied to production. By linking program outlays with production, policies inflate land prices and make U.S. agriculture less competitive in international markets. Furthermore, production-linked benefits tend to encourage more environmental damage than would otherwise occur.

I hark back to Senator Spivak's speech.

They should:

> Recognize that an uncertain macroeconomic environment will play a major role in determining farm income, but that these uncertainties cannot be addressed through specific agricultural policies.

They must:

> Recognize the need for institutions that can help farmers manage risk in a way that does not influence land prices or production.

They must:

> Recognize that there are conflicting objectives in existing agricultural programs that attempt to address environmental concerns. New programs must be goal directed, not means directed.

And, finally, they must:

> Determine food programs for the hungry and disadvantaged on the basis of need, not on the basis of farm program goals.

There are many quotes that I could bring to the chamber that signal to all of us that there is a group of people who represent the full spectrum of taxpayers and consumers, and who, through commodity prices or taxes, pay to fund the development of programs and their subsequent administration and payouts under those programs. They will want to be involved in the policies that we develop to support Canadian agriculture.

That being the case, the hearings that the committee proposes to have will be broadened beyond simple producer groups to include representative groups of consumers and taxpayers, because failure to do so will simply leave us with a continuation of the focus that producers themselves tend to become wrapped up in, and thereby tend to lose sight of the importance of general support for programs.

Honourable senators, I hope I have given you a sense of what it is that the committee proposes and that it is sufficient for you to make a decision or ask me questions on what it is that we propose to do. The terms of reference are very broad and they speak for themselves. We are, as I observed earlier, attempting to do this in conjunction with the Standing Committee of the House of Commons dealing with agriculture, and have had discussions with them on this matter. We may wish to have representative groups from the committee do some work in the communities affected by agricultural policy, in terms of their economic sustainability and the continuance of infrastructure that allows people to still live in rural areas.

We also have a special interest in how the United States will respond to the same challenges that we face. If it responds in a vastly different manner, that may tend to aggravate the trade problems that we presently have in the bilateral relationship, and it will be even more aggravated in the trilateral relationship if Mexico becomes involved. Hopefully, through meeting with our counterparts in the United States, either here or there, we will be able to discover what it is they have in mind, determine what we should have in mind, and come up with some solutions that are sufficiently synergistic or compatible that we will not run into the aggravating situation that we face now in some commodity sectors.

Honourable senators, I would be happy to answer any questions at the present time in the chamber, in the committee, or privately, and will consider any suggestions offered. I urge you to support this request for this reference to the Standing Senate Committee on Agriculture and Forestry.

Hon. John B. Stewart: Honourable senators, I am interested in this proposed reference because of the work of the Foreign Affairs Committee. That committee has been authorized to study the implementation of the NAFTA as well as "any other related trade developments." If this motion carries, there would be something of an overlap, but certainly the overlap is not so great as to affect the viability of the study now proposed.

I am interested in hearing Senator Hays make reference to taking advantage of what the Americans are thinking may be the answers to their version of the agriculture problem. In addition, I urge the Agriculture Committee, if it goes ahead, to look into the Mexican situation where, given the nature of the rural economy, agribusiness may have serious economic, social and political implications.

How does the Senate committee propose to solve the problem of shared expenses with the Standing Committee on Agriculture and Agri-food of the House of Commons? What is proposed is a major study to deal with a major problem, so I assume that the expenses will be high. Will those costs be shared jointly? If so, what will be the split? I ask this because of the questions raised by Senator Lynch-Staunton earlier today about the availability of money to meet the expenses of committees of this house.

Senator Hays: I thank the honourable senator for his question. I will attempt to deal with the issues raised. The study of the Agriculture and Forestry Committee would have a narrower focus than the Foreign Affairs Committee in that we would not include some of the difficult problems such as softwood lumber, steel and anti-dumping, although anti-dumping is as relevant to agricultural commodities as it is to any commodity. Ours would be a more narrow focus and, I think, compatible and perhaps helpful to the Foreign Affairs Committee in terms of the evidence that we might hear and share with the committee through our report.

• (1640)

In terms of the suggestion that perhaps having the same programs as the U.S. to deal with the same problems is not necessarily compatible with or sympathetic to Canadian sovereignty in terms of our own solution to our own problems, I point out that our own problems will require our own solutions. That is because our resource sector and our climate is different, and because we have a different method of governance which will lead us, necessarily, to a different solution.

The truth of the matter is that in the supply managed sector, for instance, the United States has supply managed commodities under the heading "Marketing Orders." They will use tarification to protect them. For precisely how long they will do that, I do not know. The challenge there is that the philosophy of the GATT is to use tarification to phase them out, something which is totally inconsistent with their continuation over the long term. If they

are to be continued over the long term, which is what the Government of Canada says it intends, then what is the justification in the next GATT round, or World Trade Organization negotiation, to distinguish them from other areas where tarification applies for purposes of phasing out those forms of protection and having comparative advantage take over?

We are most interested to see how the United States will respond to a problem which is the same as ours. If the general philosophy, which seems to be driven by what I call "big agriculture," is to eliminate borders or to drive the means by which we produce these primary agricultural commodities, then we have a clash. Of course, they process and distribute most of these commodities on an integrated basis.

Today, in a news report which I heard on the radio, the OECD has stated that job creation would be well served by lower minimum wages, by less regulation of labour markets and by freeing up employers to hire whomever they want at whatever they can get them at. That is a return, Senator Stewart, to a 19th century approach. I submit that a lot of the 19th century problems will accompany that approach.

Another study that this committee is working on is farm health and safety. Farming is one of the most dangerous and risky operations. More people, many of whom are children, are killed or maimed in this sector than in any other industrial sector. This is because it is a sector under financial stress, and because we have recognized freedom of labour. We do not have workers' compensation in many jurisdictions and we produce things with the cheapest possible labour. This is something we have to look at most carefully. It is of as much interest to the United States and the Mexico as it is to us.

The Chiapas situation, in which the Zapatistas actually shoot and kill one another over this issue, is something else that highlights the risk of going too far in that direction.

In terms of the expenses issue, we have not reached any conclusion. What comes first is to get our reference in place. We will then go for our budget. The idea of the two committees hearing evidence at the same time is really to save money. That was prompted by the fact that we share a common research support group in the Library of Parliament, although we may wish to have a budget item for supplementary research. However, we may not be able to come up with a common report.

I, too, heard the Leader of the Opposition in the Senate express concern about having used up our budget for committees. Honestly, I do not have an answer for him, other than to say that this is important work. The fact that we come to the budget table late should not put us in any worse position than those who went to the table early.

Hon. Leonard J. Gustafson: Honourable senators, I rise in support of the request made by the Honourable Senator Hays.

I do not want to belabour this matter today. However, I do not think there are too many issues in our country that are more important than what we have seen in agriculture. I am speaking now about some of the deterioration which has taken place.

In 1970, a barrel of oil sold for $1. At the same time, a bushel of wheat sold for $1. Today, you can deliver to my home town of Macoun a bushel of wheat for which you will receive something in the order of $2.40. I read today in *The Globe and Mail* that a barrel of oil is priced at $18.

I realize there is a risk that the general public will say, "The farmers have their hands out again." However, the problem is that our strength in North America, especially in Canada, has lain in having a strong agricultural community. That community is deteriorating. There are a lot of young farmers who are hanging on and who are sinking. They are in big trouble. I will not belabour the point. Honourable senators are well aware of the numbers, just as I am.

However, I do want to say this. We ask the question: Why the Senate? I understand there was some opposition from one of the parties with regard to the Senate becoming involved. I also understand that that problem was overcome in a positive way. I think there is some expertise in the Senate. In that regard, I think of the Honourable Senators Olson, Berntson, Hays, St. Germain, Spivak, and many others who have an interest in this matter, and who can make a contribution that will not be that costly.

The witnesses are to appear before the House of Commons Standing Committee. Why not have members of our committee sit in with members of the Commons committee to hear these witnesses? I hope we can write a joint report. If that is not possible, then we will write an independent report.

I appeal for this measure on the basis of its importance. There are few subjects in Canada today that are more important, given the GATT and the whole new approach to the global economy. I understand that the Americans are to cut their export enhancement program by 50 per cent next year. That will impact one way or another on us, recognizing that they are our second largest buyer today.

I was pleased to read in the newspaper today what Mr. Kantor said. He said that the U.S. does $6 billion to $8 billion in trade with Canada. We are the two largest trading nations in the world. He said that we can certainly overcome a little problem on the grain situation. I was very pleased to read his comments.

I urge honourable senators to support this motion. From an economics point of view, it makes good sense to carry out this study jointly. I am sure that members on our side of the house, as well as those on the government side, will give the committee this opportunity to do the best possible job that can be done.

The Hon. the Speaker: Honourable senators, is it your pleasure to adopt the motion?

Hon. Senators: Agreed.

Motion agreed to.

The Senate adjourned until Wednesday, June 8, 1994, at 1:30 p.m.

THE SENATE

Wednesday, June 8, 1994

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

Prayers.

SENATORS' STATEMENTS

THE SENATE

ROLE OF THE OPPOSITION

Hon. Royce Frith: Honourable senators, I think the Leader of the Conservative Party may have been misquoted in an article that might have escaped his attention. It was an article that appeared in *The Edmonton Journal.* The last paragraph of the story, which was dealing with the electoral boundaries legislation, states as follows:

> Basking in the new-found relevance was Tory Leader Jean Charest, who proudly pointed to his senators' constructive approach, unlike the Liberal senators a few years ago who blew whistles and kazoos to protest the GST legislation.

That was attributed to the Leader of the Conservative Party, a party which Senator Lynch-Staunton leads here. Senator Lynch-Staunton was present at the time and, therefore, he can inform Mr. Charest, in case Mr. Charest was not misquoted. Senator Lynch-Staunton knows that the behaviour which some thought outrageous, and that he describes, was not to protest the GST legislation but to protest the outrageous action of then Speaker Charbonneau — unprecedented anywhere in the parliamentary world — in holding a vote in the absence of the locked-out opposition senators. Knowing Senator Lynch-Staunton's passion for accuracy, I am sure he will want to correct his leader.

YOUNG MEN'S CHRISTIAN ASSOCIATION

ONE HUNDRED AND FIFTIETH ANNIVERSARY

Hon. A. Raynell Andreychuk: Honourable senators, I wish to return us to the mood of yesterday when we commemorated the fiftieth anniversary of D-day. In that vein, I wish to draw attention to the YMCA.

The YMCA is recognized for its role in leadership training. On Monday, June 6, 1994, Young Men's Christian Associations the world over, including the 64 in Canada, marked 150 years of service to countless people and communities

It was on June 6, 1844 that 12 young Englishmen, led by George Williams, formalized their Bible study meetings into the first YMCA. Since then, YMCAs have become active in 114 countries. They have given birth to the "holistic" approach to people's development. Equal emphasis continues to be placed on the simultaneous nurturing of the spiritual, mental, physical and social aspects of every being. This YMCA fundamental is projected in many ways, including the three bars making up its world renowned symbol, the red triangle.

Through their collective history, YMCAs have also originated "second chances," learning opportunities, recreational camping, basketball, and the partnership approach to international development. I should note that it was Canadian James Naismith who as a physical director studying at the YMCA Training School in Springfield, Massachusetts, created basketball.

Beginning in 1851, YMCAs in Canada have played a major part in the following activities: promoting lifelong learning by introducing night school to this country, and by later participating in the creation of three universities — Concordia, Carleton and York, and by offering a range of community-based educational programs today; advancing physical fitness and healthy well-being among Canadians; developing quality child care, becoming the country's largest not-for-profit provider; setting professional standards for the operation of community service organizations; and an activity that is often overlooked in Canada, that is, providing services to Canadian troops in the Fenian Raids, the Boer War, the Great War and the Second World War; bringing relief to prisoners of war, and news to their families during the two world wars; offering social and recreational services to railroad and industrial workers; initiating international development projects; and in calling attention to the changing social conditions affecting Canadian youth, and actively responding to them.

YMCAs in Canada have also helped extend the reach in this country of such organizations as the World University Service of Canada, the Canadian Council of Churches, Boy Scouts and the Royal Life Saving Society.

The 64 YMCAs in Canada, serving hundreds of communities in all provinces, are operated by 24,000 volunteers and 3,000 full-time staff members. They serve 700,000 members and participate through YMCA health, fitness and recreation programs; offering 36,000 children and their families YMCA child care; and countless numbers of participants in YMCA camping, self-employment, employment preparation and training, job research and placement, literacy and English-language training, immigrant settlement, international development aid and education, and short-term housing.

For 150 years, YMCAs have helped to cast light on some of the behaviours, customs and attitudes that have blocked people's development. At the same time, they have brought light to those

seeking release, redress, or a sense of real being and belonging. In fact, the YMCA has led in identifying and attempting to solve issues as they relate particularly to families and young people.

I ask honourable senators to join me in this chamber and throughout Canadian communities in celebrating this anniversary.

[*Translation*]

CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION

CABLE SERVICE TO FRENCH-SPEAKING COMMUNITIES

Hon. Jean-Maurice Simard: Honourable senators, in the speech that I am about to deliver, I would like to embrace the position of the Fédération des communautés francophones et acadiennes du Canada in the wake of the decision by the Canadian Radio-Television and Telecommunications Commission to grant to the CBC, the state broadcasting service, a license to operate the Réseau de l'information, a French all-news channel.

> The proposed delivery mode for the CBC's new RDI channel is a major affront to this country's francophone and Acadian communities.
>
> It is a scandalous decision, a serious oversight on the part of the CRTC in terms of its mandate.

In the words of Mrs. Lanteigne, the President of the Federation:

> How can the CRTC justify awarding a license to the CBC when it had submitted a truncated proposal which did not even live up to its national mandate, as set out in the Broadcasting Act?

Mrs. Lanteigne further believes — and I share her views — that:

> This constitutes an infringement of our rights.

In the wake of this decision, if the Governor in Council does not move to give favourable consideration to the appeal of their federation...

> The francophone and Acadian communities face the prospect of never having access to the channel, considering that the service delivery mode advocated by the CBC involves carrying the signal to basic cable services in francophone markets and to optional services in English markets. The fact is that virtually all francophone and Acadian communities are located in English markets.
>
> In other words, the CBC is relying on cable companies to act in good faith and carry the service in English markets. In the past, no guarantee that this would be the case has ever been given.
>
> The federation's fears are all the more justified in that the Canadian Cable Television Association, in its access policy which was recently endorsed by this same CRTC, merely invites cable companies to carry French-language television services in English markets when circumstances so warrant.

In Mrs. Lanteigne's opinion, which I and the vast majority of Acadians whom I represent in this house share —

> — this action is tantamount to the complete abdication by the CRTC of its authority over the Canadian cable industry.
>
> That is why, when it appeared before the CRTC last March, the Fédération des communautés francophones et acadiennes du Canada urged the commission to compel cable companies to carry the signal across Canada, basing their arguments specifically on the provisions of the Broadcasting Act.
>
> The CBC's mandate and its responsibilities toward our communities are quite explicit. If the CRTC is incapable of complying with the Broadcasting Act, I suggest that other bodies could do so in its place.

I spoke of appealing this decision before the Governor in Council and I urge the Minister of Heritage, the Honourable Mr. Dupuy, to firmly support the position of the federation and its request that cable companies be required to carry this service outside Quebec. If that were the case, the CBC and the CRTC would be complying with the mandates entrusted to them by the Parliament of Canada.

[*English*]

• (1340)

PUBLIC SERVICE HEALTH CARE PLAN

DISPARITY IN NURSING CARE COVERAGE

Hon. Daniel A. Lang: Honourable senators, I rise this afternoon on a matter that is of somewhat parochial interest, but it affects so many of you that I thought it should be made public, out of concern for every one of you. My case is closed, so I do this in what I think is purely the public interest.

There is a very serious defect in the Public Service Health Care Plan under which all of us are covered, as are thousands of public servants, judges, members of the armed forces — countless numbers, in my imagination. This plan provides for coverage for expenses incurred for services of a "nurse" in a patient's private residence.

The fault in the plan is in its definition of "nurse." I quote from the brochure, which I am sure you have all seen but probably never read:

> Nurse — means a registered nurse, registered nursing assistant, licensed practical nurse and certified nursing assistant who is listed on the appropriate provincial registry and, in the absence of such registry, a nurse with comparable qualifications as determined by the Administrator.

The administrator is actually the insurance company, the underwriter.

Today in many provinces, including Ontario, there is another category known as the certified health care aide. In Ontario, they must follow a nine-month education and training program. Expenses incurred in respect of these people are not covered under our plan.

Here is the background. Today, because of financial constraints, hospitals are discharging patients much faster than heretofore. Today, for the same reason, governments are putting a priority on home care services rather than on in-hospital services, and that can be easily understood. Today, there is an acute shortage of nursing personnel as defined under the plan.

Let me quickly outline the mechanics in retrospect. When you are being discharged, the surgeon may tell you that you will require home nursing care. You will select a nursing agency. The hospital and the agency, without your having any intervention at all unless forewarned, will determine the level of care you are to receive.

As this plan now stands, you should at that point insist on the highest level of nursing care available, at three times the cost, in order to maintain your coverage. This to me is so counterproductive as to be almost farcical. It may cost, as I said, three times as much as a health care aide in Ontario, and even they are very expensive personnel.

I am raising this matter because of the extent of the people covered under this government plan. There are literally thousands of public servants, judges of all the courts, members of Parliament of both Houses, Canadian Armed Forces personnel, and I could go on and on. It certainly is the largest health care plan in Canada.

Its ultimate effect, as it now stands, is completely unrealistic and infinitely more costly, because members may not be aware beforehand of the traps they might fall into. I am sure that many thousands of claims have been rejected in the past, and I suspect that the administration is afraid that opening it up to deal with this problem will produce a floodgate of reapplications.

Honourable senators, I say this with reticence, but my enquiries, which can be conducted by a senator rather more easily than by a member of the public or the public service, lead me to believe that this whole plan is in financial danger and may even go broke without the intervention of the Treasury Board.

• (1350)

Honourable senators, under the circumstances I have raised this matter in the hope that some other senator or senators may deem it of sufficient importance to, at some point, make it the subject of an inquiry and refer it to a committee to look at the structure, the viability of this plan. Mr. Audcent, the Assistant Law Clerk, will be instructed by me to make my file, which he has been handling, available to anyone who is interested. My claim is closed but I did not want to leave with this sword of Damocles hanging over the heads of thousands and thousands of public servants across this country.

Hon. Earl A. Hastings: Honourable senators, I do not wish to engage in debate on the subject, though I do wish to thank the Honourable Senator Lang for bringing this matter to our attention. I should like to assure him that the Standing Committee on Internal Committee, Budgets and Administration will be seized of this subject, and perhaps will undertake an inquiry by way of a task force of that committee, post haste.

ROUTINE PROCEEDINGS

THE ESTIMATES, 1994-95

REPORT OF NATIONAL FINANCE COMMITTEE ON SUPPLEMENTARY ESTIMATES (A) PRESENTED AND PRINTED AS APPENDIX

Hon. C. William Doody: Honourable senators, I have the honour to present the fourth report of the Standing Senate Committee on National Finance concerning the examination of Supplementary Estimates (A), laid before Parliament for the fiscal year ending March 31, 1995.

I ask that the report be printed as an appendix to the *Minutes of the Proceedings of the Senate* of this day, and that it form part of the permanent records of this house.

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

Hon. Senators: Agreed.

(*For text of report, see today's* Minutes of the Proceedings of the Senate.)

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

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

[*Translation*]

HEALTH CARE

TRAINING OF WORKERS IN UNDERSERVICED REGIONS—NOTICE OF INQUIRY

Hon. Jean Noël Desmarais: Honourable senators, I give notice that on Tuesday next, June 14, 1994, I will call the attention of the Senate to the problem of training of health care workers for underserviced areas of Canada.

[*English*]

• (1400)

QUESTION PERIOD

CHINA

HUMAN RIGHTS AND COMMERCIAL RELATIONS— GOVERNMENT POLICY

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, in a speech on May 31, the Minister of Foreign Affairs formally confirmed what some of his other colleagues, in particular the Prime Minister and the Minister of International Trade, had been saying for some time, that Canada will no longer advance the cause of human rights in any country where export prospects might be jeopardized as a result. Mr. Ouellet, in his pathetically convoluted attempt at justifying the Liberal government's abandonment of a fundamental principle which guided Canadian governments in the past, particularly those of Mr. Diefenbaker and Mr. Mulroney —

Some Hon. Senators: Oh, oh!

Senator Lynch-Staunton: — particularly those of Mr. Diefenbaker and Mr. Mulroney, not to mention Mr. Clark —

Senator Frith: He wants to milk it for all he can get!

Senator Lynch-Staunton: Mr. Ouellet went so far as to endorse the Premier of Ontario's statement confirming his party's similar abandonment. This is what Mr. Rae said, which is endorsed fully in a speech by Mr. Ouellet:

> We will not advance the cause of human rights one whit by pulling away from extensive commercial, cultural, educational ties.

My question to the Leader of the Government in the Senate is the following: How can a government, which justifies its legislative inactivity by a need to consult, consult, consult and study, study, study, abandon such a basic moral obligation without even a minimum of public consultation or study?

Senator Olson: That is a convolution!

Senator Lynch-Staunton: The answer will be.

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, we have engaged in this discussion more than once in the past few days.

My friend Senator Lynch-Staunton read from the text, he is saying, of remarks made by the Minister of Foreign Affairs. Perhaps it would be helpful to the house if I could place on the record comments made by the Prime Minister in the House of Commons on June 1.

I do not have a copy of Mr. Ouellet's speech, but I would say that those two gentlemen would be very much on the same wavelength.

I will quote the Prime Minister from the *House of Commons Debates* of June 1, 1994, at page 4698:

> Mr. Speaker, this government's policy has always been clear: we deplore regimes that do not respect people's freedom.
>
> We have told the Chinese government this at every opportunity. However, there is no international boycott of China. All countries in the world do business with China. We believe that the best way to open that society is to open it to the world. After trading extensively with Western countries, the Chinese themselves will recognize that Western values for the protection of human rights are the best. That is the best way to proceed, because if China is completely isolated and cut off, there will be more and more abuse.
>
> We believe that the method used by this government of condemning them for what they do but continuing to do business with them, as all countries in the world do, and to offer them North American, Canadian or European technology is the best way to bring those people to accept Western values. Completely isolating them is not the way to do it.

Some Hon. Senators: Hear, hear!

Senator Lynch-Staunton: I am sure that the Chinese have been terrified by this little slap on the wrist.

Senator Thériault: No, they are terrified of you!

Senator Lynch-Staunton: May I remind the Leader of the Government in the Senate and her colleagues that Canada took the initiative in the late 1950s, under the leadership of Mr. Diefenbaker, that eventually led to South Africa's complete abandonment of apartheid.

Senator Olson: Come again! Do you think we were born yesterday!

Senator Lynch-Staunton: Is the Leader of the Government suggesting that economic sanctions —

Senator MacEachen: Tory icon!

Senator Lynch-Staunton: I do not want to engage in a debate with a Liberal icon.

Is the Leader of the Government suggesting that the international community, led by Canada, had no impact on this welcome development in South Africa?

Senator Olson: That is not the point!

Senator Lynch-Staunton: You do not like to be reminded, do you?

Senator Fairbairn: You are going back a little bit before my time.

Senator Lynch-Staunton: Oh, ancient history. Their election was held last month.

Senator Fairbairn: It was an election that all of us in this country hailed, as did our two Senate representatives who were there in South Africa.

The Canadian position on South Africa has been well known over the decades. The Canadian position on China has been well known over the decades —

Senator Lynch-Staunton: Until last week.

Senator Fairbairn: — and those who lead this country have done a considerable amount to bring that enormous country, with its potential, into the community of nations. That is precisely what the Prime Minister of Canada is intent on doing now.

Senator Stewart: The Diefenbaker government traded with China.

Senator Lynch-Staunton: Can we assume, then, that the government is at least being consistent in its new policy by supporting increased sanctions against Haiti, since we have no trade with Haiti? Is this what the government's policy is on human rights — enforce sanctions and increase the embargo on pathetic, poor countries like Haiti, but ignore what is going on in the rest of the world when there is a dollar to be made?

Senator Fairbairn: That is not the position of the Canadian government, and I think my friend knows that.

Senator Lynch-Staunton: No, I do not. Tell us about Haiti.

[*Translation*]

NATIONAL DEFENCE

CLOSURE OF ROYAL MILITARY COLLEGE AT ST-JEAN

Hon. Jean-Maurice Simard: Honourable senators, my question is for the Leader of the Government in the Senate.

I would like to ask the Leader of the Government in the Senate whether the government has something to hide regarding the closure of the military college at St-Jean.

We have asked several questions. In response, the minister quoted from the Red Book, et cetera. The ministers continue to contradict one another when we present them with figures supporting our arguments. My question is quite straightforward. Does the government have something to hide on this issue?

Senator Thériault: Why do you not ask Lucien Bouchard?

Senator Simard: Perhaps Senator Thériault would give me a chance to complete my question? It should concern him as a representative in this chamber of the Acadian community, of all francophones outside Quebec, and of English-speaking maritimers who benefited from the presence of a military training institution in a French-speaking environment in St-Jean, Quebec!

To explain the meaning of my question, Madam Minister, last week before the Senate Committee on National Finance, Minister Massé told us that 17 per cent of French-speaking officers now in the armed forces went to the college in St-Jean. We set him straight by pointing out that, in fact, 82 per cent of francophone officers went to St-Jean.

A few days later in the House of Commons, Sheila Copps repeated the figures her colleague had quoted two days earlier. On the same issue, the Deputy Prime Minister stated in the House of Commons that it would not cost a penny more in Kingston after the college in St-Jean closes.

Minister Marcel Massé added that he had looked into the repair work and that it had been planned well before the closure of the college in St-Jean was announced.

This inconsistency was denounced by Brigadier General Mack, who indicated that another $19 million, at least, will have to be spent on the construction of a new wing to accommodate the officer cadets from St-Jean.

I give the minister a chance —

[*English*]

— to level with the people of Canada and tell us if the government is really hiding something.

• (1410)

Hon. Joyce Fairbairn (Leader of the Government): The government is not attempting to hide anything on the question of the military college in St-Jean. Indeed, the Senate committee probably had very fulsome discussions with more than one minister on this subject while they were, quite properly, studying the Estimates. My friend has quoted a number of different people and a number of different figures. I would be pleased to look at the text of what he has said, and determine whether I can enlighten him further.

Senator Simard: I am pleased to hear the commitment of the Leader of the Government in the Senate. The 82-per-cent figure I quoted has been verified by people in St-Jean and other places. We have given at least two ministers the opportunity to say that those figures are wrong. I certainly welcome the undertaking of the minister in this house. She will discover that our figures are right, and I hope that she will inform her three colleagues of that fact, Mr. Collenette being the third.

I have a second question on the same topic. A few days after Bill C-18 went back to the House of Commons, Mr. Gray, the Leader of the Government in the other place, was quoted as saying:

> We have given the matter further thought. We have listened to public comment. We are a government that is ready to listen.

This is most encouraging. That brings me back to the closing of the Collège militaire in St-Jean. We know that the government has changed its mind on at least three other major decisions. It has changed its mind on the decision affecting the size and cost of operating ministers' offices — they are intending to beef that up in the next few months. We know that the government changed its mind on NAFTA. It made a few statements which I call "opération maquillage." It has changed its mind, and Canadians certainly know that the deal the government finally endorsed and signed was the same deal negotiated by the previous government.

It seems that, after a few months, this government can change its mind when it sees the light. I hope it sees the light on the issue of the Collège militaire in St-Jean.

We know that the government has changed its mind on at least two other issues. On the GST, it is talking about doing away with the tax on books. We know that the Liberal majority on the committee of the House of Commons recommended that this tax be hidden. The future so-called GST will still be there, but it will be hidden.

Will the government change its mind on the closing of the Collège militaire? Will you, Madam Minister, stop quoting the Red Book and inform the world of what is about to take place in St-Jean? The rest of Canada is very much concerned about this closure.

Senator Fairbairn: Honourable senators, as I have said on a number of occasions to my honourable friend, with some sadness, there were strong reasons for the government's decisions on defence spending cuts in the budget. I cannot give him the undertaking he seeks. However, I can try to obtain for him some of the other information he has requested today.

With regard to some of the other things he has mentioned in his question, the senator seems to know a lot more than do I. The GST committee has not yet reported, and I do not know what will be in that report. In addition, if our offices are being beefed up, it is news to me.

The Hon. the Speaker: Honourable senators, before I recognize the next questioner, since I see there are a large number of senators who want to ask questions, may I ask senators to try to keep their preliminary comments very brief.

[*Translation*]

CLOSURE OF ROYAL MILITARY COLLEGE AT ST-JEAN— REQUEST FOR INFORMATION

Hon. Jean-Claude Rivest: I have a supplementary question for the Leader of the Government in the Senate.

Last week, the minister promised to report to me and to honourable senators on the financial commitments and expenditures involved in the federal government's decision to close the Royal Military College at St-Jean.

Is the minister about to transmit this information to the Senate?

[*English*]

Hon. Joyce Fairbairn (Leader of the Government): Senator Rivest, I am on the verge of supplying that information to the best of my ability.

TRANSPORT

SEARCH AND RESCUE—REPLACEMENT OF SEA KING HELICOPTER FLEET—DOCUMENTS TABLED.

Hon. John Buchanan: Honourable senators, my question is a follow-up to the statements made last week by my colleague Senator Comeau regarding the Sea King helicopters. A May 26 article, followed by numerous editorials, quoted a former Sea King helicopter pilot who was stationed in Dartmouth as saying that the helicopters:

> ...are too old to fly safely and must be replaced...
>
> "The Sea King is not a perfectly reliable aircraft, and I don't know why anyone would say it is..."

That quote is from a former pilot with 3,000 hours flying time. He said that critical engine systems in the helicopters resist tune-ups as well and cited instrument and radar problems.

He said the government must:

> ...look in a direction to get something else, whether it's interim or permanent. It's got to be one of them.

Will the Leader of the Government in the Senate use her influence in cabinet to urge the government to reconsider its decision to cancel the helicopter program, or put in place, as quickly as possible, a program which will ensure the safety of our helicopter pilots?

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, without conceding to my honourable friend the validity of the statements that have been made, I am certainly aware of that article. I am also aware of the rigorous assessments that are done within the Department of the National Defence as well. I will use my —

Senator MacEachen: Great influence.

Senator Fairbairn: — proximity to my colleagues in the cabinet to put forward my honourable friend's comments, and I will return to him with the response.

Senator Buchanan: Honourable senators, over the years I have agreed on many occasions with the distinguished senator from Cape Breton, Senator MacEachen, and I do again today. I think it is much more than just the minister's proximity. I think she could use her very great influence in discussing this with her cabinet colleagues.

I should like to table both of these documents. One is the statements made by the former Sea King helicopter pilot who was also involved in an engine fire in a Sea King. I remember it very well. It forced an emergency landing in Musquodoboit Harbour on the eastern shore of Nova Scotia. He also mentioned other problems with the engines and instruments that were very common when he flew the Sea Kings. That was not yesterday; it was approximately four or five years ago. He also mentioned the reluctance of present Sea King pilots to discuss the matter publicly, and I suppose he is stating that he will be their spokesman.

• (1420)

I would like to table both of those documents so that the Leader of the Government in the Senate will see that it is not just me who is making these statements but a very experienced helicopter pilot with 3,000 hours experience.

Hon. Gerry St. Germain: Honourable senators, I wish to ask a supplementary question.

The Hon. the Speaker: Honourable senators, is leave granted to table these documents?

Hon. Richard J. Stanbury (Acting Deputy Leader of the Government): Honourable senators, before we grant leave, and it is my intention to grant leave, I would like to remind the Leader of the Opposition and his colleagues that it was they who instituted the rule for a time limit on Question Period. I remember that Senator Murray made a considerable point of the importance of that rule during his regime.

Senator Murray: I have not changed my mind.

Senator Stanbury: I wish to remind honourable senators that the request for leave every day is eroding what my friends opposite regarded as a very important rule.

Senator Berntson: No one is asking for an extension; it is only to table a document.

The Hon. the Speaker: Order. Honourable senators, I have asked if there is leave for Senator Buchanan to table those documents?

Hon. Senators: Agreed.

Documents tabled.

SEARCH AND RESCUE—REPLACEMENT OF SEA KING HELICOPTER FLEET—GOVERNMENT POSITION

Hon. Gerry St. Germain: Honourable senators, I wish to thank the Leader of the Government for the written response to my question posed on May 12 which concerned the EH-101 helicopter project.

Military officers and personnel cannot speak out publicly about equipment, nor on various aspects of their duties. In the spirit of that restriction, the response that I received stated that considerations were being made for "off-the-shelf" purchases and the use of private sector helicopters.

In light of the recent legislation that Minister Tobin and Minister Ouellet brought to the Senate with respect to arrests and supervision of the fishery outside the 200-mile limit, can the Leader of the Government inform honourable senators whether negotiations are ongoing for purchases of off-the-shelf equipment, or whether there are negotiations under way with private sector helicopter firms with an eye to the safety of our military personnel, who unfortunately cannot defend themselves in the public forum?

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I will be pleased to talk to my colleague the Minister of National Defence when he returns, and provide a response to my friend.

RELIABILITY OF LABRADOR HELICOPTERS ON SEARCH AND RESCUE MISSIONS—GOVERNMENT POSITION

Hon. C. William Doody: Honourable senators, perhaps I may ask a short supplementary question.

The comments that have been made here, and the questions asked, are equally applicable to the situation of the Labrador helicopters that are used in the search and rescue area. They are a matter of major concern on the East Coast and, I suspect, also on the West Coast.

Can the Leader of the Government provide us with a status report as to how the government feels with respect to the reliability of this equipment? I think the opinion of the government is a great deal more optimistic than the people who rely on these helicopters. However, in any event, I would appreciate that type of information.

Hon. Joyce Fairbairn (Leader of the Government): I would be pleased to follow that up for my friend.

CHINA

HUMAN RIGHTS AND COMMERCIAL RELATIONS—GOVERNMENT POSITION

Hon. Noël A. Kinsella: Honourable senators, I wish to return to the dossier raised by the Leader of the Opposition with respect to our foreign policy, and particularly our foreign policy affecting human rights and our relations with China.

If there is to be no de-linking of our policy on human rights and foreign policy, and no lessening of our desire to promote human rights in those countries with which we trade, but rather a quiet type of diplomacy is to be pursued, can the Leader of the

Government in the Senate inform us as to whether foreign officers engaged in relations with a particular country will be trained to recognize human rights issues, and be able to articulate the human rights issues with which we are concerned?

Hon. Joyce Fairbairn (Leader of the Government): I would certainly be pleased to pass on the comments of my honourable friend to the ministers involved.

Senator Kinsella: Would the minister also enquire whether the trade officials in the International Trade Department will also receive such training? Will a sophisticated protocol be developed such that foreign officers or trade officers, throughout their dealings, will be required to report the contacts that they make through their foreign or trade work and the opportunities presented to advance human rights issues; further, whether such opportunities and reportings would be measurable in terms of the career progress of the foreign or trade officer; all of this so that we would have some measure of control if quiet diplomacy were to be the approach used?

Senator Fairbairn: I would be pleased to pass on my friend's comments. Since he speaks of quiet diplomacy, I wish to underline the fact that the Prime Minister has stated his views very clearly on the question of human rights, not only in the statement that I read earlier, but on many other occasions inside and outside of Parliament.

With respect to China, I think I mentioned a couple of days ago that, at the United Nations in March, the Government of Canada sponsored a resolution condemning the human rights record of China. Canada's view on those issues is known in other countries and outside the government and, I have no doubt, within the government.

As to the more specific questions, I will be pleased to pass them on.

POST-SECONDARY EDUCATION

CANADA STUDENT LOANS PROGRAM—IMPACT ON FEDERAL FUNDING—GOVERNMENT POSITION

Hon. Ethel Cochrane: Honourable senators, the government has introduced legislation to enable pilot projects to be set up for income-contingent student loans. Increased student loan funding will result in a decrease in federal funding to the provinces for post-secondary education. That, in turn, will result in tuition fee increases, with estimates as high as $12,000 per year. Does the government have any estimate as to what the impact of such a drastic change would be on enrolments in post-secondary institutions, especially in poorer provinces where there is a very high youth unemployment rate?

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, the government has introduced in the House of Commons amendments to the Canada Student Loans Act. As well, the Minister of Human Resources Development is about to launch a wide-ranging review of all those issues under the umbrella of social policy. This will go on in a very public manner for many months before any conclusions are drawn by the government.

• (1430)

I am sure that in the months ahead there will be ample opportunity to discuss the question of student loans and related issues.

As far as specific estimates are concerned, I will follow the matter up for my honourable friend.

[*Translation*]

NATIONAL ROUND TABLE ON THE ENVIRONMENT AND THE ECONOMY

NONREPRESENTATION OF NEW BRUNSWICK

Hon. Eymard G. Corbin: Honourable senators, my question is, of course, for the Leader of the Government in the Senate. Some time ago, I warned her that I would ask her the following question.

Following the proclamation of Bill C-72, which officially created the National Round Table on the Environment and the Economy, some 25 or 30 members were appointed to that Round Table. Much to my chagrin, I discovered that the province of New Brunswick was not represented at that Round Table. If I am not mistaken, the same is true for Saskatchewan, while Nova Scotia may have one representative. However, Ontario is represented by eight or nine people, Quebec by five or six, and Prince Edward Island by two. The Yukon and Northwest Territories are also represented, but not New Brunswick.

To me this is unacceptable, since we are talking about a National Round Table on the Environment and the Economy. I do not know if anyone in particular must be blamed for this oversight, but I think that the situation should be corrected as soon as possible.

I cannot believe that the government cannot find competent people in the province of New Brunswick to make a positive contribution to this Round Table, whose role is to advise the Prime Minister on environmental and economic issues.

[*English*]

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, Senator Corbin's point is well taken. I will take it up with my colleagues and provide him with a response.

INTERNATIONAL RELATIONS

HUMAN RIGHTS—GOVERNMENT POLICY

Hon. A. Raynell Andreychuk: Honourable senators, my question is prompted by the series of questions asked today concerning human rights. I was heartened to hear in the statement made today by the Leader of the Government in the Senate that the apparent trend toward power politics is not the case, but that quiet diplomacy is to be pursued. However, quiet diplomacy is not well scrutinized. Therefore, I reinforce what Senator Kinsella said about the need for protocols so that our message is uniform.

Perhaps I misunderstood what the Leader of the Government said and she can clarify her remarks for me. I was disappointed to hear her say that we will exercise our authority, which I suppose means our power, where we believe our values can be imprinted. One of Canada's fundamental values was our human rights in conjunction with the wishes of other countries through the Universal Declaration of Human Rights, certain covenants, and so on. It was not our will that we were imposing on China, but a collective safeguard in terms of security and peace for the entire world. In my opinion, talking about our common values is even more frightening than saying that we will only impose our power.

Will the Leader of the Government undertake either to clarify the Prime Minister's statement which she read or seek clarification from the Prime Minister that we are not imposing our values and our culture on others, but, rather, that it is an international standard to which we should all adhere?

Hon. Senators: Hear, hear!

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I thank Senator Andreychuk for her question. I did not intend to give the impression that the Prime Minister of Canada would be imposing values on any country. I believe he was trying to make the point — and I will seek further clarification in this regard — that by having open relations, trade and exchanges with China we will be in a better position, not just to deal with human rights there, but to bring China into the international community of nations, than we would be if we were to take a narrow view and refuse to deal with China. The fundamental premise of the government's policy is one of openness as opposed to one of exclusion.

The Hon. the Speaker: I regret to inform honourable senators that the time allotted for Question Period has expired. If Senator Ghitter is here tomorrow, I promise that he will be first on the list.

ORDERS OF THE DAY

MERCHANT NAVY VETERAN AND CIVILIAN WAR-RELATED BENEFITS ACT

BILL TO AMEND—SECOND READING—DEBATE CONTINUED

On the Order:

> Resuming the debate on the motion of the Honourable Senator Marshall, seconded by the Honourable Senator Lavoie-Roux, for the second reading of Bill S-4, to amend the Merchant Navy Veteran and Civilian War-related Benefits Act. — (*Honourable Senator Berntson*)

Hon. Arthur Eric Berntson (Deputy Leader of the Opposition): Honourable senators, my intervention will be brief. I do not intend to add a great deal to the substance of the debate. Rather, it is a procedural intervention which I wish to make at this time.

This is the fourteenth day that this item has been on the Order Paper without any action having been taken. It is my understanding that Senator Marshall and Senator Molgat have been discussing some resolution to the final disposition of this bill. I understand that neither one of them is back from the D-day exercises in Europe. Therefore, my purpose today is to breathe new life into the matter.

I understand Senator Marshall at least will be back next week. I do not know when Senator Molgat will be back. Procedurally, I think my intervention accommodates them, in that I have invited my colleague Senator Kinsella to adjourn the debate on this motion.

On motion of Senator Kinsella, debate adjourned.

PRIVATE BILL

CANADIAN ASSOCIATION OF LUTHERAN CONGREGATIONS—THIRD READING—MOTION IN AMENDMENT

Hon. H.A. Olson moved the third reading of Bill S-5, to incorporate the Canadian Association of Lutheran Congregations.

He said: Honourable senators, unfortunately, in moving third reading of this bill, I have to advise the Senate that I have received a communication from the Law Clerk of the Senate advising me that there is a technical error in the bill which must be dealt with first. This error was only discovered today. Therefore, I feel obliged to move a technical amendment to the bill.

The purpose of the amendment is to correct a technical error in the French version of the preamble. I think it would be better if I were to give this to the Clerk at the Table to read carefully and slowly so that honourable senators can follow it rather than to have me stumble through the French. I want it to be very precise.

Senator Doody: You are mellowing.

Senator Olson: I am almost amazed at that myself.

In the French version, as it now reads, lines 1 to 4 on page 2 are set out in the form of a lettered paragraph referring to what the petitioners have stated in their petition. The wording contained in these lines should be, instead, in the form of an independent paragraph to the preamble, as it is in the English version.

• (1440)

As such, the words would then become a Parliamentary statement as to why it is expedient to grant the prayer of the petitioners.

Perhaps you could all read that and then you will know precisely what it is in French.

The Hon. the Speaker: Honourable senators, it is moved by Senator Olson, seconded by Senator Grafstein, that Bill S-5 be not now read the third time but that it be amended as follows in the French version:

> By striking out lines 1 to 4 on page 2 and substituting the following:

[*Translation*]

> And whereas the petitioners, acting on behalf of the national church body so established, have by their petition prayed that it be enacted as hereinafter set forth, and it is expedient to grant the prayer of the petitioners;

[*English*]

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

Hon. Senators: Agreed.

Motion agreed to.

The Hon. the Speaker: Is it your pleasure, honourable senators, that the bill, as amended, be now read the third time?

Motion agreed to and bill, as amended, read third time and passed.

COMPETITION IN TRANSPORTATION, POLICY AND LEGISLATION IN REVIEW

REPORT OF TRANSPORT AND COMMUNICATIONS COMMITTEE ADOPTED

The Senate proceeded to consideration of the second report of the Standing Senate Committee on Transport and Communications (Budget — Study on National Transportation Act Review Commission Report), presented in the Senate on June 7, 1994.

Hon. Donald H. Oliver: Honourable senators, I move the adoption of the report.

Motion agreed to and report adopted.

RADIO CANADA INTERNATIONAL

REPORT OF TRANSPORT AND COMMUNICATIONS COMMITTEE ADOPTED

The Senate proceeded to consideration of the third report of the Standing Senate Committee on Transport and Communications (Budget — Radio Canada International study), presented in the Senate on June 7, 1994.

Hon. Donald H. Oliver: Honourable senators, I move the adoption of the report.

Motion agreed to and report adopted.

MARINE SAFETY

REPORT OF TRANSPORT AND COMMUNICATIONS COMMITTEE ADOPTED

The Senate proceeded to consideration of the fourth report of the Standing Senate Committee on Transport and Communications (Budget — Staffed lightstations study), presented in the Senate on June 7, 1994.

Hon. Donald H. Oliver: Honourable senators, I move the adoption of the report.

Motion agreed to and report adopted.

THE BUDGET

STATEMENT OF MINISTER OF FINANCE—INQUIRY STANDS

On the Order:

> Resuming the debate on the inquiry of the Honourable Senator Phillips, calling the attention of the Senate to the Budget Statement made by the Minister of Finance, on Tuesday, February 22, 1994.—*(Honourable Senator Stanbury).*

Hon. Richard J. Stanbury (Acting Deputy Leader of the Government): Honourable senators, I adjourned the debate on this matter so that anyone else who wished to speak could do so. If there is no other person desiring to speak, I suggest we take the issue as debated.

Hon. Eric Arthur Berntson (Deputy Leader of the Opposition): Honourable senators, we will have some more speakers on this particular inquiry. Either it can stand or I can move the adjournment of the debate.

The Hon. the Speaker: Honourable senators, is it agreed that this inquiry stand?

Hon. Senators: Agreed.

Inquiry stands.

QUEBEC NATIONALISM

INHERENT CONTRADICTIONS—INQUIRY—DEBATE ADJOURNED

Hon. Jerahmiel S. Grafstein rose pursuant to notice of Tuesday, May 10, 1994:

> That he will call the attention of the Senate to the contradictions of Quebec nationalism.

He said: Honourable senators, Canadians have become intrigued, almost mesmerized, by the contradictions of Quebec nationalism. If some Quebecers can live with ambiguity, all Quebec nationalists simply revel in contradiction. Indeed, Quebec nationalists could be called connoisseurs of contradiction.

Some observers calculate that the majority of voters in Quebec have shrewdly used the artfulness of contradiction to democratically lever their minority status for greater economic power within Confederation. All to the good. Yet the majority of Quebec voters have rarely pushed contradiction to an extreme. Hence, a strong federalist vote in Ottawa was usually married to a strong nationalist vote in the province of Quebec. A workable balance, democratic restraint, was exhibited.

Meanwhile, other Canadians who subsidize contradiction were bemused bystanders until the recent economic downturn. When economic growth was generally on the rise, Canadians outside Quebec readily shared their economic largesse for the sake of unity. When, however, provinces such as my province, the province of Ontario, suffer traumatic economic devaluation, that lonely Ontario taxpayer, that singularly forgotten Canadian, begins to measure ever so closely the level and the allocation of his diminishing tax resources.

Dreary economics has transformed contradiction into an explosive economic issue and a political issue within and without the province of Quebec. Worse, "Let's pretend sovereignty," "Let's pretend nationalism" — promoted by Quebec nationalists — the nationalism of contradiction, the constant piling-on of even innocent, endless contradictions, can accidentally trigger endless counterrevolution, with all the irrational economic devastation and mindless economic fall-out any counterrevolution always visits on the innocent citizen.

Of course, the dialectics of contradiction are not new either to Quebec or to politics. Karl Marx, from his solitary perch in the London Library, often drew startlingly inaccurate conclusions from his reading of the history of economic conditions. You will recall that Marx's major postulate held that inherent contradictions of capitalism, when pushed to extremes, would implode ultimately to be replaced by communism. "Progress," Marx taught, was the responsibility of the vanguards, the leadership elites, the organizing party of the masses, and "progress," communist "progress," would accelerate those contradictions until the shaky foundations of capitalism cracked and crumbled.

Marx predicted the capitalist state and its followers would "wither away" to be supplanted by new men, a new vanguard, a new collectivized entity, a communist state. Marx needed his version of history for affirmation. History, Marx predicted, was on the side of his definition, his version of "progress."

However, Marx was wrong. It now seems that Marx misread history and the human condition. The collectivism of communism expired, suffocated by its own inherent contradictions, trapped by its internal postulates, and communist "progress" disintegrated, expired, a victim of its own history.

Never daunted, Marxists and nationalists alike love the dialectic of contradictions; love to push liberal, political ideas to extremes; love to tug at those carefully nurtured, fragile, liberal bonds, bonds of consensus that tie political organisms until they stretch and reach the breaking point.

This exercise of exaggerated contradictions, this perpetual polemic by Quebec nationalists, has at least two horrific, transparent side effects.

• (1450)

First, contradictions confuse the young. Yes, youth can live with ambiguity. However, they cannot hope to maximize their potential and mobility on career paths obstructed by contradictions. Second, and even more significant, contradictions mutilate choice and amputate truth in a free society. Limitation on choice and caricatures of open debate inexorably restrict liberty, corrupt democracy, and curtail civil society.

In the province of Quebec we encounter monopoly "media-ists" and a one-eyed intelligentsia dedicated to the glory, the grandeur, and the panoply of nationalist contradictions. This is not a new phenomenon. Echoes of monopoly ideologies still haunt us. In a France weakened after World War II, the left was divided between liberals and Marxists, both seeking a better world, both seeking "progress." Sartre, Beauvoir, Merleau-Ponty, Mounier and others turned a blind eye to the dark side of Marxism and the excesses of collectivism. They too revelled in blind contradiction. They too rationalized trade-off between their vision of "progress" and liberty. Restrictions on choice and liberty, they preached, were for "the greater good," for the majority, for "the better society," for "progress."

As a matter of course, they too castigated and alienated those few liberal intellectuals who stood for an open society, a pluralistic society, such as Francois Mauriac or Albert Camus or Raymond Aron. To isolate, to vilify, to stigmatize, even to threaten alternate voices, is the standard technique practised by a one-eyed intelligentsia.

Marxists simply refused to calculate the costs to civil society for their collectivist vision of the future. Even after they were shown to be demons of self-deception, naturally their fellow travellers continued to mimic the same party line, strangely detached from any and all self-criticism.

As time passes, honourable senators, the liberalism and the pluralism so elegantly probed by Camus has survived and flourished, while the collectivist Marxist destiny personified by Sartre has ebbed and become discredited. So too we observe the death throes of nationalism as a spent force in South Africa, and witness daily the horrors of nationalism *in extremis* in the Balkans. Some have eyes yet cannot see.

The heart of the problem for me, honourable senators, lies buried deep within the essence of contradiction. The nationalist "project" promoted by Quebec nationalists seems riddled with contradiction. To compile or to outline even a partial list of contradictions recently espoused by Quebec nationalists is a novel and enlightening, if demanding, experience. Here is only a short, if subjective, list:

- Passports will remain Canadian, but Quebec nationalists will decide who resides within Quebec.
- Currency will remain the Canadian dollar, and Quebec nationalists agree that they will be entitled to no voice in the Bank of Canada that would determine the direction and the texture of the dollar in their "new" economy.
- Quebec nationalists demand "a right of self-determination" for their majority in Quebec, yet deny that same so-called "right" to aboriginals in the north lands and elsewhere, or to the islands of minorities living in the heartland of Quebec, or the minorities on Montreal Island.
- The boundaries of Canada will be unilaterally set by Quebec nationalists, even without Canadian concurrence.
- Quebec nationalists welcome "free trade" agreements with the United States and Mexico while rationalizing existing trade barriers within Canada.
- Quebec nationalists alone will divide federal assets and liabilities within Quebec without reference to the federal government.
- The Canadian Criminal Code will continue to be enforced by Quebec nationalists for aberrant criminal conduct.
- Quebec nationalists will continue to draw pensions from the Government of Canada, even though they will cease to pay Canadian taxes or be subject to clawback.
- Quebec nationalists promote policies to entice population growth by rewards for procreation, while the majority of the Quebec population continues to enjoy the lowest birth rates in North America and amongst the lowest in the Western World.
- Quebec nationalist leaders in the Quebec labour movement practice nationalist divisions at home while promoting "solidarity" with the working classes abroad.
- Quebec nationalists promise fairness in language, job opportunity, and education, but only after the minorities in Quebec have taken a leap of faith, entrusting the Quebec nationalists' "sovereign" power.
- Quebec nationalists promise higher "open" education, yet French is mandatory at all levels.
- Quebec nationalists predict economic growth while virtually all economists predict an economic downturn, a flight of capital and people, a downsizing of established Quebec business and Quebec financial institutions, and a threat to the normal growth otherwise anticipated by Quebec pensioners.
- Quebec nationalists promise better economic growth without calculating that, even under the most equitable terms, the per capita debt of Quebec will be among the highest, if not the highest, in the Western World.
- Quebec nationalists proclaim survival of French in North America as their raison d'être, yet they would destroy even the narrow bridges of bilingualism constructed so laboriously and carefully across this continent.
- Quebec nationalists mock constitutional bilingualism, then seek to imitate its policies beyond Quebec without economic or legal rationale.
- Quebec nationalists argue that duplication of federal and Quebec bureaucrats is uneconomic, then promise all federal civil servants guaranteed jobs in an integrated Quebec public service.
- Quebec nationalists oppose any intrusion by the federal government into any overlapping provincial jurisdiction yet demand the right to invade clear federal jurisdiction, such as telecommunications.
- Quebec nationalists promise more support for French culture, for Quebec artists while promising to cut off the federal source of funding.
- Quebec nationalist leaders jostle for equal treatment from France as Frenchmen refer to Quebec nationalists as their "little cousins," while those same Quebec nationalists refuse equality of citizenship under the Canadian Constitution for their compatriots.
- Nationalist supporters of Quebec nationalists in France share a penchant for contradiction with Quebec nationalists. Visit tiny Place du Quebec on the crowded Left Bank in Paris and meditate on how France, so driven by grandiose symbolism, considers Quebec.
- Finally, senators, finally, that cabochon of contradictions: Quebec nationalists deny the legitimacy of the Canadian Constitution, yet invoke that same Constitution as the source of their "rights."

Contradiction piled on contradiction confuse and mystify. Before this crescendo of contradictions descends from comedy to farce, may one ask some delicate questions? Is this pile of contradictions a ploy, a compost, for a different agenda?

Does darkness lurk at the heart of the nationalist project? Are contradictions invoked by Quebec nationalists to camouflage the very weakness of nationalism, nationalism as an organizing idea? Is their real goal a power grab by a tiny Quebec nationalist elite rather than the survival of French language and French culture, which demonstrably and clearly has flourished under a nourishing federalist haven?

Honourable senators, is there an even deeper fear and loathing, a fear and envy that French culture and language can survive and, yes, thrive, across this continent, initially propelled by the federal government and now by strong, vibrant, autonomous, spontaneous citizen and community groups across the continent, thrive without government or narrow leadership, enriching the lives of Canadians in every part of Canada, making the nationalist "mission," the nationalist "project," redundant and superfluous, overtaken by the federalist "project"?

Does the nationalist nightmare contain a "frisson of fear" that their nationalist flock will not behave as lambs and follow their leaders, and would rather trade their promised tribal blanket for a Canadian coat of many colours?

• (1500)

Again, Albert Camus struck the deepest chord that shakes the nationalist footings of ideology when he wrote words to this effect — justice without love would itself be unjust.

Historians agree that nationalism can be sustained for a cycle, but always and only at a very high cost. That cost is rarely measured by nationalists. Historians agree that most nationalists must rely on romantic history, synthetic grievances, warped economic facts, uncertain projections of the future, and finally, most unfairly, a bent notion of justice.

History reminds us that there is no easy way to set a framework for justice when the transcendental empowerment of collectivity can only be exacted at the cost of minority and individual rights. Therefore, at the very core of the organizing idea of Quebec nationalism lies injustice or "temporary" inconvenience, as acknowledged by one Quebec nationalist leader.

Nationalism, not unlike Marxism, is, at its centre, a procedural philosophy lacking jurisprudence, and thus has no way of setting itself a framework of justice or any other transcendent goal. Or, to paraphrase Voltaire, faith in nationalism consists of believing what reason will not, cannot, believe!

Nationalist "truth," like Marxist "truth," is not right or wrong so much as it is "a product of process". Nationalism must be a slave to some sort of romance history for its existence — an "alibi" view of history. Only from a so-called "historic mission" planted in an arid field of ancient grievances, even if long since dissolved, can nationalism hope to be legitimized. Nationalist agendas are always gambles for an uncertain future and always justified in the so-called name of "deeper" human needs. Therefore, historians observe that nationalism, like Marxism, is a blind leap of faith, a wager never based on the best available calculation, never based on the best intelligence, compatible with only one rear-view vision of history, and usually an outdated history, since the ills of history exacted on language or culture or education or religion have long since been corrected.

Honourable senators, in response to this abuse of history, this revision of history, Albert Camus noted that "the responsibility towards history dispenses one's responsibility toward human beings." So Quebec nationalists and their fellow travellers excuse "temporary" intolerance for the sake of their "duty to their ancestors" and their history. Some "duty"!

Nationalism is an easy target for criticism due to this compulsion for contradiction. The imperative of contradiction is inseparable from message and method. The method, honourable senators, becomes the message.

Unfortunately, nationalists cannot help themselves. They become addicts. All nationalists are tempted by excess. Perhaps, honourable senators, the hottest place in Hades is reserved for the nationalists' fellow travellers in Ottawa and Quebec. Beware of fellow travellers who reek with intellectual ambiguity. Fellow travellers choose to remain in the wings, out of the spotlights, and then only slide out of the shadows with the mood shifts of their audience. Fellow travellers mask their true colours and cue from offstage, prompting the nationalist actors to further excesses. Fellow travellers refuse to curb the nationalist appetite — they merely detach and distance themselves from criticism of contradiction. Excuses are given to feed the nationalist dragon just a little more — to appease the nationalist appetite as if nationalism were the only idea, the only hope, the only menu for "linguistic or cultural survival," as if the inflation of the nationalist idea were the only way to exploit the potential of those who devoutly and sincerely desire a francophone voice, a francophone culture, and a francophone space in the North American sea.

Honourable senators, surely Canadians have slowly and carefully built a better way in the world, the federal way, that is recognized and emulated around the globe. Ultimately, will the contradictions of Quebec nationalism not self-destruct as surely as all those fallen ideologies which, in this century, have projected collectivity ahead of equality?

Czelaw Milosz — that Nobel writer — witness to the 20th century consequences of contradiction, concludes that "one should use all one's power of intelligence to overcome contradiction."

Canadians desire and Canadians share more creative values, a unique hybrid culture, colourful voices and the same civil ambitions. Look and listen — pay attention to the hockey rinks and playing fields across our continent; the stages and the studios; the television screens and the bookshelves; the farms and the condos; liquor stores and restaurant menus; the armed forces and the hospitals; our federal institutions here and aboard;

the universities and community colleges; our secondary schools and the day care centres; the words on T-shirts and the baseball caps; the plains and the sidewalks; the lakes and the seas; the trains and the planes; the bistros and the beer stores. Watch carefully as Canadians recreate themselves on their visits abroad to the islands and beaches below our borders. Am I blind? Am I alone? I do not see or hear two solitudes!

Honourable senators, we share much more than our differences. Listen again to those crafty nationalist leaders and their fellow travellers as they fashion exaggerated differences, as they prepare stakes of contradiction to drive into the heart of the Canadian soul. Watch our youth. Look. Listen. Learn. Canadians are more confident in themselves, their society, their future than these artists of malediction and contradiction, these nationalist leaders.

Canadian identity, honourable senators, is richer and stronger than the nationalists or their apologists admit because each part of Canada has contributed such a vibrant, sharing, civil society, distinctly and startlingly different from neighbour states to the south, the east or the west.

One staunch Quebec nationalist student, I was told by his federalist compatriot, hitchhiking through Europe, always proudly carries his Canadian passport and the Maple Leaf stitched on the back of his knapsack and wears a Canadian pin. A staunch Quebec nationalist student! When his federalist friend confronted him with this contradiction, the Quebec nationalist student acknowledged that he always travels with the Canadian flag because, in his previous trips around the world, he found that people admire and trust Canadians everywhere. This has allowed him easy entry to meet more people, and always guaranteed him a car ride. Even after the Quebec nationalists take over sovereign power in Quebec, he intends to carry the Canadian flag and his Canadian passport for utility, if not pride.

Honourable senators, Oh Canada! O Canada!

Senators, I am as grateful for your indulgence as I am indebted to the writings of de Toqueville, Paine, Camus, Milosz, Weil, Braudel, Pascal, Judt, Naipaul, Kedourie, Berlin, Trudeau, Popper, Hobshawn and those others whose elegance of words, whose clarity of thought, always persuasive, can be digested, never matched or emulated.

Some Hon. Senators: Hear, hear!

Hon. John Lynch-Staunton (Leader of the Opposition): Perhaps Senator Grafstein would permit a question. Many come to mind.

Listening to the senator's diatribe reminded me a bit of the Nixon report — a blanket condemnation of a school of thought without any reference to any particular individual or group of people. Who are these Quebec nationalists the honourable senator talked about who are out to ruin my society? Perhaps we might have his definition, please.

Senator Grafstein: Honourable senators, I will answer the honourable senator's comments. I would hope that my speech might invite other senators to comment on this issue. If other senators wish to comment, either shortly or at length, I will make a concluding comment at the end of the inquiry. I hope to deal with any other questions at that time.

Senator Murray: Is a nationalist and a separatist the same thing?

Senator Lynch-Staunton: So that we can appreciate this presentation better when we come to debate it, the question from Senator Murray was: In the honourable senator's mind, does he see a nationalist and a separatist as being one and the same?

Senator Grafstein: Nationalism and separatism are on the one side; pluralism and liberalism are on the other.

• (1510)

Senator Lynch-Staunton: Then is the honourable senator saying that it is wrong to be a Quebec nationalist in Canada, but it is all right to be a Canadian nationalist abroad?

Senator Grafstein: I have made this distinction before in response to Senator Murray. For me, there is a difference between a Canadian nationalist and a Canadian patriot.

Senator Lynch-Staunton: The Deputy Prime Minister's echo.

[*Translation*]

Hon. Pierre Claude Nolin: Honourable senators, I must admit that I found Senator Grafstein's speech very disturbing.

I am not all that familiar with procedures in the Senate. Perhaps His Honour might give me direction in this regard. If I want to comment on this speech after reading it, because I want to read it first, when could I do that?

The Hon. the Speaker: You can adjourn the debate, Senator Nolin.

Hon. Marcel Prud'homme: If Senator Nolin will allow me, before he proceeds?

I would have moved to adjourn this debate, but I understand my colleague who spoke before me intends to do so.

After listening to this speech, I think it is probably better to adjourn the debate. Often, in the heat of anger, we tend to overreact.

I think Canada may be proud of having this complete freedom of expression, the freedom, in my opinion, to vent one's anger on an entire people and, at this very dramatic moment in our history, to misunderstand totally what is happening in Quebec.

Honourable senators, this is a day we will remember because of the speech we just heard. Everywhere in Quebec, people will take a long hard look at the implications of what was said.

Senator Hébert: You have got it all wrong!

Senator Prud'homme: Well, join the debate!

Senator Nolin: Honourable senators, I will not be as hard —

Hon. Louis J. Robichaud: Do you want the debate to be adjourned?

Senator Nolin: I certainly do!

I think we should read the speech before attempting to make any comments at all. I realize that Senator Grafstein may have trouble understanding how Quebecers have evolved within Canada.

Personally, I am very proud to be a Quebecer. I consider myself a nationalist, but I also consider myself a Canadian. I am very grateful to Canada for letting me be part of this country while maintaining my pride as a Quebecer.

Senator Prud'homme: Hear, hear!

Senator Nolin: However, I intend to read the text of the honourable senator's speech, and I therefore move for the adjournment of this debate.

On motion of Senator Nolin, debate adjourned.

The Senate adjourned until tomorrow at 2 p.m.

THE SENATE

Thursday, June 9, 1994

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

Prayers.

THE HONOURABLE DANIEL A. LANG

TRIBUTES ON RETIREMENT

Hon. Joyce Fairbairn (Leader of the Government): Honourable colleagues, I rise to pay tribute today to Senator Dan Lang, one of our longest serving members, as he prepares to retire after 30 years in this place.

As honourable colleagues will know, His Honour the Speaker was kind enough to host a farewell reception for Senator Lang and our other departed colleague, Doug Everett, earlier this week in his chambers, which gave us all a good opportunity to reminisce.

As we all know, one's arrival in the Senate can be a very strange and unsettling experience. Suddenly, you are thrust into a very different world. It takes some time to recognize and understand the customs and traditions of this place.

The other night, Senator Lang himself noted that when he accepted the call from the Right Honourable Lester B. Pearson on Valentine's Day, February 14, 1964, it changed his life and the lives of all of those close to him. After all these years, with their challenges and their concerns, would he do it again? His answer was, "Absolutely."

His presence here each day this week indicates to me his affection for this place, and his reluctance to leave it and those who work in it. On a personal note, I want to thank Senator Lang for all the encouragement and advice he gave to me as a new and learning senator over the last few years.

For anyone who has followed his career, there is no question that Dan Lang is one of our independent thinkers. In all of his public life he has not hesitated to speak his mind and to say what he felt. This led, in the early eighties, to his departure from the Liberal caucus on the issue of the Constitution. Since then, he has sat as an independent, which he remains to this day.

Throughout the years, Senator Lang brought the strength of his convictions to bear on his work in the Senate and in its committees. He spoke out on many issues which crossed the whole spectrum of government policy and government activities. Honourable senators will know that his strongest association over the years was with the Standing Senate Committee on Banking, Trade and Commerce, particularly during the heyday of that committee when Senator Salter Hayden ran it with a very firm and stern, but effective, hand.

Senator Lang did a great deal of work on the Legal and Constitutional Affairs Committee. He was also involved in a number of other committees in this place; National Defence, Science Policy, Foreign Affairs, Transport and Communications, the Constitution, Energy and Natural Resources, and the Special Committee on the Northern Pipeline.

He also had a distinguished career in the law, in municipal politics and in the military. Colleagues will remember that earlier this week Senator Lang spoke about the D-day landing. His remarks came not from the history books but from his own personal participation in the Normandy invasion.

Perhaps I will carry with me, Senator Lang, your final comments in which you said you were scared. It takes courage to admit when you are scared. I admire you tremendously for sharing that moment with us.

When Senator Lang first came here in 1964, that was a very exciting time to be involved in politics. He had already been steeped in the inner workings of the Liberal Party as a main organizer for Ontario in the late 1950s and early 1960s. He worked with a team, sort of a secret team called Cell 13, to rebuild the party in the province of Ontario. Some of his fellow plotters and cohorts from those early days are in this chamber today, such as Senator Keith Davey, Senator Royce Frith, and my acting deputy leader, Senator Dick Stanbury. I believe Senator Grafstein, as a small boy, was somehow connected to this august group as well.

After the Diefenbaker sweep of 1958, the work of this group was central to the renewal which led to the Ontario contribution to the election of the Pearson government in 1963. I want to share with all of my colleagues an anecdote which I did mention the other night. In the course of his election duties, Senator Lang had to make many judgments about people and about events, many decisions about the suitability of candidates, and how campaigns should be run, and so on. I am told that, in all those years, there was really only one instance when his ability to predict the potential success of a candidate was something less than perfect.

It seems that Senator Lang was, to use his own words, "progging around" the various ridings in Ontario, leading up to the 1962 campaign. He returned to party headquarters in Toronto to tell all concerned that he had been in Windsor, where there was this farmer wanting to be a Liberal candidate who did not have a hope of getting elected, and did not belong in Parliament, anyway.

Honourable colleagues, the farmer, it turns out, was Eugene Whalen, who ran and won in that election, and went on to become one of our most colourful ministers of agriculture. I do not know whether, in the end, Senator Lang took credit for that victory.

Nonetheless, the confidence of Prime Minister Pearson led Senator Lang to this place where he, in his words, has found intellectual stimulation and shared commitment to this country. The Senate has always benefited from strong voices, partisan and independent. Senator Lang has been both. Here we will remember your contribution to your province of Ontario, indeed to your city of Toronto, and to the people of Canada.

As you leave today, Dan, you carry with you our thanks, and our warmest wishes for the days ahead with Frances and all of your family, who are so affectionately supportive of you.

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, while the retirement of colleagues is always cause for regret, it at least allows us to reflect for a few moments on the abilities and experiences that they have brought to this place, not only to the Senate's benefit in particular but to that of the parliamentary process as a whole.

Senator Lang's main political activity, as Senator Fairbairn has pointed out, was in the rebuilding of his party's fortunes in Ontario following the election results of 1957 and 1958. In 1958, the Liberal Party's representation in the House had never been lower. The party itself was in disarray across the country. Senator Lang and others — of whom at least three and a half are here today — wasted no time in expending all their energies in turning the Liberal Party's fortunes around. His personal dedication and commitment had much to do with the improved results in Ontario during subsequent federal elections.

Therefore, he will not be surprised, I hope, if I should call him soon, after he has officially retired, for guidance and advice as the Conservative Party begins its own rebuilding efforts.

• (1410)

As loyal a Liberal as Senator Lang was and is, he never hesitated to take strong positions in opposition to Liberal government policies. Such was the case in 1969 over the issue of Canada's role in NATO, the imposition of the War Measures Act, the treatment of the business community, the monarchy question and the patriation of the BNA Act.

It was inevitable that such disenchantment should decide him in 1982 to declare himself an independent, thereby allowing him to give his views free from party allegiance, such as in the 1988 free trade debate. Who knows, were he to be with us for little longer, where this political evolution eventually would have taken him!

Senator Lang, in his maiden speech 30 years ago, deplored the general lack of understanding of the role of the Senate and its major responsibilities under the Constitution. He welcomed persons with a political background to this chamber, for, as he put it then:

> Pride in one's party, pride in aspiring to be a politician, and pride in one's representatives here and in the other place are all essential ingredients to pride in one's country. I suggest that it is only enlightened national self-interest to recognize and promote what is worthy in politics, to encourage and extend involvement of all people in politics, and thus strengthen our body politic at all levels of government — federal, provincial and municipal.

The author of these words has given them validity throughout his public career, which has always been motivated by pride in being privileged to be part of politics as it should be understood.

As he leaves us, may he accept our appreciation and thanks and all best wishes for many years of retirement from this place, which will not soon forget his 30 years as one of its most distinguished members.

Hon. Senators: Hear, hear!

Hon. Royce Frith: Honourable senators, having been identified as at least part, and probably the half — I can say that, but you cannot — of the Cell 13 group, I want to say a word about this important occasion. Cell 13, which was a name invented I think by Gordon Dryden, was a code to identify an essentially ad hoc group for meetings. The context for it, as was mentioned, was the Diefenbaker landslide. Dan and I often thought that we, as lawyers, were picked by Keith Davey as the first members of this group, and Dick Stanbury shortly after, since we often said in those days that in Toronto, and in Ontario generally, you needed a search warrant to find a Liberal. The main test of all our activities was that they had to be worthwhile, interesting, and fun, and we did have fun.

Mr. Pearson, in my recollection, did not exactly pick us. Rather, we picked him. That was the unifying force for the group. Our objective was to make Mr. Pearson prime minister. At times both he and Walter Gordon might have wondered if they should hand over all the organizational activity that they did hand over to us. I became president of the party, and Keith Davey became president of Toronto and Yorks, as it was then called. Dan provided the steady hand on political decisions, and also, as treasurer, on financial decisions.

That was a long time ago. As honourable senators can understand, it is hard to know what to say and what not to say on an occasion such as this because there is such a large accumulation of memories. I was touched by Dan's conviction that he would do it all again, an excellent summary of reflections on his experience here. I am glad he said yes.

Davey Steuart used to tell the story about knowing in advance that he was to be appointed to the Senate, and therefore that he would be getting the phone call from the Prime Minister. When the call came, he picked up the phone and, without even saying hello, said, "The answer is yes."

You may remember that Chubby Power was glad that he had said yes. I am told by Doug Abbott's son, Tony Abbott, that Chubby Power once said to Doug Abbott, who was appointed to the Supreme Court of Canada at about the same time that Chubby Power came to the Senate, "Doug, you made a mistake going to the Supreme Court. You should have come to the Senate. It is a wonderful place." He said, "Doug, the sweetest sound in Canadian politics is heard on the morning after your party has lost a general election when someone says to you the words, 'Good morning, senator'."

Senator St. Germain: I will vouch for that.

Senator Frith: We senators, I am sure, are glad that on that February day in 1964 Dan said yes. The Canadian people should be glad that he said yes, and the country as a whole should be glad that he said yes.

I commenced my remarks with a story about Cell 13 and I will close with another. One of the things we had fun with was a fictitious organization we called "Politicians Anonymous." The idea was to have some help for other people like ourselves who were addicted to politics. We tried to figure out what the symptoms of political addiction were, and decided that you could tell when people were politically addicted by the fact that they just had to have a meeting. A smoker has to have a smoke; a drinker has to have a drink, but the political addict just has to have a meeting. The organization has to have a phone number that you could phone if you woke up in the middle of the night and simply had to have a meeting. We would send someone with an agenda!

Dan, we no longer have an 800 number, but if you wake up in the middle of the night and you just have to have a meeting, the present number is 613-995-1984.

• (1420)

Hon. Finlay MacDonald: Honourable senators, I had not intended to speak today. I did not realize what was happening.

Some Hon. Senators: Oh, oh!

Senator Frith: That has not inhibited you on other occasions.

Senator MacDonald: It comes as no surprise when you look at the Order Paper.

Honourable senators, it is very difficult, as members of a Parliament who believe in responsible government, to reconcile the pressures of caucus and party discipline with senatorial responsibilities.

In spite of Mr. Milliken's statement of last week, to which our leader has referred, that the House of Commons must, every once in a while, put up with the inconvenience of having an amendment placed before it by the Senate, it is understandable that, when in opposition, you will put amendments and then be satisfied that your work is done. At times, in opposition, you may even defeat a bill. However, when you are in government and you help the opposition of the day to defeat a bill, you sometimes feel afterwards a sense of loneliness, indeed, heresy — I am referring to Bill C-93.

I went home that night taking no joy. I received a call from Senator Lang, who was not feeling too well himself at that time. As a matter of fact, he was just hoping to get through some days before one of his children was married. What he said to me at that particular time fortified everything I believe in in this chamber.

Honourable senators, I hope to have the courage to do what Senator Lang has done and, as they say in Alcoholics Anonymous, the knowledge to know the difference.

I think of you with great fondness, senator.

Hon. Senators: Hear, hear!

Hon. Keith Davey: Honourable senators, I will be brief. I spoke to Dan last evening and said most of what I wanted to say.

Going back to Cell 13, I want to underline on this occasion that there were two people, who are gone now, who played significant roles in my life and yours. I refer, first of all, to David Anderson, who was our hair shirt. We had to have a hair shirt. Many senators on both sides of the house will know David and remember him with affection and understanding. Lang and Anderson was the name of the team for a long number of years.

Honourable senators, I would be remiss if I did not say just a word or two about the late, marvellous Judy LaMarsh, who meant so much to so many of us. She was an integral part of Cell 13. She was one of the leaders.

Dan, she had great affection and understanding for you and, thankfully, you understood her.

Hon. Senators: Hear, hear!

[*Translation*]

Hon. Marcel Prud'homme: Honourable senators, of course you realize I simply must take this opportunity to offer my best wishes to Senator Lang. Last Tuesday, when we paid tribute to Senator Lang, one of our independent senators — a group that is steadily shrinking in size — I was sorry I did not get a chance to tell him everything I wanted to say.

[*English*]

I was elected February 10, 1964, to serve with a great and honourable gentleman, Lester B. Pearson. You, Senator Lang, came to the Senate on February 14. I was sworn into the House of Commons on February 18. You walked into this magnificent institution of this Parliament four days before I was sworn in.

I never miss an occasion to say good things about Mr. Pearson. I have a great affinity for him, which is to take nothing away from those leaders who came before him or after him. I must note, however, that those of us who served with Mr. Pearson are a diminishing group. Senators Hastings, Davey, Thompson, Stanbury and Petten remain. I have profited from the experience of these honourable senators. I remember that I was a favourite speaker for Senator Davey, travelling anywhere he would ask me to go, as well as Senator Hastings in Alberta and others. That is in the old days, when I was in the House of Commons.

• (1430)

Your memory, sir, regarding Mr. Pearson is very good. I remember that in 1958 Mary MacDonald, a great lady who should have sat in the Senate, asked me to accompany Mrs. Pearson to the leadership convention at which Mr. Pearson was chosen leader. I was a youth delegate in favour of Mr. Pearson from the province of Quebec where the majority, of course, was for Mr. Martin.

I learned so much from you, sir. It is strange what a difference a day can make in the Senate. You are a great Canadian and a great Ontarian. Yesterday, I must say I went through a sad moment listening to the speech of a colleague from Toronto, a speech to which I will respond on another occasion. However, you, sir, understand exactly what Canada is all about. I do not say understood — you understand the role of les Canadiens-français within Canada.

We have shared so much in discussions over the years. It was great for me to think that there were so many Canadians like you in this chamber. Some may disagree when I say that. However, I will always, until the end of my days here, say openly exactly what should be said. You understand not only the part that Quebec played in the history of our country; you understand the difference between narrow nationalism and pride.

Sir, I will regret your departure. I say to your family that they must be very proud to have a dad like you. To Frances, to your four children, John, David and your marvellous twins Nancy and Janet, I say, "Your father has served Canada well. He will still inspire."

I hope, sir, that you will not hesitate when I call and say, "It's Marcel. I wish to share with you certain views. Would you kindly help me out in my reflections?" I have no hesitation to say that in public.

I wish you well. My wish is that others in this chamber join in understanding exactly what you stood for in the past, and that they will stand next to you in your understanding of what Canada was, what Canada is and what Canada can be. That is my inspiration.

Hon. Senators: Hear, hear!

Hon. William J. Petten: Honourable senators, I wish to associate myself with the remarks of the previous speakers.

When I was appointed to the Senate, Senator Lang was one of the first to try to steer me in the right direction — no easy job, I can assure you. For many years we shared a secretary. It says a lot for Dan's patience that, whenever he was looking for Shirley, she was usually working for me.

In our lifetime, we have many acquaintances but few friends. I count Dan Lang in the latter category. To you, Frances and your family, I wish you all the best.

Hon. Senators: Hear, hear!

Hon. Richard J. Stanbury (Acting Deputy Leader of the Government): Honourable senators, I, too, should like to pay tribute to Senator Dan Lang. So much has already been said by our leaders and our other colleagues in recalling the highlights of my friend Dan Lang's career in the Senate that it is difficult to find something fresh to add. As a matter of fact, there were so many personal tributes paid to Dan during the reception for him and Doug Everett the other night, and again today in this chamber, that it makes it difficult to find anything fresh to say about our political and personal relationship.

With apologies for some repetition, I must say that in 1957 the defeat of the St. Laurent government destroyed the infrastructure of the Liberal Party. Almost all of those who had taken responsibility for the organization of the party disappeared overnight.

Fortunately, the movement of young people into suburbia in the major centres all across Canada had encouraged many of the post-war youth to participate in the political system. As a result, in almost all the major centres, there were young people who suddenly had the responsibility for the Liberal Party thrust upon them. They had Mike Pearson as their hero and John Diefenbaker as their nemesis. They were highly motivated and thoroughly enjoyed the activities into which they plunged.

In Ontario, the principal actors initially were Keith Davey, Dan Lang, Royce Frith and the late David Anderson. When Walter Gordon became the link between Mr. Pearson and that group and took Keith Davey to Ottawa with him as National Director of the party, I succeeded Keith as President of the Toronto and Yorks Liberal Association and was invited to join their illustrious group.

Dan Lang was the senior member of the group and a source of great wisdom. We met regularly and effectively and were extremely successful in changing the political colour of Ontario from blue to red.

Many vignettes have been recounted, not only in that marvellous book, *The Rainmaker*, but also by our colleagues here and in other political forums. It is not my intention to repeat those stories here. My purpose today is simply to say that without Dan Lang, who was the first of the group to be elevated to the Senate by Prime Minister Pearson, we would have had neither the fund-raising capability nor the plain ordinary common sense that led to our very considerable success.

Senator Lang, may I pay tribute to you, to your wife Frances and to your lovely family for all the talent and effort you have put forward on behalf of the Senate, the Liberal Party of Canada and the people of Canada.

Hon. Senators: Hear, hear!

Hon. Daniel A. Lang: Honourable senators —

Hon. Senators: Hear, hear!

Senator Lang: This is a very difficult occasion for me. I guess all of you will have to face this sooner or later. I thought that tomorrow we might see in the *Debates of the Senate* the heading "Tributes" changed to "Roasts."

No matter how misguided the compliments I have received this afternoon have been, I deeply appreciate them. One thing that is obvious is that these remarks strip away the years from me and reveal starkly my political roots. They are roots that I would not forfeit for anything.

Being part of the Senate has been a unique experience. I have probably learned more about Canadians and my parliamentary colleagues than I would have done perhaps on a more remunerative basis in the confines of Bay Street.

I wish to relate to honourable senators one incident, which I think is rather touching. Mike Pearson had a great sense of humour. When he called me on the telephone on that fateful day, he said, "Dan, I want you to realize that I am really doing this for the sake of your wife Frances." I did not realize until then that Mike Pearson had known my wife's mother in Salonika during World War I, where she was the head nurse in a tent hospital and Mike Pearson was an underage medical orderly, which was the only way that he could get into the armed forces or the action, because he was under 18 years of age. I remember my mother-in-law coming up to Pearson at the Empire Club, after he had made a speech, and he looked right at her and said, "My God, it's Sister Cecil!"

• (1440)

Now, I do not know whether my wife would still think that my appointment to this chamber was anything for her sake.

In a short reminiscence, when I came here I was tremendously impressed with the credentials of the incumbents of this chamber. I was possibly one of the youngest members, although I know Senator Orville Phillips was younger by about three months, and I think Senator Bélisle was a little younger. In any event, the members here were giants. They were intellectually, morally and spiritually Canadian. There were people such as Senator Ross Macdonald, who was then the Speaker, John Connolly, who was the Leader of the Government in the Senate, characters such as Chubby Power, who was the Minister of Air in World War II, that rascally old fellow Wally McCutcheon, who was an absolute gem of a mathematician, and my dear friend Hartland Molson. I could go on and on.

I shared an office with D'Arcy Leonard up in a corner. We always shared offices in those days and we shared secretaries. We were very abstemiously economical. In that office was Senator Bishop, who attended very rarely. He had been the editor of an Ottawa newspaper at one time and he had a picture on the wall, which was just above where I sat — a picture of himself with Sir Wilfrid Laurier.

Although I was then impressed with the competence of my colleagues, I was even more impressed by their seniority, their age. I thought they all must be octogenarians or nonagenarians. Today, I can say that I am the oldest member, in years, of this chamber, except for my dear and old friend "Sir John M. Macdonald."

When I came here, there resonated a famous remark by the late Senator Gratton O'Leary to the effect that an appointment or being summoned to this place was like drawing a royal flush. After 30 years of the abuse that we have been subjected to from the House of Commons and from the media, I wonder how many of us might feel that that was the case today.

Please, honourable senators, let us not forget: The Senate remains one of the most important components of our parliamentary system. In the political climate of Canada today, its role could become even more important. Keep up the good work. Believe me, this institution would have disappeared years ago but for its effectiveness, and the recognition of its importance by the majority of the people in our country. Believe in this institution, honourable senators; believe in yourselves, and God bless you all.

Hon. Senators: Hear, hear!

SENATORS' STATEMENTS

NATIONAL DEFENCE

CLOSURE OF ROYAL MILITARY COLLEGE AT ST-JEAN

Hon. Noël A. Kinsella: Honourable senators, given the importance of Canada's two official language communities, and coming as I do from the province of New Brunswick, where we have given constitutional recognition to our anglophone and francophone communities, I am very disconcerted by the ping-pong match being played by the Government of Canada and the Government of Quebec over the future of the Collège militaire royal de St-Jean-sur-Richelieu.

In the national interest, the Government of Canada should be creative and forward-looking in securing the future of this college, which has served all the people of Canada extremely well.

There is significant evidence to lead one to believe that this bad decision to close the Collège militaire was taken at the last moment, without any program evaluation or consultation with the communities affected. The government's decision to close the Collège militaire is premature, and a moratorium on the proposed closure should be ordered by the Prime Minister, in order to allow for a proper study of the future role of the Collège militaire within the context of the national defence review currently under way.

ROUTINE PROCEEDINGS

NATIONAL PROTECTED AREAS STRATEGY

REPORT OF ENERGY, THE ENVIRONMENT AND NATURAL RESOURCES COMMITTEE ON SPECIAL STUDY PRESENTED AND PRINTED AS AN APPENDIX

Hon. Colin Kenny: Honourable senators, I rise, with some trepidation, on behalf of my colleague Senator Carney. I have the honour to present the third report of the Standing Senate Committee on Energy, the Environment and Natural Resources concerning the National Protected Areas Strategy study budget application for the fiscal year 1994-95.

I ask that the report be printed as an appendix to the *Minutes of the Proceedings of the Senate* of this day.

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

Hon. Senators: Agreed.

(*For text of report, see today's* Minutes of the Proceedings of the Senate.)

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

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

BUDGET IMPLEMENTATION BILL, 1994

REPORT OF COMMITTEE

Hon. C. William Doody, Chairman of the Standing Senate Committee on National Finance, presented the following report:

Thursday, June 9, 1994

The Standing Senate Committee on National Finance has the honour to present its

FIFTH REPORT

Your Committee, to which was referred Bill C-17, An Act to amend certain statutes to implement certain provisions of the budget tabled in Parliament on February 22, 1994, has, in obedience to the Order of Reference of Thursday, June 2, 1994, examined the said Bill and now reports the same without amendment.

Respectfully submitted,

C. WILLIAM DOODY
Chairman

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

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

• (1450)

INTERNAL ECONOMY, BUDGETS AND ADMINISTRATION

TENTH REPORT OF COMMITTEE PRESENTED

Hon. Earl A. Hastings, Chairman of the Standing Committee on Internal Economy, Budgets and Administration, presented the following report:

Thursday, June 9, 1994

The Standing Committee on Internal Economy, Budgets and Administration has the honour to present its

TENTH REPORT

Your Committee has examined and approved the budget presented to it by the Standing Committee on Energy, the Environment and Natural Resources for the proposed expenditures of the said Committee for the fiscal year ending March 31, 1995, to engage the services of such counsel and technical, clerical and other personnel as may be necessary for the purpose of its examination and consideration of such bills, subject-matters of bills and estimates as are referred to it, as authorized by the Senate on Wednesday, April 27, 1994. The budget is as follows:

Professional and Other Services	$ 35,265
Transportation and Communications	37,119
All Other Expenditures	4,500
TOTAL	**$ 76,884**

Respectfully submitted,

EARL A. HASTINGS
Chairman

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

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

ELEVENTH REPORT OF COMMITTEE PRESENTED

Hon. Earl A. Hastings, Chairman of the Standing Committee on Internal Economy, Budgets and Administration, presented the following report:

Thursday, June 9, 1994

The Standing Committee on Internal Economy, Budgets and Administration has the honour to present its

ELEVENTH REPORT

Your Committee has examined and approved the budget presented to it by the Standing Committee on Agriculture and Forestry for the proposed expenditures of the said Committee for the fiscal year ending March 31, 1995, to engage the services of such counsel and technical, clerical and other personnel as may be necessary for the purpose of its examination and consideration of such bills, subject-matters of bills and estimates as are referred to it, as authorized by the Senate on Thursday, March 17, 1994. The budget is as follows:

Professional and Other Services	$ 7,600
Transportation and Communications	12,100
All Other Expenditures	800
TOTAL	**$ 20,500**

Respectfully submitted,

EARL A. HASTINGS
Chairman

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

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

TWELFTH REPORT OF COMMITTEE PRESENTED

Hon. Earl A. Hastings, Chairman of the Standing Committee on Internal Economy, Budgets and Administration, presented the following report:

Thursday, June 9, 1994

The Standing Committee on Internal Economy, Budgets and Administration has the honour to present its

TWELFTH REPORT

Your Committee has examined and approved the budget presented to it by the Standing Committee on National Finance for the proposed expenditures of the said Committee for the fiscal year ending March 31, 1995, to engage the services of such counsel and technical, clerical and other personnel as may be necessary for the purpose of its examination and consideration of such bills, subject-matters of bills and estimates as are referred to it, as authorized by the Senate on Tuesday, February 22, 1994. The budget is as follows:

Professional and Other Services	$ 84,900
All Other Expenditures	500
TOTAL	**$ 85,400**
LESS:	
Emergency Funds Already Approved	**$ 10,000**
TOTAL FUNDS REQUESTED	**$ 75,400**

Respectfully submitted,

EARL A. HASTINGS
Chairman

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

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

ELECTORAL BOUNDARIES READJUSTMENT SUSPENSION BILL, 1994

MESSAGE FROM COMMONS

The Hon. the Speaker informed the Senate that the following message had been received from the House of Commons:

Thursday, June 9, 1994

Ordered, — That the amendments made by the Senate to Bill C-18, An Act to suspend the operation of the Electoral Boundaries Readjustment Act, be concurred in with the exception of amendment 1 in clause 2 to which this House proposes the following amendment:

Strike out "the sixth day of February" and substitute "June 22";

And that a Message be sent to the Senate to acquaint Their Honours therewith.

ATTEST

ROBERT MARLEAU
The Clerk of the House of Commons

CONCURRENCE IN COMMONS AMENDMENT— NOTICE OF MOTION

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I give notice that on Tuesday next, June 14, I will move:

That the Senate concur in the amendment made by the House of Commons to its amendment 1 in the Bill C-18, An Act to suspend the operation of the Electoral Boundaries Readjustment Act; and

That a Message be sent to the House of Commons to acquaint that House accordingly.

ADJOURNMENT

Hon. Richard J. Stanbury, (Acting Deputy Leader of the Government): Honourable senators, with leave of the Senate, and notwithstanding rule 59(1)(*h*),I move:

That when the Senate adjourns today, it do stand adjourned until Tuesday next, June 14, 1994, at two o'clock in the afternoon.

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

Hon. Senators: Agreed.

Motion agreed to.

APPROPRIATION BILL NO. 2, 1994-95

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-39, for granting to Her Majesty certain sums of money for the public service of Canada for the financial year ending March 31, 1995.

Bill read first time.

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

On motion of Senator Stanbury, bill placed on the Orders of the Day for second reading on Tuesday next, June 14, 1994.

QUESTION PERIOD

NOVA SCOTIA

PROPOSED PEACE-KEEPING TRAINING CENTRE— GOVERNMENT POSITION

Hon. Gerald J. Comeau: Honourable senators, the Leader of the Government in the Senate will recall that the Prime Minister broke a promise to the people of Southwestern Nova Scotia regarding the establishment of a peace-keeping training centre in Cornwallis, Nova Scotia.

It would now appear that a second promise is being broken. After refusing to dialogue with the Cornwallis committee, the government imposed on us an economic development authority and a base infrastructure task force and now refuses to provide any further guidance or information.

We have heard a great deal about how the Prime Minister prides himself on keeping his promises. Would the Leader of the Government in the Senate remind the Prime Minister of his broken promise and urge him to get involved personally to restore some measure of integrity to his good name?

• (1500)

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I will be pleased to take Senator Comeau's question to the Prime Minister, and to other ministers who might be involved in that issue.

Senator Comeau: I wrote to the Prime Minister recently and received an assistant's reply that the matter would be passed on to the Minister of National Defence. The Minister of National Defence was not the one who broke the promise. It was, in fact, the Prime Minister. I want to ensure that the Leader of the Government in the Senate speaks to the Prime Minister himself, if she would.

Senator Fairbairn: I will make sure he gets the message.

[*Translation*]

NATIONAL DEFENCE

CLOSURE OF ROYAL MILITARY COLLEGE AT ST-JEAN

Senator Pierre Claude Nolin: Honourable senators. On April 27 last, the Minister of National Defence stated the following during an appearance before the Standing Senate Committee on National Finance:

> The additional incremental cost — and I stress the words "additional incremental cost" — per student resulting from consolidation at Kingston will be by far outweighed by the savings.

On June 6, the Deputy Prime Minister stated the following in the House of Commons:

> It will not cost a penny more to transfer the students...

I repeat, not a penny more

> ...now at CMR to Kingston.

I assume the Deputy Prime Minister was referring to the Collège militaire royal de St-Jean.

All I can say to the Leader of the Government in the Senate is that there appears to be some confusion which is being fuelled — unwittingly, I trust — by her government's ministers.

On two occasions, Senator Rivest has asked for details about the cost of reorganizing the facilities at the college in St-Jean, further to the announcement in the February 28 budget. My question is related to those of Senator Rivest, and since the report of the Senate Finance Committee is imminent, it would be nice to have any questions about costs answered before the report is tabled.

My question is this: What are the costs associated with the relocation to Kingston? Perhaps the honourable senator already has this information in hand.

[*English*]

Hon. Joyce Fairbairn (Leader of the Government): Senator Nolin, I do have Senator Rivest's questions in mind, and I have forwarded them to the appropriate department. I have asked for as full an explanation as I can get, and I will try to hurry that along as much as I can.

[*Translation*]

Senator Nolin: Honourable senators, in order for the Leader of the Government in the Senate to have a constructive conversation with the Minister of Defence, I remind her of the two following statements.

On March 2, Brigadier General Michel Matte, who is the commander of the military college in Kingston, was quoted in *Le Canada français*, a daily newspaper published in St-Jean, Quebec, as saying:

> Even before the closing of the CMR and of the Royal Roads Military College was announced, Kingston already planned to spend $31 million to renovate its facilities.

The commander goes on to say:

> The commander has indicated that another wing may be built to accommodate the new officer cadets.

The cost of the construction project would then rise to $50 million. That was the first statement.

The second statement was made on June 6, the same day the Deputy Prime Minister made her statement in the House of Commons.

Minister Massé also said this in the House:

> According to National Defence officials ... was being upgraded, but that the work had been approved by the previous government.

Kingston now accommodates 700 students and operates at maximum capacity. How can we reconcile all the statements I quoted, including that of the brigadier general, who even put an amount on the table? It will cost at least $50 million to build an extra wing in Kingston.

May I remind the leader that, at the time of the budget statement and in committee, Minister Collenette told us the decision was probably, as she has pointed out many times, a difficult one, but that it was made to save money.

Does the Leader of the Government in the Senate know that the Kingston reorganization expenditures, apart from the expenditures already authorized by the previous government, will cost at least $50 million?

[*English*]

Senator Fairbairn: I thank Senator Nolin for specifying those quotations for me. I will take the Hansard record of his question, add it to the pile and see whether we can get an overall statement.

[*Translation*]

Hon. Jean-Claude Rivest: On the subject of getting something for practically nothing, would the Leader of the Government in the Senate also consider the offer made by her colleague Minister Massé to the Government of Quebec with a view to the future use of the facilities of the Collège militaire royal de St-Jean? If my information is correct, and I have every reason to believe that it is, the Government of Quebec was offered financial assistance totalling $4 million.

Could the Leader of the Government in the Senate, in the course of her financial exercise, take this additional information into consideration — I am sure she is aware of it — and try to reconcile it with a statement by her colleague the Minister of the Environment? The minister said the federal government would not spend one cent to dismantle the Collège militaire de St-Jean, probably one of the most remarkable institutions in Canada dedicated to promoting and defending the Canadian duality, and put it back together elsewhere in Canada, bit by bit, thus causing a setback for French-language training for English-speaking officers, since it will take years for the Royal Military College in Kingston to be up to par, all of which will immeasurably undermine the Canadian duality her government is supposed to promote.

[*English*]

Senator Fairbairn: Yes sir, I believe that amount is already on the list.

CROW'S NEST PASS

ELIMINATION OF CROW RATE—GOVERNMENT POLICY

Hon. Leonard J. Gustafson: Honourable senators, an article in *The Financial Post* today is entitled "Confusion reigns on rail subsidy." The Minister of Transport has indicated that, by July 1995, the traditional Crow's Nest Pass rate will be eliminated. The Minister of Agriculture has indicated that he is very surprised by this announcement.

Who speaks for the government on this very important situation, the Minister of Agriculture or the Minister of Transport, Mr. Doug Young?

Hon. Joyce Fairbairn (Leader of the Government): Thank you, Senator Gustafson, for your question. As I understand it, that reported statement by the Minister of Transport was really with reference to the fact that this program should more properly be administered by the Department of Agriculture and Agri-Food, at this point in its development, than by the Department of Transport. That is basically what is meant by that statement; that he is trying to transfer the responsibility for the WGTA and the negotiations that will surround it to the Minister of Agriculture.

• (1510)

As you know, the Minister of Agriculture has indicated that he is indeed now engaged with a number of groups, including farm organizations and others — the "today" word is "stakeholders" in the grain transportation issue. He hopes for a very intensive and productive discussion on what the future of the WGTA will be over the next many months. That is the situation as it stands now.

Senator Gustafson: Honourable senators, it goes without saying that this mix-up certainly has the farm community confused, because there has been a lot of discussion over the years about the traditional Crow rate, and whether the payment thereof should be made to the railroads or to the farmers.

My question is: Does this mean that the government is launching a major policy change which will direct the payment to the farmers instead of to the railroads?

Senator Fairbairn: No. I should tell my honourable friend that no decision whatsoever has been taken on that issue. There is a great deal of talking to be done, as he would know, before a decision is made on the future outcome of what has been in the past a very difficult and controversial issue.

The signal should not be confusing. The signal should be that it is the desire of the Minister of Transport to have these negotiations, these discussions, carried ahead by the Minister of Agriculture and Agri-Food.

Senator Gustafson: I have a further supplementary, if I might be permitted, honourable senators?

As you know, the Crow rate debate was the longest debate in the House of Commons — other than the Sailors debate of 1918 — which I took part in —

Senator Fairbairn: You took part in the Sailors debate?

Senator Berntson: In 1918?

Senator Gustafson: — there were long evenings in the House of Commons on the Crow debate. I have always been somewhat skeptical that perhaps the best long-term view would be just to phase it out, and nobody gets paid.

My question is: Does the government believe that the grain industry will not be severely hampered if neither the railroads nor the farmers are paid, and it becomes impossible to get the grain out of Western Canada to the international marketplace? I have had some feeling for a long time that the bureaucratic direction, regardless of the government in Ottawa, was to just phase out such special rates in the long term.

I would hope that the government would take special consideration of this situation, because there is a very serious problem, and I would like to hear the comments from the minister on that.

Senator Fairbairn: Senator Gustafson, in a previous incarnation, I too remember that debate, which was not only long, it was perhaps one of the most vivid in recent memory in the House of Commons. It is a divisive issue, as you know. However, I can tell you that the current Minister of Agriculture is a very hands-on minister. He will be taking personal interest in the direction of this debate and this file, with a view to finding the very best possible solution in the interests of Western Canada.

Hon. Gerry St. Germain: Honourable senators, I have a question for the Leader of the Government in the Senate. Perhaps the reporting is wrong on this issue and, if so, the minister can tell us that that is the case. In any event, the instability and the uncertainty that such a change will cause in the farming community is totally unacceptable, honourable senators, in view of the fact that Minister Young has said that new international trade obligations in the $15 per tonne transportation subsidy will no longer be paid to Canada's two national railroads.

The honourable minister has put forth the point that Minister Young was trying to move the responsibility over to agriculture. In any event, this news report clearly enunciates that there will be no further subsidy. That will change the entire context of the farming community in Western Canada.

Can the minister tell us definitely whether this was a misquote, and if not, has Douglas Young, the Minister of Transport, taken a decision without cabinet approval?

Senator Fairbairn: Honourable senators, I cannot comment on the exact words of the news report. What I do know, having spoken to the ministers today, is that there should be no confusion. The Minister of Transport is indicating that the administration of this act should more properly be carried out by the Minister of Agriculture.

It is clear to all of us that there must be changes as a result of NAFTA and GATT, and these consultations will start this summer. They will be undertaken throughout the industry and will involve all of the people who are affected by whatever changes are necessary. The consultations will be driven by the Minister of Agriculture and, as I said to my honourable friend, he will have the very best interests of Western Canada at heart.

THE BUDGET

PROPOSED CLOSURE OF ROYAL MILITARY COLLEGE AT ST- JEAN—REQUEST FOR UPDATE

Hon. Noël A. Kinsella: Honourable senators, perhaps the Leader of the Government in the Senate could provide us with an update, if such there is, on the negotiations between Minister Massé and his interlocutors in Quebec City on the future of the Collège militaire.

Hon. Joyce Fairbairn (Leader of the Government): Yes I can, honourable senators. As far as Mr. Massé is concerned, the federal government has not yet had a formal response to its proposition, regardless of the media reports today. The negotiations are continuing. He believes that there are good grounds for a mutually beneficial solution, and when such a solution is reached, it will be announced.

Senator Kinsella: I thank the honourable Leader of the Government for her report. Further to questions asked either by Senator Nolin or Senator Rivest, to which the leader said she would have some data looked at —

Senator Fairbairn: Do you have some further questions?

Senator Kinsella: Yes. Perhaps the leader could also have her people look at our question on the same subject, raised on April 21, when she undertook to ask the officials in the various departments for an explanation of the figures.

The figures that we have been hearing and seeing on this file are very confusing. If the decision is being taken to close a predominantly francophone military college, many of us feel that that is a very serious decision, and we have a hard time understanding how the same environment can be replicated. I know the minister will realize that these questions are being asked in good faith.

Senator Fairbairn: Yes, I do appreciate that, Senator Kinsella. As I say, I am putting the heat on to get as comprehensive an answer as I can.

[*Translation*]

CLOSURE OF MILITARY COLLEGE AT ST-JEAN— RELATED ADDITIONAL COSTS

Hon. Jean-Maurice Simard: In their questions, honourable senators, Senator Nolin in particular, have tried to get the government to specify the additional capital costs that will result from the closure of the Royal Military College at St-Jean, if it is be shut down.

Honourable senators, I will make my preambles extremely short this afternoon, but I have six questions. They can be considered individually or as a whole.

My first question deals with present and future operational costs associated with this move that no one wants but the Liberal government.

Officer cadets, and those from New Brunswick and Quebec in particular, attend St-Jean for their qualifying year. Because of differences between the education systems in New Brunswick and Quebec among other things, several officer cadets cannot be admitted to first year at Kingston, but they can be in the qualifying year level at St-Jean. This was confirmed to us by Minister Collenette when we pointed out to him that there had been no studies and the cost of this qualifying year was unknown. The minister undertook at the time to examine how and where this qualifying year could be offered after the closure of the college in St-Jean.

Would the Leader of the Government ask Minister Collenette to provide us with this information as well as the costs that will be associated with this qualifying year in the future, whether it is offered in Kingston, Montreal or Ottawa?

My other questions relate to the bilingual status of the Royal Military College in Kingston. Minister Collenette committed to making Kingston into a showcase of bilingualism while admitting that in spite of several years of effort — and Mr. Collenette said so himself — the military college in Kingston was not totally bilingual. Later in the same meeting, Minister Collenette told us he would make sure that the Royal Military College in Kingston would become more bilingual because it was not bilingual enough, as it were.

My questions are as follows: How much money does the minister intend to spend to make RMC fully bilingual?

Second, how many additional bilingual professors will have to be hired to handle the increased number of officer cadets? How much will it cost?

Third, since the officer cadets will be in an English environment outside the walls of RMC, will we not face two problems? The first is that only the francophones will become bilingual and the anglophones will have no opportunity to be immersed in the French culture.

Fourth, Prime Minister Chrétien already promised in the House several weeks ago that a French school would be built in Kingston. My question is this: How much will it cost? Even though the Ontario government rejected the possibility of making Kingston a bilingual territory, how much will it cost if the Rae government changes its mind?

My last question is the following: The government invested a lot in bilingualism in Kingston in the 1970s, after the report of the Commission on Bilingualism and Biculturalism was published. How much will have to be invested to really succeed this time?

Based on my questions, I think that in the final analysis the government's economic argument does not stand up, if all those things have to be done. There will be no savings at all, and substantial capital and operating costs will be incurred.

The leader has five questions in the last batch and an initial question concerning the preparatory year. I know that we must leave soon. We were reasonable on Tuesday; we did not ask any questions because there were other items on the agenda. I hope that our asking many questions will not be held against us. The reason we have many questions and have to repeat them is that we have had no answers from the government.

Can we hope that in the coming days, on the weekend, the ministers will meet and exchange information that they have gathered here and there? We can arrange a meeting for the Liberal ministers. Once they have the answers and have checked their figures, we should be informed in this house so that Canadians can also be informed.

[*English*]

• (1520)

Hon. Joyce Fairbairn (Leader of the Government): Senator Simard, I have taken notes, and I will look at the "blues" in an effort to cover all of the questions you have asked. Again, the questions get more numerous. They certainly are —

Senator Simard: They are very serious questions.

Senator Fairbairn: I was about to say they are very legitimate questions. I will do my very best to get the answers to as many as I can, I hope all of them, in a coordinated and cogent way.

ORDERS OF THE DAY

THE ESTIMATES, 1994-95

REPORT OF NATIONAL FINANCE COMMITTEE ON SUPPLEMENTARY ESTIMATES (A) ADOPTED

The Senate proceeded to consideration of the fourth report of the Standing Senate Committee on National Finance, presented in the Senate on June 8, 1994.

Hon. C. William Doody: Honourable senators, Supplementary Estimates (A), 1994-95 consist entirely of proposed funding in the amount of $373.2 million for the Atlantic Groundfish Strategy, now known as TAGS. It is unfortunate that they must apply these "alphabet soup" labels to some of these programs. In the future, if you want to know what the Atlantic Groundfish Strategy is, you will have to look up TAGS.

This is a program of the Department of Human Resources Development. This department is assuming, from the Department of Fisheries and Oceans, the ongoing responsibility for providing income assistance to East Coast fishermen and plant workers unemployed as a direct consequence of the closures of the major northern cod and other groundfish fisheries. Authority to pay benefits under the predecessor Northern Cod Adjustment and Recovery Program and the Atlantic Groundfish Adjustment Program of the Department of Fisheries and Oceans expired on May 15 of this year.

As your committee's report indicates, Supplementary Estimates (A) are the first Supplementary Estimates of the 1994-95 fiscal year. I suspect that they will not be the last. The $373.2 million requested is all budgetary expenditure, and all of it must be voted because there is no statutory component. The largest part of the request is for the employment and insurance program of the Department of Human Resources.

The Hon. the Speaker: Order, honourable senators. I apologize for interrupting Senator Doody, but I must confess it was getting a bit difficult to hear him at this distance.

Senator Doody: I appreciate the fact that the contents of this report are probably not of great interest to many members of the chamber, but I can assure the Senate that they are of life and death interest to Atlantic Canada.

The largest part of the request is for the Employment and Insurance Program of the Department of Human Resources Development, and while there is $17.6 million for additional operating and capital expenses of the department, the bulk of it, $347.2 million, is for grants and contributions. Of this, $199.6 million, or 57 per cent, is grants to individuals affected by the groundfish crises for transitional and longer term income assistance. This assistance will be available for a minimum of two, and a maximum of five years; five years being the duration of the proposed $1.9-billion strategy announced in the February 1994 budget. It is designed to support individuals and their families on a transitional basis, and thereafter to facilitate their participation in the labour market adjustment programming that the government is hoping will result in a roughly 50-per-cent reduction in the number of persons dependent on the Atlantic fishery, as recommended by the Cashin report — a 50-per-cent reduction in the number of persons involved in the fishery.

• (1530)

The weekly benefit rates for this income assistance are being reduced by about 6 per cent from those of the predecessor programs, and the eligibility criteria have been improved to ensure that benefits are paid only to persons with an historical attachment to the groundfish fishery.

The $147.6 million in contributions will be paid, as the Supplementary Estimates indicate, to provincial and municipal governments and various organizations and individuals to deliver the labour market adjustment programming that government has determined is required. As your committee report indicates, there are several types of programs, ranging from educational upgrading and literacy training to university courses and assistance for those wishing to start their own businesses.

A substantial bonus is available to individuals who find work outside the fishery, as an incentive to people to end their reliance on government assistance. As well, a portable wage subsidy payable to employers is designed to place unemployed groundfish workers in so-called nontraditional sectors of the fishery that have not been affected by the groundfish crisis.

Finally, mobility assistance will be provided to participants willing to relocate to other areas to find work, while generous pre-retirement benefits can be paid to groundfish plant workers who may be too old to change careers. The latter include both those currently aged 55 to 64 and participants who will reach the age of 55 during the period of their entitlement to benefits under the Atlantic Groundfish Strategy.

Honourable senators, members of your committee expressed appropriate concerns about the size of these adjustment programs and the likelihood that they will deal successfully with the enormous problems faced by the individuals and families who depend on the East Coast fishery. It is a question of providing meaningful incentives that have some hope of encouraging people to end their dependence on the fishery and government assistance, while demonstrating sufficient compassion and humanitarian concern for their plight.

Many of these people and their ancestors have been living in small fishing communities for 400 years or more. Their social structure is built around the fishery, and almost all of them own their homes outright. When the limit of Canada's territorial waters was extended to 200 miles, they were encouraged by the federal government and Newfoundland government, of which I was a part, to take out huge loans on new boats and equipment. We thought the salvation of the Newfoundland economic problems was at hand. We saw the panacea there.

Unfortunately, it did not work out that way. The scientific estimates of biomass, of the total harvestable yield was vastly overestimated. The scientists are still uncertain as to what is going on out there. There is only one certainty, and that is that the groundfish have disappeared.

As a result of this government mismanagement, these people now face crippling debt loads, and they are not allowed to fish. Of the 1,300 communities in Newfoundland affected by the groundfish crisis, at least 800 are totally and solely dependent on groundfish for their livelihood.

This in no way is intended to underplay the impact of the crisis on the other Atlantic provinces or that part of Quebec, the Gaspé Region and so on, that is involved. Unfortunately, however, Newfoundland is dependent by 80 per cent on the groundfish fishery. In other parts of Atlantic Canada and Quebec, the dependency is as low as 30 per cent, for example in Prince Edward Island. Therefore the problem is magnified in Newfoundland.

The resources requested in these Supplementary Estimates are for labour adjustment only. They do not include any provision for compensating individuals for their boats, equipment or homes, nor do I know of any such compensation programs which are in the process of being put in place. The extent to which any compensation can be provided will have to be determined by the Department of Fisheries and Oceans, which is responsible for restructuring the industry, and by the governments of the four Atlantic provinces and Quebec. Additionally, federal responsibility for longer term industrial and community development in this region falls within the mandates of the federal regional development agencies, the Federal Office of Regional Development of Quebec and the Atlantic Canada Opportunities Agency. I wish all these governments and their agencies well in trying to resolve an absolutely horrendous crisis.

I commend these Supplementary Estimates to your attention, honourable senators.

[*Translation*]

Hon. L. Norbert Thériault: If I may, honourable senators, I would like to apologize to you on behalf of my colleague Senator Robichaud and myself.

We were quite actively involved in our conversation and it slipped my mind that my friend Senator Doody always has interesting and serious things to say. He has always been a good senator who has always taken the interests of the Atlantic region to heart. I apologize to him.

[*English*]

Hon. Royce Frith: Honourable senators, I want to congratulate Senator Doody and his committee on their excellent report on such an important matter. The report, coupled with his intervention, explains the importance of this program and also its detail, with one exception. I am curious about the $6.6 billion for the Corporate Services Program. The other two headings are Employment Insurance Program and Social Development and Education Program. They are almost self-explanatory. At least one knows to what it is they relate, and the report explains them quite fully. I could not find anything in the report about the Corporate Services Program amount, except at the top of page 2, where it says that the corporate services component is for operating and capital expenditures.

Senator Doody: The honourable senator is absolutely right; there is little in the report to cover that particular vote. As you have probably suspected, it is the cost of delivering these programs. It is a huge amount of money and it has to be looked after from the management point of view. Of that $6.6 million, I am told the accommodation costs are $3.7 million. I am not quite clear what the term "accommodation costs" means. There is an expenditure for systems development of $1.1 million. There is a program evaluation cost of $600,000. There is financial control and an audit cost of $400,000, and there is the communications and legal side cost of $800,000, which gives a total of $6.6 million.

Senator Frith: Will a private or public agency be engaged in the delivery?

Senator Doody: My understanding is that it is the Human Resources Department of government. They had to set up controls, obviously, to satisfy the Auditor General.

Senator Frith: These are public authorities. It was the word "corporate" that caught my attention, as to whether or not it is public or private.

Senator Doody: Thank you.

Motion agreed to and report adopted.

The Senate adjourned until Tuesday, June 14, 1994 at 2 p.m.

THE SENATE

Tuesday, June 14, 1994

The Senate met at 2:00 p.m., the Speaker *pro tempore* in the Chair.

Prayers.

SENATORS' STATEMENTS

VETERANS AFFAIRS

FIFTIETH ANNIVERSARY OF D-DAY

Hon. Philippe Deane Gigantès: Honourable senators, I had the great honour of being with Senator Marshall, "Mr. Veteran" himself, at the ceremonies to commemorate the landing in Normandy. Senator Molgat was also in attendance in his capacity as Honorary Colonel of the Royal Winnipeg Rifles. He did us great honour in the way he behaved, in the comments that he made and in terms of the response that those comments drew from the French.

The reason for my speaking is to thank the people of France for the great affection and welcome which they showed us at every venue, even those who had lost their houses during the fight our troops made to freedom.

At the end of it all, I was asked by a child why had we gone over to fight for them. I replied, "Because liberty is indivisible and because we could not have been free if you were not free."

[*Translation*]

We could not have been free if they had not been.

THE SENATE

EXPRESSION OF THANKS

Hon. Jean Noël Desmarais: Honourable senators, to be called to the Senate is a rare and rather extraordinary privilege. Along with it goes the incomparable opportunity to serve one's country and fellow citizens. In my case, we will have to see what will come of it.

I extend my most sincere thanks to the Right Honourable Brian Mulroney whom I congratulate on the appointment of so many remarkable people to this house.

I also want to congratulate the Right Honourable Pierre Elliott Trudeau and the Right Honourable John Turner on a few inspired appointments.

I thank all the senators for their warm welcome when I first came here, last June. I especially want to thank the Honourable Guy Charbonneau for his kindness and his encouragement. The Honourable Lowell Murray, John Lynch-Staunton and Bill Kelly have all been very nice to me.

Not only did the Honourable James Kelleher sponsor and welcome me, but he generously shared his office with me for nearly three weeks.

Finally, it was a great honour to be sworn in in the company of the Honourable Erminie Cohen.

[*English*]

THE LATE RABBI MENACHEM MENDEL SCHNEERSON

TRIBUTE

Hon. Jerahmiel S. Grafstein: Honourable senators, I should like to call the attention of the Senate to the passing of Rabbi Menachem Mendel Schneerson, of blessed memory, teacher and leader of the Lubavitch Movement, whose countless deeds speak for themselves.

I had the privilege of personally meeting with "the Rebbe," as he was called, on two memorable occasions in New York City.

May his life be bound up with the living and serve as a blessing for all.

ROUTINE PROCEEDINGS

TREATMENT OF ABORIGINAL VETERANS FOLLOWING WORLD WAR I, WORLD WAR II AND THE KOREAN WAR

REPORT OF ABORIGINAL PEOPLES COMMITTEE PRESENTED AND PRINTED AS APPENDIX

Hon. A. Raynell Andreychuk: Honourable senators, I have the honour to present the first report of the Standing Senate Committee on Aboriginal Peoples, which has been authorized to examine and report upon the treatment of aboriginal veterans following the First and Second World Wars and the Korean War.

The first report requests that the committee be empowered to incur special expenses pursuant to the "Procedural Guidelines for the Financial Operation of Senate Committees."

I ask that the report be printed as an appendix to the *Minutes of the Proceedings of the Senate* of this day.

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

Hon. Senators: Agreed.

(*For text of report, see today's* Minutes of the Proceedings of the Senate.)

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

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

INCOME TAX ACT
INCOME TAX APPLICATION RULES
CANADA PENSION PLAN
CANADA BUSINESS CORPORATIONS ACT
EXCISE TAX ACT
UNEMPLOYMENT INSURANCE ACT

BILL TO AMEND—REPORT OF COMMITTEE

Hon. Michael Kirby, Chairman of the Standing Senate Committee on Banking, Trade and Commerce, presented the following report:

Tuesday, June 14, 1994

The Standing Senate Committee on Banking, Trade and Commerce has the honour to present its

TENTH REPORT

Your Committee, to which was referred Bill C-27, an Act to amend the Income Tax Act. the Income Tax Application Rules, the Canada Pension Plan, the Canada Business Corporations Act, the Excise Tax Act, the Unemployment Insurance Act and certain related Acts, has, in obedience to its Order of Reference dated Wednesday, June 2, 1994, examined the said Bill and now reports the same without amendment.

Respectfully submitted,

MICHAEL KIRBY
Chairman

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

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

THE ESTIMATES, 1994-95

REPORT OF NATIONAL FINANCE COMMITTEE ON MAIN ESTIMATES PRESENTED AND PRINTED AS APPENDIX

Hon. C. William Doody: Honourable senators, I have the honour to present the sixth report of the Standing Senate Committee on National Finance concerning its examination of the Main Estimates, laid before Parliament for the fiscal year ending March 31, 1995.

I ask that the report be printed as an appendix to the *Minutes of the Proceedings of the Senate* of this day, and that it form part of the permanent records of this house.

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

Hon. Senators: Agreed.

(*For text of report, see today's* Minutes of the Proceedings of the Senate.)

VISITORS IN GALLERY

The Hon. the Speaker *pro tempore*: Honourable senators, before calling "Government Notices of Motions" I should like to acknowledge the presence in the south gallery of the Friuli Golden Age Group from Toronto. I understand that Senator Bosa is an honourary member of the group. I wish them a pleasant stay in the National Capital and a pleasant visit to Canada.

• (1410)

ADJOURNMENT

Hon. Richard J. Stanbury (Acting Deputy Leader of the Government): Honourable senators, with leave of the Senate and notwithstanding rule 59(1)(*h*), I move:

That when the Senate adjourns today, it do stand adjourned until tomorrow, Wednesday, June 15, 1994, at one thirty o'clock in the afternoon.

The Hon. the Speaker *pro tempore*: Honourable senators, is leave granted?

Hon. Senators: Agreed.

Motion agreed to.

MIGRATORY BIRDS CONVENTION BILL, 1994

FIRST READING

The Hon. the Speaker *pro tempore* informed the Senate that a message had been received from the House of Commons with Bill C-23, to implement a Convention for the protection of migratory birds in Canada and the United States.

Bill read first time.

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

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

CANADA WILDLIFE ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker *pro tempore* informed the Senate that a message had been received from the House of Commons with Bill C-24, to amend the Canada Wildlife Act and to make a consequential amendment to another act.

Bill read first time.

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

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

EXCISE ACT
CUSTOMS ACT
TOBACCO SALES TO YOUNG PERSONS ACT

BILL TO AMEND — FIRST READING

The Hon. the Speaker *pro tempore* informed the Senate that a message had been received from the House of Commons with Bill C-11, to amend the Excise Act, the Customs Act and the Tobacco Sales to Young Persons Act.

Bill read first time.

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

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

AUDITOR GENERAL ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker *pro tempore* informed the Senate that a message had been received from the House of Commons with Bill C-207, to amend the Auditor General Act (reports).

Bill read first time.

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

Hon. Royce Frith: Honourable senators, with leave, at the next sitting, and I will explain why I am asking for leave after the question has been put.

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

Hon. Senators: Agreed.

Senator Frith: Honourable senators, let me explain this breach of the important principle of notice, under the rules. Remember Groucho Marx's saying, "Those are my principles; if you don't like them, I have others"?

I am suggesting only one day's notice, but I do not make the mistake of saying that this is not a controversial bill, though it seems to me to be. It is a very short private member's bill from the other side. I had understood that there was to be no government legislation dealt with tomorrow, which is a short day in any event. I might give at least my sponsor's speech tomorrow, and then we could adjourn the matter, if necessary, or, depending on what the reaction would be, deal with at least one stage of the bill tomorrow. I might then propose that it be referred to Committee of the Whole for study, rather than to a standing committee. However, that is all to come.

Honourable senators, that is the reason why I am asking for leave for one day. It is not a matter of life and death. There is no big urgency this week. However, although two bills have now been put over to the next sitting, I have been advised by the Leader of the Government in the Senate that they will not be proceeding with those two bills tomorrow. I cannot imagine this matter taking more than 15 minutes on my side.

Hon. C. William Doody: What is the bill?

Senator Frith: The bill deals with the Auditor General's reports, and I can practically give my whole speech right now.

Senator Doody: Sorry I asked. Forget it.

Senator Frith: To give you an idea of how brief the intervention is, it can be contained in one sentence. The bill proposes that the Auditor General, rather than being limited to one annual report, can make four reports: an annual one and three interim ones.

Senator Doody: That was a good speech.

Senator Frith: Stay tuned. I will tell you all about it tomorrow.

On motion of Senator Frith, bill placed on the Orders of the Day for second reading on Wednesday next, June 15, 1994.

QUESTION PERIOD

FOREIGN AFFAIRS

MILITARY INTERVENTION IN HAITI AND IN BURMA—GOVERNMENT POLICY

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, a report in *The New York Times* yesterday said, and I quote:

> A majority of Western Hemisphere countries have quietly told United States officials that they are prepared to support military intervention in Haiti if sanctions fail to oust its military rulers...

Since the Reverend Jean-Bertrand Aristide was ousted in September 1991, by the repressive regime now in place, Canada has played a leading role in attempts to have him returned to the office to which he was elected. In the last few days, Canada has agreed to tighten already tough sanctions imposed by the UN Security Council last month, including the suspension of commercial flights between the two countries.

My question to the Leader of the Government is the following: Having gone this far, is Canada one of the majority of Western Hemisphere countries prepared to support military intervention in Haiti, should all other policies to ensure the return of Father Aristide fail?

Hon. Joyce Fairbairn (Leader of the Government): I can say quite candidly to my honourable friend: Not to my knowledge. We have applied a policy of sanctions against Haiti, as my honourable friend has mentioned. There has been action, immediately initiated, I believe, by the airline itself, to cease flights into the area. We have been attempting to get Canadians out of the area. We have not, to my knowledge, gone beyond sanctions.

Senator Lynch-Staunton: As a supplementary, honourable senators, since Canada is without hesitation in supporting sanctions against Haiti, it is appropriate to point out that the government is completely ignoring a similar situation elsewhere in the world. In 1990 the National League for Democracy in Burma won 80 per cent of the seats, but they have never been able to form a government, because of a repressive military regime, as is the case in Haiti. The head of the party, Dr. Sein Win, is in exile and has been refused entry to his country, as Father Aristide has been refused entry to his. Canada does not deny a possible military involvement in Haiti, but Canada does nothing in terms of sanctions or even comment when it comes to a similar situation in Burma.

• (1420)

In *The Gazette* on Saturday, Rodney Moore, a Foreign Affairs Department spokesman, said, "Canada doesn't support an embargo on Burma." He said, "Economic and trade sanctions would not be effective in helping the Burmese people."

My question is: What is the reason for Canada's exhibiting such interest in the domestic affairs of one country while neglecting a strikingly similar situation in another, other than the fact that Burma borders on China, while Port-au-Prince is over 10,000 kilometres from Beijing?

Senator Fairbairn: Honourable senators, I shall seek further information for myself and pass on to the Leader of the Opposition any information I can obtain on the situation in Burma.

I remind the Honourable the Leader of the Opposition, though, that in the case of Haiti it is not a bilateral situation. In terms of sanctions in Haiti, Canada is responding to a call from the democratically elected government, as well as the Organization of American States and the United Nations, all of which collectively support sanctions against that country. The purpose of those sanctions has been to try to restore the democratically elected government of Aristide to Haiti.

As far as Burma is concerned, I shall seek information, which I will pass on to my honourable friend.

Senator Olson: We are not policemen of the world.

NATIONAL DEFENCE

CLOSURE OF ROYAL MILITARY COLLEGE AT ST-JEAN— REQUEST FOR ANSWERS

Hon. Jean-Maurice Simard: Honourable senators, I have a question for the Leader of the Government in the Senate. Has she obtained answers to my series of questions posed last Thursday and in previous days with regard to the closure of the military college at St-Jean? The total number of questions is approximately 12, and other colleagues have asked similar questions.

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I can tell Senator Simard that I have been working assiduously on getting answers to his questions as well as to the questions of his colleagues. In fact, this morning I met with officials from the Department of National Defence, who have been taking this matter seriously, to get the factual information that has been requested.

I am endeavouring to get the information together so that I will be able to present it in a collective way to all of those who have been interested in this issue. I should hope that I will be in a position to do that this week. The people who were discussing the matter with me this morning said that they would be more than pleased to offer the same kind of briefing to the members of the opposition.

Senator Berntson: We just want the facts.

Senator Simard: Honourable senators, before I ask my next question on the same subject, may I suggest that the Leader of the Government in the Senate read the sixth report of the National Finance Committee presented earlier this afternoon. I make this suggestion because this report contains valuable information that might enlighten the leader and the government, and perhaps cause them to revisit or change that decision. This information has come from several witnesses, government ministers, among others. There are commitments from Minister Collenette, one in particular on behalf of the President of the Privy Council, verifying some figures they had mentioned, but that were disputed by other witnesses.

• (1430)

Second, would the Leader of the Government in the Senate consider accompanying a delegation of senators from both sides of this chamber who, sometime this week, might go to the

Military College at St-Jean to see for themselves what is going on, and what measures this government is taking to present us with a fait accompli? Depending on the information obtained during the trip, perhaps the government would change its decision.

Third, would the minister accompany her colleagues from both sides of the chamber with a view to revisiting that decision?

Senator Fairbairn: I would be delighted to travel with my colleagues on the other side of the chamber almost anywhere, Senator Simard, but I am not sure I can do that this week. As I have said to you before, quite honestly, changing the decision is not something I can promise.

Honourable senators, I will certainly read the sixth report. I must underline the fact that the people I have been personally speaking with and who came to meet with me today are making a very sincere and honourable effort to put facts together in an effort to answer the questions raised by a number of senators opposite. Rather than do this piecemeal, I will try to put it all together so that there will be a full answer. These individuals, again, have said they would be pleased to have the same briefing and discussion with friends opposite as they did with me.

NATIONAL FINANCE

INCREASE IN BANK RATE—GOVERNMENT POSITION

Hon. Jean-Maurice Simard: Today the Bank of Canada again raised the bank rate to 6.42 per cent from 6.26 per cent. If Senator Olson had not been as shy as he has been lately, he would have asked this question. I will ask the question on his behalf and on behalf of other colleagues and all Canadians, who want to know if this latest rise in the Bank of Canada rate could trigger an increase by the banks in their prime rates, as they did earlier this week for their one to five year mortgage rates?

Hon. Joyce Fairbairn (Leader of the Government): Senator Simard, I would not wish to comment in any way on your last question. I would point out, however, that the economic indicators, as members opposite will know, have been extremely encouraging and positive, particularly in most recent days. Our employment figures are up by 171,000 since February. Consumer spending is up. The growth of the economy in the first quarter has been a very strong 4.2 per cent. The fundamentals of our economy remain, and there are no inflationary pressures. Our course is still clear from the budget. We have very positive signs of growth in the Canadian economy. All members in the chamber can take comfort from those indicators.

Senator Simard: Honourable senators, the Leader of the Government in the Senate did not answer my question. She went on to give us great figures on economic indicators.

The government has been quick to jump in and explain this so-called "surge" in economic activity. The government has seen fit to flatter itself. It has thrown up a smoke screen by saying that such a surge was due to early income tax reimbursements. That is not a great indicator or a great reason to rejoice, madam minister, because we all know that next month and thereafter, there will be fewer income tax reimbursements.

As a matter of fact, many economists say that this latest surge in purchases by Canadians will be of very short duration. These economists predict that we will be lucky to see a zero increase in terms of internal economic growth by September.

Senator Fairbairn: Honourable senators, I did not speak about income tax returns. Someone else may have. I spoke of the 171,000 jobs that have been created through the infrastructure program and the strength of the economy. The strength of the economy enables small business — the engine of job creation — to perform.

I should mention that a good proportion of those new jobs are full-time jobs for women, which is a very important advance in economic growth.

Honourable senators, I do not think these numbers constitute a smokescreen. They do constitute evidence that we have a strengthening economy. In terms of the exchange rate, there has been a very volatile internationally market over the last few months. It has been up and down. It is up today, as my friend has drawn to my attention. These swings relate to a combination of factors. There is political uncertainty in the minds of people outside of Canada as to what is going on in this country. That has an effect on the markets, there is no doubt about it.

[*Translation*]

NATIONAL DEFENCE

CLOSURE OF ROYAL MILITARY COLLEGE AT ST-JEAN—RELATED EXPENDITURES—REQUEST FOR INFORMATION

Hon. Jean-Claude Rivest: Honourable senators, I would like to ask the Leader of the Government in the Senate if she plans to provide the Senate with the figures I have requested concerning the costs associated with closing the Royal Military College in St-Jean. What are the expenses incurred so far, as well as those that are contemplated, to destroy one of Canada's finest monuments to linguistic duality? Can these figures be expected to be provided by the end of this week?

[*English*]

• (1440)

Hon. Joyce Fairbairn (Leader of the Government): Senator Rivest, I hope to be addressing your question in the collection of answers that is being compiled. I checked today, as I do practically daily, with my colleague Mr. Massé to see how things are going. He indicated to me that the negotiations are still continuing with his colleague in the Quebec government.

ORDERS OF THE DAY

BUDGET IMPLEMENTATION BILL, 1994

THIRD READING

Hon. H. A. Olson moved the third reading of Bill C-17, to amend certain statutes to implement certain provisions of the budget tabled in Parliament on February 22, 1994.

Hon. C. William Doody: Explain.

Senator Olson: Senator Doody is calling for an explanation. I can give him that, but it will be a repetition of the very thorough examination of this bill in the Committee on National Finance, of which he is the chairman. I am sure he does not want me to bore him with a lot of repetitious detail about this bill. It has had a close examination and is now presented for third reading.

Senator Doody: Honourable senators, I will say just a word or two on this bill. I did not expect Senator Olson to offer us a boring dissertation. He rarely, if ever, does that. Some of his dissertations are rather lengthy, but rarely are they boring.

There are one or two items in Bill C-17 that should be pointed out, particularly in terms of its application to the Atlantic provinces.

The 5-per-cent cap on CAP, which had been applied to the three "have" provinces, to use the Canadian expression, that is, Alberta, Ontario and British Columbia, will now be applied to all the other provinces. No matter what increases in social assistance payments are encountered by the Atlantic provinces, and my province in particular, federal government contributions to CAP will now be capped at 5 per cent. The responsibility for picking up social assistance payments over and above the cap I have just mentioned will fall on the provincial government entirely.

The unemployment insurance schedule is also affected by this bill. When it comes into effect there will be established a two-tier benefit rate; enhanced income protection at 60 per cent for claimants with low earnings and dependents, and a basic benefit rate at 55 per cent. I have no quarrel with that, but it decreases the rate of employees' premiums to 3 per cent of insurable earnings for 1995 and not more than that percentage for 1996.

The part that really irks me is that a new benefit entitlement schedule strengthens the link with work history. That means that people who have not been fortunate enough to find employment in the past will not get the benefit of unemployment insurance in the future, because they have to establish a work history. In those places where jobs have been difficult to find, unemployment insurance will be more difficult to obtain.

Also, the minimum entrance requirement is increased from 10 weeks of work to 12 weeks. That, once again, will increase the pressure on social insurance payments, because these people will be entitled to less unemployment insurance. They will have to find jobs for a longer period of time in order to qualify. Both of these things are very difficult to do in Atlantic Canada and in Newfoundland.

Once again there will be more pressure on social assistance and the "have not" provinces will have to dig down into their non-existent treasuries to try to make up the shortfall, because obviously the need for assistance of people who have no income will not decrease simply by changing the regulations in Ottawa.

There is also, of course, the extension of the two-year freeze of public service salaries. I can recall the cries of outrage from my friends opposite when the previous government introduced the public service freeze, but now, with hardly a blink of an eye or even a lengthy explanation or an apology, it is extended for another two years.

There is a rather curious clause in this bill that allows the Canadian Broadcasting Corporation to borrow up to $25 million in the public market place. The members of your committee asked for explanations of that. The budget of the Canadian Broadcasting Corporation is well over $1 billion, most of it from taxpayers' money. It is difficult to understand why the CBC would need special permission to borrow $25 million. Senator Tkachuk was particularly interested in this and asked the representatives of CBC and others who were there to explain it in detail. I, for one, did not hear a satisfactory explanation. I look forward to reading the transcript of the committee meeting to see if I missed something in the discussion. It does seem rather curious.

This bill also makes permanent the 10-per-cent reduction in payments to railway companies under the Atlantic Region Freight Assistance Act. We have had traditionally a 10-per-cent subsidy in effect for Atlantic freight rate assistance. This was put on temporary hold by the previous administration. It has now been decreed that that will be a permanent decrease. Also, the Western Grain Transportation Act has been decreased to 10 per cent from 15 per cent for crop years beginning after August 1 of 1994. That, tied in with the rather frightening pronouncements of the Minister of Transport, Mr. Young, over the past few days, will certainly give all of us in Atlantic Canada cause for concern.

I just wanted to make these few comments for the record, honourable senators, so that the public will not think this is simply an innocuous bill that affects very little. It affects a great deal, particularly in Atlantic Canada.

• (1450)

Senator Olson: Honourable senators, I have one or two explanations for Senator Doody. It was made clear in the speech I made at second reading that this bill was brought in to deal with budgetary matters by a highly responsible government that is taking the budget and the deficit seriously, and intends to get it under control.

There are a number of items in Bill C-17 that are not particularly popular, and Senator Doody has mentioned a few of them. However, Senator Doody knows as well as I do that the deficit is very large. In fact, when we looked carefully at the books after the election, the deficit was some $10 or $11 billion higher than was previously projected.

This government takes seriously its responsibility to deal with that deficit. As mentioned a few minutes ago, there is some indication in the international financial field that we need to get it under control and have it managed properly.

There was an explanation given in my speech, and by the witnesses who appeared before the committee, for the $25 million that Bill C-17 authorizes for the Canadian Broadcasting Corporation. I am surprised that Senator Doody does not remember those explanations.

Senator MacDonald: Neither can I, senator. Perhaps they could be repeated.

Senator Olson: If honourable senators wish me to explain them a third time, I suppose I could do so.

Everyone knows that the CBC budget has been cut two or three times, and there are times when it is appropriate —

Senator Berntson: And the way to control the deficit is to give the CBC $25 million?

Senator Olson: No, that is not the reason. The fact is that there are times when it is appropriate for the CBC to acquire some capital funds, and for it to be most effective those funds are required in a short period of time. Honourable senators opposite will know that only Parliament has the authority to increase the overall budget of the CBC. In this case, the CBC will have the authority to borrow up to $25 million, with the approval of the Minister of Finance, for those issues that arise from time to time. It is not $25 million every year; it is a total of $25 million, and it always requires the approval of the Minister of Finance. I think there were specific examples of what that money could be used for in the future.

Senator Berntson: Would you tell us a little bit about the future of the Crow benefit?

Senator Olson: Senator Berntson will know, of course, that —

Senator Berntson: It has been blown away.

Senator Olson: It is difficult to make a speech in this chamber today.

Senator Lynch-Staunton: It is something about that side of the house.

Senator Olson: Senator Berntson will know that, with respect to that benefit, the approximately $650 million, or whatever the amount happens to be in any given year, is a very large expense, and because of the deficit problem the government indicated that there will be a reduction in this amount. As a matter of fact, the government that he chooses to support reduced it by 10 per cent the previous year.

Senator Berntson: Mr. Young wants to reduce it by 100 per cent.

Senator Olson: That is not correct. If you want to talk about someone else's speech, go ahead, but we are talking about Bill C-17 which will give effect to a decision that was made by the previous government to reduce the WGTA payments by 10 per cent, and then there is an additional 5 per cent for this year, so in total the reduction is 15 per cent. The base for the 15 per cent was $720 million dollars. Therefore, 15 per cent will amount to a reduction of $72 million, plus $36 million, for a total of $108 million.

This is not a particularly pleasant thing to do. However, this government is a responsible government, and it will do the things that are necessary. We are well aware that there is some pain — if that is the correct word — that must be endured by people all across the country in order to bring down the deficit.

There is some resistance to the reduction in the maritime freight rates in that part of Canada. There is some resistance to the WGTA in Western Canada. I do not think there is any doubt about that. If a government is doing these things in a responsible manner, that is what happens.

Honourable senators, those are some of the details of Bill C-17. I am not sure whether any other questions were directed to me. It seems to me that I have answered the important ones.

Senator Lynch-Staunton: Spoken like a true Conservative.

Senator Olson: I should expect that senators opposite would like me to stop talking and sit down, in order that they may have an opportunity to vote for this bill, if it is in line with Conservative philosophy.

Senator Lynch-Staunton: We showed compassion when we cut. You do not. You use a sledgehammer.

Senator Olson: One has to use something, whatever it might be called, a sledgehammer or anything else. However, we know that whatever was done when the Conservatives were in office, the deficit kept going up to $46 billion, more or less. This is a responsible action to reduce the deficit, and we hope that that will be the consequence.

The Hon. the Speaker *pro tempore*: Honourable senators, it is moved by the Honourable Senator Olson, seconded by the Honourable Senator Lewis, that this bill be read the third time. Is it your pleasure, honourable senators, to adopt the motion?

Some Hon. Senators: Agreed.

Some Hon. Senators: On division.

Motion agreed to and bill read third time and passed, on division.

APPROPRIATION BILL NO. 2, 1994-95

SECOND READING—DEBATE ADJOURNED

Hon. Richard J. Stanbury (Acting Deputy Leader of the Government) moved the second reading of Bill C-39, for granting to Her Majesty certain sums of money for the public service of Canada for the financial year ending March 31, 1995.

He said: Honourable senators, the bill before us today is Appropriation Bill No. 2, 1994-1995. It provides for the release of the balance of the Main Estimates for 1994-95, amounting to some $35 billion, and the total of the amounts set out in Supplementary Estimates (A) for 1994-95 amounting to $373.2 million.

The Main Estimates were tabled in the Senate on February 24, 1994 and referred to the Standing Senate Committee on National Finance on February 24, 1994. These Estimates were discussed in committee with the President of Treasury Board on April 20, 1994, and with his officials on April 21, 1994.

• (1500)

Supplementary Estimates (A) were tabled in the Senate on May 31, 1994, and discussed in committee with officials of both the Treasury Board and the Department of Human Resources Development on June 2, 1994.

The Main Estimates tabled to date, amounting to some $160.9 billion, provide for $48.7 billion in voted authority of which $48.5 billion is budgetary and $.2 billion is non-budgetary, and $112.4 billion statutory expenditures of which $112.2 billion is budgetary and $.2 billion is non-budgetary.

Should honourable senators require additional information, I would be pleased to try to provide it.

Hon. C. William Doody: Honourable senators, I should like to move the adjournment of the debate.

The committee report on the Main Estimates is currently before the chamber, having been tabled this afternoon. I think it is traditional that the committee report be dealt with before we finish with the appropriation bill. I will speak tomorrow on the committee report, after which we can deal with the supply bill. I do not see any problems.

On motion of Senator Doody, debate adjourned.

ELECTORAL BOUNDARIES READJUSTMENT SUSPENSION BILL, 1994

COMMONS AMENDMENT CONCURRED IN

Hon. Joyce Fairbairn (Leader of the Government) moved:

That the Senate concur in the amendment made by the House of Commons to its amendment 1 to the Bill C-18, an Act to suspend the operation of the Electoral Boundaries Readjustment Act; and

That a Message be sent to the House of Commons to acquaint that House accordingly.

She said: Honourable senators, the motion I have just introduced is reflective of what I hope will be a continuing positive relationship between the two chambers of Parliament and between the Senate and the government.

With Bill C-18, important amendments were made in the Senate to a government bill. Indeed, there had been a real effort on this side of the house to forge a compromise within this chamber, but the majority chose to pursue its own amendments, as it has every right to do. Those amendments were considered in a thoughtful and reasoned manner by the members of the other place, as well as by the government. For its part, the government has considered the Senate amendments proposed by the opposition without rancour or without questioning the Senate's legitimacy.

The message that we have received from the House of Commons indicates that what was proposed here is acceptable to that chamber and to the government. However, I think the message does more than merely indicate an acceptance of certain amendments; it also indicates an acceptance of the Senate as a legislative body with an important role to play in the parliamentary process.

During the election campaign, through the Red Book, which my friend Senator Lynch-Staunton reminds me of almost daily —

Senator Lynch-Staunton: I read it every night.

Senator Frith: It's good for your soul, John.

Senator Fairbairn: — and through public statements by Mr. Chrétien, the Liberal Party promised to work to restore the confidence of Canadians in government and parliamentary institutions in this country. It also promised to welcome the views of Canadians during the policy and legislative process and to act upon those views. The motion which I have introduced is in keeping with those commitments. The government has listened and, with the cooperation of both chambers of Parliament, has proposed action. The legislation has been improved. I believe public concerns have been alleviated. The public can see that the system has been working.

As we reflect upon this development, I should like to summarize briefly the events which have led us to where we are today. My purpose is not to justify but, rather, to understand, because the rules and conventions we have grown accustomed to are perhaps undergoing some changes, something which I think is welcomed by senators on both sides of the chamber.

The purpose of Bill C-18 is straightforward. It is to suspend the current redistribution process in order to give Parliament and the government an opportunity to examine all aspects of the electoral boundaries process and to produce legislative improvements. This was a matter that flowed out of the Lortie commission and which represented unfinished parliamentary business from the previous Parliament.

During the debate on Bill C-18, an impression was left, in some minds at any rate, that only Liberals were dissatisfied with the current process. I would draw to the attention of honourable senators that that was not the case. The fact is that representatives from all parties in the House of Commons vigorously criticized many of the riding boundaries proposed by the various commissions.

On March 21, 1994, during the debate in the House of Commons on Bill C-18, Gilbert Fillion of the Official Opposition, who represents the riding of Chicoutimi, said the following, as reported at page 2562 of the *House of Commons Debates*:

> ...as far as the boundaries of the riding of Chicoutimi are concerned, some municipalities were to be removed from the riding and most came out against the process. Today, residents...are still telling us to "Stop the process. Look at what is wrong with the legislation, because every time they want to make readjustments, they have no regard for boundaries or for the people."

From my own province, Diane Ablonczy, who represents Calgary North for the Reform Party, said that the commission did not just take away a portion of her riding, but that it:

> ...ripped the thing in half and gave me a chunk of somebody else's riding. Not only did this disrupt the sense of community that the riding has enjoyed for a while but it also took away a part of another sense of community that has been built up in another riding.

Her remarks can be found at page 2550 of the *House of Commons Debates* for March 21, 1994.

Paul Forseth, who is also from the Reform Party and who also participated in the debate on March 21, complained, as reported at page 2560 of the *House of Commons Debates*:

> In many instances the suggested changes of the commission just do not make common sense.

He then went on to describe what the commission had proposed for the city of Burnaby. He said:

> The new proposal cuts down streets that did not represent main thoroughfares or easily identifiable divisions. It cuts through the middle of a park, across the middle of Deer Lake instead of taking the preferred street around the edge, then proceeds up a hill through residential properties and through bushlands where no streets exist at all.
>
> It leaves small enclaves of residential areas stranded in the new riding of Burnaby North without access, except by travelling a considerable distance through my riding of New Westminster—Burnaby.

• (1510)

Nelson Riis of the New Democratic Party, who has a background as a professional geographer, was even more critical after having had an opportunity to examine the proposed plans for British Columbia. He said:

> I studied all of them and I could find no correlation between an interest in geography and the boundaries in the maps. Historically the boundaries made no sense. As a matter of fact I can only assume it was some sort of creative artistry on behalf of the commissioners who decided on the boundaries in the central interior of British Columbia. I can only assume that whoever they were, and I say this with all due respect, they must have visualised the interior mountains of British Columbia as a flat plain with no topographical variation at all because the reaction was immediate.
>
> The next morning, after Canada Post had delivered all of these proposals, there was a hue and cry that went up in the communities around Kamloops.

He went on to say that people who normally would never say anything positive about their member of Parliament, because of their political affiliation, rose up and said that they had to rally around him and stop the process before "this lunacy continues any further."

The record shows clearly that the riding boundaries proposed by various commissions caused consternation not only among members of various political parties but also among individual citizens and within municipalities. For example, the council of the County of Kent presented a submission to the Electoral Boundaries Commission for Ontario, wherein it registered its absolute displeasure with what was being proposed and claimed that "The proposed riding of Essex—Kent defies logic."

These and other criticisms of the current process just helped to reinforce the view that it was time to re-examine the whole question of how electoral boundaries are drawn.

As I have mentioned, this was a piece of unfinished business from a previous Parliament. It was felt several weeks ago that, if the government moved quickly, the review could be concluded and perhaps a better system could be in place in time for the next regularly scheduled election.

However, when the government introduced Bill C-18, a number of concerns were expressed, and strongly expressed, that the proposed 24-month suspension of the current redistribution process could see the next election fought on present electoral boundaries, which would not reflect population increases in the provinces of Ontario and British Columbia as contained in the 1991 census. Those views found their fullest expression in our Standing Senate Committee on Legal and Constitutional Affairs, which held a series of informative meetings that brought a new focus to this legislation.

In response to the concerns articulated at those meetings; in response as well, as I said in my speech earlier on this bill, to the clear message delivered by delegates at the Liberal Party convention in support of a British Columbia resolution supporting change to the process and protection of fairness in representation from that province; and in view of the criticisms expressed by many others across this country, the government proposed an amendment in the Senate that would have guaranteed that the next regularly scheduled election at the end of 1997 or into 1998 would be fought on 1991 census boundaries.

However, that amendment was not agreed to by my friends opposite, who put forward an alternative proposal that, nevertheless, had the same fundamental objective, namely, ensuring that the 1991 census boundaries for the next regularly scheduled general election would be used. That proposal has, in essence, been accepted by the House of Commons. The only point of disagreement concerns the length of the period of suspension of the current process in order to permit passage of new legislation.

The Senate amendments sent to the House proposed that the activities of the present commissions be suspended only until February 6 of 1995. The government and the House of Commons believe that in order to do justice to the study of the process of redrawing electoral boundaries, we must allow for a longer suspension of the committees, until June 22, 1995.

As explained by my colleague in the other place, the Honourable Herb Gray, the earlier date proposed by the Senate does not make allowances for the provisions of the rules of the House of Commons for an adjournment between December 16 of this year and February 6 of 1995. Such an adjournment means that in reality the whole process would have to be completed by December 16, since the House of Commons will not be sitting between then and February.

In our view, honourable senators, it is simply not realistic to expect that all stages of consideration of changes to the process, from initial committee examination in the other place to the presentation of legislation, to consideration by both Houses of Parliament and to final approval, could be completed by December 16 of this year. The date of June 22, 1995, however, as was the case with the original suspension, still remains an outside limit. The government is confident that it would be possible to have new legislation passed before that date, but it is mindful of wishing to give the process enough time to proceed.

If this legislation is adopted by Parliament, a new redistribution process based on the 1991 census can go forward. As I explained in my remarks of May 25, that process need not necessarily go on for as long as the current practice. Last week the Chief Electoral Officer, Jean-Pierre Kingsley, appeared before the House of Commons Standing Committee on Procedure and House Affairs. In reinforcing the testimony he presented while before our Legal and Constitutional Affairs committee, Mr. Kingsley explained how that process could be reduced significantly if the time periods for a number of the stages were shortened. If certain abridgements were adopted, he said, a redistribution process that began in June of 1995 could be completed in time for an election held in March of 1997 — not even three and one-half years into the government's mandate.

Honourable senators, this is a reasonable and realistic timetable in the life of a Parliament with a majority government and is certainly in keeping with modern day experience.

I would urge the Senate to adopt the motion now before it. We will be taking advantage of an opportunity to experiment with a new attitude on how relations between the two chambers of Parliament — indeed, between the Senate and the government — can be conducted. Through its work on Bill C-18, the Senate has sent a message that it wishes to play a constructive role in the legislative process — a message that most assuredly comes from both sides of this chamber. Through this motion today the government has sent a message back that it accepts that role.

• (1520)

This is not to say, of course, that the government or, for that matter, the House of Commons will always agree with what is proposed in this chamber. Undoubtedly there will be moments of disagreement where accommodation will be more difficult to obtain. That is to be expected among parties with different philosophies and different political roles.

However, I think it is important to note that in this case we have managed to carry out our respective responsibilities with a healthy degree of mutual respect on both sides of this house, and between the Senate and the House of Commons. I believe that this is a positive step in an effort which all of us share to regain public respect for our national Parliament. I sincerely hope all of us can accept this compromise, and accept it in the spirit in which it was offered.

Hon. Lowell Murray: Honourable senators, in her closing remarks, and indeed in the first part of her speech today, the Honourable the Leader of the Government placed this motion in the wider context of the relationship between the two Houses of Parliament and between the Senate and the government. At this early stage in the life of this Parliament, it is understandable that she should do so. I do not intend to pursue that point, for the good reason that I happen to know that my friend the Leader of the Opposition intends to do so. I have reason to believe that he intends to discuss something of the background to the action which Conservative senators took, and of the implications of that action for the future.

For my part, I intend to confine myself, as much as I possibly can, to the bill that is before us and the motion proposed by the Honourable the Leader of the Government. I begin by congratulating the government on having agreed to the significant amendments made by the Senate to Bill C-18. It is never easy for a government and for its supporters in the House of Commons to accept major changes to a government bill after that bill has passed the House of Commons.

In the case of Bill C-18, the exercise would have been the more painful because the original impetus for the bill came not from the cabinet but from the government's Parliamentary caucus. The ministers who, more often than not, normally must call upon the loyalty of caucus colleagues to support government initiatives for which there may be varying degrees of enthusiasm, were in this case responding to political concerns expressed by their own backbenchers. Nobody who understands that background or who appreciates the political dynamic involved, especially the relationship between cabinet and caucus, can be stingy in commending the government for taking the action that they have taken. I certainly would want to be unsparing in my commendation of the government for the action they have taken.

The government has accepted in substance all of the Senate amendments. What is markedly different about the message we have received today from the government, and the proposed compromise suggested by Senator Fairbairn — a couple of weeks ago, was it? — is that the commissions are not being abolished, as would have been the case under the government's earlier proposed compromise. There is, as she has pointed out, one change in detail, and it has to do with the duration of the period of suspension in the present process. We had provided that the suspension would be lifted in the month of February. The government proposes to push this date forward to June. This is not a matter of principle with us and, therefore, we will agree to the change in date recommended by the government and approved by the House of Commons.

That being said, I would like to say, in parentheses, that the last thing in any of our minds was to intrude upon the prerogatives of the House of Commons. This was the apprehension expressed by the Honourable Herb Gray in the other place when he proposed sending this message to us.

I believe that, in a practical sense, the apprehensions of the government about the February date were not well-founded. I say that for two reasons: First of all, we have been assured, by the Leader of the Government in the Senate on several occasions and by other spokesmen for the government, that it was not only the hope but the intention of the government that the House of Commons committee would report well ahead of the December deadline. Second, I think it is important to note that the mandate given to the House of Commons committee is not just to produce a report and recommendations, but rather to produce a bill, to produce legislation for consideration by the House of Commons.

Although my friend has been legislative assistant to a Prime Minister in the other place, I tend to disagree with her. I think if things go well that there is a better than even chance that we would have legislation establishing a new redistribution process passed by Parliament before the February deadline; perhaps even before Christmas. I may be wrong.

Senator Fairbairn: Terrific.

Senator Murray: Mr. Peter Milliken, MP, who is the chairman of that committee, has been heard to suggest that the House of Commons committee would sit during the summer and might report by September, and that they will report with a bill. That gives several months for the House of Commons and the Senate to deal with such a bill, and to pass it. I think there is a better-than-even chance that we could do so before Christmas.

In any case, whether it is February or June is, I hope, not important. I hope it will turn out not to be important, because I believe that the overall result of the amendments that have now been accepted can and should be very positive. There can and should be an impartially conducted redistribution on the basis of the 1991 census before the next election. That was always the central objective of the Conservative senators in this matter.

At the same time, the way is open for an improved redistribution process designed by a House of Commons committee and that, as the Leader of the Government has reminded us today, was always the stated intention of the government in bringing forward this bill.

• (1530)

The Commons committee will have received a valuable assist from the Standing Senate Committee on Legal and Constitutional Affairs, which, while examining Bill C-18, identified a number of areas for reform of the process, a number of areas that should be considered seriously. I think that senators on both sides of this house can take some satisfaction in that. While we disagreed about the bill, I think we were agreed on quite a number of reforms to the redistribution process that should at least be considered.

I have no mandate to speak for the committee on this matter, so what I have to say now in terms of possible changes I put forward as the view of one senator only. First of all, I think it is clear that the process which now takes two and a half years, and can take more, can be shortened. I believe we established that at the committee hearings, both from the administrative perspective of the Chief Elections Officer, Mr. Kingsley, and from a more political perspective in the discussions among ourselves and with Mr. Gray, when he appeared before the committee.

Second, and here I am getting into more controversial territory, there is one stage of the present process that I think could and should be eliminated, and that is the stage where members of Parliament have an opportunity not afforded to other citizens to have an impact on the drawing of the maps. Remember that there is a public hearing process. To those public hearings, members of Parliament and their constituents and their party supporters can, if they wish, repair and make representations about the maps produced by the redistribution commissions. Experience has shown that those commissions take those representations seriously and that they make substantial changes after the public hearings.

The present process provides for a 60-day period in which, even after the commissions have drawn a second draft of the maps, members of Parliament, whose conflict of interest is obvious, get another chance to have an impact on those maps. I am not sure that that is right, and I think that we should consider eliminating that stage altogether.

In that connection, I was mildly scandalized this afternoon to hear the Leader of the Government referring with approval to the debate in the other place in which various members of Parliament from three or four of the parties represented there stood up and complained about the boundaries in their own provinces as the boundaries affected their own constituencies. What they were saying was not that they would go before the public hearings and present their representations and their complaints, but rather that the whole process should be aborted right now because they did not like the preliminary maps. What is the purpose of the public hearings if it is not for these honourable ladies and gentlemen to go and make their representations?

For the first time, we have heard a spokesman for the government actually justify this bill on the basis of the preliminary maps that had been drawn up by the redistribution commissions. We had reproached the government caucus and individual Liberal MPs with having conspired on this bill because they disliked the boundaries that were proposed. All Senator Fairbairn has done today is confirm that and spread the blame around a little bit to include Nelson Riis of the NDP and a couple of people from the Reform Party and somebody from the Bloc Québécois.

Third, to return to improvements that can be made in the process, I think we should revisit the Lortie commission's recommendation that the ridings might be drawn on the basis of the number of electors rather than on the basis of population. If you believe in the principle of the relative equality of voting power, I think it is obvious that number of electors is a better standard by which to implement that principle than is population.

There would be an incidental benefit to using the standard criterion of the number of electors, and it is that the redistribution, instead of being dependent on the decennial census, would be related to voters' lists that are drawn up every four or five years. Redistribution in that event would be more frequent but less disruptive, because, if you made the changes more frequently, you would be fine-tuning boundaries of ridings rather than making massive changes.

Fourth, I think we have to look again at this 25-per-cent variation that is permitted from the provincial quotients. More than 25 per cent in exceptional circumstances is permitted by the present act. If you believe in the principle of relative equality of voting power, 25 per cent is too high. The Lortie commission suggested 15 per cent. I would go lower than that, frankly, because the reasons for permitting those variations, which related to the difference between the geographically large rural ridings and urban ridings, are less applicable today in an age of quick transportation and instantaneous communication than they were some years ago.

All you have to do is examine the horrendous anomalies that this produces, and not so much the anomalies between rural and urban as the anomalies between ridings that are practically neighbours.

I was looking at Nova Scotia, which is not the big offender in this connection. I fail to understand the difficulty of servicing a constituency such as Cape Breton and Richmond, where I was born and which is now represented by Mr. Dingwall, which could possibly justify the great discrepancy between the size of that constituency and, say, Halifax West. Those ridings are not so enormously different as to justify the enormous discrepancy between these two ridings produced under this system.

The Hon. the Speaker *pro tempore*: I must advise the Honourable Senator Murray that his time has expired. Is leave granted for him to continue, honourable senators?

Hon. Senators: Agreed.

Senator Murray: Thank you, honourable senators.

Fifth, Mr. Gray, when he was before the committee, recalled to our minds that, in the years just after the 1964 act was passed, there was always one member who was a member of all of the redistribution commissions at the time. That was Mr. Nelson Castonguay, who had the title and office of Redistribution Commissioner. Mr. Gray suggested that perhaps we should go back to that regime, and I am inclined to think he is right. Having one member who is a member of each of the commissions would, I think, help to introduce more consistency into the interpretation of the act across the country.

Finally, honourable senators, I just want to say this: I think that on a matter of this kind, the elections law and redistribution process, the government should seek the broadest possible consensus among the political parties in the House of Commons. I believe that, for our part, we senators should look favourably upon any bill that enjoys that kind of consensus.

• (1540)

With regard to this motion today, I think the Senate and the government can take some satisfaction in having put the redistribution process back on the right track. During the next six to twelve months the issue will be back in the hands of the House of Commons and within one of its committees. The Senate will not be directly involved in the process unless and until new legislation arrives here. In the meantime, we will, of course, be watching carefully in the hope and expectation that what we have done on Bill C-18 will ensure that there will be an impartial redistribution before the next election, and an improved redistribution process for future elections.

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, first I want to thank Senator Murray for having so well summarized our thoughts on Bill C-18 itself, and on how we envisage certain improvements that can be made to the Electoral Boundaries Act, arising from experience of some 30 years now, and from testimony before relevant committees here and in the other place. I also hasten to endorse his remarks

regarding the government's decision to accept, with one modification, the amendments to Bill C-18 proposed by the Senate, since improving legislation when in order is a responsibility, if not an obligation, of this place. The government's acceptance in this case is a confirmation of its appreciation, while admittedly not enthusiastic, of the positive role that the Senate can and should play as legislation is proceeded with.

My purpose in rising at this stage is to share some conclusions and thoughts which can be drawn from this particular experience. All senators are conscious that while the Constitution gives the Senate powers which are broader than any found in any comparable appointed legislative body in the Western World, their exercise must be used with extreme moderation and caution as they affect decisions initiated by an elected body.

In my first remarks as Leader of the Opposition, I stated our position as follows:

> Each piece of government legislation will be given the scrutiny and assessment it deserves. It will be subjected to vigorous committee hearings when found necessary. It may even on occasion be subjected to amendments in order to improve it and be returned to the House of Commons. However, should the House disagree, then so be it, for the Senate must act as it sees fit. The decision of the elected must and will be abided by.

The question which arises is: Would we have honoured this pledge had Bill C-18 been returned in its original form? Fortunately, we will never know the answer. While I do not care to answer hypothetical questions, I still feel it appropriate to develop upon my original statement. This statement referred to government legislation which, by definition, is intended at all times to better the lot of all, or if only of some, not at the expense of others, or to repair an injustice. In summary, government legislation must have some redeeming features.

To our mind, Bill C-18 did not meet these basic criteria. Simply put, it penalized a great majority of Canadians to the benefit of a handful. It was motivated by partisan considerations, even by the admission of some of the government's own supporters. It is in such situations that the Senate's usefulness becomes obvious. Our amending of Bill C-18 has been interpreted by some as an intrusion on the prerogatives of the House of Commons. Those who have been complaining this way are either motivated by a dislike for the Senate *per se* or have a misunderstanding of its role. For, like it or not, the Senate is one of the three essential components of our legislative system. The Constitution could not be more clear:

> The legislative power is vested in one Parliament of Canada, consisting of the Queen, an Upper House styled the Senate, and the House of Commons.

Over the years, the composition and nature of the House of Commons has evolved to keep pace with the evolution of the franchise itself. In the first election of 1867, eligible voters were limited to 21-year old British males who had to have a property interest, and the vote was taken in public. Contrasting that with today's qualifications makes one appreciate the enormous progress, no matter how slow, that has been made since. Contrast this with a Senate which has pretty well stood still over the same period, except for a mandatory retirement age in 1965 and a suspensive veto on constitutional amendments in 1982.

The Senate as an institution has been challenged since it was created, and its opponents far outnumber its supporters, and for reason. How can one justify an appointed body with such wide powers in a society as free and as democratic as Canada's? Sadly, agreement on even the slightest modification to it escapes Canadians constantly. Until this happens, it is our obligation to carry out our responsibilities as set out in the Constitution, always keeping in mind the drastic changes which have taken place in our other political institutions and usages over the past decades. By this I mean we must be both conscious of our obligations, which were spelled out over a century and a quarter ago, and the realities of the legislative world today. In our case, treading the line between the two is made more challenging by the fact that, as members of the opposition, we are in the majority, at least for the time being.

I could quote a number of authorities to support our stand on Bill C-18 but I will use only one, the former Leader of the Opposition, who has written as follows:

> Very rarely does the Senate defeat legislation, maybe once every forty or fifty years. It slows legislative bills down. It even holds long hearings in order to give the public time to get interested in what is going on. The Senate is a chamber of sober second thought; it's there to try to act as a check and balance, digging in only on those rare occasions when a government with a majority in the House of Commons seems to be going much too far or too fast.

Senator Frith has described exactly the situation which led to our stand on Bill C-18.

However, this does not answer the "what if" question I asked earlier. What if Bill C-18 had been returned in its original form? How would the Conservatives have voted? My sense is that many, not to say most, would have voted against it; none with any enthusiasm, however, because of the many interpretations that would have been given to their vote, but, nonetheless, with a strong conviction that Bill C-18 was simply not acceptable, and had to be rejected no matter the consequences. Going as far as we did on Bill C-18 is not a stand we care to make a habit of taking, but it will be taken when need be.

Is there a way to avoid such situations? Certainly, an obvious way is for the government to recognize and admit the value of pre-study. When in opposition, Liberals systematically opposed that measure, claiming that it undermined the independence of this chamber, making it a partner to the government and subservient to the House of Commons. This is an extreme view; a view more emotional than rational.

Pre-study, in the case of controversial or technical legislation where senators' experience and abilities can be helpful in its designing, is certainly to the government's advantage. Since one of our major roles is precisely to improve legislation, why

not be involved in the process as early as possible in certain cases? I do not consider this subservience, but rather a concrete reaffirmation of one of our major responsibilities; leaving us free at all times, however, to challenge the pre-studied legislation in the normal fashion once it reaches the Senate, after passage by the House.

The amendments to the Young Offenders Act, Bill C-37, recently introduced in the House by the Minister of Justice, is a case in point. No matter what their content, it is inevitable that amendments of this nature create more controversy than approval. Pre-study by the Senate of major legislation has the advantage of alerting the government to Senate concerns at a time when they can be incorporated before the House takes a final vote, thereby making its passage here that much more smooth.

While on this topic, honourable senators, I want to mention another bill which is causing us much concern, and which is now at report stage in the other place, Bill C-22, the Pearson International Airport Agreements Act. Let me be very clear on one thing: Our apprehensions have absolutely nothing to do with the subject-matter which led to the introduction of Bill C-22. Rather, there are a number of clauses in the bill the like of which cannot be found in any law passed by the Parliament of Canada since its inception.

• (1550)

I will not elaborate on the bill, as I hope it may be changed before it finally reaches us. Suffice it to say, however, that in its present form it includes some very disturbing, even alarming, provisions that have hardly been touched on in the other place. The opposition there has preferred to concentrate on the contract which the bill nullifies and to heap all sorts of abuse on those who were party to it.

Our preoccupation is not with the contract; it has not even been made public, so how can any parliamentarian even pretend to analyze it objectively? It is with the bill itself, which unfortunately meets exactly the situation described by Senator Frith when he said it was "one of those rare occasions when a government... seems to be going much too far or too fast."

Basic questions on Bill C-22 have yet to be answered, and we will be asking them before the appropriate Senate standing committee. We will not engage in the personal attacks or snide innuendoes that have marred both opposition parties' interventions in the other place, for the least it can be said of the Senate that it has a responsible opposition.

Honourable senators, as Senator Fairbairn so well indicated in her remarks, we should all be pleased with the way in which the legislation we are about to vote on has proceeded. I share with all members a satisfaction of a job well done.

Hon. Senators: Hear, hear!

Hon. Finlay MacDonald: Honourable senators, at the time of the second reading of this bill, I interjected with a one-sentence remark to Senator Fairbairn. I said, "I hope you will not take the Senate for granted." She shook her head.

Honourable senators, I congratulate Senator Fairbairn today on putting the best face on what must be, for her colleagues, a rather humiliating abandonment. I agree with her when she says that this is a new experiment with a new attitude.

Honourable senators, the government's approach is not totally new, if one looks at the recent session which began on May 13, 1991. We dealt with 16 bills and 43 proposed amendments in this chamber — not in committees. So, when Mr. Peter Milliken, of fond memory and whom we cannot easily forget, says at page 4619 of the *House of Commons Debates* that "I know there are many members here who feel it inappropriate for the Senate to make changes to Commons bills, but the fact is that it does happen from time to time and we do have to tolerate this inconvenience," I suggest we get a seeing-eye dog for Mr. Milliken.

On the same day, Tuesday, May 31, 1994, Mr. Milliken said:

> ...many may regard the proceedings in the Senate as irrelevant and unimportant...I do not know whether Your Honour has ever tried to get minutes of the Senate. I have tried to subscribe for the five or six years that I have been in this place, and I cannot get them delivered on a regular basis.

I am sure, Senator Fairbairn, you would want to see that Mr. Milliken's attitude and his inability to get this information are both eased.

Senator Fairbairn: We keep in daily contact, Senator MacDonald.

Senator MacDonald: I end, Senator Fairbairn, in congratulating you on a very fine speech and a very fine attitude. I hope that we can, as you say, reason together.

Hon. Senators: Hear, hear!

Motion agreed to and Commons amendment concurred in.

NATIONAL PROTECTED AREAS STRATEGY

REPORT OF ENERGY, THE ENVIRONMENT AND NATURAL RESOURCES COMMITTEE ADOPTED

The Senate proceeded to consideration of the third report of the Standing Senate Committee on Energy, the Environment and Natural Resources (Budget — National Protected Areas Strategy study), presented in the Senate on June 9, 1994.

Hon. Peter Bosa: Honourable senators, on behalf of Senator Kenny, I move the adoption of the report.

Motion agreed to and report adopted.

[*Translation*]

INTERNAL ECONOMY, BUDGETS AND ADMINISTRATION

TENTH REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the tenth report of the Standing Committee on Internal Economy, Budgets and Administration.

Hon. Jacques Hébert: Honourable senators, on behalf of Senator Hastings, I move the adoption of this report.

Motion agreed to and report adopted.

[*English*]

ELEVENTH REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the eleventh report of the Standing Committee on Internal Economy, Budgets and Administration (Budget — Standing Senate Committee on Agriculture and Forestry), presented in the Senate on June 9, 1994.

Hon. Peter Bosa: Honourable senators, on behalf of Senator Hastings, I move the adoption of the report.

Motion agreed to and report adopted.

[*Translation*]

TWELFTH REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the twelfth report of the Standing Committee on Internal Economy, Budgets and Administration.

Hon. Jacques Hébert: Honourable senators, on behalf of Senator Hastings, I move the adoption of this report.

Motion agreed to and report adopted.

[*English*]

SOUTH AFRICA

FIRST DEMOCRATIC ELECTIONS—DEBATE CONTINUED

On the Order:

> Resuming the debate on the inquiry of the Honourable Senator Oliver, calling the attention of the Senate to his participation as a United Nations observer at last month's first Democratic Elections in South Africa.—*(Honourable Senator Bosa).*

Hon. Peter Bosa: Honourable senators, Senator Cools wishes to speak on this inquiry. May I adjourn this inquiry in her name?

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

Hon. Senators: Agreed.

On motion of Senator Bosa, for Senator Cools, debate adjourned.

CANADA BUSINESS CORPORATIONS ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker *pro tempore* informed the Senate that a message had been received from the House of Commons with Bill C-12, to amend the Canada Business Corporations Act and to make consequential amendments to other Acts.

Bill read first time.

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

On motion of Senator Stanbury, bill placed on the Orders of the Day for second reading on Thursday next, June 16, 1994.

• (1600)

GOVERNMENT OF CANADA

HUMAN RIGHTS POLICIES—INQUIRY—DEBATE ADJOURNED

Hon. Ron Ghitter rose pursuant to notice of June 2, 1994:

> That he will call the attention of the Senate to the Human Rights Policies, or lack thereof, of the Government of Canada.

He said: Honourable senators, I bring forward this inquiry relating to the Canadian government's policies with respect to human rights on the international scene against a backdrop of unparalleled human rights abuses in every corner of the world.

From Bosnia to China, from Burma to Mexico, in Central America, Africa and elsewhere, millions of citizens of this world face the horrors and oppression of totalitarian regimes which display a total disregard for the fundamental rights and freedoms that are the cornerstone of any civilized society.

Slave labour, genocide, suppression of free speech, imprisonment without trial, confiscation of lands, torture and starvation are tragically becoming almost commonplace throughout the world, and the nagging question that must be addressed is, can we — or to some, should we — do anything about it?

It is easy to become sanctimonious and self-righteous in a discussion of this nature. It is easy to speak in platitudes about how terrible these atrocities are, and do nothing meaningful. It is easy to be critical of others and ignore the gaps in our own human rights record of this nature.

My first lesson in that regard was as a university student when I recall the Prime Minister of the day, Mr. Diefenbaker, speaking at a Commonwealth conference against the apartheid policies of South Africa, while at the same time a black person was being refused admittance to a CNR hotel in Canada.

I know that as I am speaking critically of governments in other countries, in my own province of Alberta senior political figures in the Alberta government promote the abolition of our human rights legislation, the abolition of the Charter of Rights and Freedoms, the banning of books, the negation of rights to our native people, and refuse to recognize the constitutionally protected desire of some minority groups for equal treatment in our society. When I examine the vote in Ontario with respect to sexual orientation and the vote of the Legion with respect to Sikh's turbans, I say at the outset that I recognize that in Canada we have a long way to go.

Therefore while I am so very critical of the conduct of other governments, which I find to be so deplorable, I do so with the frank admission that our human rights record in Canada is good, but far from perfect.

Having said that, I do submit, however, that, particularly over the last 20 years, Canada has assumed a meaningful role of leadership in the world with respect to encouraging regimes which disregard the human rights of their citizens to change their policies and recognize their human rights obligations. This is not a model imposed by developed countries upon developing nations set in their own image, but is in fact the universally acknowledged human rights standards and commitments set out in the Universal Declaration of Human Rights, which was approved in 1948 by the United Nations and the subsequent two covenants on political, civil, social, economic and cultural rights to which Canada, along with many other nations, was a signatory.

In light of these covenants and our commitments, no one can argue that the introduction of human rights concerns in our foreign aid and trade policies is inappropriate. It is totally appropriate. The question is: How can it best be done?

Canada is eminently suited to provide leadership in this area. We are very credible internationally. We have never been a colonial power. We are connected to the OAS, the Francophonie, GATT, NATO, and the Pacific Rim. We are a middle power with great influence, far beyond the size of our population or our GDP.

Over the past decade we have slowly, sporadically — yes, but in a forward manner — asserted a clear role in human rights leadership in the world. In 1979, Douglas Roche, a Progressive Conservative member of Parliament, called for reducing aid where gross violations of human rights existed. In the early eighties, Canadian academics called for suspension of aid where human rights were grossly and persistently violated.

In June of 1986, the Hockin-Simard report of the Special Joint Committee of Parliament recommended the establishment of an International Institute on Human Rights and Democratic Development, an institute on which I have the honour to serve as a director, which is in full operation and under the presidency of Mr. Broadbent, and which is doing excellent work throughout the world.

In 1987, the Winegard Report from the House of Commons Standing Committee recommended that Canada closely monitor abuses of human rights and provide incentives for good behaviour, as well as penalties for poor human rights performance. Canada, both under the Liberals and the Conservatives, has curtailed aid to countries such as El Salvador and Guatemala because of gross human rights violations, and in 1991, at the Commonwealth Conference at Harare, Zimbabwe, with 50 nations represented, the Prime Minister of the day, Mr. Mulroney, stated as Canadian policy:

> Canada will not subsidize repression and the stifling of democracy.

In finality, Prime Minister Mulroney stated:

> If less developed countries choose not to conform to Canada's notions of democracy but still seek aid, they will be waiting a long, long time.

By 1991, as *Maclean's* magazine noted, Canada's position was well known in the world and accepted in the international community, that "tough talk and action provides the quickest route to a kinder, gentler world order."

Then in June of 1989, Tiananmen Square became the byword for oppression and total disregard for human rights. As the world and Canadian leaders rose in indignation at the atrocities committed by the Chinese government of the day, the Right Honourable John Turner, Leader of the Opposition, said:

> The force of the House of Commons and the moral influence we have on behalf of our people must indicate to China that that country must cease its brutality or the repercussions for China and the world would be incalculable.

Jesse Flis, Liberal MP, now Parliamentary Secretary to the Minister of Foreign Affairs, stated in Parliament:

> At the very least, are we going to re-evaluate our relationship with China? And in so doing, are we going to reconsider our official development assistance commitment which totalled close to $36 million in 1988?

Sheila Copps, MP for Hamilton East stated:

> Yes, it is true that we carry out $2.6 billion worth of business with the Chinese people. However, I do not think that should be a reason for us to prevent movement in the area of sanctions.

Since that time, Canada, to our pride, has continued its involvement in the use of sanctions in Haiti, Central America, South Africa and Cuba. Linking our aid and trade to violations, speaking out with words but also deeds, Canada became a leader in the world in its commitment to human rights.

Yes, we have had some disappointments. As I have mentioned in this chamber, I would have preferred our trade agreement with Mexico to contain some human rights provisions, which it did not. Yet overall, Canada's commitment to universal human rights is recognized throughout the world.

Leading up to the election last October, the commitment continued. The Liberal Party Foreign Policy Handbook of May 1993 stated:

> It is imperative that we resolve the ongoing contradiction between our commitment to human rights and the objectives of Canadian trade policy.

Shortly after its election, the new government appointed a parliamentary joint committee to examine Canada's foreign policy. To this date, a number of submissions have been made to this committee with respect to Canada's international human rights obligations.

Then, as if overnight, and notwithstanding the fact that a parliamentary joint committee was examining this very policy, a whole new policy shift occurred within the Canadian government, without debate and without notice.

• (1610)

Mr. Ouellet stunned the international community and human rights watchers when he remarked — notwithstanding China's atrocious human rights record — just days before the fifth anniversary of the Tiananmen Square massacre, that Canada will not link trade relations with China to Beijing's human rights record, basically stating that China is Canada's fifth largest trading partner and the fastest growing economy in the world, and is too important to cause such linkages to occur. Frankly, I can understand that reasoning, and within certain limitations I can accept it.

However, Mr. Ouellet's later comment that he "did not intend to get bogged down by Tiananmen Square" in his dealings with China is a total disregard for our past record. It sends out an incredibly bad message to the international community that human rights to Canada now means "getting bogged down" over Tiananmen Square.

The most astounding statement came from our Prime Minister when, in his statement of profound Canadian inferiority, he belittled the work of prior Canadian governments, including his own, over the years on this issue when he stated:

> I am the Prime Minister of a country of 28 million people. He —

Referring to Chinese President Jiang Zemin:

> — is the president of a country with 1.2 billion. I am not allowed to tell the Premier of Saskatchewan or Quebec what to do. Am I supposed to tell the President of China what to do?

What an incredible statement of our policy with respect to human rights! What a shocking understatement of the important role Canada has played in promoting human rights as a party to the Universal Declaration of Human Rights! What a puny, pacifistic approach towards deplorable human rights conditions, and what a total degradation of our foreign rights and humanitarian responsibilities!

We are a nation eminently suited to providing leadership in this area. Yes, there are many things Canada can do in its endeavour to bring democratic development and human rights attitudes to developing countries.

This issue was brought home to me in a starkly realistic manner this past weekend, at a meeting I attended with my fellow directors of the International Centre for Human Rights and Democratic Development in Montreal. We met with Prime Minister Dr. Sein Win of Burma whose party, the NLD, as we all know, won the election, only to find, two months later, it was invalidated by the military junta known as SLORC. Today, SLORC is the most oppressive regime in the world.

Dr. Sein Win stated to us, as he said to the joint parliamentary committee last week:

> More trade and investment will only entrench SLORC, widen the gap between the urban and the rural, the haves and the have-nots and aggravate the current crisis in Burma.

He urged Canada to maintain its strong human rights policy and increase it. He quoted from South African Bishop Desmond Tutu who stated:

> Tough sanctions, not constructive engagement, finally brought the release of Nelson Mandela and the dawn of a new era in my country.

This is the language that must be spoken with tyrants for, sadly, it is the only language they understand.

Dr. Sein Win told us of his concern over the shift in Canadian policy and the message that Canada is sending throughout the world. He affirmed his view that conditionality towards Canadian aid and Canadian leadership in trade policies is vital if progress is to be made in this area. We cannot turn a blind eye to the atrocities in Burma.

We cannot turn a blind eye to Thailand, one of the world's fastest growing economies where, last May, nearly 200 women burned to death in a Bangkok toy factory in which they were locked with no means of escape in clear violation of international principles of human rights, including labour rights. We cannot continue to allocate billions of dollars in foreign aid without demanding that the human rights records of recipients be examined and conditions attached, if aid is to be forthcoming.

Contrary to our Prime Minister's statements relative to China, there are a number of things that we can realistically do that, over time, will assist in the creation of democratic institutions in many of these countries, and will ultimately improve the conditions of the average man and woman in these nations.

May I say that ultimately it is in our own economic interests that democratic development occur in these expanding societies, for if that is the case, growth acceleration, free market economies, better trade relations and more trade will ultimately occur.

Realistically, what can we do? Clearly, the answer lies not in Canada's cutting off trade with China. Abhorrent as its treatment of its people may be, that is not practical, it will not work and we cannot do it alone. It will place Canadian business at an extreme disadvantage in a very important market.

No, we cannot act alone. However, realistically we can do a number of the following.

First, we must continually expose and criticize nations whose human rights records are unacceptable by universal standards. We must encourage non-governmental organizations and continue our support of organizations such as the International Centre for Human Rights and Democratic Development in their endeavours to encourage the development of democratic institutions in other countries.

Second, we must, within our own country, strive to maintain the best human rights record possible, and ensure that within our own boundaries our treatment of our minorities, our aboriginal people and our impoverished is maintained and improved. We must act by example.

The Hon. the Speaker *pro tempore*: Honourable senators, I am sorry to interrupt the Honourable Senator Ghitter, but the rules require that I point out that his time has expired.

Does the honourable senator have leave to continue his remarks?

Hon. Senators: Agreed.

Senator Ghitter: I thank honourable senators.

Third, we must use our influence at multilaterals, at the United Nations, the World Bank, the IMF, GATT and any other international organization to which we are a party. We must urge the international community to use its considerable muscle and influence to say to all nations of the world that the Universal Declaration of Human Rights is not mere puffery, is not merely a piece of paper, but is a working document to which the nations of the world have subscribed and committed themselves for the betterment of humankind and the recognition that every citizen in the global community is entitled to the economic, social and cultural rights that are protected under the Universal Declaration of Human Rights and the international covenant on economic, social and cultural rights.

Fourth, we can encourage our trading partners, and as a matter of policy ourselves, to refuse to purchase goods from any nation that produces goods under slave labour conditions, and monitor and expose these conditions for the world to see.

Fifth, as a nation we can take steps to find ways by which obstacles to human rights could be overcome in these nations. For example, we could assist in helping to build an independent and non-corrupt judiciary in these countries. We could help in the establishment and functioning of legal aid services. We could assist in the promotion of human rights education. We must enhance our commitment to organizations that go out into the field and expose human rights violations that are occurring in the world.

There is so much that can be done. Morally, we must not be silent. It is in our self-interest that this be done, for ultimately as a nation, as a world, we will be much better off if the dictators, the despots, the authoritative military regimes of the world are put to an end and replaced by enlightenment, democratic institutions, individual liberty, creativity and the ultimate betterment of the world community. In the end, it is not only morally right but it is economically right for this nation to energetically promote, wherever possible, the betterment of mankind.

It is not enough for the leader of our country to merely shrug his shoulders and give up, and suggest that he is unwilling to tell the President of China what to do. To that I say, Mr. Prime Minister, you bet you should tell the President of China what to do — not on a Canadian model, but on an international model of fairness, proper treatment of the citizens of the world and the development of basic standards of humanity that presently do not exist in China, or, sadly, in many other nations of the world.

On motion of Senator Stanbury, for Senator Austin, debate adjourned.

[*Translation*]

AMATEURISM IN JOURNALISM IN CANADA

INQUIRY—DEBATE ADJOURNED

Hon. Eymard G. Corbin rose pursuant to notice of Thursday, June 2, 1994:

> That he will call the attention of the Senate to the amateurishness of the press coverage, in both the French and the English media, of his involvement in meetings in Paris in March organized by the Canada-France Inter-Parliamentary Association; the importance of the role of Canadian parliamentarians in that Association; and the benefit for Canada of strengthening yet further the special and historic relationship between our two parliaments.

He said: Honourable senators, I know that Senator Beaudoin intends to speak after me. I understand that he will deal specifically with the second part of the inquiry.

As far as I am concerned, I would prefer not to have to speak today, honourable senators. I do so because I feel that I have been unfairly attacked.

Webster's dictionary defines the word "amateurism" as follows:

> The practice, characteristic, or status of an amateur.

To appreciate the meaning of the word, let us look at the definition of "amateur":

> One that engages in an activity in an inexperienced or incompetent manner.

One could well qualify sloppy reporting as amateurishness or amateurism.

The onus is on me to show why I would qualify a series of articles that appeared in both the English and French media as amateurish. The most direct approach would be to quote these articles, which break the rules of professional ethics and fail to live up to the standards of serious, well-informed, objective and fair reporting.

The Thursday, March 24, 1994 edition of *The Ottawa Citizen* printed an article under the "Canada" column entitled "Junketing politicians take spouses to Paris." Among other things, the article says that the "Canada-France Association delegation travelled to Paris this week without authorization." The article goes on to say that:

> According to Gagliano...

Gagliano is the Liberal Whip in the Commons.

> ...only one person had been authorized to attend, namely Liberal Martin Cauchon.

Montreal's *The Gazette* published the same article on the same day.

According to Mr. Gagliano, the unauthorized parliamentarians were Senator Beaudoin, myself and a Bloc Québécois member of Parliament, namely Mrs. Dalphond-Guiral. The author of this article was Dianne Rinehart from *Canadian Press*, who never even tried to contact those who stood indicted on summary conviction by Mr. Gagliano. I think that any responsible journalist would have made a point to check the trustworthiness of this statement with those concerned. Mr. Gagliano did not attend the board meeting of Canada-France.

As if he had not aroused enough suspicion about us already, we had the lovely surprise of reading the following in the May 3, 1994, edition of *The Ottawa Citizen*, and I quote:

> Meanwhile, Liberal whip Alfonso Gagliano says two senators and an MP won't have to reimburse taxpayers for an unauthorized trip they took to Paris in March [...] despite the fact that only one MP — Liberal Martin Cauchon — was approved to go.

On May 4, 1994, *The Chronicle-Herald* of Halifax reported that:

> Mr. Gagliano had promised earlier to try and find out why the three parliamentarians had gone on the trip and suggested he might even demand repayment.

My colleague Senator Beaudoin and myself were named in these articles. I think this is very serious because there may be an imputation of cheating in there. I am sure that is the impression under which the average reader was left after reading such articles.

Further, the same article reads:

> But the Liberal whip announced on Monday that, instead of demanding repayment, he will work with the parliamentary associations to ensure this does not happen again.

He should have checked his information at the source before so unfairly accusing us in our absence.

The following article was published in the Vancouver *Province*, on May 3, 1994:

> Ottawa—Two senators and an MP won't have to reimburse taxpayers for an unauthorized trip to Paris.

Mr. Gagliano is quoted verbatim as saying:

> I just let it go for the time being.

I, for one, consider that our reputation was tarnished by this series of articles based on falsehoods. I would have thought that having realized how outrageous his remarks were, especially after I had pointed them out to him, Mr. Gagliano would have attempted to set the record straight publicly, either in a press conference or from his seat in the other place. However, he did no such thing.

More articles injurious to our reputation were published in *The Globe and Mail* as well as in *Le Droit* of Ottawa-Hull, *La Presse* and *Le Devoir* on May 10, 1994.

Did these journalists, their editors or the people on the news desk — who often bother us for trivialities — even try to contact Senator Beaudoin or myself at any time during or after the trip in question? Not me anyway, never!

No. Never!

This technique is called attacking others' reputations through a third party and not allowing them to defend themselves through the accusing media.

Did Senator Beaudoin and I take steps to try to set the record straight and contradict Mr. Gagliano? Yes. We even signed a statement on May 4, 1994. I will read it to you in its entirety. It was printed under "Corrections":

> With regard to the Canadian Press article published yesterday in *Le Devoir* (p. A-5) and headlined: "The BQ at taxpayers' expense, we found three inaccuracies."

1. It is totally false that our trip was not authorized: Senator Gérald Beaudoin's trip was authorized by the Conservative Party Whip in the Senate and that of Senator Eymard Corbin by the Liberal Party Whip in the Senate.

2. Alfonso Gagliano, Chief Government Whip in the House of Commons, authorizes travel by government members who sit in the House of Commons; this authority does not extend to senators.

3. On March 16, 1994, the executive secretary of the Canadian section notified all whips of parties represented in the Senate and the House of Commons of this meeting to be held in France and of the delegation's membership, as part of the Canada-France Inter-Parliamentary Association's activities. We ask that these corrections be published.

The document was signed by Senator Gérald-A. Beaudoin and myself.

The Canadian press as a whole ignored our correction. However, it reported around the same date, if I remember correctly, that Mr. Gagliano had admitted that he had authority only over Liberal members of the House of Commons. There was not a word of apology to the senators whose integrity had been questioned. The harmful, unfounded public statements were reported by the press throughout Canada. I think the correction should also be made public. It should be a point of honour for us.

Someone just brought to my attention at lunchtime another article by Dianne Rinehart, that was published in *The Gazette* on May 10, 1994, and I would like to quote the following passages, because I think it was one of the last articles on our trip to Paris that appeared in the press:

[*English*]

Gagliano's threats left the three fuming....

The three in question are Senator Beaudoin, Madam Dalphond-Guiral and myself.

All three had approval from their party and senate whips to attend, as well as the executive of the association, headed by Cauchon. Gagliano says he stands by his original assessment. "I didn't agree with the executive — but the executive made a decision to go with that trip, and they went."

[*Translation*]

Why on earth did he not speak before we left for Paris?

As for Mr. Gagliano's "pardon," his "I just let it go for the time being" comment concerning the expenses incurred by my colleague and me for this trip to Paris is a sword of Damocles hanging "for the time being" over our reputation and our integrity. If he was really serious to the point of having to say publicly that he would consider requiring repayment, which implies that we illegally spent public money, he should either follow up his threats or apologize to Senator Beaudoin and me. I think that it would be the honourable thing for him to do.

I will now talk about the circumstances and formal decisions which made Senator Beaudoin and me the two Senate delegates of the Canadian section of the Canada-France Inter-Parliamentary Association to one of the meetings held in Paris from March 20 to 24, 1994.

The Canada-France Inter-Parliamentary Association is a bilateral country-to-country organization that spans both countries and is not only a provincial association. The Canadian section brings together English- and French-speaking members of both Houses of the federal Parliament from various political parties and all regions of the country. The Reform Party decided not to join this association. That is its business.

At its first meeting on March 9, 1994, the new executive of Canada-France decided to restore relations with French parliamentarians as soon as possible, since there had been no formal meeting for two years because of elections in France two years ago and in Canada last year. During election periods, there is no contact. At that meeting on March 9, an entirely Quebec delegation was proposed, made up of the president and two vice-presidents already named, who were to be accompanied by the administrative secretary, also a Quebecer. Strictly speaking, I have nothing against the delegation being composed that way. I must point out that the administrative secretary is appointed by the Parliamentary Association Secretariat. I have always believed that French Canada is more, much more than Quebec alone. This association does not include only Quebecers or French Canadians but extends to all parliamentarians.

I have always worked for the recognition of this reality which, unfortunately, is too often overlooked within the association. Personally, I could not support the proposal as it was presented to us at first.

Once again, it must be emphasized that during this executive meeting, the possibility of delegating only one person was never mentioned, contrary to what the Liberal Whip in the House of Commons categorically said to the media. In fact, it was initially proposed that three delegates be sent, namely the president, Mr. Cauchon, the vice-president, Senator Beaudoin, and the vice-president representing the House of Commons, Mrs. Dalphond-Ghiral from the Bloc Québécois.

In any case, after a discussion, the executive unanimously approved a formal motion tabled by the independent member for Beauce, Mr. Gilles Bernier, to the effect that the delegation would include MP Cauchon, Senators Beaudoin and Corbin, MP Dalphond-Guiral, as well as MP Maheu, the Deputy Chairperson of the House of Commons.

Again, a formal motion was unanimously approved by the executive. That motion was in order, correct in its form and duly approved in compliance with the statutes of the association.

After the meeting, the association's administrative secretary addressed a memo to the whips of each party in both Houses to inform them of the executive's decision.

Under these circumstances, it is difficult to understand why the Liberal Whip in the House of Commons launched into such a misplaced and unjustified attack before the media, precisely when the Paris meeting was ending. Indeed, he could have spoken up with the other party whips, before the delegation's departure.

The Hon. the Speaker *pro tempore*: Honourable senator, your time is up. If honourable senators agree, Senator Corbin will be allowed to carry on.

Hon. Senators: Agreed.

Senator Corbin: I was saying that the whips should have intervened in the event of a controversy. I may add that after the meeting of the executive on March 9, I personally decided to go and see my whip, Senator Jacques Hébert, in his office. I told him why I asked to be on this delegation, and I also said, and I quote:

> If you think I should not go to Paris because there might be an important vote or because of other imperatives, I will withdraw.

Senator Hébert told me:

> No, go right ahead.

It seemed to me that I had proper authorization. Before I left, no one ever questioned the fact or implied that I should not go.

Honourable senators, those are the honest facts, and I challenge anyone to say this is not what happened. The executive of Canada-France did not circumvent the statutes, rules, traditions or customs with respect to the whip. I did not try to take personal advantage of the funds made available to Canada-France. I am very particular about that.

Hon. Jacques Hébert: Honourable senators, I simply would like to confirm the facts as stated by Senator Corbin, as far as they concern me.

It is quite true that as the Government Whip, I authorized Senator Corbin to be on this delegation of the Canada-France Inter-Parliamentary Association which was to meet in Paris from March 20 to March 24.

Hon. Gérald-A. Beaudoin: Honourable senators, I would like to stress two points on the subject of inter-parliamentary associations.

I think these associations are useful. Many countries, including the United States, France and the United Kingdom, have established similar associations. It is good for parliamentarians to visit each other. As senators and members of Parliament, we can all learn something from our colleagues in other countries. Such contacts are intellectually rewarding. Occasionally, we meet people who are truly in positions of power.

Some will say it costs quite a bit, of course, but the budgets do not seem extravagant to me. In any event, if it is necessary to reduce them, let us not hesitate to do so. In such a case, appropriate cut-backs will have to be made fairly and equitably, taking into account each inter-parliamentary association.

I would like to say a word about the Canada-France Inter-Parliamentary Association, which seems unpopular among certain members of the press. Need we be reminded, given the present political circumstances, that this association between Canada and one of the two mother countries has a valid reason for being. Quebec understood this fact, hence the existence of the Association Québec-France. So, why not Canada-France? Need I say more?

My second point concerns the independence of the two Houses. I am delighted to note that the Senate and the House of Commons send delegations abroad and cooperate closely.

Need I point out, however, that our two legislative Houses must remain autonomous and that the delegates come under the responsibility of their respective whips. The Senate cannot accept any subordination here. My colleague Senator Corbin clearly illustrated this principle in the light of the events of last March in France. I would not want to say too much, but I agree with him in principle.

In closing, I must say, as a point of information, that Canada-France will be receiving a French delegation to Canada in July and that the work will focus on three themes:

> The entry of young people into the labour force in a climate of persistent unemployment;
>
> Cultural exception clauses in trade agreements to which Canada and France are parties; and
>
> The impact of NAFTA on economic relations between Canada and France.

I am delighted with this initiative by our two executives, French and Canadian.

I believe, honourable senators, that our association will do some useful work.

[*English*]

• (1640)

HEALTH CARE

TRAINING OF WORKERS IN UNDERSERVICED REGIONS—INQUIRY—DEBATE ADJOURNED

Hon. Jean Noël Desmarais rose pursuant to notice of June 8, 1994:

> That he will call the attention of the Senate to the problem of training of health care workers for underserviced areas of Canada.

He said: Honourable senators, I have a few thoughts to share with you on a topic close to my heart, one that has concerned me for quite a while. The topic is health care practitioners and how we educate them. It is a topic of interest to many Canadians and to all levels of government in Canada.

I want to speak about how we educate our doctors because, in our quest for excellence, we may be going a bit off course. I refer here to our preoccupation with medical super-specialization. No, I am not opposed to research or advancement in the science of medicine. Yes, I do want us to know as much as we can about the human body and the diseases that affect every part of it.

The practice of medicine has advanced so much in recent years that it is now virtually impossible for a doctor not to find something wrong with you. However, for all these remarkable advances in medicine and all the excellent health care programs we have instituted in Canada, there are still numbers of our population who do not have the type and quality of service they should have.

Northern Canada and rural Canada together are home to almost half of our population. When it comes to medical care, all of the people who inhabit these areas are underserviced to varying degrees. Regarding Northeastern Ontario, where my native city of Sudbury serves to some extent as a tertiary centre, it is stated in a soon to be published report by Doctors B. Rowe and G. Bota, for example, that Northeastern Ontario has a rate of trauma-related deaths per 100,000 twice the level reported for Ontario as a whole.

The most hard hit in the most basic services, however, is the Far North, largely populated by aboriginal peoples.

On the other hand, the best quality medical care in Canada has been provided in areas surrounding medical schools. Unfortunately for those who do not live there, almost all of these schools are in the larger urban areas. They are there for a variety of reasons, some more legitimate than others, and I have no particular quarrel with that.

[*Translation*]

Some schools were opened because there was an obvious need to prepare local candidates to serve a growing population. Others were opened for prestige, political, religious or linguistic reasons.

Whatever the reason, we have set up in Canada some highly regarded schools of medicine, institutions we can be justly proud of, and which have met admirably the health needs of the population. Our schools of medicine, like those of other countries, have generally two roles, teaching and research, and the two are considered inseparable. What enables them to do research and practical training is the availability of clinical material, namely patients.

[*English*]

This supply of patients has enabled our medical schools to carry out basic and clinical research, recognized worldwide as being of the highest standard. In epidemiological research, for example, we have done work which has produced numerous highly beneficial outcome studies, clinical practice guidelines and criteria for evidence-based treatment.

Academic health science centres have, nonetheless, failed in two respects. First, though our medical schools have done great research, have produced fine doctors and excellent specialists and super-specialists, for some time now they have failed to produce general practitioners best suited to the practice of medicine in the underserviced areas of Canada. Second, particularly in the specialty disciplines, we have concentrated on the leading edge, thereby reducing the scope of practice within each specialty. We have now super-specialists — men and women, for example, who specialize not in the eye but rather in either the cornea or the retina of the eye.

We have reduced the availability of generalists capable of operating in communities with no academic health centres. This means that people in more rural areas have to travel to get the care they need; care that is generally not that complicated. It is only that our practitioners are no longer trained to handle such cases.

For example, to my knowledge general surgeons such as were produced in the Gallie course at the University of Toronto some years ago are no longer trained in such country — this in spite of the fact that such generalists are very much needed in smaller communities. They are needed because, if you do not have the general surgeons willing to perform straightforward surgery in a number of areas, then you have to have a super-specialist for each of these. The problem this creates is that, in a small community, since you cannot keep the super-specialists busy in their area, you will have to do without the super-specialists. They will not work there if they cannot make a living. In other words, where a smaller community is in dire need of a few general surgeons, it probably could not sustain six, seven, or ten super-specialists. As it is, however, those regions are having to do without both. General surgeons do not seem to exist, and super-specialists want to remain in the urban centres.

Generalists of all types are reluctant to practice in underserviced areas. They are not trained for the challenge of such areas and are extremely uncomfortable when placed in these situations. They find comfort in proximity to teaching centres where they can refer patients to specialists, and thereby practice office-based medicine. Due to the limited scope of their clinical experience in hospitals, they are not prepared to function, often alone, in small isolated hospitals or communities.

There is a small light at the end of the tunnel. Universities have recently developed a family practice specialty. These specialists in general practice could be given appropriate rural remote training and thus be better suited and able to carry on as general practitioners in underserviced and remote areas, if they chose to go to such areas.

Again, I repeat, Canada needs to train leading-edge subspecialists. We must further our knowledge and expertise. Our mission in life is ever to do more. We cannot settle for less than a total dedication to our craft. However, we also need generalists. In rural Canada, we need more than consultants or referral services. We need practising doctors who can themselves minister to the sick and the injured.

To my knowledge, however, generalists are no longer being trained in many disciplines, even though they are required for the outlying areas. I would even venture to say that the academic health science centres as they exist today, because of their orientation and structure, are not able to produce generalists. They would not be able to do so for a considerable period of time, even if decisions were made to that end immediately.

[*Translation*]

We did not find ourselves in this dead-end because of our stubbornness or lack of vision. Neither was it due to unwillingness or lack of sensitivity. We were caught up in the pursuit of excellence. Superior minds working very hard to find a cure for insidious diseases lost track, at least temporarily, of another challenge, namely how to provide excellent health care in remote areas.

Do I have a solution? Perhaps. First, we must answer several questions before we can find a long-lasting solution.

[*English*]

• (1650)

The idea that we can train people in our urban areas for the type of medicine practised there and then expect them to practise successfully where I come from has not produced sparkling results. In the larger urban centres where our doctors are trained, the lifestyle is such, professional attractions are such, and the style of medical practice they have been prepared for is such that our graduates are reluctant to migrate towards rural Canada to dispense their skills and learning. They have to be bribed or bullied into it, and that is not how it should be.

What if they did not have to go to large urban centres for their medical schooling? What if the teaching could be dispensed from a medical school in a semi-rural area? What if the curriculum were geared to preparing them for a practice that attempts to make the physician more self-sufficient and self-reliant — the type of physician who will be equal to the task of dealing with a number of problems that are now routinely referred to subspecialists in an urban setting?

The medical school would certainly have to be in an underserviced area with sufficient clinical material or patients to allow for practical training. You cannot just explain what a broken wrist looks like. It is far better if you can show students how to recognize and set it. Such a centre would have a very specific mission: to conduct research in the type of training required by a physician who intends to practice in towns or rural areas where all the subspecialties will not be readily available. Having determined what type of training is required, that institution would proceed to make it available.

As well, since generalist physicians do not provide the total solution, particularly in more isolated and remote communities, such a centre would also provide training in other appropriate health disciplines, such as paramedical and nurse practitioners. This would produce all manner of health professionals working in a wide variety of situations in more isolated and remote underserviced areas, with more empowerment and support than they presently have. Development focused on even a few such disciplines would go a long way to improving the current level of underservicing.

A number of innovative training and research programs currently operating in Northeastern Ontario should be considered as candidates to fall within the aegis of such a centre. I believe that an integration of these current programs should be combined with the development of other key components under one administration. That would go a long way toward the development of a knowledge and research base in areas such as distance education and support, distribution of key technologies, development of optimal referral and support networks. It would allow us to fashion delivery systems that are innovative and community-based. Further, we could elaborate the human resource models and training capability required to address effectively the needs of Canada's underserviced areas.

I am sure that there are many objections to such a concept. One of the main objections would undoubtedly come from government with the flat statement that government has no money and that Canada already produces too many doctors. I understand the problem well, and I would not suggest that Canada produce more doctors and more money, but that it redirect its resources.

Let us use Ontario as our example. There are five medical schools clustered in a relatively small area in the southern part of the province. It has been argued that some of the schools have too small a territory and an insufficient clinical pool. This leads one to consider whether a consolidation of Southern Ontario facilities, with an effort to reduce our duplication while

maintaining current strengths for which each school is recognized, might be called for. It could provide an acceptable solution by releasing sufficient resources to be channelled into an innovative northern medical centre with a different vocation.

[*Translation*]

I also strongly suggest that such an institution be established in Sudbury, which is already a centre for health-care services. Located in Northeastern Ontario, the city of Sudbury has enough clinics to train its students. Other factors make Sudbury a particularly attractive site for such a centre, including some tertiary health-care facilities, a university, two colleges — a French-language college is under development — a community deeply interested in health care, a research unit on health-care human resources in the North, as well as training programs in fields such as family medicine, speech therapy and midwifery.

[*English*]

The Hon. the Speaker *pro tempore*: Honourable senators, I must advise the honourable senator that his time has expired. Is there leave to continue?

Hon. Senators: Agreed.

The Hon. the Speaker *pro tempore*: Senator Desmarais.

Senator Desmarais: Thank you, senators.

[*Translation*]

With this kind of centre, the primary purpose of which would be to meet the needs of underserviced regions, I believe the benefits to the regions will more than offset the negative effects associated with consolidation of academic health science centres in Southern Ontario.

[*English*]

I would therefore strongly urge governments to review all options to support the development of a new centre with a specific and distinct mission to prepare generalists in selected disciplines appropriate to some underserviced areas, and to develop more appropriate service delivery models. Such a centre would also provide research, not directed to the whole of Canada but rather to better addressing the health care needs in underserviced areas. Ideally, the centre would consolidate existing training and research activities which are scattered across a number of organizations.

As well, if we were to develop the capability to train properly the required professional resources and service our underserviced areas in innovative, efficient, and cost-effective ways, we would find that this knowledge would be in demand, not only in other parts of Canada but elsewhere in other countries.

As Canadians, we consider universal Medicare one of our defining national characteristics. Let us rise to the challenge of making our system more equitable by finding innovative ways to better address the needs of our many underserviced areas.

Honourable senators, if I have presumed to trespass on your time, it is that I feel passionately about this subject. I quite appreciate that we must be judicious in the way we spend the ever-decreasing funds available. I am also quite aware that medical education is more of a provincial responsibility than a federal responsibility. However, I have recently learned that when you have the opportunity to speak from such a pulpit as the Upper House, you should not waste it.

I sincerely hope the medical authorities of Canada will not feel that I have criticized their administration of our medical training. On the contrary, I am simply looking to contribute to the collective effort in finding solutions to the problem of providing sound health care to those areas of our country that are underserviced.

On motion of Senator Berntson, debate adjourned.

• (1700)

ROUTINE PROCEEDINGS

SAHTU DENE AND MÉTIS LAND CLAIM SETTLEMENT BILL

FIRST READING

The Hon. the Speaker *pro tempore* informed the Senate that a message had been received from the House of Commons with Bill C-16, to approve, give effect to and declare valid an agreement between Her Majesty the Queen in right of Canada and the Dene of Colville Lake, Déline, Fort Good Hope and Fort Norman and the Métis of Fort Good Hope, Fort Norman and Norman Wells, as represented by the Sahtu Tribal Council, and to make related amendments to another Act.

Bill read first time.

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

On motion of Senator Stanbury, bill place on the Orders of the Day for second reading on Thursday next, June 16, 1994.

CANADIAN FILM DEVELOPMENT CORPORATION ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker *pro tempore* informed the Senate that a message had been received from the House of Commons with Bill C-31, to amend the Canadian Film Development Corporation Act.

Bill read first time.

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

On motion of Senator Stanbury, with leave of the Senate and notwithstanding rule 58(1)(*f*), bill placed on the Orders of the Day for second reading at the next sitting of the Senate.

PRIVATE BILL

CANADIAN ASSOCIATION OF LUTHERAN CONGREGATIONS— MESSAGE FROM COMMONS

The Hon. the Speaker *pro tempore* informed the Senate that a message had been received from the House of Commons returning Bill S-5, to incorporate the Canadian Association of Lutheran Congregations, and acquainting the Senate that they had passed the bill without amendment.

The Senate adjourned until Wednesday, June 15, 1994 at 1:30 p.m.

THE SENATE

Wednesday, June 15, 1994

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

Prayers.

[*Translation*]

ROYAL ASSENT

NOTICE

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

RIDEAU HALL

June 15, 1994

Sir,

I have the honour to inform you that the Honourable Peter deC. Cory, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, June 15, 1994, at 5:00 p.m., for the purpose of giving Royal Assent to certain bills.

Yours sincerely,

Judith A. LaRocque
Secretary to the Governor General

The Honourable
The Speaker of the Senate
Ottawa

SENATORS' STATEMENTS

ALBERT CAMUS

ACCEPTED PRONUNCIATION OF FAMILY NAME

Hon. Maurice Riel: Honourable senators, I would like to inform the Senate that in the last few weeks, I gave Senator Grafstein some advice about the pronunciation of Albert Camus's family name.

[*English*]

BUSINESS OF THE SENATE

The Hon. the Speaker *pro tempore*: Honourable senators, I regret to interrupt the Honourable Senator Riel, but we are having some difficulties with the sound system. I am informed that it will take 30 to 60 minutes before the technicians will know when the system will be operative.

We can adjourn now to the call of the Chair and ring the bell for five minutes, or we can do whatever is the wish of honourable senators. Is it the wish of honourable senators that we adjourn now and commence again after a five-minute bell?

Hon. Royce Frith: Honourable senators, I rise on a matter of vocabulary only.

Your Honour, I think it should be "suspend" as opposed to "adjourn."

The Hon. the Speaker *pro tempore*: I stand corrected. We will suspend the sitting to the call of the Chair.

Hon. Philippe Deane Gigantès: Your Honour, if there are committee meetings scheduled for approximately three o'clock and witnesses are waiting, what is the point of suspending the session for 60 minutes? Why not postpone this sitting of the Senate?

Hon. Richard J. Stanbury (Acting Deputy Leader of the Government): Honourable senators, there is a small problem in terms of the advancement of the legislative program. I am not sure what to suggest. However, I know that it will be difficult if we have to lose today's sitting. Perhaps other senators have suggestions as to how to proceed.

The Hon. the Speaker *pro tempore*: In 30 to 60 minutes from now the technicians will know when we can resume.

Senator Stanbury: Honourable senators, I think we have to suspend the sitting on the understanding that the committees may have leave to proceed with their work while the Senate sits. Perhaps we should obtain permission for them to do that.

Hon. Eric Arthur Berntson (Deputy Leader of the Opposition): Honourable senators, I agree completely with what Senator Stanbury has said. If we are to meet the anticipated deadlines as they relate to the legislative calendar, then we cannot lose today's sitting. However, I think we have some obligation to honour our commitment to allow certain committees to meet at three o'clock. We are also to have Royal Assent at 5:00 p.m. If we cannot be back here until three o'clock in any event, then perhaps we should agree to come back at five o'clock for Royal Assent and then adjourn until 7:00 p.m. to carry on with the business of the house.

Senator Stanbury: Honourable senators, I think what we need to do is to give permission to the committees to meet while the Senate is sitting and proceed with our work here; otherwise the Royal Assent will not be very useful to us.

Senator Berntson: That is agreed.

Senator Stanbury: I should like to ask for permission for the committees to meet while the Senate is sitting this afternoon, and then suspend until the call of the Chair, or until three o'clock, after a five-minute bell, so that we can get along with our business as well as allowing our committees to do their work.

Hon. Lowell Murray: Honourable senators, am I correct in saying that the problem we face is not with the sound system as such, but is with the communication of the sound from the chamber into the booths where the simultaneous translation takes place? If that is the problem, is there any way that we can get around it until the problem of communication between here and there has been cleared up? Is there any other way to proceed with simultaneous translation except from the booths?

The Hon. the Speaker *pro tempore*: Honourable senators, it is my understanding that the translation system cannot now function.

Senator Stanbury: Honourable senators, with leave, I move that the committees that presently have scheduled meetings be permitted to meet while the Senate is sitting; and that the Senate suspend its sitting until three o'clock, or until the bell rings for five minutes alerting us to return to the chamber.

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

Hon. Senators: Agreed.

Motion agreed to.

The Hon. the Speaker *pro tempore*: Honourable senators, the sitting of the Senate is suspended until 3:00 p.m. or until after the ringing of a five-minute bell.

At 1:50 p.m., the sitting of the Senate was suspended.

[*Translation*]

At 2:35 p.m., the sitting of the Senate was resumed.

ALBERT CAMUS

ACCEPTED PRONUNCIATION OF FAMILY NAME

Hon. Maurice Riel: Honourable senators. I hope your applause is not premature.

I must explain that a few weeks ago, my colleague Senator Grafstein approached me at the caucus table and said that he was looking for a book by "C-A-M-O-U." He had pronounced the name the English way, and I did not understand.

Finally, I asked him to repeat what he had said, and I realized he meant the French author who won the Nobel prize a few years ago. He later died in a car accident, and his last book, after the manuscript was finished by his daughter, was published not long ago.

I told him that the name was pronounced C-A-M-U-S, sounding the *s*. He took my advice — he has a good ear for languages — and made use of this in this house in the course of a speech which unfortunately I did not hear because I was away. Apparently, during his speech he pronounced the name C-A-M-U-S, as I had told him. When they heard this, some colleagues from Quebec made a few what I would call snide remarks. There may have been other reasons, however.

He told them, and he was right, that I had given him this pronunciation, that I was his source. I maintained that I was right, so after that, I received some snide remarks from Senator Rivest, Senator Lynch-Staunton and Senator Beaudoin. Only Senator Prud'homme refrained.

I then decided to write a letter to Maurice Druon, Permanent Secretary to the Académie française, in which I planned to say the following:

> Dear Sir,
>
> The purpose of my letter is to ask your advice and assistance.
>
> How does one pronounce Albert Camus' last name?
>
> I have always pronounced "C-A-M-U-S" while sounding the "*s*", as in Marius and Fabius. Otherwise, "C-A-M-U-S" would have been spelled with a *u* as in Raimu. No one has ever remarked on this or corrected me, either in Paris or in Montreal.
>
> For instance, in Cabanis, the name of your fellow academician, I always sounded the "*s*" as I heard people do in the case of Baudis, the mayor of Toulouse, —

— This mayor has been on French television often recently because he headed the French majority's list of candidates for the European elections. In my letter I went on to say:

> We do not say "C-A-B-A-N-I" or "B-A-U-D-I."

This is in the south.

> My point is that in the South of France, people pronounce the final consonant of a name and even of ordinary words. Albert Camus was born in Algeria, which is even further south.
>
> I may be wrong, but in any case, I think that sounding the "*s*" in "C-A-M-U-S" is more euphonious than saying "C-A-M-U" and leaving out the final "*s*".

I was told, however, that when referring to a brand of cognac —

Senator Prud'homme told me this:

— the name is pronounced "C-A-M-U" —

I do not know about that, since it is not my brand. But I am willing to switch!

— and I said that was different because it comes from the Landes —

In the Landes, they do not pronounce French the same way they do in the south. But I do know, because I went there, that in the Dordogne, they say "M-O-N-T-A-G-N-E" when referring to the author, and not Montaigne.

I said this earlier to my friend Senator Bolduc and he said: "Certainly not!" However, I heard people in some very distinguished circles in Paris, when I met Mr. Druon, for instance, say Montagne and studiously ignore the "i".

All this is undoubtedly a matter of local or regional accents, but people may have a choice. In the case of the name Montaigne, for instance, either pronunciation seems to be acceptable.

The name "S-H-N-È-D-R-E" was very much in the news in France recently. It is spelled Schneider but is pronounced "S-H-N-È-D-R-E." Very proper people will tend to say Snèdre, as they would say "N-È-C-R-E" in referring to Mr. Necker, the minister under Louis XVI.

The Hon. the Speaker *pro tempore*: Honourable senator, I am sorry, but according to our rules, your time has expired, unless you have the permission of honourable senators to continue.

Hon. senators: Agreed.

Senator Riel: Thank you, honourable senators. I concluded as follows:

In point of fact, I advised one of my English-speaking colleagues in the Senate to pronounce the "s" in "Camus." He proceeded to do so and was derided by several Quebec senators.

I must accept responsibility for this piece of advice and state that this is the way I pronounce it myself.

Am I wrong, or am I right? I would appreciate your comments on this point.

I apologize for troubling you for such a trifling matter and I remain, yours sincerely, ...

That is all I wanted to say!

Hon. Guy Charbonneau: Honourable senators, is it not a fact that there is no set rule governing the pronunciation of proper names in French?

To my knowledge, the Académie française decreed many years ago that proper names could be pronounced differently. Senator Grafstein's pronunciation was correct. However, this name could also be pronounced "C-A-M-U" because there is no set rule.

Maybe things have changed since then. That was nearly 40 years ago. I do not believe that rule has been changed.

Senator Riel: I understand. I believe you are right. Therefore, the good people of Quebec City are free to pronounce this name "C-A-M-U," but it will continue to strike me as somewhat odd!

When I go to Paris, my name is pronounced "R-E-E-L"! As I was telling one of our colleagues just before we sat, there is a program on the BBC Sunday night — I do not know whether you watch it — called *Keeping Up Appearances*. One of the characters is called Hyacinthe Bucket, pronounced "B-O-U-Q-U-E-T."

When people speak to her and pronounce her name "B-U-C-K-E-T," she advises them that the correct pronunciation is "B-O-U-Q-U-E-T"!

[*English*]

SAINT JOHN, NEW BRUNSWICK

BILINGUAL NATURE OF WORK FORCE

Hon. Erminie J. Cohen: Honourable senators, I rise today to share with you the best kept secret of my city of Saint John, and that is that it has the second largest bilingual work force in New Brunswick. With a total of 19,000 people able to speak both French and English, Saint John's bilingual work force trails only that of Moncton.

Many of you associate the province of New Brunswick with successful bilingualism. Few of you would credit Saint John with this asset.

When the majority of people think about the port city of Saint John, they think about the Loyalists landing 211 years ago and the city's rich British heritage. Last Saturday's edition of the *Telegraph-Journal* stated:

It was only when Saint John began aggressively competing with other areas of the province for new business...that the city made an inventory of its assets.

It discovered that it had the second largest bilingual work force in New Brunswick.

In fact, as it was reported in the *Telegraph-Journal*, there are more than 5,000 people of francophone origin and a further 14,000 who are bilingual, for a total of 19,000 residents who are able to communicate in both French and English.

Recent job announcements in my province have touted the advantages of having a bilingual work force, as one national company after another has chosen a central location from which they may serve all customers in their language of choice. Saint John has been the site of choice for several of these companies, including Medi-Trust, the mail-order pharmaceutical company, and Canada Trust, the banking institution.

Bilingualism is truly important to the economic well-being of New Brunswick's port city. Once greater harmony between the French-speaking and English-speaking communities is achieved, we will have an edge over other communities, especially when considering our industrial base and geographic location.

Experts and business leaders seek communities that offer a high quality of life, and Saint John compares well with any other city in this nation. The recent restoration of the Imperial Theatre has breathed new life into Saint John's reputation as a cultural centre in the Atlantic provinces, harkening back to the days when it was on the prestigious theatre circuit which included London, New York and Boston. Also, the recent addition of Harbour Station, the city's arena and home to the Saint John Flames American Hockey League franchise, has kindled a new enthusiasm for sport and entertainment in the port city.

As the newspaper article states:

> It's fine to recognize or to look to our past — the Loyalist past, but we also have to recognize that there are different cultures and we need to embrace those cultures so that our community and our municipality has that much more to offer.

As a Saint Johner, I want this secret to be shared by all, and hopefully, in the not too distant future, my name too can be added to the bilingual population.

[*Translation*]

NATIONAL DEFENCE

STATE OF SEA KING HELICOPTERS—REPLACEMENT OF FLEET

Hon. Gerald J. Comeau: Honourable senators, how many more Sea King helicopters have to crash before the government realizes the urgency of the issue of providing our Canadian Armed Forces with new helicopters? Just recently, another Sea King had to make an emergency forced landing near Kenora, again because of mechanical problems. Fortunately, no one was killed or injured in this incident.

The government must realize that the lives of helicopter pilots are on the line every day that it puts off making a decision regarding the helicopter program.

I would ask the Leader of the Government in the Senate to please continue to put pressure on her cabinet colleagues to protect the pilots operating Sea King helicopters as well as people like our fishermen who depend on this rescue capability. These pilots should not have to operate under such difficult and dangerous conditions as they presently do with these obsolete helicopters.

[*English*]

ROUTINE PROCEEDINGS

NATIONAL LIBRARY ACT

BILL TO AMEND—REPORT OF COMMITTEE

Hon. C. William Doody, Chairman of the Standing Senate Committee on National Finance, presented the following report:

Wednesday, June 15, 1994

The Standing Senate Committee on National Finance has the honour to present its

SEVENTH REPORT

Your Committee, to which was referred Bill C-26, An Act to amend the National Library Act, has, in obedience to the Order of Reference of Thursday, June 2, 1994, examined the said Bill and now reports the same without amendment.

Respectfully submitted,

C. WILLIAM DOODY
Chairman

THIRD READING

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

Hon. Jerahmiel S. Grafstein: With leave of the Senate, and notwithstanding rule 59(1)(*b*), I would move third reading now, honourable senators.

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

Hon. Senators: Agreed.

Motion agreed to and bill read third time and passed.

QUESTION PERIOD

DELAYED ANSWER TO ORAL QUESTIONS

Hon. Richard J. Stanbury (Acting Deputy Leader of the Government): Honourable senators, I have a response to questions raised on May 10 and 12, 1994 by the Honourable Leonard Gustafson regarding delay in grain shipments from the prairies.

AGRICULTURE

HANDLING AND MOVEMENT OF GRAIN ON WEST COAST—EFFECT OF FAILURE TO MEET COMMITMENTS—GOVERNMENT POSITION

(Response to questions raised by Hon. Leonard J. Gustafson on May 10 and 12, 1994)

CP Rail has announced that it is increasing its freight car fleet to handle Western Canadian grain to 15,000 hopper cars by late June. This increase will represent the largest grain car fleet in CP Rail's history. As well, CP Rail has announced it has purchased an additional 900 new covered hopper cars which are expected to be in service in time to move the fall harvest.

Canadian National's rail car fleet is at a near-record 15,000 cars and the railway is adding 1,000 cars on lease from the U.S.

While continuing to negotiate, a temporary agreement has been reached between the Grain Workers Union and the B.C. Terminal Elevator Operators Association with respect to the working of overtime which will allow the Grain Workers to deal with the immediate problem of moving the backlog of grain at West Coast terminals.

Minister Goodale met with key grain industry officials on May 16 in Winnipeg to discuss the immediate problems of getting grain to market. Working groups to address various technical issues were established which will report back to the Minister with recommendations for his consideration. In the meantime, Minister Goodale will be consulting with Ministers Young and Axworthy on a number of related issues and holding additional consultations with industry to gain further advice on measures to alleviate the current problem.

The trucking program which the Canadian Wheat Board (CWB) implemented to allow the trucking of grain from selected country elevators to interior terminals at Moose Jaw and Saskatoon, Saskatchewan has recently been expanded to include terminals at Indian Head and Weyburn in Saskatchewan. The program is expected to increase grain movement because railways will be able to concentrate on servicing main line operations.

The House of Commons Joint Agriculture and Agri-Food/Transport Subcommittee has submitted its recommendations to the Ministers of Agriculture and Agri-Food and Transport for their consideration.

According to the GTA, the "rollover" of grain movement to meet sales has been reduced in recent weeks from approximately 2 million tonnes to 500,000 tonnes. The normal rollover is 400,000 tonnes.

Indications are that the backlog will indeed be cleared by the end of the crop year. According to the CWB, Board grain shipping patterns at the West Coast are expected to be back to normal by mid-June.

ORDERS OF THE DAY

INCOME TAX ACT
INCOME TAX APPLICATION RULES
CANADA PENSION PLAN
CANADA BUSINESS CORPORATIONS ACT
EXCISE TAX ACT
UNEMPLOYMENT INSURANCE ACT

THIRD READING

Hon. Richard J. Stanbury (Acting Deputy Leader of the Government), moved the third reading of Bill C-27, to amend the Income Tax Act, the Income Tax Application Rules, the Canada Pension Plan, the Canada Business Corporations Act, the Excise Tax Act, the Unemployment Insurance Act and certain related Acts.

Motion agreed to and bill read third time and passed.

THE ESTIMATES, 1994-95

CONSIDERATION OF REPORT OF NATIONAL FINANCE COMMITTEE ON MAIN ESTIMATES—DEBATE ADJOURNED

Leave having been given to proceed to Order No. 2 under Reports of Committees:

The Senate proceeded to consideration of the sixth report of the Standing Senate Committee on National Finance concerning the Main Estimates 1994-95, presented in the Senate on June 14, 1994.

Hon. C. William Doody: Honourable senators, the National Finance Committee has held six meetings and heard testimony from three ministers to begin our examination of the 1994-95 Estimates. As our custom dictates, we will be continuing our review over the months to come, and we expect to table a final report before the end of March 1995.

The first meeting, at which the President of the Treasury Board appeared, and a second meeting with Treasury Board officials were devoted to an overall examination of the government's spending plans as outlined in Parts I and II of the Estimates. The 1994-95 budgetary expenditures in the Main Estimates are $160.738 billion, of which $112.163 billion, or 69.8 per cent, are statutory expenditures under previous authorities, and the remaining $48.575 billion or 30.2 per cent are annual appropriations that Parliament is being asked to approve. These proportions have remained virtually constant for several years.

In his budget of February 22, 1994, the Minister of Finance presented the government's fiscal plan, which anticipates total budgetary expenditures for 1994-95 of $163.600 billion. As explained in your committee's report, the difference between the two amounts consists of anticipated lapses, spending reductions that require the passage of legislation, and substantial reserves to fund spending requirements which have now appeared or will appear later in Supplementary Estimates.

The recent increases in interest rates have played havoc with this reserve amount. The minister will have a problem finding the reserve he was anticipating. Your committee understands that higher than expected increases in interest rates since budget day have necessitated the diversion of some of these reserves towards commensurately larger payments of interest on the public debt.

Three committee meetings were held to devote closer attention to the 1994-95 Estimates of the Department of National Defence. As honourable senators are aware, the budget of February 22, 1994, announced major reductions in defence infrastructure, including the closure of the Royal Military College at St-Jean, Quebec, and of Royal Roads Military College in Victoria, British Columbia, along with a 75-per-cent reduction in Canadian Forces Base St-Jean and the closure and reduction of other bases and military installations across the country.

The decision to close CMR and Royal Roads necessitates the consolidation of all post-secondary military education at the Royal Military College in Kingston, Ontario, which will have an enrolment of about 900 officer cadets in place of the 1,600 currently distributed over the three existing colleges. The Minister of National Defence stated before your committee, in confirmation of the budget figures, that closing the two colleges would yield annual savings of about $35 million, of which $23 million could be ascribed to the closure of CMR at St-Jean.

These numbers are very inconclusive. Many members of the committee felt that they did not accurately reflect the actual situation when you take into consideration the extra expenses in establishing alternative classes and facilities at Kingston.

Honourable senators will be aware that various members of the Senate have been trying to obtain supplementary information through Question Period and in other ways over the past several weeks to shed light on this mysterious set of events.

The previous government commissioned the "Report of the Ministerial Committee on the Canadian Military Colleges," which was completed in July of 1993, but only publicly released in March of this year following the budget announcement. This report, which I would urge honourable senators to read, considers, among other things, the effects of consolidating military education at one college. While the report acknowledged that some cost savings could be achieved, it stated that such a move would, in all likelihood, result in a relatively smaller enrolment of francophone officer cadets and cadets from outside Ontario and a reduced level of bilingualism in the officer corps.

The minister stated before your committee that the report's support of the current three-college system flowed directly from its underlying assumptions that current cadet enrolment levels would be maintained or increased. While this statement agrees with your committee's reading of the report, the minister also played down the negative effects predicted by the ministerial committee if CMR and Royal Roads were to be closed.

The budget announcement indicated, as well, that the consolidation of the three colleges at RMC followed logically from the reduced need for officers in the regular forces. However, some witnesses argued before your committee that this reduced need had not been, or should not have been, established, particularly since the appropriate size of the forces and the officer corps are now being examined by the Special Joint Committee on Canada's Defence Policy, which, as honourable senators know, has not yet completed its work.

It is certainly possible, instead, that the justification for the closures in terms of a reduced need for officers may have been provided after the closure decision had already been taken. In other words, the number of officers who could be accommodated at the Royal Military College in Kingston dictated the future size of the officer corps.

While your committee has spent most of its time and effort examining the question of the military colleges, it has also heard testimony that the termination of language training at Canadian Forces Base St-Jean may be detrimental to the nation-wide teaching of second languages to military personnel and public servants. Witnesses also questioned the government's estimates of the savings from the various closures and reductions, particularly since the proposal to make RMC at Kingston a completely bilingual post-secondary institution will certainly entail substantial costs. As well, if more education of future officers takes place in civilian universities, some of the operating costs of CMR and Royal Roads will, in effect, have been transferred to the provincial governments at a cost that was probably not considered in the federal government's calculation of its annual savings.

In any case, the savings can be judged as relatively small given that there may be definite, if not easily quantifiable, negative implications of the decision to close CMR and Royal Roads, namely fewer regular officers who are French-speaking or who come from the Atlantic and western provinces and the territories, as well as from Quebec.

One group of witnesses, recognizing that reductions in the costs of operating three military colleges could and should be achieved, proposed that RMC and CMR operate under a unified administration by retaining the two campuses at Kingston and St-Jean. Your committee believes that this suggestion has considerable merit and that the government might do well to consider it.

As the report states, honourable senators, your committee may continue to examine the consolidation of the military colleges in the months ahead. We also have a strong interest in the renewal of the public service, the reviews of the efficiency of government services and programs, and the question of overlap and duplication between different levels of government. All of these are areas of current activities by public servants responsible to the President of the Privy Council, who has already appeared before your committee. We expect to return to some or all of these subjects as we continue the review of the 1994-95 Estimates during the remainder of the fiscal year.

Hon. Roch Bolduc: Honourable senators, I move the adjournment of the debate in the name of Senator Simard.

The Hon. the Speaker *pro tempore*: It is moved by the Honourable Senator Bolduc, for Senator Simard, seconded by the Honourable Senator Murray, that further debate be adjourned until the next sitting of the Senate.

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

Hon. Richard J. Stanbury (Acting Deputy Leader of the Government): Honourable senators, I wish to speak to the motion for adjournment.

My understanding is that the committee has had full opportunity to discuss the Estimates, that it has had three ministers, Ministers Eggleton, Massé and Collenette, appear before it, and has had the opportunity to cross-examine them with great care. After a number of meetings, which Senator Doody has described, the committee succeeded in coming to conclusions. The committee has had the opportunity to discuss the closing of military bases and the effects of those closures. The committee has made its recommendations.

Honourable senators, the question is this: Is there any reason for continuing debate or for delaying the adoption of the report and the passage of the supply bill, when we know that there will be a Royal Assent ceremony later this afternoon? Passage of the bill will be denied if this debate continues.

The procedure of approving Estimates and adopting appropriation bills is well understood in government. It is a new concept to delay this procedure. The reason for this delay, although perhaps my friends opposite will not admit it, is that they want the answers to the many questions they asked concerning the closing of the Royal Military College and Royal Roads Military College in Victoria.

Our leader has indicated that she has made requests for the answers, and she expects them momentarily. When they are available, the officials will be quite prepared to give a briefing to the opposition on the finances and on the procedure for closing those colleges, and how the students will be accommodated.

It is very difficult for me to understand why it is necessary and appropriate, when we are coming to the close of this session, for the opposition to delay the adoption of this report and the passage of Bill C-39, a supply bill. We have no choice. The opposition has the majority in this house, and of course we will do whatever they want done. I just want to put on record that this is a highly unusual procedure. I think it is unprecedented in our parliamentary history. I want it clearly understood that the opposition will have to take responsibility for this.

Hon. John Lynch-Staunton (Leader of the Opposition): Senator Stanbury is embellishing, if not exaggerating somewhat, the situation. Is there any reason why the supply bill must be given Royal Assent today?

Senator Olson: Because there is Royal Assent today.

Senator Lynch-Staunton: That is the only reason? There will also be one next week, I assume.

Senator Stanbury is suggesting that we are delaying unduly the passage of the supply bill. If it were essential to have that bill passed by a certain deadline, such as today, we would certainly abide by the suggestion that we get on with it, but as far as I know there is no need for the supply bill to be given Royal Assent today. It can wait until next week when I am sure there will be another Royal Assent, since there will be many more bills awaiting Royal Assent at that time.

Senator Simard and others are very concerned about a certain aspect of the report. They wish to discuss it. I can assure Senator Stanbury and his colleagues that they are not waiting for particular answers before giving their approval and allowing us to get on with the supply bill. However, they would like to have some of their concerns on the record. I can assure our friends on the government side that the supply bill will be dealt with next week at the latest, and certainly before we adjourn for the summer.

Senator Stanbury: I appreciate that undertaking. That is what we will rely on.

On motion of Senator Bolduc for Senator Simard, debate adjourned.

EXCISE ACT
CUSTOMS ACT
TOBACCO SALES TO YOUNG PERSONS ACT

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

Hon. H.A. Olson moved the second reading of Bill C-11, to amend the Excise Act, the Customs Act and the Tobacco Sales to Young Persons Act.

He said: Honourable senators, Bill C-11 deals with amendments to several acts. It amends the section 66 of the Excise Act which deals with the enforcement provisions. It amends section 12, dealing with the immediate destruction of certain seized goods. It also amends sections 2, 201, 211, 235(3) and 239.1(1). These are the provisions which relate to the stamping of individual cigarettes.

Bill C-11 also amends section 119 of the Customs Act, which deals with the immediate destruction of certain seized goods. It deals as well with the Tobacco Sales to Young Persons Act. The purpose of that is to protect the health of young persons by restricting their access to tobacco in light of the risks associated with the use of tobacco.

Section 7.1 is the prohibition on the sale of so-called "kiddy packs," packs of cigarettes of less than 20. Section 7.2 establishes a new level of fines for violation of the act, and section 7.3 prohibits the importation of tobacco products to anyone under the age of 18. By section 10, the title of the act is changed.

No authority currently exists under the Excise Act to allow police forces, other than the RCMP, to enforce civil provisions of the act. These civil provisions provide power to seize vehicles used to transport contraband, to seize tobacco or alcohol, or to seize equipment used in elicit activities.

By this amendment, provincial and municipal police forces, as appropriate, can be designated jointly by the Minister of National Revenue and the Solicitor General with the authority to enforce sections of the act that allow for the civil seizure of tobacco, alcohol and vehicles that are used in illegal smuggling activities. This means there could be a substantial increase in the level of police resources working with the federal government to fight smuggling.

Section 112 deals with the immediate destruction of certain seized goods. Currently, the Excise Act and the Customs Act require that seized goods be kept for a period of one month. This amendment to both the Customs Act and the Excise Act will provide police forces with the authority to destroy certain seized products immediately without hindering the ability of authorities to bring criminals to successful prosecution. This measure will apply primarily to seized tobacco and alcohol. This measure will save Canadian taxpayers over $200,000 per year by reducing the cost for storage of property seized by police forces in the fight against smuggling.

Senator Berntson: You could send that over to the CBC.

Senator Olson: Yes, we could, but we intend to work on the deficit first.

If a court decides in favour of a claimant after the goods have been destroyed, the department will pay to the claimant the fair market value of the destroyed goods.

Sections 201 and 211 deal with the stamping of individual cigarettes. This proposal will amend the Excise Act in order to require individual cigarettes to be clearly stamped to indicate that excise duties have been paid. Law enforcement agencies and all law-abiding citizens will be able to more easily identify those who are smoking contraband tobacco products. The precise stamping required for cigarettes will be prescribed by regulation once Bill C-11 has received Royal Assent. The department has initiated discussions with cigarette manufacturers on the technical issues surrounding the implementation of this amendment.

• (1420)

Turning to the Tobacco Sales to Young Persons Act, an act prohibiting the sale of tobacco products to persons under 18 years of age, clause 7.1 prohibits the packaging and selling of cigarettes in packages containing less than 20 cigarettes per package. This amendment will make it illegal for both tobacco vendors to sell, and for tobacco manufacturers to package, cigarettes in packages containing fewer than 20 cigarettes. It will ban vending machines from public places, except bars, taverns and similar beverage rooms. It will effectively ban the distribution of kiddy packs in Canada. These kiddy packs are targeted to price-sensitive segments of the tobacco market such as young people. This amendment will bring that to an end.

Clause 7.2 establishes the fines for violations of this act. It raises the fines for selling tobacco to young persons to $1,000 for a first offence, and up to $50,000 for a fourth and subsequent offence.

Clause 7.3 of the Tobacco Sales to Young Persons Act prohibits the importation of tobacco products by or on behalf of a person under the age of 18 years, or the minimum age at which tobacco may be legally sold to a person in the province of entry, whichever is higher. It will also provide Revenue Canada customs inspectors with the authority to prevent the import of tobacco products by or on behalf of persons who are under the age 18, or the minimum age at which tobacco may be legally sold to a person in the province of entry.

That completes a very brief overview of what is contained in Bill C-11. I hope honourable senators will agree to give that bill second reading today and refer it to committee.

On motion of Senator Berntson, for Senator Spivak, debate adjourned.

CANADIAN FILM DEVELOPMENT CORPORATION ACT

BILL TO AMEND—SECOND READING

Hon. Royce Frith moved second reading of Bill C-31, to amend the Canadian Film Development Corporation Act.

He said: Honourable senators, this bill is a very short one. As you may have noticed, it has only two sections. I thought perhaps the best thing I could do to help senators decide on the principle of the bill — which is what we are debating at this stage — would be to attempt to give some context for this short bill.

The bill amends the Canadian Film Development Corporation Act, and therefore legislation governing Telefilm Canada. That act was passed some years ago with the purpose of providing financing for films, not to make films but to finance films. As I was a member of the original board, I can perhaps give some of the context, because I am aware of the problem that this bill is meant to solve.

I had been doing some legal work in this field before I was appointed to the board. At the time there was not very much work, so I cannot say it was a specialty, in the sense that it was all that I did. There were not enough films being made in Toronto at that time for anyone to spend all their time as a lawyer in that field.

I invite each of you, honourable senators, to consider yourself as having in your hand what every good film starts with, and that is a good script; at least one that you consider a good script. That is why so many best-seller books or novels are made into films; the story is pre-sold. Anyone who has been involved for any length of time in the film business will agree that the whole film eventually turns on the script, and then it is up to the director to shoot that script in such a manner as to transpose that script onto the screen, and at the same time maintain the entertainment value that is sought.

Once you have that script, then the production of the film has to be financed. You may need to finance some pre-production even before the script. When we first started at the CFDC, that is what we did for the first couple of years: we simply invested money in pre-production, that is, in developing scripts. I underline that the CFDC was not there to make films, but to invest in films, and to act as a primer of the pump.

Before going to the CFDC with a script, as a film-maker you would usually try and find a distributor to help finance the film. The next step, the step you are looking forward to when the film is made, is to have it distributed. Sometimes, in the days when I was involved, we would get a distributor and the distributor would invest with others who had been put together to finance the film. The CFDC was there to be a partner with other financiers.

In those days, you would go to the CFDC, show them the script, give them a budget, give them some idea of the shooting schedule and what director you had, prove your Canadian content, and tell them what other financing you had. The CFDC would then invest in the film and become a partner, and would receive its repayment in the normal schedule of repayment enjoyed by those who finance the film. That brings us to this bill.

One of the problems that we had, and still have in this country, is that there are few sophisticated investment bankers for the production of films. There are in the United States. If you have read any of Ben Hecht or Budd Schulberg's books, or short stories about Hollywood and the film business, you will realize that the films are made in Hollywood, but New York bankers finance those films.

We found that Canadian banks generally consider themselves in the business of lending money, and not in the business of investing money. Sometimes loans were available if you had what we would call a "bankable" deal. Senator Finlay MacDonald would have been involved in projects where he could have had a sale, for example, to the CBC of a series, and once he had that contract it could be taken to the bank and to other investors in order to get the money required.

To return to the fact that most banks in Canada are interested in lending money and not in investing it, one aspect that is prevalent elsewhere for the financing of films is the lending of money, at least short term, to get the project going.

The CFDC act did not authorize the CFDC or the present organization, Telefilm, to back loans or go into loan situations, only into investment situations. Meanwhile, other jurisdictions, including Canadian provinces that have similar schemes, have been experimenting with having the government agency concerned — in our case the CFDC or Telefilm — back loans and be, in effect, a lending partner with a bank. The same process has also been operating with success in France.

That is the context for this bill. The bill simply adds to those powers of the CFDC which are set out in section 10 of the Canadian Film Development Corporation Act.

Clause 1 of this bill states:

> Section 10 of the Canadian Film Development Corporation Act is amended by adding the following after subsection (1):
>
> The Corporation may, in accordance with terms and conditions approved by the Treasury Board and the Minister of Finance, guarantee loans for the production and distribution of films.

Clause 2 is a corollary clause which must be added because of section 19 of the act, which deals with how moneys paid out are to be funded. Similarly, section 19(3) is amended in a consequential way to provide for these loan guarantees.

The general conditions under which the provisions of this bill will apply are that the maximum is $25 million, and that only $1 million will be permitted for each individual project per year. Repayment must be made within 18 months. Most people see the film business as a risky business, which, in a way, it is. The returns reflect that riskiness.

How has the financing of films been working in France? How has it been working in the provinces? From the briefing material I have, I am pleased to find that it has been working well. There have not been defaults. There have not been defaults because people in the business do not want to find themselves without any future in the business. Having not honoured a loan, they could not go back to the CFDC. As honourable senators will notice, the term of the loan is quite short.

As honourable senators are aware, films may be made just for television. Television then becomes the distributor of the film, as opposed to what we call theatrical or exhibitor distribution. Because of television distribution, many films these days do get their money back. They are not all very profitable, but they recoup their costs. Of course, the loans under this proposal would be paid back from those first returns.

This measure is a way to unblock the source of financing for the burgeoning Canadian film industry. I say burgeoning, because when we look at what it has now become, compared with what it was when the CFDC started, we see that the progress and the growth has been remarkable.

I think most people in the film business in Canada would acknowledge that they would not be where they are without the CFDC. The CFDC is to be thanked for this progress, and for the establishment of this industry. I think all would agree that this proposal is a desirable one which will enable the financing of films to proceed as it does in many other jurisdictions.

Hon. C. William Doody: Honourable senators, will the Honourable Senator Frith entertain a question?

Senator Frith: Of course.

Senator Doody: It has occurred to me over the past few weeks that there is an interesting trend emerging in government policy. A few weeks ago the Canada Mortgage and Housing Corporation was given authority under legislation to borrow money on its own behalf. Yesterday, we passed Bill C-17, which gave the Canadian Broadcasting Corporation authority to borrow up to $25 million on its own behalf. We now have another government entity which will guarantee loans in the marketplace in its own right.

It seems to me that the authority of the Department of Finance is being diluted considerably by this diffusion of borrowing authorities. It must be becoming increasingly difficult for the Minister of Finance to keep an orderly presence in the marketplace with respect to borrowing if all these relatively little people are out borrowing money on their own behalf. All these loans are guaranteed by the Government of Canada.

Is this an actual new policy of diffusion of the department? I cannot imagine the mandarins in the Department of Finance taking very kindly to this sort of legislation.

Senator Frith: I assume that the Minister of Finance is aware of this. However, I think the homogeneity that Senator Doody wants to apply does not strictly apply, although I understand his concern in terms of what seems to be a trend.

I think these are all quite isolated cases. I do not think they represent a change of policy in relation to government finance. I can understand how Senator Doody, as Chairman of the National Finance Committee, may be hearing some bells go off. However, in this case it is a most specific step that is being taken, consistent with similar programs in other jurisdictions. I do not think it is a part of any general scheme to diversify or fragment government finance.

Hon. Finlay MacDonald: Honourable senators, my question is not necessarily relevant to the bill which is before us. However, I am curious about some of the activities in this field of endeavour.

In Nova Scotia, for instance, we have movie actors and actresses coming and going all the time. Can the honourable senator tell us, from his experience, if most of these activities are carried out with the participation of the CFDC, or are some of them financed with purely private money? Does the honourable senator have any idea of the percentages involved? Have any of the provinces played the role of counterpoint in these transactions?

Senator Frith: I should like to deal with the second question first. I know that Alberta does play such a role, as do some other provinces. However, I cannot tell the honourable senator which ones. That is something we should leave for the committee. I think it is important at this stage to get the questions down, because then we can get the specific answers at the committee stage of the bill.

Other provinces already have the precise provision which is before us, and have had it for some time. That is to say, they have the loan guarantee versus the investment provision. I will need to find out what are the proportions in that regard.

My experience is that for quite a period of time American film-makers were making films in Canada for two reasons. The first was because of the sites. For the very reasons — the weather, the scenery and so on — that the film industry grew in Hollywood, it grew in Vancouver and on the West Coast. The second reason was that they received government funding.

In many cases, when American film-makers come to us, of course we put on certain conditions. For instance, there would have to be a Canadian director and certain Canadian content. More recently, however, my impression is that, although many of them are still coming to Canada for the scenery and the funding, they also come because there are other advantages to making films in Canada, and in many cases, although I cannot say what the proportion is but will try to find out, they are making them on their own without any government help.

Hon. Wilbert J. Keon: Senator Frith, I have enjoyed very much listening to you. There is a very strong analogy between the film industry and scientific research, in that we do not have pools of venture capital that can get either a film or a research project or a discovery from the bench to the market-place or from the shop to the market-place.

While I commend the government for what it has done in this bill, it seems to me the whole problem that needs addressing in some safe way is this lack of venture capital. I realize governments have been burned in the past through research tax credits and so forth; however, we still have to find some way to allow people in Canada to invest in venture capital pools and, if they lose their money, to get them some kind of tax break down the road.

My question to you is, how much benefit would this be to the film industry? I know it would be of tremendous benefit to the scientific community.

Senator Frith: Thank you for your question, senator. There seems to be wide agreement that this measure will be a help. You mentioned the question of tax breaks. As you know, there was a period of time when the device of fashion for financing films was accelerated write-offs and the ability to use losses against profits in totally different ventures. That resulted, if I may say so, in a lot of very unsophisticated investors getting into the film business, as Finlay MacDonald would know. The tendency was to get your friend the pharmacist, or whoever, to invest in films. In some cases it worked out. I do not say this in a pejorative way; it was not sophisticated money that was being invested in the film.

That is the advantage of this whole structure. The thing that appeals to me very much about this is that the CFDC now has the expertise. So you get this partnership between the banker, who does not know the business too well, and a government organization that has been in the field now for some 25 or 30 years that will be very carefully vetting the proposal. It is very comforting for the banker to know that some expert is vetting all this and that the banker does not have to set up a whole department on film financing.

On the principles involved, I agree with you, senator. I am sure that good experience here will teach us advantageous things for that basic problem you so poetically expressed of getting something from the bench to the market.

Hon. Orville H. Phillips: Honourable senators, may I direct a question to Senator Frith? The summary of Bill C-31 says the new power is subject to certain conditions. My own viewpoint is that it would have been much better had these conditions been listed in the act rather than saying "subject to certain conditions." Is there any reason why they were not listed in the act?

Senator Frith: Only the usual one, I suppose, which I do not always find easy to defend, that they want some flexibility. The basic conditions which I have been told apply, and will be established by regulation as will other conditions, are the $25 million, the $1 million per project, and the repayment within 18 months.

I cannot see why that could not have been put in the act except for the reason that they might have felt they wanted some flexibility. That is all I can say, because I am not a noted champion of government by regulation, as Senator Phillips knows.

[*Translation*]

Hon. Pierre Claude Nolin: Honourable senators, I have a question for Senator Frith. In Quebec, SOGIC, whose goal is quite similar, is somewhat at loggerheads with the Quebec Department of Revenue regarding tax credits, about which department employees do not have all the necessary knowledge to be able to review budget proposals related to the film industry. SOGIC also provides funding.

As far as the honourable senator knows, was the Quebec experience looked at when the act was reviewed or the amendment proposed?

To my knowledge, this situation creates a certain problem in Quebec. Now, with the provincial elections just ahead, nobody wants to deal with the issue. In our case, since the general election is behind us, it may be that the government deemed appropriate to look at the Quebec experience and learn something from it.

Senator Frith: I am not sure if, at the time, when I was a member of CFDC's board, the Quebec institution was already in existence.

Senator Nolin: Around what time was that?

Senator Frith: That was in 1967. As the honourable senator knows, the CFDC's head office is in Montreal. I clearly recall that we used to have fairly frequent meetings with officials of the Quebec agency. I think that, probably, although I am not absolutely sure, some discussions or meetings took place between the two organizations, and there was a passive cooperation, if not a very active one. I am not absolutely sure, but that would be in the normal course of events.

[*English*]

Senator Nolin: The point I am trying to make is this: In Quebec we have the problem that SOGIC is trying to isolate itself, because if you are producing a film, you will go after whatever government agency is willing to provide you with funds.

Senator Frith: Or nongovernment, anywhere you can get it.

Senator Nolin: Anywhere. If there is one thing producers have in common, it is that they do not have cash. They need cash. They will go after cash. Through government, nongovernment, or financial institutions, they will seek their money. Governments, both fedreal and provincial, have been supportive of the cultural industry.

The experience in Quebec is that they have been supportive through the fiscal system. Those producers were very smart in preparing *pro forma* budgets to raise cash; so smart that they sometimes doubled the amount they needed. They had to print prospectuses to raise private money and to get approval from SOGIC. This is well known by the revenue and cultural departments in Quebec, and it is a hot potato.

Has the federal government looked into that problem in an attempt to find ways to improve the situation? After all, we are all dipping into the same pocket.

Senator Frith: Honourable senators, the Quebec feature film industry was the leader in the development of Canadian films. I do not think anyone would quarrel with that, and the CFDC was involved in many of those early successful films that were made there. I believe the joint experience of the two was taken into account, and that is why I think this is a good bill.

The very experience to which Senator Nolin has referred has scared many banks away. I think they will be reassured at least by the fact that they know they will be talking to people with some experience, be it experience shared with the Quebec corporation or the CFDC, or both. I do not know whether this provision would have been appropriate earlier. It is because of the experience to which Senator Nolin has referred that there are now people and government agencies in the field who might persuade the banks to go into partnership.

Senator Nolin: Honourable senators, not only the banks but private investors are scared by that industry, because they have been burned in the past by schemes and prospectuses which were, at the end of the day, prepared with false information. The good producers are paying for that problem, because of those black sheep in the flock. My question was more of a general one. When one looks at a particular law to amend the situation, one tries to make it better in all of its aspects. I hope this bill will solve the problem.

Hon. Eric Arthur Berntson (Deputy Leader of the Opposition): Honourable senators, with great eloquence, reasonable intelligence and a high degree of precision in his answers, Senator Frith has dealt with the questions put to him relative to this bill. Since we have no particular desire to unduly delay this bill and since, I am sure, any other questions that might come up will be answered in committee, we have no objection to the bill being referred to committee at this time.

Senator Lynch-Staunton: Unprecedented!

Senator Frith: I did that a few times, too, when I was over there.

Hon. Richard J. Stanbury (Acting Deputy Leader of the Government): Honourable senators, I acknowledge the wonderful sign of cooperation.

Motion agreed to bill read second time.

REFERRED TO COMMITTEE

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

Hon. Royce Frith: Honourable senators, I move that the bill be referred to committee, but I am not sure which one. Let me give the options: One would be, it seems to me, National Finance —

Senator Doody: You will get a rough ride there.

Senator Frith: You have talked me out of that one.

Two other possibilities are the Transport Committee, because of the communications feature, and the Social Affairs, Science and Technology Committee, because of the cultural feature. Taking Senator Doody's comment and reversing it, namely, where would it get the best ride —

Hon. Eric Arthur Berntson (Deputy Leader of the Opposition): Transport, obviously.

Senator Frith: My feeling is that it should be the National Finance Committee.

Senator Doody: The Social Affairs Committee has nothing before it at the moment.

Senator Frith: Then, honourable senators, I move that the bill be referred to the Standing Senate Committee on Social Affairs, Science and Technology.

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

Motion agreed to and bill referred to the Standing Senate Committee on Social Affairs, Science and Technology.

ROUTINE PROCEEDINGS

Leave having been given to revert to Presentation of Petitions:

HAZARDOUS PRODUCTS ACT

REMOVAL OF EXEMPTION FOR TOBACCO—PRESENTATION OF PETITION

Hon. Mira Spivak: Honourable senators, I have the honour to present a petition from 785 citizens of Canada, who humbly pray that this honourable house may be pleased to remove the exemption for tobacco under the Hazardous Products Act.

ORDERS OF THE DAY

AUDITOR GENERAL ACT

BILL TO AMEND—SECOND READING

Hon. Royce Frith, moved second reading of C-207, to amend the Auditor General Act (reports).

He said: Honourable senators, I will be briefer on this bill than I was on the last.

Senator Lynch-Staunton: Unprecedented!

Senator Frith: Let me say that it, too, is a short bill. I shall give honourable senators a word of history, and then we will have a look at the bill to see whether it contains enough information at second reading to send it to committee.

The idea that this bill legislates is not a new one. The idea goes back at least to 1985. That is why the sponsor of the bill in the other place describes himself as the adoptive father of the bill. It has had other fathers over the years.

The Auditor General, who presently makes an annual report, is limited to such annual reports. That is, he can only make a report once a year. The idea at one stage was that the Auditor General should not be limited at all as to the number of reports he or she can make, but should be enabled to make a report any time the said Auditor General sees fit. I am not sure if that was the original form of the bill in the other place or if that was one of the amendments proposed. In any event, at one stage in the other place that idea was put forward.

Honourable senators, the bill before us now allows for four reports: one annual report and three others. The reasoning behind this change is that the Auditor General might come across some irregularity which, in the Auditor General's opinion, ought to be corrected and which, if corrected, would result in significant savings to the taxpayer. Various auditors general over the years have pointed out that in certain cases a lot of money is lost between the time the Auditor General finds an irregularity and the time the Auditor General puts it into the annual report.

In fact, in the *House of Commons Debates* you will find examples in the hundreds of millions of dollars. That is why the sponsor of the bill in the other place and his predecessors felt that the Auditor General should be given the opportunity in such circumstances to make a report in the hope that corrective action could be taken to save the taxpayers money, rather than waiting until the annual report. That is a very good argument for unlimited discretion.

However, it seems that the members of the House and the government finally came to a consensus *ad idem* that, at least for now, the idea would be enshrined in this legislation, but that the interim reports would be limited to three rather than having an unlimited number.

Senator Jessiman: Three or four?

Senator Frith: It would be four in total, the annual report and up to three others. The Auditor General is not going to make four reports, but he will have the right to make three interim reports, especially in cases where he feels immediate action should be taken.

Honourable senators, there are some rather frightening stories.

Senator Jessiman: So this is not similar to corporations reporting quarterly?

Senator Frith: No, it is not.

Let us look at the bill.

Senator MacDonald: You said up to three reports?

Senator Frith: It is up to three, but I want to make sure that we get that right on the record.

The bill, as passed, provides for the following:

> **7.**(1) The Auditor General shall report annually to the House of Commons and may make, in addition to any special report made under subsection 8(1), not more than three additional reports in any year to the House of Commons.

The bill then goes on to provide for the submission of the annual report to the Speaker and its tabling in the House of Commons.

> (3) Each annual report by the Auditor General to the House of Commons shall be submitted to the Speaker of the House of Commons on or before December 31 in the year to which the report relates and the Speaker of the House of Commons shall lay each such report before the House of Commons forthwith after receiving it or, if that House is not then sitting, on any of the first fifteen days...
>
> (4) Where the Auditor General proposes to make an additional report under subsection (1),

— the one we have just referred to —

> the Auditor General shall send written notice to the Speaker of the House of Commons of the subject-matter of the proposed report.
>
> (5) Each additional report of the Auditor General to the House of Commons made under subsection (1) shall be submitted to the House of Commons on the expiration of thirty days after the notice is sent pursuant to subsection (4) or any longer period that is specified in the notice and the Speaker of House of Commons shall lay each such report before the House of Commons forthwith after receiving it or, if that house is not then sitting...

Then there is a reference to section 8.(1):

> **8.** (1) The Auditor General may make a special report to the House of Commons on any matter of pressing importance or urgency that, in the opinion of the Auditor General, should not be deferred until the presentation of the next report under subsection 7(1).

Hon. Finlay MacDonald: Some time ago, Senator Frith, there was criticism of the Auditor General's department. People said it was ballooning and empire-building. Have you any idea whether the opportunity to prepare three extra reports or up to three extra reports will result in empire-building?

Senator Frith: That is a good point. I can see arguments both ways. I can see someone defending this proposal by saying that the ability to make interim reports will streamline the operation; but I can see an argument being made that, if you make all of those additional reports, you will need to hire extra people. We should raise that question with the sponsor of the bill. I do not see why our committee could not ask the Auditor General to appear before it to answer those kinds of questions.

Hon. Eric Arthur Berntson (Deputy Leader of the Opposition): Once again, honourable senators, the general thrust of the bill is not something we object to. Many questions have already been answered. Unanswered questions can be addressed in committee. For that reason, we do not object to referring the bill to committee at this time.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

Hon. Royce Frith: I do not think there is much debate, honourable senators, as to which committee this bill should go.

Rule 87(*i*) of the *Rules of the Senate* describes the jurisdiction of the Standing Senate Committee on National Finance.

> ...federal estimates generally, including:
>
> (*i*) national accounts and the report of the Auditor General...

Honourable senators, it is quite clear that this bill should go to the Standing Senate Committee on National Finance, and I so move.

On motion of Senator Frith, bill referred to the Standing Senate Committee on National Finance.

The Hon. the Speaker *pro tempore*: Honourable senators pursuant to rule 136(4), the sitting is suspended until 4:55 p.m., at which time we will proceed with Royal Assent.

The sitting of the Senate was suspended.

At 4:55 p.m. the sitting of the Senate was resumed.

The Senate adjourned during pleasure.

ROYAL ASSENT

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

> An Act to implement a convention between Canada and the Republic of Hungary, an agreement between Canada and the Federal Republic of Nigeria, an agreement between Canada and the Republic of Zimbabwe, a convention between Canada and the Argentine Republic and a protocol between Canada and the Kingdom of the Netherlands for the avoidance of double taxation and the prevention of fiscal evasion with respect to income taxes and to make related amendments to other Acts (Bill S-2, *Chapter 17, 1994*)
>
> An Act to amend certain statutes to implement certain provisions of the budget tabled in Parliament on February 22, 1994 (Bill C-17, *Chapter 18, 1994*)
>
> An Act to suspend the operation of the Electoral Boundaries Readjustment Act (Bill C-18, *Chapter 19, 1994*)
>
> An Act to amend the National Library Act (Bill C-26, *Chapter 20, 1994*)
>
> An Act to amend the Income Tax Act, the Income Tax Application Rules, the Canada Pension Plan, the Canada Business Corporations Act, the Excise Tax Act, the Unemployment Insurance Act and certain related Acts (Bill C-27, *Chapter 21, 1994*)
>
> An Act to incorporate the Canadian Association of Lutheran Congregations (Bill S-5)

The House of Commons withdrew.

The Honourable the Deputy of his Excellency the Governor General was pleased to retire.

The sitting of the Senate was resumed.

The Senate adjourned until tomorrow at 2 p.m.

THE SENATE

Thursday, June 16, 1994

The Senate met at 2:00 p.m, the Speaker *pro tempore* in the Chair.

Prayers.

SENATOR'S STATEMENT

CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION

ISSUANCE OF SPECIALTY CABLE LICENCES

Hon. David Tkachuk: On June 6, 1994, the anniversary of D-day, the CRTC issued specialty cable licences to new applicants. It was a historic milestone, because after all this time we have centralized broadcasting in the city of Toronto and given a monopoly to a state institution for the dissemination of news on our cable networks. For a different perspective we must seek sources outside the country, particularly in the United States.

I want to turn my attention to country music, in which category two applicants from Western Canada, one from Alberta and one from Saskatchewan, built their premise on programming, which is in fact why the CRTC exists. They were rejected.

Fully 39 per cent of the Canadian public prefers country music originating, in large part, in the prairies and the maritimes, where country music is preferred by over 40 per cent of the population to any other kind of music. Outside of the major nine metropolitan areas in the rest of Canada, country music is the most favoured form of music.

The majority owner of the applicant that received a licence in this field is Maclean Hunter. The minority position is held by Rawlco Communications, a company that now operates out of Toronto, whose videos, not country music programming, will blast free of charge to the cable companies supported, they claim, by advertising rather than the cable fee, leaving little or no money for Canadian programming and production.

This reflects the new thinking of the CRTC. If we are concerned about the consumer, why not scrap the CRTC, have cable companies compete and let the market-place determine who wins and loses? I am even more concerned about the corporate control of our cable industry — TSN, Toronto; MuchMusic, Toronto; Youth Channel, Toronto; CBC Newsworld, Toronto; Weather Network, Toronto. Of the new licences — Bravo, Toronto; Country Music Canada, Toronto; Discovery, Toronto; Your Channel, Toronto; Show Case, Toronto, with only Lifestyle Television controlled by Moffat of Winnipeg being outside Canada's largest city.

All of the moneys generated by monopolies, with fixed prices and little choice by the consumer, will flow into the city of Toronto, a state of affairs that is tragic and incomprehensible. Let us rid ourselves of this cultural marketing board that fixes prices, ensures profits and provides a hidden Canadian tax flowing in only one direction, to the province of Ontario.

The rejection of a country music programming channel which would be located in the provinces in the west is a tremendous disservice to country artists, programming and production people, and an economic blow instead of a tremendous economic boost to our creative community.

ROUTINE PROCEEDINGS

PEARSON INTERNATIONAL AIRPORT AGREEMENTS BILL

FIRST READING

The Hon. the Speaker *pro tempore* informed the Senate that a message had been received from the House of Commons with Bill C-22, respecting certain agreements concerning the redevelopment and operation of Terminals 1 and 2 at Lester B. Pearson International Airport.

Bill read first time.

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

On motion of Senator Stanbury, with leave of the Senate and notwithstanding rule 58(1)(*f*), bill placed on Orders of the Day for second reading later this day.

NATIONAL FINANCE

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

Hon. C. William Doody: Honourable senators, I give notice that on Tuesday next, June 21, 1994, I will move:

> That the Standing Senate Committee on National Finance have power to sit at four o'clock, Tuesday, June 21, 1994, even though the Senate may then be sitting, and that rule 96(4) be suspended in relation thereto.

QUESTION PERIOD

AGRICULTURE

CROW RATE—COSTS OF TRANSPORTING GRAIN—GOVERNMENT POSITION

Hon. Leonard J. Gustafson: Honourable senators, the Minister of Agriculture implemented some changes affecting the hauling back of grain from Thunder Bay to Winnipeg that was receiving the benefit of the Crow rate.

What was the cost to the government? How long had this continued before it was stopped? What was the cost to taxpayers, farmers and the railway to haul the grain back simply to get the subsidy?

Hon. Joyce Fairbairn (Leader of the Government): I thank the honourable senator for his question. I will inform myself with respect to the question and provide the answer.

NATIONAL DEFENCE

CLOSURE OF ROYAL MILITARY COLLEGE AT ST-JEAN—REQUEST FOR ANSWERS

Hon. Jean-Maurice Simard: Honourable senators, two days ago I asked the Leader of the Government in the Senate if she had answers to a series of questions, in my case a total of 12, as well as three or four asked by colleagues.

There is a rumour on the Hill that the other place may adjourn next Tuesday. I understand that the government wishes to have the legislation giving effect to the budget passed as quickly as possible.

I do hope that we will receive answers to our questions today so that we can study and analyze those answers over the weekend and then address the issue of the closure of the Collège militaire in St-Jean, Quebec, next Tuesday, when we are dealing with other matters pertaining to the Main Estimates.

• (1410)

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, later in the proceedings today answers to those questions will be tabled. They are as inclusive as I have been able to make them. Copies will be given to Senator Simard and his colleagues.

As I said the other day, my colleague Senator Stanbury and I will speak with Senator Lynch-Staunton to arrange for the officials who helped us prepare these answers to meet with the group opposite to answer any further questions they may have, or to elaborate on the answers that have been given.

Senator Simard: Do I understand that copies of those answers will reach me and my colleagues later today? May I suggest that they be tabled in this house so that every senator can see them?

Senator Fairbairn: Senator Simard, they will be tabled in the house. I was merely indicating that I have a package for each of the senators who has asked a question on this subject.

THE MINISTRY

LACK OF FOCUS OF CABINET MINISTERS

Hon. Jean-Maurice Simard: Honourable senators, this morning in the press I read that some Liberal assistants were talking about the lack of focus of some parties in the other place. Those Liberal assistants claimed that ministers were not being briefed regularly and that that represented a potential problem for the government.

One of the ministerial assistants is quoted as having said that the danger is that a cabinet minister will fall asleep at the switch. Is this a potential danger which causes the Leader of the Government in the Senate some unease? If that is the case, perhaps that is why we had to wait so long for the answers to the questions I spoke about previously. If that is not the case, then I think that it was a matter of the Liberal assistants falling asleep at the switch, not the ministers.

Hon. Joyce Fairbairn (Leader of the Government): First, honourable senators, may I state that I am bright-eyed and awake and that I plan to stay that way. Indeed, so are those who are doing their best to help me address the questions put to me in this place each and every day.

As a matter of fact, what the honourable senator suggests is not the case at all in terms of the assistance and support I have been receiving from my colleagues. They have been most forthcoming with their help, knowing that there is a special circumstance here in the Senate that does not occur in the other place.

In the case of the series of questions raised about the Collège militaire, I think everyone has been trying to pull it all together to present answers in the most cohesive way. That has taken a little extra time, but I do not believe anyone has fallen asleep at the switch. I will do my very best not to do so myself.

NATIONAL FINANCE

INCREASE IN BANK RATE—GOVERNMENT POSITION

Hon. Jean-Maurice Simard: Honourable senators, my next question is really a follow-up to a question that I asked on June 14. It concerns the increase in the bank rate by the Bank of Canada.

I asked Senator Fairbairn if she thought that this latest bank rate increase could trigger an increase in the prime rate offered by the banks. She said that she did not know, that she could not answer that question. I was almost tempted to say at the time that it was her business to know these things.

Effective today, the prime rate offered at most banks has gone up by 75 cents, or three-quarters of a point, to 7.25. That is an 18-month high. At the same time the Canadian dollar plunged to 71.84 cents before closing at 71.99 cents, a drop of .73 cents since a few weeks ago.

Would the minister tell us if she feels that this slide will continue? Furthermore, does she not think that the falling dollar and the increase in both the prime rate and the bank rate are a result of the failure of the government to muster the courage necessary to control the deficit and correct these cultural problems in Canada, which could be reduced by such measures as the signing of agreements with a number of provinces with the aim of reducing the costs of delivering programs by those two levels of government?

Perhaps another reason is the lack of leadership by the Prime Minister in the constitutional domain. He wants to remain aloof from these problems. Some of his ministers, or at least Minister Massé, stated publicly that if the National Assembly did not call an early referendum, perhaps the federal government would consider calling a referendum on the Quebec-Canada constitutional issue.

The problems with the increasing rates and the falling dollar must rest on the shoulders of this government for failing to act, and just saying, "Early tax reimbursements will do the trick. Quick-fix solutions, like the program on infrastructure, will be sufficient." I do not think that is sufficient. I am pleading with the minister in this house to tell us what the government has in mind to ensure that we have sustained economic recovery and that the dollar does not go down even more in the next few weeks, as I predict it will.

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, it would not be appropriate for me or for any spokesperson of the government to try to project what might or might not happen with interest rates or the dollar merely on a hypothetical basis.

Concerning the honourable senator's question about the bank rate, which is an extremely important issue in this country, there are reasons for these fluctuations. My honourable friend and I probably read the same news reports.

• (1420)

There is almost a consensus at the moment that, apart from international difficulties that other countries are facing as well, part of the difficulty that Canada is facing in relation to the fluctuations in the market is the political uncertainty that is affecting those markets. Practically every analyst is now crediting uncertainty with the volatility that is taking place, and which you have drawn to our attention today.

The Prime Minister, far from being aloof, is very concerned and engaged on this issue. This is one of the reasons he is trying, as he has said repeatedly, to set a course in this country of stability and predictability in our economic policy. We have done this with the budget. We followed through on many of the commitments that we had made during the election campaign.

In spite of the issues that you have raised today, Senator Simard, I will remind you again that we find ourselves in a situation where we have the highest estimated economic growth of any OECD country. This year we have a first-quarter economic growth of 4.2 per cent, and since February, employment in this country has increased by 171,000 jobs.

I will go on again. We have increased retail sales and consumer confidence. We have all the underpinnings for strength in economic growth. That is what the Prime Minister is trying to build on.

Finally, on your question concerning my colleague, Mr. Massé, Mr. Massé was responding to a hypothetical question raised by the media. The real answer is that we do not look to a referendum in Quebec because we believe that Premier Johnson and the Liberal Party in Quebec will win that election.

NATIONAL FINANCE

REDUCTION IN POST-SECONDARY EDUCATION FINANCING

Hon. Ethel Cochrane: Honourable senators, in its sixth report tabled this week, June 14, 1994, the Standing Senate Committee on National Finance noted that the Estimates for 1994-95 project a decrease in funding of $155 million for payments for post-secondary education and the Canada Student Loans Program.

Bill C-28, a bill which is not yet before the Senate but will be in a couple of days, if passed will provide increased funding for the Canada Student Loans Program. This means that the projected decrease in transfers for the post-secondary education component may be higher than $155 million.

Can the Leader of the Government tell us what the real decrease in post-secondary education financing is expected to be?

Hon. Joyce Fairbairn (Leader of the Government): Senator Cochrane, I will have a look at your question and the report, and then get back to you.

DELAYED ANSWERS TO ORAL QUESTIONS

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, as I was saying a minute ago to Senator Simard, on the subject of the closure of the Royal Military College at St-Jean, I have taken the questions of a variety of members of the opposition and tried to produce a collective answer which I hope will satisfy most. However, there may be other points, perhaps hypothetical points, on which we can still engage in debate.

In providing these answers, I would also ask that copies of all of them be distributed to Senator Lavoie-Roux, Senator Kinsella, Senator Jessiman, Senator Simard, Senator Nolin, and Senator Rivest. I also have a copy for my friend Senator Lynch-Staunton. Again, I renew the offer to set up a briefing session at your convenience.

NATIONAL DEFENCE

CLOSURE OF ROYAL MILITARY COLLEGE AT ST-JEAN— COLLECTIVE RESPONSES TO ORAL QUESTIONS

(Response to question raised by Hon. Jean-Claude Rivest on May 31, 1994)

Minister Massé has met with Education Minister Chagnon on several occasions and forwarded to Mr. Chagnon a written offer. Contrary to media reports, the province has not rejected this offer. Negotiations are continuing.

I am informed that substantive progress has been made in terms of reaching an understanding of mutual positions and there are reasonable grounds for a solution. An announcement will follow upon any agreement between the two governments.

(Response to questions raised by Hon. Thérèse Lavoie-Roux on February 23, 1994)

After all one-time expenses have been taken into account, the closure of Collège militaire royal is expected to yield net savings of approximately $23.1 million annually, in 1993-1994 dollars.

There are 92 military personnel, 190 full-time and 120 short-term and part-time civilian personnel (see Note) at Collège militaire royal employed in the education and training of 623 military students. In addition, there are an estimated additional 45 military and 50 civilians employed by CFB St-Jean who support the CMR operation.

(Note: The original response indicated that 173 full-time and 154 short-term and part-time civilians were employed by Collège militaire royal de Saint Jean. The updated figures given above are correct.)

The decision to consolidate military training at Royal Military College and to close CMR and Royal Roads Military College was taken for budgetary and operational reasons and the decision is final.

The Government is committed to maintaining the current overall francophone population in the military college system which is 30 per cent. RMC currently has a bilingual capacity and it has been graduating bilingual officers. By combining all three colleges, and increasing the number of francophone students and faculty, RMC will be able to give bilingual courses in all subjects. Its name will be modified to reflect the bilingual nature of the school.

DND will work actively with the community in continuing to build an environment that will welcome francophones to the Kingston area. The Canadian Forces are committed to the goal of a bilingual officer corps, and we believe the consolidation of English and French-speaking cadets at a single military college will help us achieve our goal.

(Response to question raised by Hon. Noël A. Kinsella on March 15, 1994)

The savings from closing the college given at the time of the budget were an estimate. The net personnel savings from closing Collège militaire royal de St-Jean were included in the departmental military and civilian personnel reductions announced in the budget. The attached fact sheet explains the estimate of savings from closing CMR. (See final page for updated "Fact Sheet for Collège militaire royal de St-Jean").

(Response to question raised by Hon. Duncan J. Jessiman on March 17, 1994)

It is recognized that the educational system varies from province to province, or sometimes within provinces, and the military college system must take this into account. Under the current system, some candidates are accepted into first year as senior entrants; some enter the preparatory year as junior entrants; some senior entrants are required to complete a five week "Academic Bridging Programme"; and a few senior entrants are granted advanced standing into second year. The single military college at Kingston will retain all these methods of entry. Collège militaire royal will admit one more preparatory year class in the Fall of 1994. The Department of National Defence is still considering exactly how and where the preparatory year will be conducted after CMR closes in 1995. Candidates from the Maritimes will still be eligible to enter the Canadian Forces as military college candidates directly after high school graduation.

(Response to question raised by Hon. Noël A. Kinsella on April 21, 1994)

Savings at CFB St-Jean can be attributed to the closure of CMR. CMR is not a self-supporting unit and is dependent upon CFB St-Jean for various types of support, ranging from facility maintenance to transportation. Once CMR is closed, the resources associated with this support can be removed from CFB St-Jean, and may therefore be counted as savings.

The $7.3 million cost of military personnel, from both CMR and CFB St-Jean, may be counted as a saving, since these positions are to be eliminated with the closure of CMR. Therefore, this amount cannot be subtracted from the pre-closure operating cost of $30 million. The savings are $30 million minus $6.9 million (transferred costs) which equals $23.1 million, as stated.

(Response to question raised by the Hon. Jean-Maurice Simard on June 8, 1994)

The focus of this question is the contribution of CMR to the development of francophone officers for the Canadian Forces. The 17% figure used by Minister Massé is technically correct in that 17% of current serving francophones with degrees were granted their "diplomas" from CMR. However, this figure does not include other serving francophone officers who graduated from CMR prior to 1985, but whose "diploma" was granted by the University of Sherbrooke because CMR had not yet received its charter. Other serving francophone officers who attended CMR but who graduated from RMC or RRMC, are also not included in this figure of 17%.

On the other hand, as expressed in the question, the 82% figure has been used out of context. This figure really refers only to that proportion of serving francophone officers who graduated from one of the three military colleges and attended or passed through CMR on their way to a military college degree. It does not include francophones who have entered the Canadian Forces through other officer entry plans.

To put in perspective the contribution of CMR to the development of francophone officers the situation should more aptly be described as follows:

- approximately 61 % of serving francophone officers have degrees and the remaining 39% do not;

- of the approximately 61% of serving francophone officers who have degrees, 48% of these attended CMR on their way to a degree from one of the three military colleges and 52% of these obtained their degree from some other institution;

In summary, of all serving francophone officers (degreed and non-degreed), approximately 30% attended CMR on their way to a degree from a military college, approximately 31% obtained their degree from some institution other than a military college and approximately 39% do not have a degree.

CMR has thus contributed to the development of 30% of all francophone officers currently serving in the Canadian Forces, not 82% as stated in the question. These figures, while approximations, are reasonably accurate and are based on information provided by the Defence Personnel Information System. In order to get a more accurate count, a detailed file-by-file analysis of all serving officer files would be necessary.

(Response to question raised by Hon. Jean-Maurice Simard on June 9, 1994)

The first year in the military college system is equivalent to the first year of a university programme in Ontario. Students who have completed either Secondary V in Quebec or high school in the Atlantic provinces require an additional year of education before they can enter first year. Until 1994, many of these students applied as "junior entrants" so they could complete a Preparatory Year at Collège militaire royal de St-Jean. Some completed CEGEP I or a year of university before applying for admission directly into first year (at any of the three military colleges) as "senior entrants." Most anglophones from Ontario and Western Canada apply as senior entrants.

If at all possible, there will be no Preparatory Year at the military college after academic year 1994/95. A two-tiered approach will be used to attract candidates from Quebec and the Atlantic provinces:

- direct recruiting from CEGEP l/university for candidates to enter first year; and

- early offers to promising Secondary V/high school students

This year's recruiting campaign in Quebec (which pre-dated the Budget announcements) was aimed at attracting francophone junior entrants. Still, 62 Quebec francophone senior applicants' files were reviewed by the military college selection board, as were those of 36 francophone senior applicants from outside Quebec. Of these, 24 francophones from Quebec and 26 from outside Quebec applied to go directly into first year at Kingston. With a new advertising and a re-directed recruiting campaign, there should be an increase in the number of candidates applying as senior entrants.

In the event that there are insufficient senior applicants, the military college will accept applications from Secondary V/high school students. Successful applicants will be given provisional acceptance to the Royal Military College of Canada (RMC) after which they will be subsidized for one year at a civilian CEGEP or university. Entry into RMC in the following summer will be contingent only on academic performance.

The selection of candidates for entry into military college will be more competitive after consolidation of the three colleges. The approach described here will ensure that young Canadians from all regions of the country can compete on an equal basis.

This solution can be achieved at minimum cost to DND. The recruiting campaign will be re-directed but this will be achieved within existing resources. There is no incremental cost associated with accepting senior entrants directly into first year. In the event that there are insufficient senior applicants, it has been estimated that it would cost $2.1 million per year to subsidize 70 candidates from Quebec at CEGEP 1, and 30 from the Atlantic provinces at a civilian university for one year. These 100 students represent the maximum requirement. If we realize a significant increase in the proportion of senior entrants, it is unlikely that the full $2.1 million will be spent.

Background

A "Fact Sheet for Collège militaire royal de St-Jean" was released pursuant to the Budget to indicate how DND will realize $23.1 million annually in saving by closing CMR (included on the last page). Closing CMR will save about $30 million annually but there are new costs of $6.9 million. The maximum $2.1 million for CEGEP/university subsidization was included in these costs.

(Responses to questions raised by Hon. Pierre Claude Nolin and Hon. Jean-Maurice Simard on June 9, 1994)

Expenditures must be considered in three categories: capital, operations and maintenance (O&M) and personnel.

There are no new capital expenditures planned at the Royal Military College of Canada (RMC) to accommodate either the expansion or the full bilingualization of the college pursuant to the Budget decision to consolidate military college operations in Kingston.

Referring to the "Fact Sheet for Collège militaire royal de St-Jean," it is estimated that $2.0 million will be required for "Transfer to RMC to facilitate consolidation" and $2.8 million will be required for "College equipment, personnel-related and miscellaneous." The total of $4.8 million falls into the O&M and Personnel categories.

RMC has prepared a consolidation plan, including resource requirements, which it has submitted to National Defence Headquarters. Not all details are discussed here because the plan has not yet been approved. The plan was completed in three steps:

- RMC absorbed a 15% reduction to all current O&M and personnel costs in accordance with direction to support units to reduce operating costs;

- to this reduced baseline, RMC added the cost of making the College fully bilingual;

- finally, the cost of expanding the College population to 900 cadets was added in.

The projected net increase to the annual resource requirement is less than the estimated $4.8 million in the "Fact Sheet for Collège militaire royal de St-Jean." Of the new resources required after the 15% reduction, about half are required for bilingualization and the other half for the population increase.

(Responses to questions raised by Hon. Pierre Claude Nolin on June 9 and by Hon. Jean-Claude Rivest on May 31, 1994)

The estimate of $50 million given by Brigadier-General Matte in *Canada français* combines previously authorized capital costs with hypothetical projected costs.

Current facilities at the Royal Military College in Kingston (RMC) are in need of upgrading to properly accommodate 690 cadets on the Point Frederick peninsula. In 1992, Treasury Board gave effective project approval for two projects:

- an expansion of the kitchen, dining hall and recreation facilities in Yeo Hall at a cost of $14,973K; and

- a renovation and extension of the Fort Lasalle dormitory at a cost of $ 14,317K.

These projects, which total $29.3 million, are at the end of the design stage, with construction scheduled to begin in 1995. National Defence Headquarters staff calculated that if both buildings were redesigned to accommodate 900 cadets, project costs would increase by $15 million to $44.3 million. This was the source of Brigadier-General Matte's rough estimate of $50 million.

In actual fact, the present Government has not authorized any capital expenditures in support of the military college consolidation activity, and therefore the proposal to re-design both projects was not approved. The additional cadets will be accommodated in currently vacant facilities at Canadian Forces Base Kingston, which is adjacent to RMC. The cost of operating these facilities is included in RMC's consolidation plan resource requirements (described above). It should be noted that some of the buildings that will be used by RMC are of such an age that they will soon require upgrading and modernization. This is a normal maintenance activity for DND's older infrastructure.

(Responses to questions raised by Hon. Jean-Maurice Simard on June 9 and by Hon. Jean-Claude Rivest on May 31, 1994)

The transition from three military colleges to one military college will take place over several years. Collège militaire royal de St-Jean and Royal Roads Military College will operate for one more academic year, until May 1995.

There will be turnover of faculty at the Royal Miltary College at Kingston (RMC) as some academic programmes are eliminated and others are introduced. Up to 27 new indeterminate (ie, permanent, full-time) professors will be hired although the net increase in the number of faculty positions will not exceed 13% (there are currently 137 professors on staff). RMC's goal is to have a fully bilingual teaching staff, and this will be reflected in all new hiring. Approximately half of the professors now teaching at RMC are bilingual.

RMC has recently begun the process of recruiting professors and other staff to fill positions required as a result of consolidation. RMC needs up to 15 additional professors for academic year 1994/95. Some suitable candidates have been identified from the Collège militaire royal de St-Jean faculty and, so far, four have agreed to move to RMC.

FACT SHEET FOR COLLEGE MILITAIRE ROYAL DE ST-JEAN

College Staff

Military	92
Civilian	
Full Term	190
Short Term	120
Total	402

In addition there are military and civilian staff employed by CFB St-Jean who support the CMR operation. This support is estimated at about 45 military and 50 civilians. The personnel cost of this support is calculated at $4.8 million and is included in the personnel costs set out below.

Cadet and Post-Graduate Students

Undergraduate	617
Graduate	6
	623

Pre-Consolidation Costs	**$ M**
CMR Military Staff	4.7
CMR Civilian Staff	13.8
CFB St-Jean Military Staff	2.6
CFB St-Jean Civilian Staff	2.2
Personnel and related costs	23.3
College equipment cost (informatics, laboratory and sports)	1.7
	25.0
Facilities operating costs	5.0
	30.0

Post-Consolidation Costs

Training in CEGEP/Civilian Universities	2.1
Transfer to RMC to facilitate consolidation	2.0
College equipment, personnel-related and miscellaneous. Costs held in abeyance pending facilitation of RMC consolidation plan.	2.8
	6.9
SAVINGS	23.1

• (1430)

NATIONAL ROUND TABLE ON THE ENVIRONMENT AND THE ECONOMY

NONREPRESENTATION OF NEW BRUNSWICK—REQUEST FOR ANSWER

Hon. Eymard G. Corbin: Honourable senators, I wonder if I may be allowed to ask the Leader of the Government if I am to look forward to an early reply to the question I put to her the other day about the Prime Minister's National Round Table on the Environment and the Economy, which did not include representation from, among others, the province of New Brunswick.

Hon. Joyce Fairbairn (Leader of the Government): I was pursuing that again this morning, Senator Corbin, and I will get it to you just as soon as I can.

Senator Corbin: Thank you.

Hon. Richard J. Stanbury (Acting Deputy Leader of the Government): Honourable senators, I have one other response to a question raised in the Senate on May 25, 1994 by the Honourable Senator Jean-Maurice Simard regarding the Navy facilities for military training in Quebec City.

NATIONAL DEFENCE

DISPOSITION OF ROYAL MILITARY COLLEGE AT ST-JEAN—GOVERNMENT RESPONSE

(Response to question raised by Hon. Jean-Maurice Simard on May 25, 1994)

The decision to locate a new Fleet School in Quebec City stems from a government initiative, first announced in 1982, to increase the Naval presence in the province of Quebec in order to raise the percentage of francophones in the sea element of the Canadian Forces to the national level. This new Fleet School will also provide badly needed naval positions in Quebec that will allow more francophone sailors to serve in their home province. Training at this facility will begin in early 1995.

Fleet School Quebec will assume the broad training functions associated with the professional instruction of naval officers and non-commissioned members, from across the country, who are assigned to Coastal Defence and Naval Control of Shipping organizations, and the new Maritime Coastal Defence Vessels. These are primarily Naval Reserve roles and this establishment will be the only school in Canada giving this type of instruction.

ANSWER TO ORDER PAPER QUESTION TABLED

VETERANS AFFAIRS— VETERANS' PENSIONS AND ENTITLEMENTS

Hon. Richard J. Stanbury (Acting Deputy Leader of the Government) tabled the answer to Question No. 34 on the Order Paper — by Senator Marshall.

ORDERS OF THE DAY

EXCISE ACT CUSTOMS ACT TOBACCO SALES TO YOUNG PERSONS ACT

BILL TO AMEND—SECOND READING

On the order:

Resuming the debate on the motion of the Honourable Senator Olson, seconded by the Honourable Senator Rizzuto, for the second reading of Bill C-11, to amend the Excise Act, the Customs Act and the Tobacco Sales to Young Persons Act.

Hon. Mira Spivak: Honourable senators, the provisions in Bill C-11 to restrict tobacco consumption in general and by young people in particular should and will, I am sure, be supported by all members in this house.

As has been explained very adequately by Senator Olson in moving this legislation, the bill will increase the jurisdiction of provincial and municipal police, authorize officials to destroy seized goods immediately, and mandate marking and packaging tobacco products made in Canada in a way that will help law authorities and citizens to recognize smuggled goods.

Bill C-11 will make it illegal to produce and sell "kiddy packs": packages containing less than 20 cigarettes. Of course the effectiveness of this measure is reduced by the lowering of federal tax on cigarettes. A pack of 25 now costs much less than a pack of 15 before the tax and prices were slashed.

As well, Bill C-11 aims to prohibit the importation of tobacco products for and by people under the age of 18, or the minimum age at which tobacco may be legally sold to a person in the province of entry, by providing Revenue Canada customs inspectors with the authority to prevent the import of tobacco products for persons under the age of 18.

I think it is instructive to review once again the context within which this legislation is introduced: the awesome threat that cigarette smoking poses to the health of Canadians and the truly shocking statistics concerning cigarette smoking, particularly among young Canadians.

Between 38,000 and 44,000 Canadians, depending on which statistics are used, die each year of smoking-related diseases. Cigarette smoking is the single most important cause of preventable illness and premature death in Canada. No other legal product, when used as directed, produces such terrible effects.

Thirty per cent of all cancer deaths, 30 per cent of heart disease deaths, and 85 per cent of chronic obstructive lung disease deaths are caused by tobacco use. Smoking is directly linked as well to a variety of upper respiratory infections, chronic bronchitis and emphysema, strokes, peripheral artery diseases, peptic ulcer disease, as well as cancers of the mouth, throat, oesophagus, kidney, bladder and pancreas. Cigarette smoking is a prime cause of lung cancer, which has replaced breast cancer as the leading cause of cancer deaths among Canadian women.

Some women are particularly susceptible to smoking-related illnesses, and yet the tobacco industry targets women and children in its marketing strategy. Smokers who use oral contraceptives are ten times more likely to suffer fatal heart disease. Pregnant smokers suffer more vaginal bleeding, spontaneous abortions, and fetal deaths. Low birth weight in children of smokers has been linked to development problems as late as age 11.

The Surgeon General in the U.S. stated some years ago that tobacco is comparable in its addictive qualities to heroin and cocaine. No wonder the tobacco industry targets children under 16 in its marketing strategy to boost its market share, because it results in addictive behaviour before adulthood. Thirty-four per cent of individuals aged 15 and over smoke, while approximately one quarter of Canadian teenagers smoke daily. While I do not know what the amount is today, a few years ago $96 million was spent per annum on advertising by the tobacco industry.

It is estimated that health and other related costs of smoking are in excess of $62 billion, according to a recent report of medical costs published in *The Gazette* on June 10 by Richard Lessard, Public Health Director of the Régie de la santé et des services sociaux de Montréal-Centre. This is interesting because tobacco companies' profits last year were $399 billion, of which, according to this particular study, $51 billion was spent in direct economic impact for Canada. That leaves an $11 billion shortfall for Canadians in terms of the costs of smoking.

Canada is in the top ten countries in the world in per capita consumption of cigarettes, 50 per cent higher than Norway and Finland, where advertising has been banned.

Frankly, in view of the lethal nature of the product in question, the measures in Bill C-11, although laudable, are mild indeed. I hope the government will soon introduce other measures to strengthen its actions to reduce tobacco consumption, including adding tobacco to the Hazardous Products Act, an act which regulates production, import, sale, and advertising of potentially dangerous products.

I commend the Minister of Health for her stated intention, at second reading of the bill in the House of Commons, to look at further actions, such as plain packaging and product standards. A comprehensive educational campaign is also being mounted.

One cannot leave this debate, however, without commenting on an act of outrageous chutzpah —

Hon. Royce Frith: Isn't all chutzpah outrageous?

Senator Spivak: Perhaps, but it serves to give it a little extra punch.

An act of outrageous chutzpah was perpetrated by the U.S. tobacco giants Philip Morris and R.J. Reynolds in the person of Julius Katz before a House of Commons committee a few weeks ago. Not only did these companies threaten a nasty trade fight and possible compensation of hundreds of millions of dollars, but Philip Morris threatened to rethink all future investments in its vast Canadian food business if the Canadian government proceeded with its proposed plain packaging legislation. This "new low in corporate thuggery," according to one of the writers to *The Globe and Mail* editorial page, seems to regard Canadian sovereignty as, in the words of another writer, "a hopelessly quaint and archaic notion that gets in the way of globalization and maximization of profits."

Faced with the threat of no Tang, Kraft Dinner, Jell-O, et cetera, all overprocessed, overpackaged and overmarketed goods to which we are all so hopelessly addicted, it is to be hoped that the Canadian government will stiffen its resolve and insist on its right to set public policy in the public interest in defiance of advice tendered to it by foreign companies, and that we can expect stronger measures in addition to Bill C-11 to protect the health of Canadian citizens.

Hon. Finlay MacDonald: Would Senator Spivak permit a question? I meant to ask this question of Senator Olson.

Even though the convenience stores and the people who sell cigarettes were warned that this legislation was coming, were any efforts made by the government to spare them the costs if they are stuck with these kiddy packs on the shelves?

Hon. H.A. Olson: I do not know if it is proper for me to answer, but, yes, there has been a great deal of effort made since February, when the government announced that it would bring in this legislation. Both the manufacturers and the retailers have had plenty of time to clear their stocks. There are probably a few days left before it becomes a prohibition, depending on the date of proclamation of Bill C-11. In any event, I have asked to have prepared a chronological list of the various actions that have been taken and announced, so that everyone involved, from the manufacturers right through to the retail level, will have had adequate notice to clear their stocks of kiddy packs prior to it becoming an offence to sell them.

Motion agreed to and bill read second time.

• (1440)

REFERRED TO COMMITTEE

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

On motion of Senator Olson, bill referred to the Standing Senate Committee on Banking, Trade and Commerce.

CANADA BUSINESS CORPORATIONS ACT

BILL TO AMEND—SECOND READING

Hon. Michael Kirby moved the second reading of Bill C-12, to amend the Canada Business Corporations Act and to make consequential amendments to other Acts.

He said: Honourable senators, the CBCA, or the Canada Business Corporations Act, came into effect nearly 20 years ago in December of 1975. As most members of this chamber know, its basic purpose was to set the framework for rules that provide shareholders, directors, management, and creditors with an element of trust on how business is conducted in this country. The CBCA was designed to strike a careful balance between providing confidence for companies in the fairness of the governance system, and flexibility.

Times have changed considerably. In today's economic climate, businesses must now be able to respond very quickly to emerging trends. They must keep abreast of up-to-date technologies and business practices. Investors will look elsewhere if the regulatory environment of a country is burdensome or out of date with technological developments. Bill C-12 simplifies the regulatory environment of this country by eliminating several things that were in the original bill, and which are no longer necessary in the current economic climate.

Let me give honourable senators a couple of examples: Some 190,000 corporations in Canada are covered by the provisions of the CBCA. The vast majority of these are small- and medium-sized businesses. A high priority has to be placed on modernizing the regulatory framework and the laws that affect the ability of these companies to compete. This is particularly true now that NAFTA is in place.

Bill C-12 essentially reflects a priority of government policy. Small- and medium-sized businesses, as the government has said on many occasions, clearly hold the key to economic growth and, in particular, to job creation in Canada.

Some 50 provisions of the act are amended by this bill, and most of those changes are technical in nature. The bill does not deal with substantive issues that require further study in order for the government to develop a policy on them; a policy that will be fair to both consumers and company owners. These more substantive policy issues will be dealt with in the future, and, indeed, this bill contains an explicit provision that calls for a detailed parliamentary review of all of the policies and provisions contained in the CBCA.

This bill contains a clause which calls for such a parliamentary review to be completed within three years. In fact, the Minister of Industry has stated in testimony in the other place that, although the bill calls for the review to be completed within three years, it is his hope that it can be completed within 18 months. As a first step in that process, the Department of Industry has sent a consultation package to a wide cross section of Canadians who are interested in the CBCA. Draft regulations and substantive proposed amendments will follow these consultations.

Let me just say a word or two about the technical aspects of Bill C-12. What does it do? In the area of improved service, the fundamental element of Bill C-12 is to make sure that Canadian corporations are able to take advantage of technological changes that have occurred in the past 20 years. Under the existing act the director of CBCA, the person who administers the Canada Business Corporations Act, is prevented from using technology to its maximum benefit. He or she is not able to accept information from companies by electronic filing. One of the amendments in Bill C-12 enables the director to select the form and other details related to electronic filing and the issuance of documents. The result is less expense for companies required to comply with the provisions of CBCA.

Another part of the changes proposed in Bill C-12 could be put under the heading "simplification in corporate governance." Under this heading, a number of improvements are made. Again, let me give a couple of examples because, as I said earlier, some 50 parts of the act are amended by Bill C-12. One example is that Bill C-12 defines a six-year period for accounting records and files to be retained. In its current form, the CBCA has no time provision and, in theory, such records need to be maintained for a long time.

With respect to problems companies face when they have to appoint a limited number of directors between shareholders' meetings, Bill C-12 provides a mechanism for modifying a company's articles of incorporation to do exactly that.

The amendments also allow the CBCA director to exempt companies from filing documents if the same documents are already available elsewhere. Under the current rules, even though documents may be generally available to the public elsewhere, companies are still required to file those documents directly with the CBCA director.

Another change under Bill C-12 is the elimination of the public financial disclosure requirements that are now imposed on large, privately held CBCA corporations. Currently there is no such requirement, either at the provincial level or in the United States for the same size and type of companies. Given the emergence of NAFTA and the increase of competition in the business world, clearly there has to be a level playing field with regard to the types of regulations and the types of costs companies have to incur in meeting regulatory requirements. Bill C-12 provides that level playing field. It brings the Canada Business Corporations Act in line with the provisions that exist in provincially incorporated companies and also companies incorporated in the United States.

• (1450)

I must emphasize, however, that this does not mean that financial statements will no longer be audited. Financial statements will still have to be audited. Full disclosure to shareholders will also be maintained.

Another part of the bill contains several amendments where one could appropriately attach the heading "Clarification and Efficient Administration." Bill C-12 seeks to clarify certain sections of the act and to strengthen the CBCA rules governing corporate names. In particular, it now sets parameters or regulations that will constrain the way in which words such as "limitée," "limited" and "corporation" can be used. Some of the confusion that now exists by the use of those names in duplicate places by related companies will be constrained under Bill C-12.

Bill C-12 also has an economic or government efficiency aspect to it. It changes a number of the provisions that enforce the Canada Business Corporations Act. The requirement for the CBCA director to give notice in a newspaper of the decision to dissolve a corporation, for example, is eliminated. This not only saves advertising costs, but, more important, it enables the CBCA director to move expeditiously against the faulty corporations and encourages companies to comply with the public information filing provisions.

To date, Bill C-12 has received extensive hearings in the other place. Sixteen submissions were received by the industry committee. Among them were submissions in favour of the proposed changes from the Canadian Federation of Business, le Barreau du Québec, the Corporate Subcommittee of the Canadian Bar Association, and so on.

Honourable senators, in the submissions received in the other place, groups of lawyers responsible for dealing with corporate law and a number of business associations across the country were very much in favour of the bill.

Honourable senators, I hope this house will agree quickly to refer this bill to the Standing Senate Committee on Banking, Trade and Commerce. It would be our hope to hold hearings on this bill next Tuesday morning so that we would then be able to report this bill back to the Senate next Tuesday afternoon without amendment.

Before closing, honourable senators, I should point out that in the version of the bill distributed to members of the Senate there is a minor error. Before I explain to you what the error is, let me say that the final version will be corrected. The version that the committee will have will be the correct version.

An amendment was introduced in the other place and passed. A new section was added to the bill. The addition of that section means that the particular sections and subsections listed in section 36 are all out by one number. They are out by one number because a new section 9 was inserted. Therefore, for instance, when section 36 refers to section 20, it is really referring to section 21, because a new amendment was introduced. None of the substance of this bill is changed by that error. It is a nonsubstantive, typographical error, which will be fixed in the final version. The clerk has the corrected version of the bill.

[*Translation*]

Hon. Normand Grimard: Honourable senators, I want to congratulate Senator Kirby for giving us such a clever and faithful summary of the bill before us today.

I wish to tell you, on behalf of the majority in this house, that our party does not intend to contest modernization. We realize that several changes, which are aimed at cutting red tape, recognize the impact of modern technology on our daily life. Electronic data transmission and fax machines have now become indispensable. Henceforth, Canadian corporations will be allowed to use them to forward certain official documents. We believe that it is essential for these corporations to have at their disposal all recognized means allowing them to compete on the global market.

In committee, in the other place, the Canadian Institute of Chartered Accountants expressed some concern regarding the elimination of the public financial disclosure requirement for all privately held corporations. At the present time, corporations with assets exceeding $5 million and gross revenues exceeding $10 million must send a copy of their audited financial statements to the director.

We will probably have the opportunity to talk again about clause 17 and several others when this bill comes to the Standing Senate Committee on Banking, Trade and Commerce for a detailed review.

Even though I recognize that it may be appropriate, on occasion, to have a wealth of information, I tend to believe, unless proven otherwise, that such bulky accounting documents are used more to satisfy their competitors' curiosity than to serve the public interest. Although accountants deny this vigorously, one could think that they want to maintain the status quo in a laudable desire for meticulousness but also to keep this private preserve for their own members.

[*English*]

Present provincial laws no longer require that private corporations disclose their financial statements. The government, on the other hand, brought about a useful clarification to one original provision of this bill. In fact, corporations will be required to keep their official documents for a minimum period of six years, and longer if they are compelled to do so by any other federal or provincial act.

Generally speaking, the technical amendments put before us are the first phase of a larger-scale revision. The Canadian Business Corporations Act, chapter C-44 of the Revised Statutes of Canada (1985), was first adopted in 1975. The second part, the one with more consequences, is expected in three years, after a parliamentary committee report is filed.

[*Translation*]

Finally, having observed for three years my colleagues opposite when the roles were reversed, I learned that you should never be totally in agreement with the government. This is why I want to confess that I have another concern about this bill.

Clause 25 of Bill C-12 cancels the obligation to publish in a local newspaper notice of the decision of the director to dissolve a corporation which has neglected or refused to file its annual report, as provided in the present legislation.

I regret having to say that, but the government is not reassuring me when it says it will take all the necessary means to inform the public of these failures to conform by publishing the notice of dissolution in *The Canada Gazette* and in the *Canada Corporations Bulletin*, but no longer in a local newspaper where the corporation has its registered office.

I am not impressed by the fact that the government will save "almost a million dollars over the next few years," as the minister was saying. It seems to me that the drawbacks might be out of proportion with the savings.

Honourable senators, despite these points, I will support Bill C-12 on second reading, and I will listen to any additional information we may receive in committee or in this chamber.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

On motion of Senator Kirby, bill referred to the Standing Senate Committee on Banking, Trade and Commerce.

[*English*]

• (1500)

SAHTU DENE AND MÉTIS LAND CLAIM SETTLEMENT BILL

SECOND READING

Hon. Willie Adams moved the second reading of Bill C-16, to approve, give effect to and declare valid an agreement between Her Majesty the Queen in right of Canada and the Dene of Colville Lake, Déline, Fort Good Hope and Fort Norman and the Métis of Fort Good Hope, Fort Norman and Norman Wells, as represented by the Sahtu Tribal Council, and to make related amendments to another Act.

He said: Honourable senators, I rise to speak on second reading of Bill C-16, for which we have been waiting the last few years. This is reminiscent of the Nunavut settlement of about a year ago. Bill C-16 affects about 2000 Sahtu Dene and Métis people of the Mackenzie Valley. Those people have been negotiating this settlement with the Government of Canada for a few years.

The bill was introduced in the House of Commons on March 8 of this year; it was introduced in the Senate on Tuesday last, and is now at the second reading stage here. If it receives second reading now, I think this bill should be referred to the Committee on Aboriginal Peoples where it can be studied either today or tomorrow.

Hon. Gérald-A. Beaudoin: Honourable senators, Bill C-16 will make law an agreement with the Sahtu Dene and Métis. This is one of the final steps needed to settle the Sahtu Dene and Métis' comprehensive land claim.

The Sahtu Dene and Métis' Comprehensive Land Claim Agreement was finalized on September 6, 1993, by the Sahtu Tribal Council and the former Progressive Conservative government. The Sahtu Dene approved the agreement by a majority of 85 per cent and the Sahtu Métis by 99 per cent in a vote held last July.

Some changes to the agreement were subsequently approved by the Sahtu Tribal Council on January 12 and February 11, 1994, with the new Liberal government.

The Sahtu Dene and Métis will receive ownership of 41,437 square kilometres of land in the Mackenzie Valley of the Northwest Territories. They will also receive $75 million to be paid over 15 years and a yearly share of resources royalties derived from the Mackenzie Valley.

The settlement area, which includes the land transferred to Sahtu Dene and Métis ownership, is the actual area where the benefits and terms of the act apply. It covers 280,238 square kilometres, including Great Bear Lake. The five communities in the region are Colville Lake, Fort Good Hope, Fort Norman, Déline — formerly Fort Franklin — and Norman Wells. The Sahtu will have hunting and fishing rights to the settlement land as well as exclusive trapping rights there. They will also play a role in the management of renewable resources in the settlement area.

Bill C-16 provides for the establishment of two boards to regulate land and water use. It also provides for an Environmental Impact Review Board and a Surface Rights Board to be set up under the provisions of the Gwich'in Land Claims Settlement Act of 1992.

[*Translation*]

I also want to say a few words on the constitutional issue. Bill C-16, the purpose of which is to implement the above mentioned agreement, confirms that the agreement is a land claims agreement within the meaning of section 35 of the Constitution Act, 1982.

This is not a precedent. In 1984, the Western Arctic (Inuvialuit) Claims Settlement Act was passed, while the Gwich'in Land Claim Settlement Act took effect in 1992, and the Nunavut Land Claims Agreement Act was passed in 1993. Therefore, three precedents already exist.

It must be pointed out however, that the agreement as such will not be entrenched in the Constitution. Only those rights which result from the agreement will be protected by the Constitution. They will be considered as treaty rights for the purposes of section 35 of the Constitution Act, 1982.

We must look at two issues: First, since the agreement as such will not be entrenched in the Constitution but the rights resulting from it will, how will we be able to amend the agreement? By using the amending procedure provided in the Constitution Act, 1982? If so, what formula will we use? Otherwise, will the consent of the parties to the agreement be sufficient? Second, does the Canadian Charter of Rights and Freedoms apply to the agreement? This is not obvious. The work of the committee will certainly help us deal with these two issues.

That being said, honourable senators, I agree with the principle of Bill C-16.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

On motion of Senator Adams, bill referred to the Standing Senate Committee on Aboriginal Peoples.

[*English*]

• (1510)

PEARSON INTERNATIONAL AIRPORT AGREEMENTS BILL

SECOND READING—DEBATE ADJOURNED

Hon. Michael Kirby moved the second reading of Bill C-22, respecting certain agreements concerning the redevelopment and operation of Terminals 1 and 2 at Lester B. Pearson International Airport.

He said: Honourable senators, I rise today to begin second reading debate on Bill C-22. Bill C-22 makes null and void, or, in ordinary laymen's terms, cancels the agreements entered into between T1T2 Limited Partnership and the Government of Canada for the commercial development of Terminals 1 and 2 at Pearson airport.

The contract in question was entered into by the previous government. It turned over the development and operation of Terminals 1 and 2 at Pearson International Airport for 57 years to a group of private developers. Pearson airport is Canada's largest and most important transportation facility.

I think it is fair to say that not many Canadians, and certainly no one in this chamber, are unaware of this deal. Indeed, very early in the election campaign a position was taken by the then opposition party, now the government, that "cancellation if necessary" was one of the Liberal's main platform planks.

Prime Minister Chrétien made clear during the election campaign, before the contracts were signed, that his party had serious reservations about this deal and that, once the election was over, a Liberal government would have to be totally convinced that this was a good deal if the deal were to stand.

The Prime Minister requested in no uncertain terms that the parties involved defer their signing until after the election. He asked that this be done so that a new government would not be saddled with a deal which had been signed in the dying days of a dying regime. A new government was very clearly in the process of being elected. They clearly wanted to have an opportunity to review the deal before the contracts were signed.

In all the public comments on this issue, and in all the testimony given before the committee in the other place, a question which was frequently asked, but never answered by any of the participants involved, was: Why did they not wait the three weeks until after the election campaign to decide whether or not to sign the deal?

If in fact the deal was so good for Canadians, and if in fact it was so good for the travelling public who use Pearson airport, Canada's largest airport facility, what was wrong with waiting three weeks until after the campaign to see the outcome of the election, and then allowing the new government to review the deal, and, if it was a good deal, having it signed then? One cannot help but be inherently suspicious about an agreement signed during the dying days of an election campaign, when it has been stated by the party likely to win that it would review the deal and cancel it, if required.

Senator Simard: What is wrong with making the deal public now?

Senator Kirby: There is another very strange thing about this deal. The contract contained no cancellation clause. I personally have had the experience of being in deputy minister level positions both in the federal government and in the Government of Nova Scotia. I have never seen a contract of anywhere remotely this size that did not contain a cancellation clause. It is a fact, however, that this particular contract does not contain a cancellation clause. It is precisely the absence of that cancellation clause which necessitates the introduction of Bill C-22.

Had there been a cancellation clause, the government could have invoked it after the election and there would be no need for this legislation. The issue could have been dealt with in the normal manner in which parties withdraw from a contract, by invoking cancellation provisions.

It seems to me, honourable senators, that in looking at this issue one has always to keep in mind the circumstances under which this bill was signed: The party that was about to win the election was not in favour of the contract. There was the absence of a cancellation clause.

There are two other fundamental issues that the government kept in mind when it began looking at this file. First, clearly it is the government's responsibility to determine whether or not the public interest is served by this deal. The public interest is paramount here because we are dealing with Canada's largest airport. Pearson airport serves not only Toronto, but all the people in this chamber and across the country. Flights frequently go through Toronto either to change planes or because the destination of the flight is Toronto. The operation of Pearson airport is of paramount concern, not only to people living in Toronto and Ontario but to all of the travelling public.

The second factor that the government had to take into account in contemplating whether or not to introduce this legislation is the significant public policy problems that would be associated with leaving Pearson airport in legal limbo by virtue of the contract being cancelled and there following a series of prolonged and time-consuming court challenges. That would not be in the public interest. We cannot have a state of uncertainty existing with respect to Canada's largest airport while various legal battles are taking place over a period of several years.

When the government came into power it asked Bob Nixon, the former treasurer of the Government of Ontario, to look at the contract and at the process which led to the contract. He was to look not only at substantive elements of the contract but also at the process which had been used to persuade the government of the day, the previous Conservative government, to accept this

contract. As a result of looking at that process, and the substance of the contract, Mr. Nixon recommended to the government that the contract be cancelled. The government accepted his recommendation. As a result, we have this bill. I repeat that if the contract had contained a cancellation clause, then we would not have had to resort to legislation.

• (1520)

I think most members of this chamber know that this bill provides the parties an opportunity to get back their out-of-pocket expenses. Exempted expenses are ones incurred for lobbying, as well as so-called forgone profits; money the developers claim they would have obtained had they managed the two terminals for the stipulated 57 years. What this says to the developers is, "If you incurred out-of-pocket expenses in the course of getting ready to undertake this contract, then those expenses, but not lobbying expenses, will be reimbursed."

In order to determine what those expenses are, the government has appointed Robert Wright as the negotiator in this matter. Mr. Wright is a former faculty member of Osgoode Hall. He had a substantial corporate law practice in Toronto. In fact, he is a former chairman of the Ontario Securities Commission.

The government has asked Mr. Wright to examine the out-of-pocket costs which the developers claim they have incurred and to determine whether or not they were actually incurred. He has been asked to give his views to the government as to whether or not such costs should be reimbursed. In the course of undertaking the process Mr. Wright is being assisted by expert claims analysts who are reviewing the various receipts that have been submitted.

The process that will follow is that Mr. Wright's report will be submitted to the Minister of Transport who will make a recommendation to the cabinet. Mr. Wright's report will also be scrutinized very closely by the Auditor General who, in turn, will report to Parliament. Parliamentarians will thus be in a position to consider both Mr. Wright's report and what will happen to it after the Auditor General reports to Parliament.

What the government has said is that it is prepared to pay certain costs but not others. The basic rationale of the government is threefold:

First, the potential uncertainty of having Canada's largest airport in a position of legal uncertainty because of various court challenges had to be removed. Clearly, public policy and the importance of the development at Pearson airport required that the issue be resolved clearly and definitively in order for the future of the airport to proceed in an orderly, well planned and timely fashion.

Second, as it announced during the election campaign, the government decided that it was prepared to put the public interest and the interests of the travelling public ahead of private-sector profit.

Third, from a philosophical standpoint, the government had to deal with the issue of whether or not Canada's largest airport ought to be in private sector hands. Is it in the interests of the public good that Pearson International Airport ought to remain in the hands of the government or some form of government institution?

Senator Murray: What is the view on that question?

Senator Kirby: The bill makes it clear, as the minister has said, that the issue of how the airport is managed is one that he wants to talk to various groups about, once this bill is dealt with. As the honourable senator knows, several ideas have been put forward. One is that the airport continue to be covered by the Ministry of Transport. Another is that it be managed by a local airport authority.

Senator Murray: The government does not have a view on either of those options, is that it?

Senator Kirby: The government may well have a view in that regard, but it is not particularly related to this bill. Even if the government has a view on either of the issues, it could not deal with the issue in the absence of first getting rid of this bill and getting Terminal 1 and 2 back into government hands.

In considering what costs developers ought to be reimbursed, the government took into account several factors. One was that, as far the government knows, nothing illegal had taken place. Second, several of the companies, and particularly some of the smaller ones which were partners to subsidiaries in the agreement, appeared to have been caught in as much a limbo as the government at the time of the change. Indeed, in the opinion of some who testified in the other place, some of the smaller companies were as much a victim of the lobbyists as the government itself had been. Third, if the agreements entered into by the developer are not corrected by this legislation, they could wind up victimizing other companies which had no part in what has been described repeatedly as a tainted process.

Therefore, in the absence of a cancellation clause, and given the nature of the process, the government decided that it had to cancel this contract and proceed to develop an appropriate public policy for the expansion of the airport. Given the absence of a cancellation clause, a mandatory negotiated process was the only avenue open to the government when it addressed this particular problem. To some people the process in arriving at this decision may seem somewhat difficult. I think the word "harsh" has been used in this regard, and it may well be used again.

It is important for all of us to take into account that this cancellation comes as no surprise. This policy decision was taken publicly during an election campaign. It was overwhelmingly mandated by the people of the country. It was clearly overwhelmingly mandated by the people of Ontario who elected 98 Liberals out of a possible 99. It is very difficult, therefore, for anyone to argue that the cancellation of this contract has not received an overwhelming degree of public support.

The results of this process will be available for review and scrutiny by the Auditor General and by Parliament when it reviews the report of the Auditor General. The media, through a number of requests under access to information legislation, will attempt to get at every scrap of information which has been submitted to the government.

Senator Murray: Why not a royal commission?

Senator Kirby: The Minister of Transport has been clear in saying — and I think his vast political experience in New Brunswick leads him to this conclusion easily — that he has every intention of releasing every scrap of information that he can under the law because he recognizes that it will be important for this process to be as open and clean as it possibly can be.

In recommending that this bill be referred to a standing committee of the Senate, it is important to understand not only that the outcome of Mr. Wright's consultations will be subject to intense public scrutiny, but that Canadians have pronounced very clearly their view on this matter through an election campaign.

Senator Simard: Did you take a poll?

Senator Kirby: I do not think we took a bad poll on October 25. I realize that in running the New Brunswick campaign, Senator Simard, you were extraordinarily successful relative to most of your colleagues across the country. After all, you got 50 per cent of the Conservative caucus elected in that campaign. Fifty per cent of the Tory caucus coming from New Brunswick is not a bad achievement. Too bad 50 per cent of a small number is an even smaller number.

I do not have any difficulty in saying that this particular piece of legislation has the support of the Canadian public. I understand that since some members opposite may take a somewhat different view to mine, it would be interesting if they would attempt to answer the two questions I set out at the beginning of my remarks.

The first was: Why was this contract entered into in the dying days of a clearly dying government? Why was that done if the process was really as up front, open, honest and clean, as they would like us to believe? Second, why was a contract of this magnitude entered into without a cancellation clause? Any contract I have ever seen of even one-tenth of this amount, signed by governments at either the federal or provincial level, had a cancellation clause.

I hope that whoever else on the other side intends to speak to this issue will address these two questions, since they and their former colleagues are the only people who can possibly answer them.

Honourable senators, in concluding my remarks I urge that this bill be referred to a committee and then reported to this chamber as expeditiously as possible.

[*Translation*]

Hon. Jean-Maurice Simard: Could the sponsor of the bill answer a question?

Does the government expect this bill to be passed by the Senate next Tuesday or Wednesday, when the House of Commons is to end its work? It seems very far-fetched to me.

[*English*]

• (1530)

Senator Kirby: As Senator Simard knows, the issue of how long it takes to get a particular piece of legislation through this chamber is much more in his hands and those of his colleagues. The numbers are not on this side. It would be in the public interest, as well as everyone's interest, to deal with this bill expeditiously. However, the definition of the word "expeditiously" lies with you, Senator Simard.

Senator Berntson: You will have more luck with the Migratory Birds Act!

Senator Frith: That is interesting. I hope that is on record, too.

Hon. John Lynch-Staunton (Leader of the Opposition): Senator Kirby made reference to the Nixon report, and seemed to know what Mr. Nixon's mandate was. We have never been able to find in written form what Mr. Nixon's mandate was specifically. Does he have a copy of that report? Is there some document that would let us appreciate exactly what Mr. Nixon was asked to do?

Senator Kirby: I do not know the answer to that question, but I am sure that the minister will be appearing before the committee. I cannot believe that the minister will not be asked to appear before the committee. You can put that question directly to him. However, I do not know the answer.

On motion of Senator Lynch-Staunton, debate adjourned.

ROUTINE PROCEEDINGS

BUSINESS OF THE SENATE

ADJOURNMENT

Leave having been given to revert to Government Notices of Motions:

Hon. Richard J. Stanbury (Acting Deputy Leader of the Government): Honourable senators, with the leave of the Senate and notwithstanding rule 59(1)(*h*), I move:

> That when the Senate adjourns today, it do stand adjourned until Tuesday next, June 21, 1994, at two o'clock in the afternoon.

I also wish to make a small statement about that, if I may.

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

Hon. Senators: Agreed.

Senator Stanbury: Honourable senators, my friend across the way and I have had discussions and have come to the conclusion that, since today we have moved every bill that we had outstanding into committee stage, there is no particular point in us sitting as a chamber either tomorrow morning or Monday evening.

By Tuesday, we should have further pieces of legislation before us. With the cooperation of the opposition in agreeing that they will allow first and second readings of these bills to take place without the usual time lapse for notice, it will be just as constructive for the Senate to sit on Tuesday at two o'clock, in order to give everyone the benefit of the weekend.

Next week is likely to be a tiring week. Our intention is to have the Senate sit as long as is necessary on Tuesday in order for all of the bills that the government requires to have first and second readings. It is then our intention to have the necessary committees meet on Wednesday until they have completed their reports on the bills. We will then sit on Thursday to consider all of the committee reports and give third reading to as many of the bills as possible, and then conclude with Royal Assent.

There is no intention to shorten the debate on any bill or the time taken in committees. We intend to give all the time that is required to complete these matters, but that may mean that we will be sitting in the evenings, as well as during the day next week.

Hon. Eric Arthur Berntson (Deputy Leader of the Opposition): Honourable senators, my honourable colleague and friend has essentially put on the record what has been agreed to, but he went just a hair beyond the agreement when he suggested that we had agreed to sit well into the night on Tuesday to deal with Bill C-22, if it appeared to be necessary to move it along.

We are prepared to give Bill C-22 full and ample debate and get it to committee as quickly as we can, and then deal with it in committee as quickly as is reasonable in the normal course. We are also quite prepared to give first and second readings to all of the bills coming before us on Tuesday of next week, in order to move them along and to accommodate the government as much as possible. We will see when that time comes.

Perhaps the honourable senator would clarify for me one more time what the intention was for Wednesday, relative to committees. My reading of the situation is that, with the exception perhaps of Bill C-22, there is not a huge load for any of the committees at this time. I am not sure that we need extra time for committees, with perhaps the exception of Bill C-22.

Senator Stanbury: Honourable senators, it is important to say that I do appreciate the cooperation that we have developed in this house. It is not our intention to try to shorten the debate at all. That is why we may need the evening sittings. We will not use them if we do not need them, but I am putting people on notice that it is foolish for us to be planning to return the following week unless it is necessary. If we are not able to move things through, then we will be returning the following week. However, on the basis that my colleague and I have discussed, it seemed possible that we will be able to wind everything up on Thursday night. If that does not develop, then we will be back the following morning.

Senator Berntson: I understand that that is the honourable senator's desire, but I wonder if he really believes that it is possible to deal with Bill C-22 in all of its aspects next week?

Senator Stanbury: Honourable senators, I have had discussions with Senator Beaudoin, who is not here right now. He is the chairman of the committee that will deal with that piece of legislation. The committee is within the control of his party. I believe it depends entirely on them.

From my discussions with Senator Beaudoin, he did not seem to feel that completing a report on that bill would be difficult. He is looking for legal advisors as witnesses, and he is looking for the two ministers. I said that we would provide the ministers. They have agreed to be available upon request.

That does not sound like a week-long committee meeting. That sounds like a good day-long committee meeting, especially if it goes to ten o'clock at night.

Hon. John Lynch-Staunton (Leader of the Opposition): Let us be clear on that one: Bill C-22 preoccupies us greatly. Unfortunately, Senator Kirby today did not touch on the essential aspects of the bill. He touched on everything that led up to the bill, but he did not talk about the bill itself. We will talk about the bill, and we will point out some of its major flaws.

I may be out of order, because right now we are discussing the adjournment motion, but we are also talking about the program for next week. We will not overdo it. We will not stretch out the debate. We will not ask for prolonged committee hearings. However, we will insist on having a debate with the time needed for it, and on having committee meetings with the time needed for them. We will not be stampeded by the fact that we should all be out of here by June 23 at 3:30 in the afternoon, and must have everything done by then. If we have to come back the following week, or the week after that, or even the week after that, we will.

Senator Stanbury: I am sorry if my honourable friend misunderstood. What I said was that we had agreed on a particular proposed method of dealing with the business next week. This was a matter of agreement. We both know that Bill C-22 will be a difficult bill.

Senator Berntson: It might generate some controversy.

Senator Stanbury: There is no intention to cut back on the debate. After all, it is in the hands of the honourable senator's party. You have the chairmanship of the committee. You are the people who have the majority in the house. Why are you asking us how much time you will have?

Senator Berntson: And you do not care, because Senator Molgat is coming back.

Senator Stanbury: Please do not think that we are stampeding you. This is an effort to accommodate all of the members of this house. If we are not able to accommodate the members of the house and if it is necessary to come back the following week, then we will do that, of course.

Senator Simard: Or the week after?

Senator Stanbury: Sure.

Senator Frith: You can refuse an adjournment. Be it on your head — or in your hands, excuse me.

The Hon. the Speaker *pro tempore*: Honourable senators, it is moved by the Honourable Senator Stanbury, seconded by the Honourable Senator Bosa:

> With leave of the Senate and notwithstanding rule 59(1)(*h*), that when the Senate adjourns today, it do stand adjourned until Tuesday next, June 21, 1994, at two o'clock in the afternoon.

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

Hon. Senators: Agreed.

Motion agreed to.

ORDERS OF THE DAY

TREATMENT OF ABORIGINAL VETERANS FOLLOWING WORLD WAR I, WORLD WAR II AND THE KOREAN WAR

REPORT OF ABORIGINAL PEOPLES COMMITTEE ADOPTED

The Senate proceeded to consideration of the first report of the Standing Senate Committee on Aboriginal Peoples concerning the treatment of aboriginal veterans following the First and Second World Wars and the Korean War.

Hon. A. Raynell Andreychuk moved the adoption of the report.

Motion agreed to and report adopted.

NATIONAL FILM BOARD

FAILURE TO FULFIL COMMITMENT—INQUIRY—DEBATE ADJOURNED

Hon. Jack Marshall rose pursuant to notice of Tuesday, April 19, 1994:

> That he will call the attention of the Senate to the unreliability of the National Film Board in that it failed to fulfil its commitment in 1987 to produce an historical documentary about Canada's WWI hero Air Marshall W.A. Bishop VC, by the then Commissioner, and is as yet unfulfilled by the present National Film Board.

He said: Honourable senators, I will not be long, but I must speak to this order today, since the 15 days have elapsed within which one must respond. While I do not agree with that rule, and while I have not done all the research required, I will deal with certain aspects of my inquiry which are highlighted in my notice.

Honourable senators, on December 2, 1987, dateline Montreal, a press release from the National Film Board said this:

> The National Film Board of Canada today announced that an historical documentary about Canada's World War I hero, Billy Bishop, will soon go into production.
>
> The NFB has already done one film on Billy Bishop: a docudrama that gives a perspective on the nature of heroism and the legend of Billy Bishop entitled, "The Kid Who Couldn't Miss." The NFB feels it's also important to make a documentary on Canada's most decorated military figure, Billy Bishop.
>
> The production will be entirely financed by the National Film Board of Canada.

Honourable senators, I repeat, that is a release of December 2, 1987, seven years ago, by the National Film Board. It was greeted with satisfaction by myself, and I indicated as much when interviewed by the press.

Then from the December 11, 1987 minutes of a meeting of the Board of Trustees of the National Film Board come the following extracts:

> The commissioner met once again with the Senate Subcommittee on Veterans Affairs on October 28 to attempt to reach an agreement on *The Kid Who Couldn't Miss*.
>
> Accompanied by Joan Pennefather...

— who subsequently took over from Mr. Macerola, the then commissioner.

> ...he answered questions from members of the subcommittee, and made a two-fold proposal. First, the NFB would add a new disclaimer to the existing one; second, distribution would be carried on less actively. At the last minute, the chairman of the subcommittee informed the Commissioner that this proposal had been rejected.
>
> On December 2, the Commissioner met with [another party and] he proposed making a new film, entirely financed by the NFB, which would present a historical portrait of Billy Bishop.

That is at a meeting of the National Film Board.

> To conclude, the Commissioner stressed that the decision to make a documentary on Billy Bishop would show that the NFB is indeed responsive to the needs of Canadians, making it possible to write finis to the matter of the Billy Bishop docu-drama, and avoid the possibility of a motion to censure against the NFB...

Those are their words.

> ...being introduced in Parliament or the Senate.

From a November 2, 1987 letter to me from François Macerola, one extract emphasizes what I am trying to get across:

> As agreed, I will keep you, as Chairman of the Subcommittee, constantly informed on a confidential basis concerning the evolution of the film's distribution.

On April 1988, Mr. Macerola wrote to me as chairman to advise me that the National Film Board had begun the production of a documentary film on Air Marshall Bishop which would then change the context of our discussion on *The Kid Who Couldn't Miss*. He finished up by saying:

> I shall most certainly keep you up-to-date on the schedule and progress of the documentary film which is now underway. I look forward to hearing from you.

I do not think I heard from him after that.

In the fall of 1992, in an advertisement by someone, likely the National Film Board, *Contemporary Currents* stated this:

• (1550)

> Except for brief segments at the opening and closing of the film, this narrative history uses only archival footage to create the military experiences of a typical Canadian officer

— no individual; no Billy Bishop —

> in the Royal Flying Corps, from his commissioning in 1914 to his endeavours as a fighter pilot in 1918.
>
> "The men themselves," asks George Pearson, "where did they come from? What kind of man had the stamina, endurance, strength of character and dedication of purpose to master machine and weapon, to overcome the deep inner struggle, to go out day after bloody day to meet the enemy? A disproportionate number of those who could, and did, were Canadians. Their country was proud of them. It still should be."

There is no mention of Billy Bishop.

In the film review, November 10, 1993, I quote from another article:

> This movie had its origin in the storm of criticism that was caused by the release in 1982 of the highly inaccurate production "The Kid Who Couldn't Miss" about the First World War soldier/airman William Avery Bishop, VC. The Bishop character assassination was the subject of an enquiry by the Senate SubCommittee on Veterans Affaires chaired by Senator Jack Marshall, CD. and as a result, in an attempt to mollify the criticism, the NFB Commissioner promised in writing that the Board would produce a "new" film on Bishop. "ACES" is not that film! If the reader did not see "ACES" on its televised debut on the Visions TV channel on November 11 last it is not worth investing the 92 1/2 minutes of time to do so nor for that matter the three dollars and GST required to rent a cassette. In one word it is inane. In the film's defence it must be said that it is on a par with the intellectual junk-food purveyed on much of the air-waves.

Honourable senators, that is the sequence of events which I want to place on the record. However, since I have much more to say, I will adjourn the debate.

On motion of Senator Marshall, debate adjourned.

VETERANS AFFAIRS

STATUS OF MERCHANT NAVY VETERANS— INQUIRY WITHDRAWN

Hon. Jack Marshall rose pursuant to notice of Wednesday, April 20, 1994:

> That he will call the attention of the Senate to omissions in Bill C-84, An Act to amend the Civilian War Pensions and Allowances Act, the War Veterans Allowances Act and the Pension Act, and to amend other acts in consequence thereof; to omissions in related regulations (which restrict the intent, meaning,and interpretations of such documents as they apply to the recognition of merchant navy veterans, including those who were prisoners of war, and particularly to the urgency of speeding up the process of claims and entitlements to awards); and to the inconsistencies in the responsibilities of the Department of Veterans Affairs Canada, Transport Canada, National Defence and Government House as they relate to the above.

He said: Honourable senators, a consultation paper has been produced by the Minister of Veterans Affairs in conjunction with veterans, of which I have a copy. Many of the answers to the questions that I am seeking in this inquiry are documented therein. In order to move on and make progress, I will withdraw this inquiry.

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

Hon. Senators: Agreed.

Inquiry withdrawn.

The Senate adjourned until Tuesday, June 21, 1994, at 2 p.m.

THE SENATE

Tuesday, June 21, 1994

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

Prayers.

THE LATE HONOURABLE FREDERICK WILLIAM ROWE

TRIBUTES

Hon. Joyce Fairbairn (Leader of the Government): Honourable colleagues, it is with a great deal of regret and sadness I rise to inform the Senate that our former colleague, Frederick William Rowe, passed away yesterday in St. John's, Newfoundland, at the age of 81. With his death, Canada has lost an individual of extraordinary interests and abilities, and his province of Newfoundland has lost one of its favourite sons.

Though in Ottawa we may remember Fred Rowe as a dedicated senator with a wide spectrum of interests, in Newfoundland he is remembered as a builder, an educator, an author, an historian, and a tireless servant of all Newfoundlanders. His time here in the Senate was but one part of a much broader career.

Fred Rowe began his service to the public as a Grade 4 teacher in Little Burnt Bay. This began a lifelong interest in education. He went on to become a high school principal and a supervising instructor. He also looked after his own education with a Bachelor of Arts degree at Mount Allison and a Doctorate of Pedagogy at the University of Toronto. As Senator Petten has pointed out in the past, that doctorate was not an honorary one — it was an earned degree.

Fred Rowe began his political life by participating in public debates over whether Newfoundland should join Confederation. He was in favour of that and, as such, he soon came to the attention of Joey Smallwood. When Mr. Smallwood became the first Premier of Newfoundland in 1949, Fred Rowe was appointed Deputy Minister of Public Welfare. He ran successfully for the legislature in 1952 and was appointed to cabinet as the Minister of Mines and Resources. He served in that legislature and in cabinet until 1971, when 22 straight years of Liberal rule finally came to an end.

During the 19 years he served in cabinet, Mr. Rowe made a profound impact on social and economic life in his province. He served as Minister of Welfare, Minister of Education, Minister of Highways, Minister of Finance, Minister of Community and Social Development, Minister of Labrador Affairs, President of the Council and Deputy Premier. During that same period, he became a successful author with his pioneering works, *The History of Education in Newfoundland* and *The Development of Education in Newfoundland.*

After being summoned to the Senate in 1971, Mr. Rowe continued with his literary endeavours. My friends from Newfoundland, I am sure, will know those volumes well: *Education and Culture in Newfoundland*; *Extinction: The Beothuks of Newfoundland*; and *A History of Newfoundland and Labrador.* In 1984 he wrote his book called *The Smallwood Era.* After his retirement in 1987, he published his own political memoirs entitled *Into the Breach.* Both books proved a fascinating account of his early life in Newfoundland, as well of his experience as a provincial and federal politician.

Honourable senators, receiving this news, as we did today, it is quite impossible to adequately pay tribute to an individual who, throughout his life, contributed so much to his country and to his fellow citizens. He will be remembered by them for so many accomplishments.

As I became a senator only in 1984, I did not have an opportunity to ccome to know him well. However, I do know he was very supportive of efforts in literacy and education, because of his background in those areas in his own province. I will always be grateful for that.

As an active legislator, he constantly challenged this chamber with his outspoken views. He advocated the decriminalization of so-called "soft drugs." He called for radical revision of the Criminal Code and preached against, in his own words, "the abuses and anti-social behaviour of big business, particularly the tobacco, automobile and legitimate drug interests."

In this chamber he is remembered for his work on our committees, particularly on the Standing Committee on Foreign Affairs; and for his willingness to serve whenever he was called upon to do so. That is descriptive of his entire life.

Newfoundlanders will recall that same dedication. To them he was a social reformer, a civil servant, a politician and an author. As Senator Doody noted at the time of Mr. Rowe's retirement in 1987:

> We in Newfoundland remember him best for his contribution to education. His work in that field will be long remembered in the province.

Honourable senators, all who knew Mr. Rowe will be saddened by his passing. All who benefited from the spirit of public service which he showed will long thank him for it. His province of Newfoundland will honour him, as does the Senate of Canada. On behalf of all of us in this house I extend the condolences of the Senate to his wife, his four sons and their families.

Hon. C. William Doody: Honourable senators, I would like to associate myself with the very gracious comments made by the Leader of the Government.

Senator Fred Rowe was a member of this place from 1971 until his retirement in 1987. He earned great respect during his years in this chamber. He was a very active senator, deeply concerned about Canada and, more particularly, his native Newfoundland.

Dr. Rowe was a very successful public servant and politician back home. He served as deputy minister in the first government after Confederation. From there he won five consecutive victories to elected office, all, as I recall, with very handsome majorities. He served with distinction in many portfolios in the Smallwood years. Indeed, he was Joey Smallwood's deputy premier.

Fred Rowe was also a scholar, a writer, a thinker and a teacher. He began his teaching career in 1931 at the age of 19. He went on to become a high school principal and a supervising inspector. Somewhere along the way he managed to find the time to earn his Ph.D. He also found time to lecture, give radio talks, write, publish seven books and raise a fine family. Indeed, two of his sons followed in his footsteps to the Newfoundland House of Assembly.

He had a great love for Newfoundland, especially rural Newfoundland, to which he devoted so much of his illustrious life.

To his wife, Edie, and to his sons, Bill, Fred, Bud and George, I extend my deepest sympathy.

Hon. William J. Petten: Honourable Senators, I would like to associate myself with the remarks of my colleagues in paying tribute to a great Canadian, the late Senator Frederick W. Rowe.

I first met Fred when he was a member of the government in our province of Newfoundland and Labrador. I was privileged to work with him for many years in the Liberal Party of our province.

As has been said, he was a politician, an educator, and a writer. His first book, *Early Education in Newfoundland,* was, in my opinion, a mini-history of our province. He kindly supplied me with a number of copies which I sent to many parts of the world where they were well received.

One of his last books, *A History of Newfoundland and Labrador*, was a work which I know he particularly enjoyed writing since he was a first-class historian. This was the first in-depth history of Newfoundland since Prowse's writings so many years ago.

• (1410)

Among his many accomplishments, and they have been mentioned by my colleagues this afternoon, was the creation of the provincial parks in our province.

To his wife, Edie, and "the boys," as he would have called them, and their families, I extend my most sincere sympathy.

Hon. Ethel Cochrane: Honourable senators, I, too, rise with great regret to note that Senator Frederick Rowe passed away yesterday after a lengthy illness. He is survived by his loving wife, Edie, his four sons and their families.

He is also survived and remembered with great fondness by people throughout our province of Newfoundland and Labrador; and by those of us who had the privilege of serving with him in this chamber before his retirement in 1987.

As mentioned earlier, the people of his province knew him well for his many contributions and his achievements as an educator. He had a distinguished career as a teacher and as author of seven books, most of them about education and the history of our province of Newfoundland and Labrador.

After his teaching career, he served for 19 years in the provincial legislature and held several cabinet portfolios, including Minister of Education and Deputy Premier.

During his 16 years in the Senate, Frederick Rowe continued to be an educator. He certainly taught me much about the ways of the Senate and how our institution operates. He gave freely of his time to me, both professionally and socially, to advise and help me to become acculturated to the Senate. I valued his intellect and his friendship. I deeply mourn his loss.

Hon. P. Derek Lewis: Honourable senators, I should like to join with my colleagues in paying respect to the late Senator Frederick W. Rowe.

In doing so, I would like to say that, prior to being summoned to the Senate in 1978, I had not had much personal contact with the late senator other than through social occasions with mutual friends. I did, of course, have contact with him as a public figure and as a member of the same political party.

He was always very interesting to converse with, and I was well aware of his various accomplishments as an educator, author, deputy minister and minister of the provincial government. I believe that most of these accomplishments have been elaborated on by previous speakers.

"Dr. Fred," as I liked to refer to him, made a vast contribution to all aspects of education in Newfoundland, both as a teacher and as Minister of Education. His writings on education in the province and other aspects of life and history of the province are invaluable. I am sure they will stand as a permanent monument to the late senator.

Upon coming to the Senate, Senator Rowe and I became good friends. I spent many pleasant hours in his company, both here in Ottawa and while travelling back and forth.

Dr. Fred was a man of great experience and integrity. On his retirement, I looked forward to spending some time with him and partaking of his wisdom. Unfortunately, much to my regret, this was not to be, as he fell victim to a debilitating sickness to which he finally succumbed.

To his wife, Edie, and his four sons, I extend deepest condolences.

Hon. M. Lorne Bonnell: Honourable senators, I speak as a close friend of Fred Rowe's. I also speak as a Newfoundlander because I still have the twang of one, something which my people learned in Lamaline which is on the coast of Newfoundland. I did not know Fred Rowe at that time because that was way back in the 1800s.

I met Fred Rowe two years after he was elected for the first time. I had to go to St. John's, Newfoundland as Minister of Welfare for the Province of Prince Edward Island. I was taken to the cabinet room to meet the cabinet ministers in Joey Smallwood's cabinet. Sitting next to Joey Smallwood was Fred W. Rowe. That was my first acquaintance with Fred.

I met him many times after that when he held various different portfolios in the Government of Newfoundland. At that time I, too, was minister in charge of several portfolios in the Government of Prince Edward Island. We would meet from time to time at provincial caucuses. We then met here in 1971, after Mr. Moores became Premier of Newfoundland. Fred decided that, rather than spend the rest of his lifetime in Newfoundland, he would come to this great chamber and share with us some of his wisdom.

Fred made sure that we all knew that it was not the Rowes of Newfoundland who killed the Beothuks. Not only did he explain their demise to this house, he wrote a book about it to ensure that all Canadians would know that they died of tuberculosis. The last Beothuk Indian from that province died in 1829 from that disease. It was not the forefathers of the Rowes who slew them.

Fred was a great historian. He was proud of the fact that he got his doctor's degree by earning it. He did not approve of the practice of awarding doctorate degrees to people because they were able to make substantial donations to a university. He always made sure that we all knew he earned his doctorate.

He was an educator, a historian, a politician, a friend, and a great travelling companion. I had the privilege of touring Europe and the Mediterranean Sea with Fred and his good wife, Edie.

Senator Rowe was proud of his children. At one time, his son Bill, a Rhodes scholar, of whom he was very proud, was Acting Leader of the Liberal Party of Newfoundland. Many times he said that not too many families in Canada were fortunate enough to have three people in the legislature of the country at the same time. He had two sons in the Newfoundland legislature, and, at the same time, he was in this upper house. His other children play important roles in the teaching profession in Newfoundland. In fact, Bill is still on a radio talk show in Newfoundland. He was equally proud of his four sons, Fred, Bill, Bud and George.

The only regret he had was that he had no daughters. He tried hard to have a daughter, but he never seemed to know the secret. He asked me one time: "How can you have a daughter?" I tried to explain it to him but it was so complicated that I think he became tired of trying.

Fred would be pleased to know that I took time out today to stand up and talk about him and tell you of his great contribution to Newfoundland and to Canada.

I also want to extend my condolences to his good wife, Edie, who will miss him tremendously, and to his four boys, all of whom we are proud.

SENATOR'S STATEMENT

FOREIGN POLICY

CONGRATULATIONS ON GOVERNMENT INITIATIVES

Hon. Heath Macquarrie: Honourable senators, because of the inexorable advance of the calendar, I shall not have many more opportunities to use this highly important item on our Daily Routine of Business. I am therefore all the more anxious to follow my usual practice of accentuating the positive and doing my best to eliminate the negative.

I was pleased with the recent answer of the Leader of the Government in relation to Canada's contributions towards the economic viability of the new Palestinian entities in the Middle East. It was a comprehensive and informative reply. It is my urgent hope that our country will continue to expand its contributions. It might well be an essential element in any lasting peace between Israelis and Palestinians.

• (1420)

Yesterday I was delighted by statements of Secretary of State Christine Stewart and the Minister of Foreign Affairs, Mr. André Ouellet, in reference to Cuba. Long ago, at the time of the Cuban missile crisis, when I was a timid freshman member of the House of Commons, I spoke strongly in my party's caucus against the suggestions from Washington that Canada break diplomatic and commercial contacts with Cuba.

The Diefenbaker government refused to follow the American lead. A few days later, as I was passing through the government lobby, where I spent only a few years of my life, I heard one of our senior ministers tell another, "Of course, we could not go along with them, but it was not until I heard young Macquarrie in caucus that I gave much thought to the matter."

How long ago that was, "young Macquarrie!"

Monday's announcement on aid to Cuba is most welcome and in the best traditions of Canadian foreign policy. If I may be so presumptuous, I would like to say that here is one aging Tory, albeit a Red one, who sends congratulations to the government on this initiative, which I would describe as both humanitarian and hemispheric.

I never considered myself to be one of John Diefenbaker's favourite caucus members, but I am sure that, on this important matter, the old chief and I are totally *ad idem*.

ROUTINE PROCEEDINGS

CANADA BUSINESS CORPORATIONS ACT

BILL TO AMEND—REPORT OF COMMITTEE

Hon. John Sylvain, Deputy Chairman of the Standing Senate Committee on Banking, Trade and Commerce, presented the following report:

Tuesday, June 21, 1994

The Standing Senate Committee on Banking, Trade and Commerce has the honour to present its

ELEVENTH REPORT

Your committee, to which was referred Bill C-12, an Act to amend the Canada Business Corporations Act and to make consequential amendments to other Acts, has examined the said bill in obedience to its Order of Reference dated Thursday, June 16, 1994, and now reports the same without amendment.

Respectfully submitted,

MICHAEL KIRBY
Chairman

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

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

[*Translation*]

CANADIAN FILM DEVELOPMENT CORPORATION ACT

BILL TO AMEND—REPORT OF COMMITTEE

Hon. Thérèse Lavoie-Roux, Deputy Chair of the Standing Senate Committee on Social Affairs, Science and Technology, presented the following report:

Tuesday, June 21, 1994

The Standing Senate Committee on Social Affairs, Science and Technology has the honour to present its

THIRD REPORT

Your committee, to which was referred the Bill C-31, An Act to amend the Canadian Film Development Corporation Act, has, in obedience to the Order of Reference of Wednesday, June 15, 1994, examined the said bill and now reports the same without amendment.

Respectfully submitted,

THÉRÈSE LAVOIE-ROUX
Deputy Chair

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

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

[*English*]

• (1430)

RADIO CANADA INTERNATIONAL

REPORT OF TRANSPORT AND COMMUNICATIONS COMMITTEE PRESENTED

Hon. Donald H. Oliver, Chairman of the Standing Senate Committee on Transport and Communications, presented the following report:

Tuesday, June 21, 1994

The Standing Senate Committee on Transport and Communications has the honour to present its

FIFTH REPORT

Your committee, which was authorized to study the mandate and funding of Radio Canada International, has, in obedience to its Order of Reference of March 15, 1994, proceeded with that inquiry, and now presents its final report.

Respectfully submitted,

DONALD H. OLIVER, Q.C.
Chairman

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

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

BUSINESS OF THE SENATE

ADJOURNMENT

Hon. Richard J. Stanbury (Acting Deputy Leader of the Government): Honourable senators, with leave of the Senate, and notwithstanding rule 59(1)(*h*), I move:

> That when the Senate adjourns today, it do stand adjourned until tomorrow, Wednesday, June 22, 1994, at one thirty o'clock in the afternoon.

Honourable senators, I would like to make a few remarks.

The Hon. the Speaker: Honourable senators, is leave granted?

Hon. Senators: Agreed.

Senator Stanbury: Honourable senators, by agreement between the Deputy Leader of the Opposition and myself, it had been intended that we would not have a sitting of the Senate tomorrow, and the day would be devoted to committee hearings. However, there is a feeling that some things should be done during the sitting tomorrow. Therefore, there will be a sitting from 1:30 p.m. until 3 p.m., as has been normal.

However, the discussion of that possibility may have misled some of our committee chairmen, so that this afternoon we will have several motions requesting permission to sit while the Senate is sitting, in order that committees may follow through on arrangements they have already made. Senator Doody, Senator Neiman and perhaps Senator Sylvain have motions, I believe.

Hon. Eric Arthur Berntson (Deputy Leader of the Opposition): Honourable senators, I believe the record of the last sitting day will show that there was some discussion about this matter at that time. In fact, the opposition indicated that it is willing to accommodate the government in moving many of these bills along. However, with specific reference to Bill C-22, we indicated at that time that we wanted all the time we felt would be necessary to hold a full debate. We are of the belief that that particular bill ought not to be rushed through. I think there was agreement on that last day. Therefore, while we are still quite willing to accommodate the government to procedurally move these bills along, and while we are not in favour of setting precedents, we have no objection at this particular time to having those committees sit tomorrow while the chamber is in session.

I do not want anyone to misunderstand what was agreed to. It was never our intention to forego our caucus meeting tomorrow morning, nor was it our intention to forgo the sitting of the house tomorrow afternoon, based on the need for debate on Bill C-22.

Senator Stanbury: Honourable senators, it is unfortunate when misunderstandings occur. There is no doubt that we had agreed that we would honour the position of caucuses, and that is why no committees were set to meet until after 12 noon. That was certainly the case, but I must say that I had understood that we had agreed that there would not be a sitting in the afternoon so that committees would have the full day.

However, as I said the other day, that arrangement was not intended to cut short debate on Bill C-22 or anything else, because that debate, whether it be in this house or in committee, could go on *ad infinitum*, and in that regard we may be talking extended hours and other things.

I do not wish to make a big issue of it; I simply want to be sure that we do not blame committee chairmen for having gone ahead on the same assumption that I had.

Senator Berntson: Honourable senators, I am not trying to assess blame at all. I am as capable of getting into a misunderstanding as anyone. My position has been put on the record, and I am not in the business of assessing blame.

Motion agreed to.

MISCELLANEOUS STATUTE LAW AMENDMENT BILL, 1994

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-40, to correct certain anomalies, inconsistencies and errors in the Statutes of Canada, to deal with other matters of a non-controversial and uncomplicated nature in those Statutes and to repeal certain provisions of those Statutes that have expired, lapsed or otherwise ceased to have effect.

Bill read first time.

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

On motion of Senator Neiman, with leave of the Senate and notwithstanding rule 58(1)(*f*), bill placed on Orders of the Day for second reading later this day.

CANADA STUDENT FINANCE ASSISTANCE BILL

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-28, respecting the making of loans and the provision of other forms of financial assistance to students, to amend and provide for the repeal of the Canada Student Loans Act, and to amend one other Act in consequence thereof.

Bill read first time.

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

• (1440)

On motion of Senator Gigantès, with leave of the Senate and notwithstanding rule 58(1)(*f*), bill placed on Orders of the Day for second reading later this day.

DEPARTMENT OF LABOUR ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-30, to amend the Department of Labour Act.

Bill read first time.

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

On motion of Senator Bonnell, with leave of the Senate and notwithstanding rule 58(1)*(f)*, bill placed on Orders of the Day for second reading later this day.

CANADA-UNITED STATES INTERPARLIAMENTARY GROUP

THIRTY-FIFTH ANNUAL MEETING HELD IN SANTA FE, NEW MEXICO—REPORT OF CANADIAN SECTION TABLED

Hon. Dan Hays: Honourable senators, I have the honour to table the report of the Canadian Delegation of the Canada-United States Interparliamentary Group's Thirty-fifth Annual Meeting held in Santa Fe, New Mexico, from May 19 to 23, 1994.

BANKING, TRADE AND COMMERCE

COMMITTEE AUTHORIZED TO MEET DURING SITTING OF THE SENATE

Hon. John Sylvain, with leave of the Senate and notwithstanding rule 59(1)*(a)*, moved:

> That the Standing Senate Committee on Banking, Trade and Commerce have power to sit at one o'clock tomorrow, Wednesday, June 22, 1994, even though the Senate may then be sitting, and that rule 96(4) be suspended in relation thereto.

Motion agreed to.

EUTHANASIA AND ASSISTED SUICIDE

SPECIAL COMMITTEE AUTHORIZED TO MEET DURING SITTING OF THE SENATE

Hon. Joan Neiman, with leave of the Senate and notwithstanding rule 59(1)*(a)*, moved:

> That the Special Committee of the Senate on Euthanasia and Assisted Suicide have power to sit while the Senate is sitting tomorrow, Wednesday, June 22, 1994, and that rule 96(4) be suspended in relation thereto.

Motion agreed to.

ABORIGINAL PEOPLES

COMMITTEE AUTHORIZED TO CHANGE DATE OF PRESENTATION OF FINAL REPORT

Hon. A. Raynell Andreychuk, with leave of the Senate and notwithstanding rule 59(1)*(f)*, moved:

> That notwithstanding the Order of the Senate adopted on Thursday, January 20, 1994, the Standing Senate Committee on Aboriginal Peoples, which was authorized to examine and report upon treatment of aboriginal veterans following the First and Second World Wars and the Korean War, be empowered to present its final report no later than December 15, 1994.

Motion agreed to.

NATIONAL FINANCE

COMMITTEE AUTHORIZED TO MEET DURING SITTING OF THE SENATE

Hon. C. William Doody, Honourable senators, with leave of the Senate, I ask that Motion No. 1, which stands in my name, be brought forward now. I will explain my motive, if I am permitted so to do.

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

Hon. Senators: Agreed.

Senator Doody: Honourable senators, I move:

> That the Standing Senate Committee on National Finance have power to sit at four o'clock in the afternoon today, even though the Senate may then be sitting, and that rule 96(4) be suspended in relation thereto.

With the length of the Order Paper that we have today, and motions being the last item on the Order Paper, four o'clock will have come and gone before we deal with the motion. Therefore, in the interests of moving along the business of the Senate, we have witnesses ready and the committee is prepared to meet at four o'clock. If the Senate will pass that motion, we will get on with dealing with the bill.

The Hon. the Speaker: Honourable senators, is it your pleasure to adopt this motion?

Hon. Senators: Agreed.

Motion agreed to.

SOCIAL AFFAIRS, SCIENCE AND TECHNOLOGY

SUBCOMMITTEE ON VETERANS AFFAIRS AUTHORIZED TO MEET DURING SITTING OF THE SENATE

Hon. Jack Marshall, with leave of the Senate and notwithstanding rule 59(1)*(a)*, moved:

> That the Subcommittee on Veterans Affairs have power to sit at four o'clock in the afternoon today, even though the Senate may then be sitting, and that rule 96(4) be suspended in relation thereto.

Motion agreed to.

• (1450)

AGRICULTURE AND FORESTRY

NOTICE OF MOTION TO AUTHORIZE COMMITTEE TO PERMIT COVERAGE OF PROCEEDINGS BY ELECTRONIC MEDIA

Leave having been given to revert to Notices of Motions:

Hon. Dan Hays: Honourable senators, I give notice that on Wednesday next, June 22, 1994, I will move:

> That the Standing Senate Committee on Agriculture and Forestry be empowered to permit coverage by electronic media of its public proceedings with the least possible disruption to its hearings.

ABORIGINAL PEOPLES

NATIVE SELF-GOVERNMENT—NOTICE OF INQUIRY

Hon. Walter P. Twinn: Honourable senators, I give notice that on Wednesday next, June 22, I will call the attention of the Senate to issues surrounding native self-government, as I have been working in this area over the last several years.

[*Translation*]

BUSINESS OF THE SENATE

On Presentation of Petitions:

Hon. Jean-Claude Rivest: Honourable senators, on the subject of presenting petitions, I would like to ask the Speaker whether a senator may table during this session a petition tabled during a previous session.

The Hon. the Speaker: I am informed that unless there is unanimous consent, a new petition would have to be presented.

Senator Rivest: If there is unanimous consent, could I ask Senator Hébert to give me his petitions on abolishing the GST? I think I will need them.

Senator Hébert: Why certainly!

The Hon. the Speaker: Is Senator Rivest asking for unanimous consent?

Senator Rivest: Yes, honourable senators.

Hon. Senators: No!

The Hon. the Speaker: I am sorry, Senator Rivest, but there is no unanimous consent.

Senator Rivest: Does this mean that I cannot table these petitions again but that I could assemble new petitions to remind the government that they failed to meet the commitment made during the election campaign to abolish the GST?

The Hon. the Speaker: Lack of unanimous consent does not in any way affect the senator's privilege to present petitions in the future.

I am told that, according to our rules, to repeat what has already been tabled is not acceptable.

[*English*]

QUESTION PERIOD

NATIONAL FINANCE

INCREASE IN BANK RATE—DEFICIT REDUCTION PLAN—REQUEST FOR FISCAL UPDATE

Hon. Gerry St. Germain: Honourable senators, in today's edition of *The Toronto Star* — tough words for me to say, "*The Toronto Star*" — I find that they have shown a certain amount of fairness in their reporting.

Michael Hart from the Friedberg Mercantile Group, speaking about the plunge of the TSE and the dumping of Canadian bonds by foreign investors, states:

> What we are seeing is a lack of confidence in the government's fiscal policy.

Our horrific debt scenario, to be fair, cannot be blamed totally on the government of the day. However, they assumed that responsibility. They said they would deal with it effectively.

Our deficit at the present time is over 5 per cent of our GDP, and the interest rate in the Bank of Canada today rose by 0.67 basis points, bringing the bank rate to 7.09 per cent.

Can the Leader of the Government tell us what immediate steps the government intends to take to deal with this?

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I thank Senator St. Germain for his question. He predicates it on the comments of a person with whom, I must confess, I am not familiar and whose views are not totally shared by a number of other people in the financial world.

It is true, as the honourable senator knows, that the market, worldwide, in recent weeks and months has been extremely volatile. The honourable senator also knows, as does everyone in this house, that the anxiety about the market, particularly in recent weeks, has been very much attributed to the political uncertainty that is being manipulated in this country by those who would speak of separation and political upheaval in Canada. So long as that issue is fueled and kept front and centre in Canada, we will have anxiety among investors, both outside this country and inside this country.

The government put forward a budget in February in which it pledged itself to 3 per cent of GDP in three years. That is the goal. It is on track. That is the conviction of the Minister of Finance and the Prime Minister.

While we have an increase in the bank rate, from which no one takes any comfort, we also have another set of indicators in this country that shows that the Canadian economy is growing with a considerable degree of strength: 4.2 per cent of growth in the first quarter of this year. Our employment and our job creation is up. Retail sales are up. Consumer confidence is up. There is strong fundamental growth taking place in our economy.

Interest rates, of course, are worrisome, because we would like them to be going in the other direction. However, my honourable friend knows that this is a phenomenon that is not isolated to Canada, although it is exacerbated in Canada by the political uncertainty created by the situation in Quebec and by the statements of the leader of the Parti Québécois, whose outpourings not only affect individual Canadians in the province of Quebec, but also affect Canadians throughout this country and their job prospects. The sooner they tone it down, the better.

Senator Lynch-Staunton: Talk about the tail wagging the dog. Why does the government leader not answer him?

Senator St. Germain: Honourable senators, to the Leader of the Government again, while she says that we are on track, I would urge her to check with her finance minister. With the significant increase in interest rates, how can we still be on track? One per cent reflects a horrific amount of money, in excess of $400 billion of debt.

Honourable senators, I really question whether we can be on track, and I would urge the Leader of the Government to check that finding. Even though we have this undesirable situation which she described that is causing the increase in interest rates, I believe it is the mismanagement of our economy that will lead to the destruction of this country. Provinces, such as my own province of British Columbia, which is a "have" province, look at the state of the federal finances and question whether there is any proper fiscal management. As the Leader of the Government in the Senate has pointed out, the opposition in the other place are more interested in separation, and the third party is more interested in haircuts, shoe shines and codes of conduct, or discipline within their own ranks.

• (1500)

Honourable senators, I spent last week on government business in the province of British Columbia. While there, I was advised by business groups that there is a definite erosion in the confidence factor in business in that particular province, which has not been as affected by the recession as have some other provinces.

I therefore urge the Leader of the Government to request that the Minister of Finance come forward with an interim fiscal report on the state of the deficit. I know that the Prime Minister is quoted as saying that we do not track the deficit on an hourly basis, but perhaps we could track it on a weekly basis, or on a monthly basis. Considering the technology that exists in this country, one would think we could get an interim fiscal report on the state of the deficit on a monthly basis, at the very least.

I would again request that the Leader of the Government in the Senate bring forth the interim fiscal report I referred to a week ago, in order that honourable senators can go back to their constituencies with ammunition that might possibly help to allay any fears and bolster confidence in the economy.

Senator Frith: You say you were in British Columbia on government business?

Senator St. Germain: Absolutely.

Senator Frith: What were you doing for us?

Senator Fairbairn: Boosting morale! I will certainly pass on your comments to my colleague the Minister of Finance, who, I can assure my honourable friend, is keeping a constant and very sharp eye on economic developments in this country, as is the Prime Minister.

In his question, the honourable senator speculated as to what the government intended to do in this situation. I can tell my honourable friend that one of the things that this government is committed to, and is doing, is the creation of jobs. That is one of the reasons why we are showing continued economic strength. That is also an underpinning of our commitment to the Canadian people.

Honourable senators, the government has taken a number of initiatives, not the least of which is the infrastructure program, which is well on its way. The infrastructure program is one way of building confidence in this country because when people are working and earning a pay cheque, they are able to make purchases and take care of their families. That is one of the ways we maintain confidence in our country.

Another way is to get out into every province and territory and talk about the unity of this country, as I am sure my honourable friend has been doing in his province of British Columbia this last week. We must put aside the absolutely debasing comments that are being made that cut at the economic, social and patriotic underpinnings of Canada.

Some Hon. Senators: Hear, hear!

Senator Lynch-Staunton: Let us all get our flags out!

Senator St. Germain: For Senator Frith's information, I was in British Columbia on official business, without question or doubt.

Senator Perrault: Monkey business.

Senator St. Germain: I want to make sure that the record is straight. I will support the government on any good project, or on anything that is credible.

Senator Frith: You will be a busy man.

Senator St. Germain: Honourable senators, the Leader of the Government loses sight of what the real problem is. We have higher interest rates and, as a result, the deficit can only increase. There is only one way to deal with this problem, and that is to cut expenses. If the Leader of the Government in the Senate is not prepared to go back to her cabinet colleagues and urge them to reassess their position with respect to expenditures in this country, she will fail to bolster confidence in the minds of business people. Business people are not stupid. They will not be driven by hype. They will be driven by direct action that deals with the real issue at hand, and that is the cutting of government expenses. Unless we see action of that nature, there will be no activity on the confidence front.

I ask the honourable leader if she would be prepared to go back to cabinet and ask her colleagues to cut the budgets of such Crown corporations as the CBC? That corporation is spending $1.4 billion.

Senator Fairbairn: I know of my honourable friend's frustration with the CBC. He constantly reminds me of it. I will be very candid with the honourable senator; I will not go back to cabinet and demand the cutting and dismantling of the Canadian Broadcasting Corporation!

Some Hon. Senators: Hear, hear!

Senator Fairbairn: With respect to my honourable friend's comments about the business community in this country, of course the business community is smart; we know that. They are smart enough to know that this government is determined to live up to and to realize its goals.

The business community is also aware of the exercise currently under way by my colleague Marcel Massé, the Minister of Intergovernmental Affairs, who is sifting through the spectrum of government departments and services to see what can be consolidated, how duplication can be cut, and how the Government of Canada can show the way in terms of efficiency and effectiveness. That is all part of the current exercise, as is the important review of social policy in this country, which is aimed at protecting the security of Canadians in the most effective and efficient way, while keeping an eye on the very deficit that concerns my friend.

Senator Frith: A deficit "your friend" had a lot to do with creating.

INCREASE IN BANK RATE—GOVERNMENT POSITION

Hon. Jean-Maurice Simard: Honourable senators, Senator St. Germain has attempted to have the Leader of the Government in the Senate explain the latest increase in the Bank of Canada rate. However, he failed, so I will try again. Obviously, it does not matter what question we ask. What we have been getting for the last two months from the Leader of the Government in the Senate is a standard answer. "Everything is working well." The government is predicting a boom and increased retail sales.

Senator Frith: We learned a bit from Senator Murray sitting over there.

Senator Simard: We have seen a decline in retail purchasing in the last month. Perhaps the Leader of the Government will want to review her standard answer.

Honourable senators, I have four questions for the Leader of the Government in the Senate, but only one preamble. By way of preamble, I should like to remind those opposite of a promise from their Red Book concerning interest rates. On page 20 of the Red Book, Canadians were promised a monetary policy that would produce lower real interest rates. My question for the Leader of the Government is: When will the government honour its Red Book commitment?

Does the Leader of the Government in the Senate feel that the budget contains enough money in its contingency account? According to Mr. Paul Martin, the Minister of Finance, we know that there is $2.4 billion in that account. However, we also know that the 2-per-cent increase in interest rates will cost $4 billion, and that figure keeps escalating, so we are probably looking at a cost of $5 billion or $6 billion. How will this shortfall be made up? When will it be announced that the government is implementing new spending cuts? Will it be next year? If so, that will be too late, because last March the money markets —

Senator Frith: Let us have a question! This is Question Period!

Senator Simard: The money markets are talking about a financial crisis!

Can the minister advise us of what new measures the government will take to address the financial crisis in confidence that the markets now say we are facing?

Those are the first two questions. I have two more, but no preamble next time.

• (1510)

Hon. Joyce Fairbairn (Leader of the Government): My honourable friend indicates that he finds the continued reiteration of our economic forecasts and statistical reviews of recent weeks tiresome. Nonetheless, I mention them repeatedly so that we can all understand that there are two very different things happening in this country.

On one hand, we are experiencing strong economic growth. This is recognized not only in Canada but around the world. The forecasts of the OECD for economic growth in Canada are higher than for any other country in that group. On the other hand, we have been experiencing a fluctuation in interest rates in the last several weeks. My honourable friend knows the reasons for that.

The government is committed to maintaining a steady course of job creation and assistance for people who need special measures, such as those in the Atlantic fishery. There is a great deal of activity going on in this country to stabilize and assist in areas of need. The government will continue to maintain and improve on these policies and initiatives. The Minister of Finance is well aware of the comments of my honourable friend and others, and he will be taking whatever action is necessary to keep us on track.

Senator Simard: We on this side and every other well-intentioned Canadian will admit that the problems are not strictly Canadian-made.

I remember a few years ago when senators opposite, who were sitting on this side then, thought that everything should be blamed on the Mulroney government. We did not agree. We recognize that there are forces at work which affect the American currency and that there are other factors, but they do not explain everything that is happening in Canada.

When the Conservatives were in power, the Liberals benefited from a great misunderstanding by the Canadian electorate, a misunderstanding that you compounded by your misrepresentations before and during the last federal election. Now the Liberal government continues to compound the financial problems of Canada by its fiscal and monetary mismanagement.

Senator Hébert: Order.

Senator Simard: The sooner you get out of there or, to put it plainly, resign, so much the better for Canadians.

The markets are passing judgment on federal and provincial deficits. I am not putting everything at the government's doorstep. However, when will the government stop making silly decisions like cutting $23 million to kill a Canadian institution; playing into the hands of the separatists.

Yesterday, Paul Martin said —

Some Hon. Senators: Question!

Senator Simard: I do not raise this because I want to start an argument, I raise it because the honourable senator raised it. Only ten minutes ago the separatists and those of us on this side were invited to tone it down. I wish you would tell Paul Martin to tone it down, too.

Some Hon. Senators: Order, order!

The Hon. the Speaker: Order. There are moments when it is good for this house to be awakened by a vigorous debate. However, I think we have reached a point where it is a little difficult to hear what is being said on both sides.

I would ask Senator Simard to finish his question, and we will give him an opportunity to do so.

[*Translation*]

Senator Simard: Will the government stop putting all the blame for its own mismanagement on the separatists and start fighting for Canadian unity instead, by standing up for and maintaining our traditional institutions such as the military college at St-Jean, to ensure true and long-lasting unity in Canada?

[*English*]

Senator Fairbairn: Honourable senators, I would be the last person in this house to tell Senator Simard that he should tone it down. I was not speaking of my friends opposite when I made those remarks. I was speaking of parliamentarians in the other chamber. I will certainly repeat that.

One of the most positive things that could happen in this country today would be the election of Premier Daniel Johnson of Quebec when he chooses to call an election. That would tone things down considerably.

I appreciate the comments of my friend with regard to the economy because he understands that this is not an easy issue. If I understood him correctly, he suggested that we should be thinking of resigning.

Senator Simard: The sooner the better.

Senator Fairbairn: I suggest that, at the moment, 59 per cent of Canadians have a great deal of confidence in the action the government and the Prime Minister are taking.

ORDERS OF THE DAY

PEARSON INTERNATIONAL AIRPORT AGREEMENTS BILL

SECOND READING—DEBATE CONTINUED

On the Order:

> Resuming the debate on the motion of the Honourable Senator Kirby, seconded by the Honourable Senator Frith, for the second reading of Bill C-22, respecting certain agreements concerning the redevelopment and operations of Terminals 1 and 2 at Lester B. Pearson International Airport.

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, not only has government's legislative record to date been remarkably, not to say embarrassingly, unimpressive some five months after Parliament reconvened, but the only pieces of legislation which can be called "major" and were not inherited in whole or in part from the previous government are only four in number, and not four to be particularly proud of either.

First there was the back-to-work legislation affecting Vancouver dock workers, never the sort of law Parliament is happy with as it usually results from weaknesses in existing legislation.

That was followed by the law giving Canada the right to go beyond the 200-mile limit to arrest flags of convenience and pirate fishing vessels. The government showed hesitation about the legality of its own bill by refusing to accept any decision of the International Court on the matter. The European Union recently stated that:

> ...the law and its implementation are not only contrary to international law, but also run counter to the efforts made by the international community... to improve the management of fishing resources on the high seas.

No matter the urgency, it is very disturbing to see this country, which has an unblemished and enviable reputation for honouring international commitments, exempt itself in such a blunt fashion.

Third came Bill C-18. It is fresh enough in our minds that I need not summarize its passage through Parliament. Senator Murray's description of it during second reading as "miserable," prior to it being amended, was as apt as any.

Now we have Bill C-22. If the original Bill C-18 was a miserable piece of government legislation, Bill C-22 is not only miserable but appallingly wretched.

In his explanation of the bill at second reading in the House of Commons on April 26, the Minister of Transport justified this Draconian measure by referring to the agreements it declares null and void in such terms as "not in the public interest," "a reliance on lobbyists ...the backroom dealings... the manipulation of bona fide private sector interests... the lack of respect for the impartiality of public servants," and "uncontrolled lobbying conducted behind closed doors." These are the minister's own words. I will spare honourable senators those of the opposition parties' both in the House and at its Transport Committee. They make those of the Minister of Transport sound even polite, being filled with innuendos, not too subtle implications of possible unlawful acts, and generally insulting references to the contracting parties on the private side. Let us not forget their disdainful conduct toward committee witnesses generally.

• (1520)

I do not intend to discuss the agreements at this stage of the debate at any rate. As far as I know, they have not yet been made public. How is it possible to evaluate something so complicated sight unseen? All we have to support the allegations made in the other place is a report entitled, "Pearson Airport Review," which is dated November 29, 1993, prepared by Robert Nixon.

Mr. Nixon held his hearings *in camera*. Only those invited by him appeared as witnesses. They were not under oath. Cross-examination and rebuttal were not allowed. Many of the principals involved with the agreement were never consulted, and those who were, for only a few hours. As far as I can find out, Mr. Nixon's mandate was never made public in written form. Certainly, the sponsor of the bill is not aware of written instructions, as he himself admitted last Thursday.

Mr. Nixon was given 30 days to review thousands of pages of written material resulting from a process which covers a period of four years. As Mr. Nixon himself has written:

> ...the agreement is an enormously complicated transaction. There are over 20 separate contracts, agreements, leases and sub-leases.

In his testimony on May 31 before the House of Commons Standing Committee on Transport, Mr. Gordon R. Baker, the sole trustee of the Matthews Paxport Trust, which has a 14.4-per-cent interest in the T1T2 Limited Partnership, the contracting party with the Government of Canada, commented as follows on the Nixon report:

> The consequences of that haste is a report that has so many inaccuracies, factual errors, omissions, statements that are rebuttable and allegations without one shred of evidence to support them, that the report unfortunately caused great injustice to the Partnership, its partners and their reputations, officials of Transport Canada, the Ministry of Finance, Treasury Board, Justice Department, and a disservice to the Prime Minister and the people of Canada.

Honourable senators, this is a damning indictment which has gone unanswered by the author of the report. Why? Mr. Baker elaborated at length to support his charges before the House Transport Committee. The Liberal majority on the committee voted down a motion that Mr. Nixon appear before it to answer them. Why?

Mr. Nixon mentions only two names which he identifies with Paxport Inc. One is Donald Matthews, who he identifies as chairman of the Mulroney leadership campaign in 1983, president of the Progressive Conservative Party, and chief fund-raiser for that party. The other is Otto Jelinek, who is described as a cabinet minister in the Progressive Conservative government who did not seek re-election and who is now on the board of Paxport Inc., and President of their Asian subsidiary.

Based on these descriptions Mr. Nixon concludes:

> This, together with the flawed process I have described, understandably may leave one with the suspicion that patronage had a role in the selection of Paxport Inc.

Submissions before the House Transport Committee showed these statements to be riddled with errors. Mr. Matthews was not chairman of the Mulroney leadership campaign in 1983. Although it is implied that he was President of the party at the time of the bid, his term was actually from 1971 to 1974. He was never chief fund-raiser of the party.

Mr. Jelinek has never been on the board of Paxport or any of its subsidiaries. Mr. Nixon never consulted with either Mr. Matthews or with Mr. Jelinek before writing this misinformation. Why?

I mention this because the cancellation of the agreements which led the government to introduce Bill C-22 is justified by the Nixon report, which has been accepted at face value, without any interest by the Liberal government in giving those directly affected, not to say "maligned," by it an opportunity to have Mr. Nixon explain and support publicly some of his disturbing assertions. By blindly accepting the Nixon report and repeating, where and when useful, its most serious and not too thinly veiled allegations of impropriety by the private sector, the government seeks to justify a piece of legislation, the likes of which has never been passed by the Parliament of Canada in its entire history.

The Liberal Party had great sport with the Pearson airport agreement during the election campaign. It successfully convinced many Canadians that the agreement was a result of methods and practices described by the Minister of Transport during his second reading speech. The final approval being given only a few days before the election was concrete proof of this, said the Liberal Party. The Nixon report confirms it, says the Liberal government.

Bill C-22 is a logical result, so let's get on with it expeditiously, urges Senator Kirby. Senator Kirby has claimed that, until this bill is passed, technically, T1 and T2 remain in the hands of the developers.

I wish to draw his and the attention of honourable senators to a statement made by Donald Matthews before the House Transport Committee on May 31. He said:

> But T1T2 Limited Partnership never took possession of the terminals. Let me explain why. The Partnership was approached by the Clerk of the Privy Council in October of 1993 to delay taking possession of the Terminals in order to give any newly elected government an opportunity to review the soundness of the legal, financial and economic arrangements with regards to the Airport. I was in favour of such a review and the Partnership cooperated and agreed to a delay...

I fear, honourable senators, that the real reason for pushing for expeditious passage of this bill is prompted by a desire on the part of the government not to give the bill itself anything but a cursory and fleeting look. As a matter of fact, however, it only takes a cursory and fleeting look to realize what a nasty bit of business Bill C-22 is all about.

Bill C-22 contains a number of provisions which are indefensible and go against the practices and traditions of Canadian society. They are found nowhere else in any law of the Parliament of Canada. The Liberal government's introduction of them is unsurpassed in its mean-spirited arrogance. Having so successfully earned significant electoral support only by tarnishing the reputations of hundreds of Canadians, both in the public and private sector, it is now prepared to punish fellow citizens for supposed illegitimate, if not illegal, acts — not one of which is supported with an iota of supporting evidence, with no name mentioned — by stripping them of some fundamental rights.

Even if all that the Liberal government has suggested about the Pearson agreements negotiations were true — I repeat, even if everything that has been said and written were true — my assessment of the bill would be exactly the same. That is why I do not dwell on the agreements today. They are secondary to the bill which contains clauses which cannot be approved without at least the most careful scrutiny, and even then —

The right to cancel contracts unilaterally is not without precedent, and the government is certainly within its rights in doing so. Senator Kirby made much of the fact that the absence of a cancellation clause is highly unusual and is responsible for the introduction of Bill C-22. It is not, if he digs a little deeper into the matter. The lease for Terminal 3 has no cancellation clause; nor does the one with the Vancouver Local Airport Authority.

As a matter of fact, Transport Canada does not put a cancellation clause in any of its ground leases. In any event, what difference would it have made? One of the agreements being cancelled by Bill C-22, which is found in Part II of the schedule at the end of the bill as Item 7, has a cancellation clause, but the government chooses to ignore it.

With it, unilateral cancellation brings obligations. Dislike of a contract is no reason to be exempted from these obligations. Where there is no provision for settlement in a contract following a cancellation, recourse to a mutually agreed third party or the courts is available. Bill C-22 denies this fundamental right. It arrogantly states that one of the two contracting parties, the Government of Canada, gives unto itself full powers to determine what damages may or may not be paid upon submission of the other party.

I want to read the pertinent clauses 7 and 8 so that honourable senators can appreciate the full impact of what the government is trying to do.

• (1530)

Clause 7 states:

> No action or other proceeding, including any action or proceeding in restitution, or for damages of any kind in tort or contract, that is based on or is in relation to

(*a*) the Request for Proposals,

(*b*) the negotiations that followed that Request,

(*c*) any agreement,

(*d*) any advice or services provided to Her Majesty in relation to any agreement, or

(e) any thing done by the Government of Canada in relation to the announcement of the cancellation of any agreement,

lies or may be instituted by anyone against Her Majesty, or against any minister or any servant or agent of Her Majesty, or any person engaged to provide advice or services to Her Majesty in relation to any agreement, for anything done or omitted to be done, or for anything purported to have been done or omitted to have been done, in the performance of any powers, duties or functions.

Clause 8 reads:

Every action or other proceeding referred to in section 7 instituted before the coming into force of this Act is hereby set aside or dismissed.

Simply put, access to the courts, for whatever reason, having to do with the Pearson agreements, is absolutely and unconditionally denied, whether projected or already underway.

Hon. Royce Frith: Not really.

Senator Lynch-Staunton: This is one case where one does not have to be versed in law to appreciate that this denial goes against one of the basic foundations of our society.

Senator Frith: But you can challenge it under the Charter of Rights and Freedoms. There is no "notwithstanding" clause.

Senator Lynch-Staunton: The government, in clauses 7 and 8, is substituting the rule of men and women for the rule of law. From now on the government will decide who has access to justice.

How ironic that the sponsor of the bill was at one time Secretary to the Cabinet for Federal-Provincial Relations and was intimately involved in the events leading to the 1982 Constitution Act, nearly as much as the then Minister of Justice, who is Prime Minister today. Have they conveniently forgotten some key passages of that act, which they worked so tirelessly to bring about?

Have they already forgotten the preamble to the Canadian Charter of Rights and Freedoms, which reads:

Whereas Canada is founded upon principles that recognize the supremacy of God and the rule of law...

Does section 15(1) of the Charter no longer matter to them? It reads:

Every individual is equal before and under the law and has the right to the equal protection and equal benefit of the law without discrimination...

Despite the flagrant abuse contained in clauses 7 and 8, so obvious and despicable, none on the opposite side in the House of Commons made more than a passing reference to it. The opposition parties found it more to their partisan advantage to proclaim their political virginity, while condemning the national parties for their supposed corruption.

The question before us, honourable senators, is not the contract, or how it came about, or who was involved, or how much money was paid to lobbyists, or who spoke to whom in what minister's office, or who is a well-known supporter of what political party, or why the Prime Minister authorized that the transaction be concluded 18 days before the federal election. Those and other related matters, as far as I am concerned, are not for today. The main question before us is the legality of clauses 7 and 8.

It is interesting and even more significant that Senator Kirby hardly touched on the bill itself in his presentation, and not at all on clauses 7 and 8. He spoke much of all that came before but little of Bill C-22 itself. He has been put in an unenviable position, for even with his eloquence and quick repartee it is impossible to successfully defend the indefensible.

There are other aspects of the bill that trouble us.

Senator Frith: You are doing very well "defending your indefensible."

Senator Bolduc: That is because he is right.

Senator Frith: No, it is wrong. Look at it!

Senator Lynch-Staunton: The minister, at his own discretion and on his own terms, determines what is and what is not eligible for compensation, and what the amount of that compensation will be, if any.

Senator Carney: This is wrong?

Senator Frith: It is wrong that you cannot challenge the bill under the Constitution. It does not have a "notwithstanding" clause.

An Hon. Senator: Order!

An Hon. Senator: The Liberal king can do no wrong!

Senator Frith: What he is saying is legally wrong, that is all, and he says he is only interested in the legal side.

Senator Berntson: We would be happy to hear this argument, when you enter the debate.

Senator Frith: Good, but I do not think you will be happy.

Senator Lynch-Staunton: If the government's intentions are not clear enough, subclause 10(3) is. It states:

> No agreement may be entered into under this section after one month after the coming into force of this Act.

In other words, take it or leave it, but the government will decide whether or not there is anything to take.

The objections raised, particularly the denial of access to the courts, are serious and cannot be dismissed by this chamber. They were not given any consideration by the government or by the opposition parties either in the House of Commons or at its Transport Committee hearings. They cannot be dealt with here without serious examination. They imply, at least to the layman, a horrendous violation of a fundamental right.

I urge honourable senators to concentrate their interest on these issues, for the agreements which led to Bill C-22 should not be the issue at this time.

I want to conclude by reminding honourable senators that not so long ago the Senate was faced with a situation which is recalled by Bill C-22. In 1988, the then government tabled Bill C-55, which amended the Immigration Act of 1976. I want to read from the report of the Standing Senate Committee on Legal and Constitutional Affairs, dated May 11, 1988, two paragraphs of which contain observations most appropriate to the debate on Bill C-22. This excerpt from the report states:

> In addition to stipulating that members of the Board were to cease to hold office on the coming into force of Bill C-55, the Bill also contains a provision stating that no person appointed as a member of the Immigration Appeal Board or the Refugee Status Advisory Committee would have any right to claim or receive any compensation, damages, indemnity or other relief for the loss or abolition of his or her office. The Governor in Council would be entitled, however, to provide such relief in its discretion.

This was a bill containing such a section which was before the Senate. This is the reaction of the Standing Senate Committee on Legal and Constitutional Affairs to that particular section. The committee went on to say:

> The Committee thinks that it is much to be preferred in principle to provide just compensation for individuals who, having undertaken to provide services in reliance on stated terms, find at a later date that their services are no longer required. This would seem to be the equitable way to treat incumbent members and also reflects a principle that is firmly established in our law. Amendment 12(*c*) —

which was an amendment that the Senate proposed to drop that section.

> — recommends that the "no right to compensation" provision be removed, thus restoring whatever legal rights these individuals would ordinarily possess.

The amendment was eventually approved by the House of Commons and became law, thereby allowing a number of challenges, including one by a person who is today Minister of National Revenue.

The Senate intervened then to safeguard a basic principle and a fundamental right. Surely it has a responsibility and a duty to do the same today.

Hon. Noël A. Kinsella: Honourable senators, in rising to speak in this debate on Bill C-22 I have ringing in my ears the maxim that equity abhors forfeiture.

• (1540)

Indeed, honourable senators, free Canadians can only find abhorrent the provision of this bill which seeks to deny Canadians access to a court of law. The history of assaults on the practice of freedom is marked by attempts of those in power to act with supreme authority and never to be subject to restraints on that power.

Bill C-22 provides, as Senator Lynch-Staunton pointed out to us, in clause 7, that:

> No action or other proceeding... may be instituted by anyone against Her Majesty... in relation to any agreement...

and related thereto, and in clause 8, that:

> Every action or other proceeding referred to in clause 7 instituted before the coming into force of this Act is hereby set aside or dismissed.

These are provisions which I believe constitute an egregious affront to our fundamental principles of rights and freedoms.

Honourable senators, how do these provisions of clause 7 and clause 8 measure up against a number of human rights standards which bind us as Canadians?

Honourable senators, if we turn to the Canadian Bill of Rights, the Act of Parliament of 1960, we find that it provides in section 1(*a*):

> ...for the right of the individual to... enjoyment of property, and the right not to be deprived thereof except by due process of law.

We must also ascertain whether or not clauses 7 and 8 meet that test, particularly since section 2(*e*) of the Canadian Bill of Rights provides:

> Every law of Canada shall, unless it is expressly declared by an Act of Parliament of Canada that it shall operate notwithstanding the *Canadian Bill of Rights*, be so construed and applied as not to abrogate, abridge or infringe or to authorize the abrogation, abridgement or infringement of any of the rights or freedoms herein recognized and declared, and in particular, no law of Canada shall be construed or applied so as to...
>
> (*e*) deprive a person of the right to a fair hearing in accordance with the principles of fundamental justice for the determination of his rights and obligations.

Honourable senators, not only domestically but also internationally, we find expression of very clear principles of the right to property, the right to determination, of the significance of the right to property being determined by an independent tribunal. As you know, Canada was a signatory on December 10, 1948, of the Universal Declaration of Human Rights of the United Nations.

Article 17 of the The International Bill of Human Rights provides:

> 1. Everyone has the right to own property alone, as well as in association with others.
>
> 2. No one shall be arbitrarily deprived of his property.

Then we turn to article 10, and it states:

> Everyone is entitled in full equality to a fair and public hearing by an independent and impartial tribunal in the determination of his rights and obligations...

Honourable senators, on the international plane, we are party to a number of international treaties, such as the NAFTA which we worked on not too long ago in this chamber; treaties which provide for the protection of the property of investors who choose to invest in countries other than their own. Specifically, under such treaties, foreigners who invest here in Canada are guaranteed compensation for assets being expropriated in Canada and due process for determination of that fair settlement.

We must question therefore: Are we to allow a situation to develop wherein treaties guarantee greater rights to foreigners than the rights Canadians have?

I draw to the attention of honourable senators article 1110 of the NAFTA agreement which provides that:

> No Party may directly or indirectly nationalize or expropriate an investment of an investor of another Party in its territory or take a measure tantamount to nationalization or expropriation...of such an investment, except,
>
> (*a*) for public purpose;
>
> (*b*) on a non-discriminatory basis;
>
> (*c*) in accordance with due process of law and...
>
> (*d*) on payment of compensation in accordance with paragraphs 2 through 6.

These principles or standards, honourable senators, are not without a long and noble tradition. Indeed, one can find in that historic meeting at Runnymede in the 13th century, in 1215, the Magna Carta established that the ruler of England could not take the property of its citizens without fair payment.

Senator Frith: Not the property of the barons anyway.

Senator Kinsella: Throughout the centuries, both the English common law and the French civil law have underscored the principle that the Crown cannot seize the property of the citizenry without fair compensation.

Honourable senators, as I read clause 7 and clause 8, the question of all government under the law comes to the fore. The insidious impact of clauses 7 and 8 of Bill C-22 is to remove government from the authority of law — an impact which speaks against the principle that all government is under law.

As the great Professor Scott has written:

> Many great struggles, many sanguinary battles and many leading cases of common law went to the making of the fundamental principle of the rule of law.

If the rights of citizens are to be determined by law and not by the arbitrary will of governors, there must be independent courts to protect those rights.

One can also wonder and reflect on the public policy impact that lies behind the principles from which clause 7 and clause 8 flow, where we are giving final and supreme adjudication of claims to government. Is there an application of parliamentary supremacy without any restriction or review, thereby constituting an expansion of governmental authority over the lives and welfare of citizens without providing enough avenues to question that authority?

Honourable senators, what are the institutions in Canada for the protection of freedom? The first institution is, obviously, the people. Second, it is the courts. Third, honourable senators, it is the assemblies, Parliament and the legislative assemblies. All three institutions need to be vigilant, need to be active and invigorated in addressing the mal-exercise of power over people.

In this bill, what do we find? We find a direct attempt by the government to seize non-supervised power in the denial of property rights.

• (1550)

Senator Frith: That is not true.

Senator Kinsella: The honourable senator, in interrupting the speech of the Leader of the Opposition, postulated that one can go to court. Indeed, no doubt if such a bill were law, I would suspect that there would be very little difficulty in the courts finding that those sections offend the Canadian Bill of Rights, if not the Canadian Charter of Rights and Freedoms. I say to the Honourable Senator Frith —

Senator Frith: Bill C-22 is subject to the Charter.

Senator Kinsella: — that it is not only the courts that are an institution for the protection and the promotion of the freedom of Canadians. So also is Parliament. We must do our duty to scrutinize those types of provisions that seek to seize greater power and to remove any oversight. Therefore in a bill such as Bill C-22, our responsibility is greater than normally might be the case.

In terms of public policy issues that arise around this type of legislation, many people have expressed concern that the expansion of government authority can threaten individual rights. A healthy constitutional order should provide enough avenues to question authority, so that authority is considerate of the rights of all citizens and not only the legitimate will of the majority, and of the bureaucrats representing that authority. When this delicate balance is destroyed, order is often sought as an end in itself, rather than as a condition for social good, including individual rights.

In conclusion, honourable senators, there are many questions and challenges that this bill presents around those two clauses. First, is the denial of access to the courts by clauses 7 and 8 consistent with the human rights standards which guide us? Second, are those provisions — egregious, in my view — consistent with the principles of natural justice and the duty to act fairly? Finally, what are the public policy impacts of such provisions that make the minister the ultimate arbiter in matters such as these and, at the same time, deny access to the court should the minister err?

Honourable senators, I submit that these and other questions must be thoroughly examined before we proceed with this bill.

[*Translation*]

Hon. Pierre Claude Nolin: Honourable senators, this bill definitely warrants very close scrutiny. When I say "scrutiny," I hope that our government colleagues will use their common sense.

I will not repeat the points raised by my two colleagues, but I think we should consider that this house represents the last control post before the rule of law, as my colleagues referred to it, applies.

I am sorry to contradict part of what was said by the previous speaker, but although Montesquieu wanted the three fundamental powers of government to be equal, they are not.

In a democracy of the kind we have in Canada, one power is supreme. That supreme power is ours, the power of Parliament.

Senator Thériault: The people are Parliament!

Senator Nolin: I hope this bill will not be ratified in its present form. As soon as it is enacted, the courts will have to interpret it, but they will not be able to make any improvements. This house represents the last wall of defence to protect the public rights we believe in.

To avoid extending the debate, I will skip some of the points I wanted to raise.

I think that consideration in committee will certainly shed some light on the following question: What does this legislation really accomplish? Or perhaps I should rephrase the question: What does it prevent?

This bill contains, and perhaps consideration in committee will shed some light on the subject, what could be called a specific privative clause. After looking at the available jurisprudence, I was unable to find a similarly specific expression in federal legislation.

One occasionally finds such terms in provincial laws. In fact, because of the jurisdictions set out by the Constitution, the provinces have, on several occasions, and the province of Quebec is no exception, used this type of clause to remove certain cases from the jurisdiction of the courts to that of quasi-judicial administrative tribunals.

This bill contains such a clause. We in this house must decide, not the courts which will examine it subsequently once this bill is enacted. Then there will be no more recourse. The courts will have to take it as is. They will interpret it, since that is their duty, but it is our duty to examine every consequence of the precedent the government is asking us to create.

The very first days after it came to power, the government asked Mr. Nixon to examine the agreements to which the bill refers. If Mr. Nixon had decided that anything unlawful had taken place, and this is unlawful in the broadest sense of violating federal law, he could have recommended, first of all, cancellation of the contract, whether or not the contract or the agreements contained a cancellation clause, since the contracting parties always have that option.

If he had found any irregularities of a criminal nature, and there were quite a few allegations, the Canadian police authorities are there to deal with this kind of situation. I wish a commission of inquiry had been able to shed some light on all the unsubstantiated allegations in Mr. Nixon's report.

Meanwhile, I suggest we concentrate on preventing the creation of a precedent in this country. I hope that the Senate committee will examine all the legal implications of this privative clause. I am surprised that over a seven-month period, two of the government's controversial pieces of legislation, and there are not many, would contain this type of clause. One concerned international law and one domestic law.

There is no doubt, honourable senators, that I will try to convince my caucus of the impending dangers. I intend to vote against this bill, and I hope the Senate committee will take all the time that is necessary to examine the consequences of this bill.

I fail to understand why the government is applying its steamroller technique. In any case, in committee we will have plenty of time to question ministers and senior officials of the Department of Transport, the same people who negotiated the original agreements and the same people who advised the new minister and made the recommendations for this defective and dangerous legislation.

I am confident that the committee will be able to shed some light on the most troubling legal aspects of this bill.

On motion of Senator Berntson, for Senator Balfour, debate adjourned.

[*English*]

• (1600)

APPROPRIATION BILL NO. 2, 1994-95

SECOND READING—ORDER STANDS

On the Order:

> Resuming the debate on the motion of the Honourable Senator Stanbury, seconded by the Honourable Senator Hébert, for the second reading of Bill C-39, An Act for granting to Her Majesty certain sums of money for the public service of Canada for the financial year ending March 31, 1995.

Hon. Richard J. Stanbury (Acting Deputy Leader of the Government): Honourable senators, Senator Bolduc, who was to speak on this matter, has had to go to committee. We have agreed that this item should drop to the bottom of the Order Paper.

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

Hon. Senators: Agreed.

Order Stands.

MIGRATORY BIRDS CONVENTION BILL, 1994

SECOND READING

Hon. Colin Kenny moved the second reading of Bill C-23, to implement a Convention for the protection of migratory birds in Canada and the United States.

He said: Honourable senators, I am glad to have this opportunity to speak to this bill, which replaces the Migratory Birds Convention Act. That act was passed by Parliament in 1917 to implement the Migratory Birds Convention, which Canada and the United States had signed the previous year. That convention sought to protect species of migratory birds common to both countries.

The act implemented the convention in three ways: It regulated the hunting and use of migratory birds; it prohibited trafficking and commercialization; and it provided for the establishment of sanctuaries where migratory birds would be safe from human interference.

More than 75 years have passed since the signing of the convention and the passage of the act. In those years, the legislation has served a highly useful function in protecting migratory birds. Today, over 400 species of migratory birds in Canada receive protection under the act. Among them are waterfowl, seabirds, shorebirds, and songbirds. In addition, a total of 101 migratory bird sanctuaries exist in Canada, covering some 11.3 million hectares of territory, an area twice the size of Nova Scotia.

Today, the world community is committed to using natural resources in a sustainable way — in other words, in a way that does not deplete the resources and limit the options of future generations. That commitment was spelled out in the 1992 Earth Summit in Rio de Janeiro. One of the major successes of that summit was the Global Convention on Biological Diversity which Canada has signed and ratified. The biodiversity convention is an instrument for advancing worldwide protection of living natural resources, and strong and effective legislation is a key component of the effort.

There are many reasons for protecting our wildlife, and especially our migratory birds. They represent a key part of our heritage and our identity. They give immense pleasure to our citizens and visitors to Canada. There are dollars and cents reasons as well: According to Canadian and U.S. government surveys, in 1991 alone, Canadian and American tourists spent $1.4 billion on recreational activities involving waterfowl, a spending that helps maintain thousands of jobs.

The legislative authority provided by Parliament must reflect the values and concerns of Canadians for protecting our wildlife heritage. It should also be consistent with other federal legislation regulating natural resources and the environment. It must be flexible in its application, and yet provide a strong deterrent to illegal activities.

• (1610)

The amendments have three goals: good law, good enforcement, and good management. Most amendments included in Bill C-23 are of an administrative nature designed to modernize and clarify existing provisions. The more substantive changes include significantly increased penalties for violations, increased flexibility for courts in imposing sentences, expanded protection for migratory birds, and streamlined and strengthened enforcement procedures.

Honourable senators, we must have a law that covers all contingencies and prescribes suitable penalties. The amendments do this by modernizing provisions of the act. As it stands, the act no longer provides effective means or penalties to deter lawbreakers, especially poachers and those who make illegal commercial use of migratory birds.

For example, honourable senators, fines under the existing legislation range from a mere $10 to a maximum of $300. Half a century or more ago that might have been sufficient to make would-be offenders think twice about contravening the law, but certainly not today. The poaching and smuggling of migratory birds is a lucrative and growing business. Growing demand for Canadian species of migratory birds and eggs is increasing their value and could put some species at risk. A serious offence under the act is one in which illegal activity is detrimental to the survival of the species; for example, when the activity involves an endangered species or a large quantity of specimens of a threatened or other species.

For serious offences, the maximum fine will be increased from $300 to $100,000 for an individual; or $250,000 for a corporation, with provisions for increasing fines for continuing or subsequent offences. Fines would correspond to the nature of the offence, and sentences could include forfeiture of weapons, vehicles, boats, aircraft or other things used by those contravening the act. On the other hand, the bill ensures that minor offences could be dealt with by issuing tickets.

The court would also have greater flexibility in imposing sentences by providing court authority for special orders. Such orders can be particularly effective in the case of environmental legislation where those convicted can be ordered to remedy the harm, pay for remediation, avoid activity which could lead to repeated offences, publish the facts relating to the case, or perform community service. They allow the courts to take into account not only the nature of the offence, but also the particular circumstances of the person convicted; that is, it allows for constructive and innovative sentencing.

Honourable senators, in preparing the Migratory Birds Convention Bill, we have been given the opportunity to be forward looking in responding to threats to migratory birds. Consistent with the Convention on Biological Diversity, the sperm, embryos and tissue cultures of migratory birds are now being made subject to the act. These activities will be regulated and managed through permit programs.

Included in Bill C-23 are a number of provisions designed to improve and strengthen enforcement powers and capabilities. These include powers of inspection, search and seizure, forfeiture and disposal of seized items, and other provisions consistent with the Criminal Code, the Charter of Rights and other federal environmental and natural resource legislation.

The Minister of the Environment may also designate persons or classes of persons as game officers. If these people are employed by a province, then designation must be with the agreement of that province. Already, provincial and territorial wildlife agencies work with Environment Canada's Canadian Wildlife Service in migratory bird enforcement. Now, under the amended act, the partnership will be strengthened.

The aim of the amendments is to ensure that migratory bird populations are maintained at sustainable levels. The government has developed the amendments only after extensive consultation with all interested parties. That includes provincial and territorial governments, First Nations, conservation groups, and other non-government organizations. The proposed changes are supported by all provinces and territories and by many other parties.

Honourable senators, the partnership approach is essential for conservation of migratory birds. Neither the federal government nor provincial governments nor, for that matter, governments of other countries can hope to effectively conserve biodiversity in isolation. Cooperation and partnerships are the key to achieving this goal and other goals linked to sustainable development.

From a point of view of both practicality and effectiveness, the issue of enforcement is one which a coordinated federal-provincial approach makes the most sense. There are many other areas for which this approach generates benefits, where objectives and concerns are shared, and where building on each other's strengths through cooperative action improves environmental results.

An excellent example of such partnership is the International North American Waterfowl Management Plan. The plan, originally signed in 1986, is an initiative to protect and enhance wetland and upland habitat on a continental basis to stem the decline of waterfowl. It has evolved from a plan focused on waterfowl conservation to one that incorporates benefits to biodiversity conservation. The plan exemplifies sustainable development in action by working with private landowners and resource sectors to integrate wildlife conservation practices with sustainable economic development, particularly through soil and water conservation initiatives. Partners include the United States federal and state governments, non-government organizations, and all Canadian provinces. As well, Mexico is a full partner, making this a truly continental conservation plan.

On June 9, the Deputy Prime Minister and the Minister of the Environment signed the update to the plan extending Canada's commitment for another five years. As the minister pointed out, the success of the plan in the last six years has been to arrest the destruction and loss of wetland habitat for migratory birds. Our common goal for the next five years is to set aside more breeding grounds and to see our skies filled with an annual migration of 100 million birds.

There are many other areas of wildlife conservation benefiting from this cooperative approach. The Canadian Wildlife Service of Environment Canada has established a Latin American program under which we are helping to protect the habitats of our migratory birds that winter south of the U.S.-Mexican border.

We also have a memorandum of understanding with the American and Mexican governments to conserve migratory birds and their habitats in Mexico. The Canadian Wildlife Service helped establish the census of the waterfowl carried out by the International Waterfowl and Wetlands Research Bureau. It is also very active in the Western Hemisphere Shorebird Reserve Network, an initiative that seeks to identify and protect critical areas for the migration of shorebirds. The service works with the United States to conserve song birds through a program called, "Partners in Flight."

Honourable senators, I mentioned that the government has consulted with many First Nations in preparing the amendments to the Migratory Birds Convention Act. We recognize that waterfowl harvesting is an important and essential subsistence activity for many aboriginal peoples, providing a considerable portion of their diet. We know that traditional hunting activities also have a great significance in aboriginal culture.

At present, neither the act nor the Migratory Birds Convention itself provides for certain activities that are protected by aboriginal rights. Amongst these are hunting during the closed season from March 10 to August 31 and the collection of eggs. To accommodate and respond to the traditional practices of Canada's aboriginal peoples, we would have to reach agreement with the United States on amending the Migratory Birds Convention. In this regard, honourable senators, I can advise you that negotiations with the United States will take place this year towards bringing about these changes in a responsible and expeditious manner.

In the meantime, a non-derogation clause is included in Bill C-23 that states:

> ...nothing in this Act shall be construed so as to abrogate or derogate from any existing aboriginal or treaty rights of the aboriginal peoples of Canada under section 35 of the *Constitution Act, 1982*.

Special enforcement measures that allow continued pursuit of traditional harvesting in the spring and early summer are also in place to address the closed season harvest of migratory birds under the existing act, and also under this bill.

• (1620)

The federal government's aim is to work in consultation and cooperation with the First Nations. Partnership could take the form of co-management agreements, self-government agreements and the wildlife management provisions of comprehensive claims agreements.

The changes we are proposing to the Migratory Birds Convention Act will establish penalties that will make potential lawbreakers hesitate and think again. They will improve enforcement and provide for more flexible management. Above all, they further the partnership we must have to sustain our living wildlife resources into the future. The changes will transform an outdated piece of legislation and make it law for the coming century. For this reason, it deserves the support of this chamber.

Hon. Mira Spivak: Honourable senators, I thank Senator Kenny for his full discussion with regard to Bill C-23. I am sure all senators will want to see this bill pass quickly. As Senator Kenny has pointed out, this bill is to repeal and replace the current legislation, which was enacted in 1917 to halt the indiscriminate slaughter of migratory birds.

A comprehensive review of Environment Canada's regulatory programs was conducted in 1993, including a review of the regulations pursuant to the Migratory Birds Convention Act. The review recommended improvements to streamline administration, modernize procedures and regulatory authority and make regulations more enforceable. This bill reflects that review in some detail.

As Senator Kenny pointed out, a striking example is the maximum fines, which were $300 for indictable offenses but are now $250,000 for corporations and $100,000 or imprisonment — or both — for individuals. As Senator Kenny has gone so thoroughly through the bill, I do not think I need to go into it specifically.

I would like to talk about the issues on aboriginal and treaty rights to harvest birds during the closed season and to harvest eggs. This matter was raised in the House of Commons committee by Matthew Coon-Come, the Grand Chief of the Crees. The grand chief underlined the importance of conservation to the protection of the native way of life, as guaranteed by the James Bay and Northern Quebec Agreement. In these agreements, Canada committed itself to seeking the necessary amendments to the Migratory Birds Convention, in order to ensure that it would be consistent with the provisions made in those agreements.

The Migratory Birds Convention Act includes a provision to implement amendments to the Migratory Birds Convention by the Minister of the Environment, without recourse to Parliament. I assume that this is because the process currently under way to amend the Migratory Birds Convention to address aboriginal treaty rights to harvest birds in closed season and to harvest eggs is not yet completed.

It is imperative — and this is an issue of some concern to the Crees because it has been going on for some time — that, as Matthew Coon-Come pointed out, this legislation not place in jeopardy the subsistence economy of the Crees and of other aboriginal peoples, and that their treaty rights and those under the James Bay and Northern Quebec Agreement be enshrined in convention amendments.

It is also important to note that the activities of hunters and others should not be allowed to threaten the preservation of wildlife so necessary to the continuance of a chosen way of life for certain aboriginal peoples. It is to be hoped that this legislation will indeed advance both the preservation and

conservation of migratory birds, their habitat and the management of wildlife resources to enable people such as the Crees to continue their age-old hunting practices without the decimation of bird populations that is part of modern development. Recent reports in *La Presse* indicated that 1,000 out of 9,600 bird species, or 10 per cent of our bird population, are threatened or will become extinct in the short term.

I should like to commend the work of Mr. Caccia and other members of the standing committee for amending the bill to include a clause that provides that nothing in this act should be so construed as to abrogate or derogate from any existing aboriginal or treaty rights of the aboriginal peoples of Canada under section 35 of the Constitution Act, 1982.

Problems caused by deforestation and by urban sprawl, among other things, contribute significantly to a degraded atmosphere for migratory birds. Industrial and domestic pollution are also among the pressing concerns the government must take into account if we are to provide a future for migratory birds specifically, and for our environment in general.

Something the Parliamentary Secretary to the Minister of the Environment said in reference to this bill makes particular sense, as it applies not just to bird embryos and bird tissues but to the theory of island biogeography. He said:

> You can immediately see that as we cut up the forests into smaller and smaller patches there have been smaller and smaller numbers of these birds, and now it is down to a critical level of just a few dozen pair.

He was referring to the Acadian flycatcher.

In my own province, the Oak Hammock Marsh, an internationally known bird refuge, has been somewhat threatened by the establishment of a huge building on the edge of the marsh. Sometimes, in the effort to enhance tourism dollars and development, the wrong things are done. I certainly think this bill is a step in the right direction, and I urge all honourable senators to support it.

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 Kenny, bill referred to the Standing Senate Committee on Energy, the Environment and Natural Resources.

CANADA WILDLIFE ACT

BILL TO AMEND—SECOND READING

Hon. Colin Kenny, moved the second reading of Bill C-24, to amend the Canada Wildlife Act.

He said: Honourable senators, I am pleased to speak in support of Bill C-24, amending the Canada Wildlife Act. Wildlife is of immense importance to our country. It is part of our heritage in which we take great pride. For many years, aboriginal Canadians have relied on this resource for their subsistence, and it has had a central place in the tradition and culture of all aboriginal peoples.

For Canadians in general, wildlife-related activity is a highly popular form of recreation; one to which we devote considerable time and money every year. The spending adds up to millions of dollars, contributing to our gross domestic product, creating jobs and generating income and tax revenues.

• (1630)

Canadians strongly support wildlife conservation and look to the federal government to play a major role and catalyze efforts in ensuring the sustainability of wildlife and its habitat.

Bill C-24 is part of the current effort to improve federal wildlife and habitat legislation, including the new Migratory Birds Convention Act, and consultations which will lead to negotiations with the United States later this year on amending the Migratory Birds Convention.

Solutions to conservation issues must be based on good science, consultation, cooperation and agreement. That is why the Canada Wildlife Act is so effective and why, with the amendments proposed in Bill C-24, it will be even more effective.

Parliament passed the Canada Wildlife Act in 1973. It authorizes government to carry out wildlife research and, in cooperation with the provinces, to undertake a wide range of wildlife conservation and interpretation activities for wildlife and its habitat, including the protection of endangered species. It also allows the minister to establish protected areas for wildlife, known as natural wildlife areas. A total of 45 national wildlife areas have been established to date covering approximately 287,000 hectares.

This act does not position the Government of Canada to act alone. It is not possible to impose solutions for the kinds of problems we are talking about here — problems of species loss and habitat conversion, problems of lack of information for informed decision making, and so on. We must ensure that we have come to an informed consensus of the need to take action and we must in fact act together. That is why this act is set up as enabling legislation. That is why it demands that the government establish partnerships with the relevant provincial and territorial agencies and with other nongovernmental partners.

There are many examples of conservation programs, cooperative research efforts and bilateral and multilateral conservation agreements that have resulted from the act's implementation. For example, RENEW, an acronym for Recovery of Nationally Endangered Wildlife, is a cooperative

program of the federal and provincial governments and national conservation organizations to develop and implement recovery plans for Canada's endangered species. Under this program recovery teams have been set up for all threatened and endangered species of birds, mammals, reptiles and amphibians in Canada.

Another example is the Canadian Cooperative Wildlife Health Centre, which was established with the provinces, territories and the private sector in 1992, with its headquarters at the University of Saskatchewan Veterinary College and regional centres at the Universities of Prince Edward Island, Montreal and Guelph. This network provides an improved capacity to detect and monitor diseases and impacts of toxic chemicals on wildlife, to investigate specific instances of disease and provide expert advice on the risks to wildlife of genetically engineered microbes and other biotechnology products.

Honourable senators, I referred earlier to national wildlife areas. These are perhaps the most tangible evidence of the Canada Wildlife Act at work. Already this network covers a vast array of landscapes and ecosystems throughout Canada. The wildlife areas support such varied activities as hiking, photography, bird watching, grazing or haying, and hunting, all in a manner compatible with the wildlife conservation objectives for a given area. National wildlife areas can be found from the Arctic to the shores of Lake Erie, from the mouth of the Fraser River to the Bay of Fundy. In every case they shelter nationally important wildlife habitat, the loss of which would have an adverse impact on the Canadian population of one or more species.

The areas serve a second and equally important function, and that is education. They provide sites for wildlife research and they give the thousands of yearly visitors first-hand experience of the beauty, abundance and value of Canada's wildlife. Such places include Cap Tourmente in Quebec, Wye Marsh in Ontario and Last Mountain Lake in Saskatchewan.

Over 20 years have passed since the Canada Wildlife Act came into effect. The legislation met the needs of the 1970s, but we now have new insight into wildlife and what it takes to protect it. We have come to understand the value of an ecosystem approach. In other words, the effort should be to protect not simply individual species, but the entire habitat in which they live.

There are two provisions in Bill C-24 that will significantly enhance the potential scope for establishing protected areas. The first is the expanded definition of wildlife, which now includes not only all wild species of animals, but also plants or other organisms. Traditionally, wildlife conservation has focused on particular species or species groups and has been limited to the higher orders of animals. It is now widely recognized that a broader approach to conservation is needed, an ecosystem approach that considers all ecosystem functions and values, including all animal and plant species and the full range of their habitat requirements.

Expanding the definition of "wildlife" is consistent with the recommendation of the Wildlife Policy for Canada, which was endorsed by the Federal-Provincial Wildlife Ministers Council of Canada in 1990. It will allow for research and for the establishment of protected areas based on an ecosystem approach, and will respond to the recommendations of the Convention on Biological Diversity dealing with habitat and ecosystem conservation.

The second change introduced in Bill C-24 that affects the scope of protected areas is the provision allowing for the establishment of protected areas beyond the territorial sea to the 200-nautical-mile limit. Critical wildlife habitat, including areas with significant concentrations of sea birds and breeding and feeding grounds for whales, exists or extends beyond the territorial sea. Such areas include seasonal or permanent openings in sea ice, where birds, whales, polar bears and other wildlife concentrate, and underwater mountains, upwellings of nutrients in the ocean and other areas associated with Canada's continental shelf. Protecting these key areas would contribute to sustaining the biodiversity and associated economic benefits of marine ecosystems.

The amendments also improve administration and enforcement in several ways. All of the existing provisions for administering and implementing the act are being updated, streamlined and made consistent with other federal conservation laws.

As in Bill C-23, penalties will be made much more severe so that they present real deterrents to those who might consider poaching or destroying wildlife habitat. Penalties for serious offences will be increased to a maximum of $250,000 for corporations and $100,000 for individuals, or imprisonment for up to five years, or both. On the other hand, for a minor offence an enforcement officer could issue a ticket to be paid directly.

Courts will also have greater flexibility in applying the act. For example, court orders could be issued to prohibit the continuation of activities harmful to protected areas. Persons who have damaged habitat in national wildlife areas could be forced to pay the cost of restoration or remediation. Judges would also have the option of sentencing a person convicted of an offence to performing community service or to remedying the harm caused by the violation, thus providing practical conservation benefits.

As I have stated, the value of the Canada Wildlife Act is that it provides a basis for research, partnerships and cooperation. The amendments included in Bill C-24, which I have just described, present a new challenge to Canadians to be successful in understanding and protecting ecosystems and their biodiversity, including moving into the area of marine protected areas, and will require new and innovative partnerships involving a wider range of people than has been the case in the past. Broad-based strategies of a cooperative nature must be developed to ensure that both environmental and economic objectives can be met.

• (1640)

I am convinced that Bill C-24 will help to achieve these ends, and I strongly encourage members of the Senate to support it.

Hon. Mira Spivak: Honourable senators, I support this bill, as I think should all honourable senators on all sides of the house.

As Senator Kenny pointed out, Bill C-24 generally amends the Canada Wildlife Act to strengthen protection of wildlife and to streamline administration of the act. It is important to emphasize that the changes being introduced include elements necessary to make the legislation consistent with the Wildlife Policy for Canada, adopted in 1990 by the Wildlife Ministers Council of Canada, which is made up of the federal and provincial ministers responsible for wildlife. The bill also makes the act consistent with the International Convention on Biological Diversity which was ratified by Canada in 1992 under the then Minister of the Environment, Jean Charest.

It should be noted that the Wildlife Policy for Canada recognizes that a broader approach to conservation than before is needed, as well as an ecosystem approach that considers the functions and values of all ecosystems, including all animal and plant species, and the full range of their habitat requirements. Although not ideal, this bill is a step towards improving the legislation to protect wildlife.

Expanding the definition of wildlife to include all wild organisms will enable a shift in research and conservation efforts toward an ecosystem approach. Provision to allow for the establishment of protected areas within the areas bounded by the Territorial Sea and the 200-nautical-mile limit will contribute to sustaining biodiversity and associated benefits from our marine ecosystems through protection of habitat critical to survival of certain species such as whales and sea birds.

More appropriate penalties and use of enforcement powers consistent with other legislation is also helpful.

Both the Canada Wildlife Act and the International Convention on Biological Diversity acknowledge the benefit of Canada's wild animals and plants and the need to sustain these for future generations. The Wildlife Policy for Canada proposes that legislation be effective in conserving wildlife; in ensuring that all uses are sustainable; and that penalties provide an effective deterrent to the illegal use of wildlife.

The convention ratified by Canada requires that countries regulate or manage biological resources to ensure their conservation and sustainable use and that countries establish a system of protected areas to conserve biodiversity. It is to be hoped that this legislation will help to ensure that these values, as expressed in policy and conventions, are upheld in protected areas such as Banff, where further development will most certainly destroy the existence of the world's last great area of large mammals in their wild habitat.

Environmental problems are not random occurrences or the consequence of specific mistakes. They are a pattern of cumulative damage generated by a structure of abuse founded on our general approach to economic activity. I think this approach is certainly changing, certainly as expressed in the policy statements of government. A number of non-governmental groups will be inspired by this legislation. I am thinking in particular of a group in Calgary which is committed to establishing a protected area from Yellowstone to the Yukon, a huge area, to protect large mammals. Canada is the last country in the world to have such a resource.

I commend the government for bringing this legislation forward. I certainly intend to support it. I hope that other senators will do the same.

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 Kenny, bill referred to the Standing Senate Committee on Energy, the Environment and Natural Resources.

MISCELLANEOUS STATUTE LAW AMENDMENT BILL, 1994

SECOND READING

Hon. Joan Neiman moved the second reading of Bill C-40, to correct certain anomalies, inconsistencies and errors in the Statues of Canada, to deal with other matters of a non-controversial and uncomplicated nature in those Statues and to repeal certain provisions of those Statutes that have expired, lapsed or otherwise ceased to have effect.

She said: Honourable senators, Bill C-40 is a culmination of a procedure that was instituted in the Department of Justice some years ago. It is really a housekeeping project that is undertaken by the Department of Justice periodically, perhaps every second year or so, in which the department asks all other departments of the government to send it notices of errors, omissions and anomalies that may be contained in legislation for which they are responsible.

The Department of Justice collects all these proposed amendments in one draft bill which is sent, simultaneously, to the House of Commons and the Senate. As it states in the summary of the bill, they must be of what is called a "non-controversial" nature. They cannot involve the expenditure of money from the public purse. It is provided further that, if they do not meet this criteria, then the proposed clause or amendment is dropped automatically from the draft bill.

Over the years, bills of this nature have been referred to the Legal and Constitutional Affairs Committee. They are sometimes as large as the Ottawa telephone book. It was an enormous task to try to go through them. With each struggle we managed to surmount, we would eventually make recommendations on how the procedures could be simplified and how we could be helped in understanding what these amendments were all about. In that regard I wish to commend the Department of Justice because it has done a splendid job in carrying out the requests we have made of them in presenting bills such as Bill C-40.

Before us today is a relatively small bill which contains 78 amendments affecting 36 different federal statutes. The draft bill came before the Legal and Constitutional Affairs Committee on June 2, at which time we heard from officials of the Department of Justice and others who explained the clauses with which we had difficulty. I must say there was very little in that regard this time around. We did not find one clause with which we could take any exception. As our report states, we agreed that the draft bill be reported without amendment.

Having gone through this bill, I have come to the conclusion that it is in exactly the same terms as the draft bill which we studied clause by clause in the Legal and Constitutional Affairs Committee. I have discussed this matter with the chairman of the committee, Senator Beaudoin, and we have agreed that, under the circumstances, it is unnecessary that it be referred to committee. I am sure Senator Beaudoin will confirm that himself.

That being the case, I would recommend that the bill not be sent to committee but that it be given third reading at the next sitting of the Senate.

[*Translation*]

Hon. Gérald-A. Beaudoin: Honourable senators, I agree completely with what Senator Neiman said.

I think my colleague Senator DeWare has a few words to add.

[*English*]

• (1650)

Hon. Mabel M. DeWare: Honourable senators, this is the eighth bill of this kind since 1977 that has come before the Standing Senate Committee on Legal and Constitutional Affairs.

As Honourable Senator Neiman has said, the bill will correct irregularities, inconsistencies and errors in several laws. It does not infringe on anyone's rights, or cost any money, or create any new offences.

These amendments also went through the House of Commons Standing Committee on Justice and Legal Affairs before being referred to the Senate, and to our committee here. There is no need for further debate. We concur with the passing of this bill.

The Hon. the Speaker: It is moved by the Honourable Senator Neiman, seconded by the Honourable Senator Gigantès, that the bill be read the second time now. Is it your pleasure, honourable senators, to adopt the motion?

Hon. Senators: Agreed.

Motion agreed to and bill read second time.

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

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

[*Translation*]

CANADA STUDENT FINANCIAL ASSISTANCE BILL

SECOND READING

Hon. Philippe Deane Gigantès moved the second reading of Bill C-28, an Act respecting the making of loans and the provision of other forms of financial assistance to students, to amend and provide for the repeal of the Canada Student Loans Act, and to amend one other Act in consequence thereof.

He said: Honourable senators, I am delighted to speak to you in support of the Canada Student Financial Assistance Act, Bill C-28, the purpose of which is to provide needy students with the assistance required to help them pursue their post-secondary education.

This bill is a key component of the youth employment and knowledge acquisition strategy which has been adopted to expand the opportunities open to Canadians in school and on the job market. The financial assistance for needy students which this bill provides is a step in the right direction.

Allow me, first of all, to briefly review the history of the Canada Student Loans Program. This program was created in 1964, when the Right Honourable Lester B. Pearson was Prime Minister and there were only six teams in the National Hockey League.

In the years that followed, Canadians started flocking to colleges and universities, and it was feared that some would be denied access to post-secondary education for lack of money. The federal government responded to these concerns by establishing the student loans program. Over the years, more than two million students have received assistance under this program to attend educational institutions in Canada and abroad.

The situation has changed drastically since 1964. The post-secondary education system has grown impressively and now has more students than ever before. The number of older students is increasing steadily, and some have dependants. The structure of the family has also changed, and economic realities — including the cost of college and university studies — are very different from what they were 30 years ago.

The Canada Student Loans Program did not follow this evolution. The time has come to reform and modernize this government student assistance program to meet the challenges of the 1990s and beyond. That is what Bill C-28 proposes to do by improving assistance measures and benefiting the neediest, by helping alleviate the repayment burden, by providing for new

financing agreements, by laying the foundation for the harmonization of federal and provincial student assistance programs, and by ensuring that the program is flexible enough to explore an income-based repayment formula.

It is urgent that we update and improve the student assistance program. We cannot afford to wait any longer if we want to meet the needs of today's students. The current government got elected by promising to count on Canadians to give renewed hope to the population, and that is exactly what this bill would do. To ensure our future prosperity, we must count on Canadians.

Over the years, the issue of student assistance was the subject of a number of consultations, studies and reports. Everyone — students, parents, interest groups, colleges and universities — was consulted. All recognize that the government must improve and diversify its program. Other studies are not needed. The time has come to take action.

Bill C-28 draws on the success of the Canada Student Loans Program. The basic principle remains the same: to help needy students. The bill also benefits from the excellent cooperation established from year to year with the provinces to deliver assistance to the students. I want to point out in passing that participating provinces play a determining role in implementing the program, as they determine what students are eligible, assess their financial needs, deliver student loan certificates and accredit educational institutions. They also have their own assistance programs for needy students.

Federal-provincial cooperation in the field of student financial assistance extends to Quebec and the Northwest Territories, both of which have opted out of the federal program. In return they receive alternative payments to operate their own student financial assistance plan. The opting-out clause remains intact in the bill. Pursuant to this provision, Quebec received $72 million in payments this year and the Northwest Territories, $800,000. In fact, the alternative payment formula has been extended to include new program components and to ensure that students from all provinces and territories benefit from the reforms. Provincial officials have spoken enthusiastically about the importance of the federal program and about the excellent degree of cooperation in this area. Their wish is that the bill be passed as soon as possible.

The ten-year freeze on loan amounts clearly shows that the Canada Student Loans Program is not up to speed as far as today's realities are concerned. Students have paid the price for the restrictions and for the government's refusal to come up with new and innovative approaches. They are demanding increased financial assistance to offset the effects of the ten-year freeze on loan ceilings and to cover higher tuition fees and education costs.

The bill meets their expectations. The weekly amount of full-time student loans will increase considerably, from $105 to $165. Part-time students will be eligible to receive $1,500 more for their studies, and will benefit from an improved assistance program.

Students also called for a diversification of assistance measures to meet the special needs of disadvantaged students. Special initiative grants will cover part of the extraordinary expenditures incurred by disabled students, part-time students with very limited financial resources and women enrolled in doctoral studies in certain fields.

The method of determining the financial assistance needs of students must also be updated. We must make certain that financial assistance goes to those who need it most. A new needs assessment method that is objective and takes regional differences into account has been developed jointly with the provinces and will make it possible to award assistance fairly and uniformly.

I repeat, a new needs assessment method that is objective and takes regional differences into account has been developed jointly with the provinces and will make it possible to award assistance fairly and uniformly. This is another example of cooperation between two levels of government for the benefit of Canadians. Regardless of what part of the country they are from, students merit equal treatment in order that they may take advantage of educational opportunities.

Students demanded better repayment conditions, which this bill provides. Deferred grants will reduce the indebtedness of the neediest students who have to borrow the most money. The current interest-free provisions, which apply to unemployed borrowers, will be extended to borrowers with low-paying jobs.

The new financial agreements constitute one of the principal measures of this reform package. Negotiations on these agreements are under way with two major lenders, the Canadian Imperial Bank of Commerce and the Royal Bank of Canada. Under the new financial agreements, all eligible students will continue to receive loans, and borrowers will be given repayment conditions tied to their income levels.

In addition, replacement of the 100-per-cent government loan guarantee with a risk premium for lenders will considerably lower costs to taxpayers. The minister responsible has indicated a willingness to have a wide range of lenders participate in the program, under the same conditions as will be negotiated with the major lenders.

This bill would also increase the harmonization of federal and provincial student financial assistance programs. By rationalizing the financing and administration of the program, we can work to improve services to students and to reduce costs to taxpayers.

Furthermore, the reforms will allow the federal government to put in place pilot projects with interested provinces to explore the principle of income-based loan repayment. The federal government is aware that this issue deserves a more in-depth review, but that international experience in this regard is recent

and incomplete. The pilot projects will provide data allowing the government to make decisions. The will to look at new ways to approach student assistance reflects the government's openness to new ideas. We owe it to Canadian students and taxpayers to consider new ways of helping students.

Who will benefit from these measures? Today's students are the sons and daughters of our neighbours, our relatives and our friends living in cities and towns across the country. They also include older Canadians pursuing or, in certain cases, starting advanced studies. What they want, and what this bill offers, is a chance to pursue their studies and improve their lives.

Let us try to put faces on these people. Let us think about the single father or mother who wants to enrol in a community college in Nova Scotia and who will be eligible for a new federal subsidy. Let us think about the handicapped worker who wants to get an engineering degree at a university in Ontario and who will now receive a subsidy to help pay for the special equipment he or she needs, in addition to loans for tuition fees and living expenses. Let us think about the high school graduate from Saskatchewan who wants to enrol in a farming program and who can now get enough help to achieve his dream thanks to a debt-reducing deferred subsidy. And let us not forget the student from British Columbia who has the ability and the will to earn a doctor's degree and who will now be able to afford it.

In short, the improvements proposed in this bill will benefit all kinds of students from coast to coast: men and women, students at the undergraduate, graduate and postgraduate levels, young and old, from urban and rural communities. They have in common the simple fact that, without the federal government's help, they would be less likely to pursue their studies.

Questions were raised in the other place about the regulations under this bill, and I would like to take a moment to tell you about them.

These regulations are needed to give the Student Financial Assistance Program the required latitude. This latitude is particularly important in the field of student financial assistance because this aid must be adaptable to meet students' changing needs. Students cannot afford to wait, and the regulations will provide for the adjustments and modifications that will be required in the future.

I will repeat the last sentence. Students cannot afford to wait, and the regulations will provide for the adjustments and modifications that will be required in the future. We will feel our way a little, we will try some things out but we will make adjustments to serve students better.

The government believes that higher education is still a step in the right direction. We will continue to encourage and support the efforts of Canadians who want to begin an education or training course to improve their qualifications and their employment prospects. This bill will help hundreds of thousands of students fulfil their dreams of higher education. They are counting on us.

The reforms in this bill are positive. They fill the gaps in the Student Financial Assistance Program and take advantage of its strengths. The bill sets high standards for cooperation and creates an enviable precedent for innovative partnerships among educational institutions, lenders and governments. Above all, the bill is good news for needy students.

Honourable senators, I am proud to speak in favour of this bill and I hope that it will be passed quickly so that we can deal with the task of helping Canadians realize their tremendous potential.

Hon. Gérald-A. Beaudoin: Honourable senators, would Senator Gigantès agree to a question on the excellent speech which he has just given?

Senator Gigantès: If you want to torture me with questions, go ahead, sir.

Senator Beaudoin: Is the federal government active in this field? Normally, I believe it intervenes using its spending powers, which is easily justified in a federation.

Am I to understand that Quebec has opted out and receives a certain amount of money annually? Are relations between Quebec and the central government in this regard excellent — quite positive, in fact?

My question is strictly for the sake of information. I am very interested in the university community, personally. I thought that was exactly what you said, but I wonder: Can you confirm that things are running smoothly in practice?

Senator Gigantès: That is exactly what I said. Quebec decided to opt out and receives an amount equivalent to what it would have received had it remained in the program. Quebec administers the whole program on its own. As you say, relations are quite positive; it is a honeymoon of sorts. Let us hope that this sets a precedent for all the other little ills. It is a sign that, if we want to get along together, we can do it.

[*English*]

• (1710)

Hon. Noël A. Kinsella: Honourable senators, as Senator Gigantès has pointed out in his presentation, it was in 1964 that Canada introduced the Canada Student Loans Program to provide low-income students with the opportunity for higher education. Now, 30 years later, the program is in desperate need of reform. Recent world trends, with intense global competition and increased emphasis on knowledge-based industries, have made higher education even more valuable in the Canadian economy.

Moreover, as job retraining becomes more and more important in the fight against unemployment, the loans system must be reformed to address the growing number and special needs of mature and part-time students.

Furthermore, over time it has become apparent that certain groups require additional assistance — those students traditionally underrepresented in Canadian universities and colleges — and that their needs must be met if Canada's commitment to provide the right to education for all of its citizens is to be taken seriously.

With the Canada Student Financial Assistance bill, the government is hoping to solve many of the problems that have plagued the Canada Student Loans Program in recent years. They have raised loan levels for full and part-time students as a response to the growing cost of post-secondary education. They have created "special opportunity grants" to aid those persons with disabilities and high need, part-time and female students who are traditionally underrepresented at the post-secondary education level. They have allowed the provinces to test alternative financial schemes on a pilot-project basis in search of new ways to provide more students with access to university, while at the same time saving taxpayers' money. However, raising loan limits and creating special opportunity grants are not enough to meet the growing needs of Canada's university and college students.

The government's proposals address only those concerns that are found at the surface. The present government has chosen to ignore the real problems that lie at the core of the Student Financial Assistance Program, namely, those of accessibility and freer education. The government has chosen to ignore the demands of our nation's students and university administrators, who want lasting, effective change that will make our loans system better so it can immediately meet the demands of the next 30 years. In choosing short-term gains over long-term losses, the government has implemented changes that seem to amount to little more than "Band-Aid solutions for gaping wounds."

As a result, this reformed financial assistance program begs numerous questions that demand government clarification and response. From the beginning of the loan process to the very end, problems arise and remain unsolved. The process, honourable senators, begins with the designation of an appropriate authority. According to Bill C-28, the minister may, by order, designate an appropriate authority for a province. This marks a departure from the existing act, which leaves the responsibility for choosing a designating authority to the provinces. Some commentators might suggest that this represents another form of centralization that many of us have found unsatisfactory in the past, not only in this area but in many others.

By allowing the federal government to play a role in the designation of appropriate authority, Bill C-28 raises several fundamental questions that we should look at. For example, clause 4 defines the appropriate authority as a body which designates educational institutions for the purposes of the program and is monitored by the duties and functions listed in the bill. The regulations need to be looked at. However, the bill provides no indication of the nature of the relationship between this authority, which may or may not be private, and the federal government. Could patronage play a role in the designation of an appropriate authority? Who will pay this authority for its services? How much will this body receive? Moreover, could the appropriate authority and the lender be the same body? Is there any protection within the legislation that would prevent this potential conflict of interest?

Above all, the bill neglects to specify what rules and regulations will govern this relationship between the minister and his or her designated authority. Clause 4 states:

> The Minister may give directives to any appropriate authority respecting the exercise or performance of any of its powers, duties or functions under this Act or the regulations, and such directives are binding on the appropriate authority.

The use of the term "may" suggests that such "directives" may or may not exist and are dependent on the mood of the minister of the day. Does this mean that the Minister of Human Resources Development will provide directives from the outset of the program, or will he wait until there is sufficient political pressure to place additional restrictions on the activities of the designating authorities? What type of directives does clause 4 refer to? Will they be made public to protect the rights of students if and when they are established? Finally, what will guarantee that any directives that are established will not be overturned by a succeeding minister?

The next step in the process is that after the designating authority has been appointed and the institutions eligible for inclusion in the Canada student loans system have been selected, the student in need of assistance is able to apply for one federal-provincial loan. He or she is immediately subject to two eligibility requirements. First, the student must meet a satisfactory scholastic standard, although neither the definition of "scholastic standard" nor the criteria have yet been established.

Appearing before the committee in the other place, the Minister of Human Resources Development insisted that academic marks would not be a requirement for eligibility for a federal student loan. While refraining from listing the criteria under consideration by the provinces and the federal government, the minister argued that passing a minimum amount of courses may be one prerequisite for future loans. However, without a firm stance on eligibility entrenched in the legislation, the government is providing false assurances. The minister cannot guarantee that marks will not be a factor for eligibility, should the number of students seeking financial assistance sharply increase and new criteria are needed to reduce the number of eligible applicants.

As a result, this bill has left many student, university and college organizations still wondering whether or not a student's academic performance will be a determinant for financial assistance.

The bill neglects to provide safeguards against discrimination on the basis of the course of study the student has selected. There is concern that potential doctors, nuclear physicists and social justice advocates might be more likely to receive a certificate of eligibility than students studying literature, music and art.

Clearly, honourable senators, we must guard against decision-making on an anti-intellectual basis. We must preserve the freedom of education to which we are committed as well as the coveted multicultural and multi-talented nature of our nation. We want to ensure that the Aristotles and Socrates, or the Michelangelos and Raphaels of our society will receive the same support as our Einsteins, Lester B. Pearsons and John Diefenbakers.

• (1720)

Furthermore, students applying for loans are doing so because they require financial assistance to further their education in a society that largely demands that they must earn a degree or diploma. Why, then, should scholastic achievement have any bearing on the decision to provide a student with the opportunity for a higher education?

This brings me to the next criteria for student loans. Clause 12 specifies financial need as a factor for eligibility, yet the bill does not give us a clear definition of need or criteria for needs assessment. The government, apparently, is not in a position to offer any indication of what factors will be considered in the final assessment of need. One might ask whether fishing boats and farmland would be considered as assets, although the family fishing business or farm does not turn a profit. Will saving for retirement and guaranteeing their future well-being through RRSPs penalize students and/or their parents? Furthermore, will parental assets be included in the assessment of need, or will students be considered as independent? Both uncertainty about the criteria for eligibility and the multitude of regulations within the proposed system have heightened the urgency for an appeal mechanism at the federal level.

On the point of regulations, I again draw the attention of honourable senators to a bill that is totally dependent upon subsequent regulations to make the new process that is proposed functional. Unfortunately, we do not have a draft of those regulations to examine, so in a sense we are being asked to make a great leap of faith. However, when we have a system such as this bill proposes, allowing for judgments to be made over the adequacy of an applicant with criteria which are not clear at this stage, the propensity for error is large. Clearly the urgency for an appeal mechanism becomes all the more great.

Currently, students who are refused loans are referred to a provincial appeal body for reconsideration. This bill proposes a certain streamlining of the federal and provincial loan system. With that streamlining of the two loans systems and the increased power for the Minister of Human Resources Development, now seems to me to be an appropriate time to establish such a body at the federal level to ensure fair and equal consideration for all appeals. As part of our commitment to the right to education, we must provide the machinery for appeal to protect our students against the infringement of that right.

Beyond the immediate question of eligibility is the broader question of privacy. The privacy of students and their parents must be protected. Performing needs assessments and enquiring about scholastic standing clearly invades this privacy to some extent. Consequently, safeguards must be put in place to prevent the dissemination of this confidential information to individuals or groups that do not possess the authority to determine loan eligibility. However, when we examine the bill — and we have not seen the regulations — we find that there is no provision of any guarantee to ensure this right to privacy.

No safeguards exist to prevent a lender from accessing personal information, although they are unable to refuse a certificate of eligibility, nor does this legislation even define which authorities would have access to the information. Similarly, there are no provisions to guard against confidential financial and scholastic information being put into an unsecured data base. As we know, in a technological world such as ours, these issues must be addressed to preserve the privacy which we have learned to expect and enjoy.

Honourable senators, at the next stage in the process, when the students are finally granted a certificate of eligibility, they encounter more barriers that must be dismantled before they can realize their goal of higher education. What seems simple to the government has now become a long, arduous process for the student. Now they must raise the money necessary to cover any additional expenses related to their education. Prior to this bill being amended in the other place by the Standing Committee on Human Resources Development, the cost of books and supplies, as well as tuition, would have been subject to a ceiling under the terms of the needs assessment policy and procedures manual. When the cost of university and college exceeded these limits, students were forced to seek additional assistance elsewhere. The AUCC, the Association of Universities and Colleges of Canada, found this restriction decreased accessibility to Canada's post-secondary institutions. Those students who worked part-time or received awards to pay the costs beyond the ceiling, found that their total loan entitlement was reduced by 80 per cent of the dollars earned as a result of this extra effort. Fortunately, this provision has been amended, although the amendment must be reworded to prevent any problems of interpretation from arising. It will be the Senate's duty to ensure that no ceilings will be placed on the academic-related costs of post-secondary education.

When the student becomes eligible for financial assistance, the student enters into a relationship with the lender who provides the financing and delivers the loan. Under the current Canada Student Loans Program, student loans are financed and distributed by two separate entities acting for either the

provincial or the federal government. The proposed reforms in Bill C-28 seek to alter this arrangement. According to the press release that accompanied the introduction of Bill C-28 in the other place on May 9:

> The proposed legislation will enable the government to enter into arrangements with provinces to streamline the financing and delivery of student assistance programs.

By virtue of this bill, eligible students would benefit from what we have come to call "one-stop shopping." whereby they would receive one federal/provincial loan and have one repayment scheme. Consequently, eligible students should enjoy more effective and efficient access to their loans in the future. However, similar agreements between private lenders and the provinces have produced contrary results.

Just before Christmas last, the New Brunswick government signed a five-year deal with the Canadian Imperial Bank of Commerce to take over the student loans business, hoping to ease the financial burden of the loans program and provide better service for its post-secondary students. However, after the holiday season, students were faced with week-long waits for their loans, as the CIBC suffered service problems in the delivery on their loans from Burlington, Ontario. An editorial in *The Brunswickan*, which is the student newspaper at the University of New Brunswick, explained the problems associated with such a delay. It stated:

> As students were returning to university reeling from the financial burden of Christmas, to delay the receipt of the loan for even a few days — never mind a week — was to create an unnecessary hardship for students.

Given a similar agreement is being negotiated between the CIBC, the Royal Bank and the federal government, it is my submission that the government must provide guarantees that a repeat of this scenario which occurred in New Brunswick will not happen. Students have far more important things to worry about than the delay caused by such an event.

• (1730)

Honourable senators, Bill C-28 requires more elaborate explanation of the powers of the lending institutions. Will they, for example, have access to credit information? Will they be obligated to provide counselling for first time borrowers, and clearly inform all students of their rights and obligations as borrowers and the services to which they are entitled? Moreover, there is concern that a lending institution will be able to refuse to provide a loan or terminate a lending relationship with an eligible student.

Appearing before the House of Commons standing committee, a representative from the credit unions felt a student could be denied a loan because a particular branch's loan portfolio had reached its limit. He argued that while the government insisted an eligible student would not be refused a loan, there is nothing in this legislation that prevents a lender from sending a borrower across the street. For the student living in a small town with one bank or credit union, this would cause unnecessary frustrations. Thus, we may wish to ask the government to provide safeguards against the rejection of loans for eligible students.

Honourable senators, once the student has received his or her loan from the lending institution, the student is able to pursue his or her course of study. However, suppose the student becomes disillusioned and unhappy with post-secondary school and decides to drop out. Once again, confusion reigns. How and when will the government realize that the student is no longer attending a designated institution of higher learning? What would happen if the student decides to return to university or college in the fall? Will the student still be entitled to receive a student loan?

Perhaps the student requires an additional credit to meet degree requirements, but decides to stretch that credit over the course of an entire year to avoid paying back previous loans. Would the student be obliged to start paying back his or her loan, or would the taxpayers continue to pay his or her interest as he or she dodges payment?

Perhaps the student does graduate, but intends to start another degree after taking a leave of absence for a semester. For the purposes of loan collection, when has this student completed his or her studies?

While the government believes its reforms to the Canada Student Loans Program will help make loan collection easier, there is no shortage of questions as to when such collection would begin, and when the borrower would cease to be a student. These two must be answered before our country's student financial assistance scheme can be reformed.

Honourable senators, the beginning of loan payments to the lender marks the end of the federal loans process, but not an end to the problems surrounding the bill. Under the proposed legislation, the student would formulate a repayment scheme with the lender that would be sensitive to variations in his or her income. Furthermore, in periods of unemployment or low income, the borrower would be able to defer payments for a period of 18 months. Thus, if a student's income stays relatively low, it could take 25 years for the borrower to repay the balance of his or her loan. In fact, with accumulated interest, low-income borrowers with heavy debt burdens due to exceptional need assistance during their post-secondary careers would be forced to pay more than their colleagues who earn more money and have smaller debts. This, some might suggest, is not quite fair.

The Canada Student Loans Program, as honourable senators will know, was established to provide financial assistance for low-income students, but the net effect might be that it penalizes them for their need, or because of their need.

Instead, honourable senators, the Canada Student Loans Program should be revamped to ensure that the loan principal is reduced so that students are not burdened with debt well into the future. By focusing on the repayment of the loan rather than the mere payment of added interest, we are providing our former students with the opportunity for a prosperous future. Purchase of retirement savings plans or entering the housing market and the automobile market will not be possible if Canadian students are faced with lifelong student debts.

We must be concerned, honourable senators, with the debt burden that our graduating students are facing. One of the net effects of increasing the access to loans is that, at the end of the day, you are creating an increase in the debt burden of these students. It is our duty to provide our students not only with accessibility to post-secondary institutions, but also with the opportunity to prosper. In this respect, some might suggest that Bill C-28 fails.

Much of what I have said, honourable senators, has focused on specific or projected problems with the proposed reforms to the loans process. We cannot ignore the larger social issues that must be considered when we speak of changing the way we provide financial assistance for students in this country. Reform of the Canada Student Loans Program extends well beyond the issue of accessibility to our higher institutions of learning. It is, honourable senators, a question of promoting the social, economic and cultural development of our nation.

Canada has long recognized it to be a fundamental right in our democratic society that all citizens should be able to develop their full potential through an advanced higher education system of high quality which is open and accessible to anyone who can benefit from attendance. Canada affirmed this commitment by way of the ratification in 1976 of the United Nations International Covenant on Economic, Social and Cultural Rights. That treaty articulates economic, social and cultural rights as human rights.

However, at page 83 of the report of the joint committee of the House of Commons and the Senate on that topic — co-chaired by our distinguished colleague Senator Beaudoin — the committee denied economic, social and cultural rights as being human rights. They said that they were some kind of privileges. That is clearly wrong. The covenant that I just cited has been recognized, not only in terms of principle, but in terms of international law. Article 13 of that treaty provides that:

> Higher education shall be made equally accessible to all, on the basis of capacity, by every appropriate means, and in particular, by the progressive introduction of free education.

Honourable senators, this is an undertaking that the Government of Canada made in signing that treaty with the support, in writing, of every government in Canada in 1976. Thus, when we look at ways to reform our loan system, we must first ask ourselves a fundamental question as to whether or not we are trying to ensure that post-secondary education becomes progressively freer. To answer that question, we must ask yourselves whether the system of loans we have developed has made it more costly to attend university and colleges than it was 20 years ago.

Since 1976, the cost of attending university, as we know, has skyrocketed. In the last 10 years alone, tuition has doubled. Moreover, we are witnessing — and this is a matter of grave concern to students, to university administrators and to the public — a great variation in the level of fees from one university to another across Canada.

In their presentations to the House of Commons Standing Committee on Human Resources Development, the Fédération de la jeunesse canadienne-française explained the financial hurdles that face students from Quebec when they try to pursue post-secondary education outside of their province. As honourable senators know, students living in Quebec are living in a province where tuition fees are the lowest in the country. These students often cannot afford to attend, for example, the University of Nova Scotia, where tuition fees are about $1,000 a year higher. This startling difference in the cost of university fees from province to province, and from university to university within provinces, demonstrates that Canada has a long way to go on the road to free and equal accessibility to our institutions of higher learning. We want our students to be able to seize the opportunity to study wherever they wish in Canada, and sometimes within another culture. Hence, we must ask if our financial assistance scheme provides that opportunity, and if it does not, how it can be changed so that we may fulfil our commitment to the United Nations' Covenant on Economic, Social and Cultural Rights and, more important, to our citizens.

• (1740)

Honourable senators, perhaps we need to initiate a national debate on the matter of fees in our universities, a debate on the control of fees and, indeed, perhaps a program re-evaluation of universities and colleges, the manner in which they are administered and the manner in which they assess costs. Are universities too costly or not costly enough? Have we ensured that our post-secondary educators have received sufficient scrutiny in terms of costs, efficiency and the other tests that are needed to be applied in a fast-moving society where resources are under such pressure?

Furthermore, we need to explore new ways in which we can educate our students. Perhaps the loan system has failed to achieve its goal of fair and equal accessibility because there is a fault within the university system itself. We need to ask ourselves what has driven the cost of higher education so high, and whether or not we could be getting more for our money. We should explore new avenues of education that meet both our goals of freer education and the efficient use of taxpayers' money. Perhaps we should ask why it takes three or four years to receive a bachelor's degree when year-round programs may require less time to earn a degree while saving money.

These are questions we cannot be expected to answer today, but they are the types of problems we should be trying to solve for the future. In the meantime, it is our duty to ensure that students get the best possible chances at the post-secondary educational level. In this regard, we must keep a close eye on the administration of the proposed loans program to ensure that our goal of free accessibility is not compromised. Through, particularly, the scrutiny of regulations governing the administration of the federal loans program and through testing new ways of distributing financial assistance to our students, we can protect the rights of our students now and in the near future.

Where do we go from here, honourable senators? The next step for the Senate will be to study the policy issues and the particulars which lie at the base of our examination of Bill C-28, in order to see that the bill will achieve the objectives of greater accessibility and, at the same time, ensure the fairness of the system. So many regulations will have to be drafted in order to implement and deliver the program — and we have not seen a text of those regulations — that in committee we will want to ask a number of questions of technical detail about those regulations, and perhaps find a solution to the need for oversight. Perhaps the committee will examine ways in which the Standing Joint Committee on the Scrutiny of Regulations may play a role.

I know that the major stakeholders in university communities are supportive of the bill, and we look forward to examining some of these technical matters in detail in the committee.

Hon. Finlay MacDonald: Honourable senators, I have a quick question for Senator Gigantès. I was reminded of something while he was speaking. Last August, obviously just before the election call, the then government proposed a series of reforms to assist students. He must have been aware of those reforms. Does this bill bear any resemblance to those reforms of last August? I suppose I am asking for a memory test, since I cannot remember.

Senator Gigantès: Honourable senators, I am sorry I do not remember those reforms. I am sure it is something that can be examined in committee. I am grateful to Senator Kinsella for raising all of these points. They illustrate that when we are dealing with human beings, young people and older people who are trying to utilize education in order to fashion their lives in the future and to carve careers for themselves, that there are no predictors as to which educational equipment will help you, because change happens so fast.

Of necessity, it is not possible to produce a simple system of rules that will operate in the same way for everybody. Therefore it must be tentative, and the bill must say, "We may have to change the regulations as we go along in order to adapt. We may have to change the legislation as we go along, as we are doing now."

As for the business of finding a central federal provision that will provide an appeal mechanism and that will provide a common standard of cost, we must not forget that we live in a federal system, and that within that system education is a provincial jurisdiction, jealously cherished, protected and defended by the provinces. In consequence, every step of the way there will need to be agreements as between the federal government and the provinces.

These agreements may vary from province to province. As Senator Kinsella was saying, Quebec has the lowest university fees of any province. On the other hand, Quebec pays less to its physicians in health than other provinces. The problem there is, what happens when a Quebecer needs medical care outside of that province? Often the doctor in Ontario does not make a fuss and accepts what the Quebec health service is prepared to pay.

I was fascinated while in Switzerland to discover that they have an education system so decentralized that it is not even at the level of the canton; it is at the commune level, the municipality level or the level of the agricultural regional community. It is a bizarre system. You have two neighbouring little rural communes, and the children start school at a different time and have different passing marks. Necessity is now leading them to collaborate so as to have standards that are compatible with those of the European Community, because the Swiss want to be able to trade with the EC. If they want to have technical standards that correspond to those of their main trading partners, they will have to have educational standards.

These communities that have so jealously preserved their educational independence are being pushed towards a certain agreement. I frankly think we would have fewer problems in Canada if we stopped saying "national standards" and started saying "international standards." It is one of my little ambitions, because no province would be able to say, "You are forcing me to do what other provinces are doing. This is my little jurisdiction."

The world is forcing us to change. We have outside pressures; we have the impossibility of predicting the future, the impossibility of students of whatever age being able to predict what will be best for them, and it is difficult to produce legislation that will meet and answer all the very pertinent questions Senator Kinsella has raised.

• (1750)

It is perfectly legitimate to send this bill to committee where we can ask for whatever detail and clarification the officials can give us. They have studied this issue and discussed it with the provinces. They will know a little more.

Hon. Brenda M. Robertson: Senator Gigantès, should this legislation pass, when does the government want it to be implemented? Does it want it to apply for the academic year 1994 or 1995?

Senator Gigantès: I think the government would like it to be in place this fall so that the needs of students can be met immediately.

Hon. Ethel Cochrane: Honourable senators, I welcome the opportunity to speak on this legislation to change the Canada Student Loans Program. I would like to make it clear at the outset that I intend to support this bill because there is much in it that is not only desirable but urgent and necessary.

The Student Loans Program has needed serious revamping for some time. There is general satisfaction that action is being taken to increase weekly loan limits to better reflect the costs that post-secondary students must bear in the 1990s to pay for their education.

I note that there have been discussions with the provinces about this legislation and that provincial governments support those changes. Their support is echoed by university and college associations and by some, although not all, student groups. There are commendable provisions in Bill C-28 to provide increased support for disabled students, for female doctoral students in some fields of study, and part-time students who constitute an increasingly significant proportion of post-secondary enrolments.

Having said that, there are some provisions of this bill which create uncertainties which concern me, and other elements which I consider simply undesirable. I shall mention the uncertainty features only briefly and concentrate my attention on the undesirable ones.

There is considerable discretion left to the minister in this legislation, particularly with respect to the negotiation and regulation of financial arrangements with lending institutions. In effect, the government is privatizing the Student Loans Program and the responsibilities for collection of student loans, while still providing some guarantees both that those loans will be made and that interest will be paid.

I have heard some horror stories, particularly in Nova Scotia and New Brunswick, but also in other provinces, about students' experiences in dealing with lending institutions. I would hope that the federal minister and the provincial governments will heed students' complaints about those experiences and avoid entering into any long-term agreements with lending institutions without a thorough assessment of the performance of those institutions in adhering to the spirit of the Student Loans Program.

There are four other issues I would like to raise in conjunction with this bill which I regard as quite serious problems that I hope the government will consider.

The first is the potential for development of massive student debt. After four years of studies a student could be left with a debt of $22,000. That is a tremendous financial obligation to be faced by a graduate just entering the workforce, and quite possibly considering marriage and starting a family. That debt, according to a government spokesman, could be reduced by $6,000 to about $16,000 for what we might call "good behaviour," that is, fulfilling academic standards and graduating on time. On the other hand, the debt could also be increased if a student takes more than four years to complete a degree or takes additional loans to take courses during the summer.

In any case, we are contemplating graduates with very large debt loads at the beginning of their careers. I ask you to consider that this might be a very daunting prospect, particularly for students in Atlantic Canada who face graduation into a labour force with the highest unemployment rates in Canada, the lowest wages, and the least appealing job prospects. That would discourage many young people from taking post-secondary training.

My second concern is the potential, as a result of this legislation, for large increases in tuition fees at post-secondary institutions. This is particularly true because of the income-contingent repayment schemes which Bill C-28 encourages the provinces to experiment with as pilot projects. I will not go into details of the operation of those pilot projects, but I would like to consider the possible results. If the ICR loans result in drastically inflated tuition fees, that will mean that more and more students are forced into taking larger and larger loans to finance their studies. At the end of those studies, they will face larger accumulated debts to repay as a result of the ICR experiment. There was much discussion on this issue during committee proceedings in the other place.

I apologize, honourable senators, because I cannot give you specific page references to the testimony at those hearings. I have had to rely on preliminary, unedited transcripts. I can report, however, that the question about pressure from massive tuition increases was posed to several witnesses. The Association of Universities and Colleges of Canada strongly endorsed income-contingent repayment and called it "the single most important advance that could be made over the remainder of this decade in student aid in Canada." However, when asked about the potential for large increases in tuition fees, that association ducked the question. The response of the spokesperson was:

> I would urge you not to see a role for the government of Canada in setting tuition fees. This is a matter that should be dealt with at the provincial level... it's a matter that should be dealt with at the individual institution within each province...

Other witnesses were less equivocal. One was Mr. William Smith, the Assistant Deputy Minister for Education and Labour from the Province of New Brunswick. He stated the following:

> In terms of the relationship between student aid and university financing, I'm afraid I was initially of the view that the lobby for income-contingent repayment was largely designed to create a way of allowing increases in tuition fee revenues to replace operating grant revenues which have been restricted by financial circumstances of government. I think these are separate but related issues and I do think that is something that this committee ought to be somewhat leery of, is the relationship between student aid and the tuition fee question and the university financing question in general...

I have concerns with the levels of debt we are seeing, that the income-contingent repayment schemes, at the percentages of income being discussed, just won't handle those levels of debt and need to be rethought.

Another witness was Mr. Fred Hemingway, Chief Executive Officer of the Student Finance Board of the Government of Alberta. Last year the Alberta government commissioned a consulting firm to review the loan repayment process and Mr. Hemingway offered this observation:

Our province suggests caution in two program areas identified in Bill C-28. The bill provides for pilot projects on income-contingent repayment. Income-contingent repayment programs were examined as part of our student loan repayment review, which I mentioned earlier, and were rejected by our consultant and by us due to the likelihood of increased cost to government in the long term.

Our consultant also felt income contingent lending does not promote responsible credit behaviour and would lead to repayment terms of twenty to thirty years for many students. Such plans would also create a powerful incentive to raise tuition levels, and this could have an impact on access to post-secondary study, especially for students from low-income families.

While such plans may be attractive in principle, we have no evidence they are financially sustainable over the long term. The evidence we have is the total debt students could incur for tuition and living costs cannot be reasonably managed and repaid under current income contingent repayment models.

With respect to the debt load, under ICR programs, that, of course, would depend upon the design of the program itself. There have been many, many different options put forward in terms of what that design might be.

Most of the ones we've heard talked about, talk about students borrowing the total cost of their education to cover not just living costs, but tuition costs as well. If that were to occur — in Alberta today, for example, the cost of attending a four-year university undergraduate program exceeds $35,000 and if tuition levels were to increase substantially, that could go to at least $40,000 to perhaps $45,000. There is no question that level of debt load we don't feel is sustainable.

• (1800)

I suggest, honourable senators, that these statements from two provincial governments which have initiated research on ICR programs should act as a strong warning to us about the potential implications for creating truly frightening levels of student debt.

Third, I have a concern about the way in which different provinces will react to the proposed new levels of student assistance. Bill C-28 envisions a 60-40 split in funding between federal and provincial governments. It is not at all clear at this point that any province will be able to come up with the money to fund its 40-per-cent share of this increased student assistance. If it does not, then federal funding will decline accordingly. The 60-40 split, as I understand it, would be maintained, but the total assistance available to the student could be substantially lower in Newfoundland and Labrador and in other poorer provinces than in those provinces whose treasuries allow them to match the total available federal funding.

What we could well see is that the poorer students in the poorer provinces have the least access to loan and grant funds to finance the education in which they are most in need. This is hardly a measure to promote greater equality of access to higher education.

Finally, I am especially concerned about the effects of larger student loans and higher tuition fees on one particular group — adult students. As the Minister of Human Resources Development, Lloyd Axworthy, noted in his speech in introducing this bill in the other place:

...increasingly, Canadians born in the fifties and sixties are also returning to school... This means that we must provide substantially better support for part-time students or for adult returning students.

That is an understatement. In fact, the government is actively encouraging older workers or, in the case of fisheries workers, forcing them to retrain and get better education to qualify for other jobs and careers.

It is a frightening prospect for a young student in her twenties to graduate with a debt load of $20,000 or $25,000, or more if they do post-graduate work, and then begin looking for a job that will gradually enable repayment of that debt. However, it is even more frightening for an adult aged 40 or 50, with family responsibilities and a mortgage to pay, to take on that same debt knowing that she might have only 20 more working years to repay it while trying to save for retirement.

As I said at the beginning of my remarks, the Student Loans Program needs fixing. It needs that fixing quickly in order to provide more available financial assistance for needy students in time for the next academic year. For that reason, I support Bill C-28, but I do so with many serious reservations about the effects this legislation will have.

I sincerely hope the government will pay heed to these concerns and consider further changes to the Canada Student Loans Program to remedy these problems.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

On motion of Senator Gigantès, bill referred to the Standing Senate Committee on National Finance.

BUSINESS OF THE SENATE

The Hon. the Acting Speaker: Honourable senators, as it is now six o'clock, according to our rules —

Hon. Richard J. Stanbury (Acting Deputy Leader of the Government): Your Honour, it has been agreed by honourable senators not to see the clock.

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

Hon. Senators: Agreed.

DEPARTMENT OF LABOUR ACT

BILL TO AMEND—SECOND READING

Hon. M. Lorne Bonnell moved the second reading of Bill C-30, to amend the Department of Labour Act.

He said: Honourable senators, first, I want to congratulate the Acting Speaker on his promotion to the Chair. I should like to say how good he looks in the Chair. Perhaps in the future we will see him there permanently, once he learns both official languages.

Honourable senators, I have moved the second reading of Bill C-30, to amend the Department of Labour Act. This bill will enable the government to assist older fish-plant workers who find themselves unemployed because of the dramatic decline in the East Coast fishery.

These are among the most difficult circumstances in which any group of Canadian workers have ever found themselves. I ask honourable senators to imagine for a moment having their very livelihood, the profession they have toiled at for many years, suddenly taken away from them. That is the situation in which the hard-working men and women of the Atlantic fishery now find themselves. As we know, the groundfish are depleted. It will be quite some time before stocks replenish and workers will once again be able to make a reasonable living from that industry.

In the meantime, the compassionate thing to do is to help these people who, through absolutely no fault of their own, find themselves unable to earn a living. That is what we are doing now.

Under the program known as the Atlantic Groundfish Strategy, the government is addressing the plight of some 30,000 fishers and fish-plant workers. Known by the acronym TAGS, the strategy is a $1.9-billion, five-year program that took effect May 16 of this year.

The strategy is a fine example of this government's new spirit of cooperation. Before Minister Axworthy and Minister Tobin announced the initiative in April, federal officials carried out an extensive consultation with governments in the Atlantic provinces, as well as fishermen's associations, unions, industry representatives, fishing community representatives, and other interested parties.

• (1810)

The strategy has two major components. One is the responsibility of the Minister of Fisheries and Oceans. Groundfish, essentially cod, will not return to their previous levels. The honourable minister is faced with the enormous challenge of reducing the industry capacity by 50 per cent and rebuilding a fishery that will be economically viable and environmentally sustainable for decades to come.

The other component contains labour adjustment measures that will assist fishers and fish-plant workers in developing careers outside the fishery. The eligibility of fishers and fish-plant workers to receive labour adjustment assistance will be based on the individual's historical attachment or dependence on the groundfish industry.

The great majority of workers who qualified for assistance under the strategy were already receiving assistance under the former government's temporary initiatives known as the Northern Cod Adjustment Recovery Program and the Atlantic Groundfish Adjustment Program. These programs expired May 15 and TAGS came into effect on May 16.

The Minister of Human Resources Development is responsible for the labour adjustment component. Unemployment insurance agents will help eligible participants determine their immediate possibilities for employment and plan new careers. They will assist former fishers and fish-plant workers in setting goals and developing plans to reach those goals. The objective is to help individuals adjust out of the fishery and into long-term, satisfying jobs.

That is an overview of the current situation in the Atlantic groundfish industry and the measures that the government is taking to address these dire circumstances.

One component of the Atlantic Groundfish Strategy is the Fish Plant Older Worker Adjustment Program. As its name implies, this plan addresses the predicament of older workers who have spent virtually their entire lives in the fishery and, realistically, have few prospects of finding new jobs. I ask honourable senators to note that, at the federal level, Human Resources Development and our provincial partners are responsible for the program, which applies only to older fish-plant workers. The Department of Fisheries and Oceans is consulting with its partners to develop a similar program for fishermen and women. Income assistance for older fish-plant workers will be jointly administered by the Department of Human Resources Development and the provinces. Program costs will be shared 70 per cent by the federal government and 30 per cent by the provincial government.

Under the Department of Labour Act, the Minister of Human Resources Development, with approval of the Governor in Council, has authority to make income assistance payments to eligible TAGS participants who are between the ages of 55 and 64, inclusively.

Through extensive consultations with its partners, the government has come to realize that it is more realistic and beneficial if we extend adjustment payments under TAGS to eligible plant workers who are at least 50 years of age on May 15 of this year. They do not qualify for assistance under the current legislation, thus the importance of Bill C-30.

Bill C-30 will amend the Department of Labour Act to include unemployed fish-plant workers at the lower age — that is, at least 50 years of age as of May 15 of this year — and who are participants in TAGS and are eligible for older-workers' assistance. To ensure that the program is not abused, the federal government is proposing strict criteria. To be eligible for benefits, first, a person must have been determined eligible under the TAGS program. Second, the individual must have been a fish-plant worker. Third, he or she must have a long-term attachment to the groundfish industry. Fourth, the person has to be out of a job because of a permanent reduction of the work force at the fish plant. Fifth, that permanent reduction has to be a result of the decline in the fish stocks.

Honourable senators, the government estimates that there are approximately 1,200 unemployed fish-plant workers who qualify for special adjustment assistance. Of that number, about 700 would have reached the age of 55 by May 16 of this year when the Atlantic Groundfish Strategy came into effect. The government estimates that an additional 500 workers will reach the age of 55 during their entitlement under TAGS. It is those 500 dedicated men and women that passage of this bill will help.

I implore my honourable colleagues to demonstrate their compassion for the horrendous circumstances these men and women are facing. Not only have individual lives been disrupted, but, because the fishery is the major industry in Atlantic Canada, entire communities are in peril as well.

Providing income assistance to older workers will recognize their years of contributing to Canadian society and will enable justifiably proud men and women to maintain their dignity. I appeal to the benevolence and understanding of honourable senators. I know that they will show their concern and support for the passage of Bill C-30.

Hon. Ethel Cochrane: Honourable senators, I am pleased to have an opportunity to speak on Bill C-30 and equally pleased to be able to say that I support the government's willingness to bring forward this legislation.

This amendment to the Department of Labour Act will enable the government, in cooperation with provincial governments in the Atlantic region, to offer some measure of financial relief to a particularly disadvantaged category of workers.

I recognize the Department of Labour Act at present gives the government the opportunity to offer assistance payments to former employees between the ages of 55 and 64. This amendment will allow the extension of benefits to fish-plant workers between the ages of 50 and 54 on May 15 of this year.

I noted that there was some opposition to this amendment expressed by the spokesman for one of the opposition parties in the other place. I quote from the representative for the constituency of Delta, B.C., in his statements, on pages 4533 and 4535 of the House of Commons Hansard on May 27, 1994:

> We suggest that the bill is defeatist, that it shows a lack of faith in people.
>
> The government would have Atlantic Canadians living dependent on government handouts and in a constant state of instability.

Honourable senators, these government handouts will amount to only 70 per cent of the NCARP unemployment benefits currently available, up to a maximum of $1,000 a month. That is not what I would call an excessively generous handout.

I was glad to see the representative for the constituency of Bonavista—Trinity—Conception point out in the debate in the other place that the official unemployment rate in Newfoundland and Labrador now hovers at about 25 per cent; but the unofficial rate, the real rate of unemployment, is over 50 per cent in our province.

In the face of that, it is unseemly for a representative from a province with an unemployment rate of only 9.2 per cent to complain that 50-year-old fish-plant workers who have devoted decades of their lives to productive work should be denied assistance when they are displaced from their jobs in an economy where there simply are no other jobs available.

• (1820)

This program is also voluntary. Older fish-plant workers who want to benefit from alternative training and career planning initiatives may choose to do so. Some of those former fish-plant workers in Atlantic Canada may choose those other options. Many will take advantage of this new program.

I sense that some of the newer elected representatives from other parts of Canada still need to be educated about the magnitude of this issue and the extent of the displacement of individuals and communities in our region as a result of the fisheries closures.

I do have two reservations that I would like to voice. One specifically concerns this bill, and the other one is more generally on the subject of unemployment in Atlantic Canada.

Bill C-30 provides for 70-per-cent funding of assistance by the federal government for workers aged 50 to 54 with the balance to be funded by provincial treasuries. It is estimated that

this program will cost the federal government $60 million, though it is not clear over what period of time those costs will be spread out. The government also estimates that 1,200 older fish-plant workers will benefit from this program, 75 per cent of them in Newfoundland and Labrador. By my calculations, this means a total cost of $25.7 million to provincial treasuries, $19.3 million to the Province of Newfoundland and Labrador.

In the aftermath of the recent provincial budget which included very serious expenditure cuts, I have some concern about how the provincial government will find the additional funding for this program. I note, however, that both Premier Wells and Fisheries Minister Walter Carter were cited by the Parliamentary Secretary to the Ministry of Human Resources as being supporters of the program, as were the representatives of the industry workers. I presume that the provinces anticipate savings in social welfare expenditures to defray the costs of this program.

My other concern is more general and more serious. It is ironic, to put it very mildly, that we should be debating Bill C-30 in the aftermath of our debate on Bill C-17, which will have such a damaging effect on payment of unemployment insurance benefits in Atlantic Canada. There is certainly no question about where the federal government is finding the moneys to fund the expenditures envisioned by Bill C-30. The money taken out of Atlantic Canada by Bill C-17 will fund many expenditures of the magnitude expected in Bill C-30. Critics who complain about hand-outs to the Atlantic provinces should realize that the money saved in the Atlantic region by the cuts to unemployment insurance in Bill C-17 will more than pay for the expenditures involved in Bill C-30. Taken together, these two bills underline the failure of the government to stimulate the creation of new employment opportunities in the Atlantic region, a failure that is admittedly shared with previous administrators, both federal and provincial.

To return to Bill C-30, the member for Bonavista-Trinity-Conception in the other place also mentioned in his contribution to the debate that there are, or were, 57 fish plants in his constituency. In the province of Newfoundland and Labrador there are, or were, hundreds of fish plants which, in turn, supported the livelihood of thousands of individuals and families and hundreds of communities. Bill C-30 is as much about the future of those communities as it is about the individuals and the families who will be supported by this amendment.

This added income, small though it may be for a small number of former workers, may also give help to the little corner stores, the gas stations, the schools. In short, the communities will be able to survive.

Honourable senators, I commend the government for this legislative initiative, and I intend to support it.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

Hon. M. Lorne Bonnell: Honourable senators, before we talk about when this bill should be read a third time, I am very pleased to note that the Acting Speaker is from Newfoundland, the opposition member supporting the bill is from Newfoundland, and the seconder is from Newfoundland. I, as a Prince Edward Islander, would say that since everyone is in favour of the bill, perhaps we could go straight to third reading.

However, since it is not Senate policy to do that, I move that the bill be referred to the Standing Senate Committee on Social Affairs, Science and Technology, to be reported upon as soon as possible.

On motion of Senator Bonnell, bill referred to the Standing Senate Committee on Social Affairs, Science and Technology.

HEALTH

IMPACT OF CHANGES TO TOBACCO TAXES—INQUIRY STANDS

On the Order:

> Resuming the debate on the inquiry of the Honourable Senator Di Nino, calling the attention of the Senate to the impact of the Government of Canada's changes to tobacco taxes. — *(Honourable Senator Spivak).*

Hon. Peter Bosa: Honourable senators, Senator Di Nino asked me a couple of questions at the end of my presentation —

Senator Bonnell: Answer them tomorrow.

Senator Bosa: I have the answers for him now if I have the permission of —

Senator Lewis: He is not here.

Senator Bosa: He is not here, but he can read my answers in Hansard.

Senator Corbin: You should wait for him. It would be rude.

Senator Bonnell: Why don't you table them?

Senator Bosa: I see that I am getting a great deal of support from my colleagues. Having observed that, I will stand the matter until tomorrow.

Inquiry Stands.

The Senate adjourned until Wednesday, June 22, 1994, at 1:30 p.m.

THE SENATE

Wednesday, June 22, 1994

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

Prayers.

THE HONOURABLE HEATH MACQUARRIE

TRIBUTES ON RETIREMENT

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, anyone planning to make a speech in this Chamber of Great Expectations was always wise to check the Orders of the Day to make certain one's path of oratory would not take him or her close to Macquarrie ascending. To each his own vanity is fair enough, but she or he who is foolish enough to invite comparison with a silver-tongued devil is asking for trouble.

Hon. Senators: Hear, hear!

Senator Lynch-Staunton: It is not necessarily what he says that does you in; it is how he says it — the whisper that gathers resonance until it fills the space, and wakes the few unsuspecting tourists in the gallery. Because that is the sound of truth, and you had better believe it.

Actually the spell — the Macquarrie spell — begins before a word is spoken. While the innocent, complacent rookie who has not checked the Orders of the Day drones on, one senator is already elbowing another to look that-a-away, Macquarrie's way, until all eyes are upon the master intent on building his lectern.

It has often been said here — whether true or not he may at last tell us — that Heath Macquarrie chooses his lectern building blocks to match his themes — engineering manuals to underpin his very personal evaluation of the fixed link, the *Oxford Book of Quotations* to rip the toga off an attempted riposte from Senator Frith, and so on.

I am close enough to all of this scene-stealing to believe what my eyes tell me: that the stuff of this construction appears to be mostly Foreign Affairs Committee silage, with padding, as needed, from half-hearted Hansards of the GST debate, which even when new were useless to Macquarrie.

Sometimes his podiums — or is it podia? — lean or teeter, but even if they fell 'twould be no disaster. Heath scarcely scans the written words atop his personal Towers of Pisa — solemn pronouncements on fragile peace in the Middle East; high wind of reform of his country, his Senate, his party, his very own good intentions.

In his autobiography, he tells of the answer he gave to the clichéd question: "What is the first thing you would do if you were Prime Minister?" Quicker than a Prince Edward Island professor, he answered: "My first move would be to appoint myself to the Senate."

Heath campaigned openly and actively for a Senate seat. He was terrified that he would be eliminated from the race if historical selection methods in P.E.I. were followed. Fortunately for him, and for us, they were not. On September 17, 1979, his wife Isabel came home to find a bottle of champagne on ice in the back kitchen.

Has there ever been a senator who brought so much academic, literary and political experience to this place? He attended four universities in three provinces and has lectured in at least five universities in four provinces, as well as abroad. He attended his first party meeting at the age of 11. He won the great Prince Edward Island constituency of Queens for the first time at the age of 38, and was re-elected seven times after that.

He has written a fine history of the Conservative Party; he has edited Robert Borden's memoirs; he has written his own political memoirs. He has been published in numerous publications, including learned journals. He is a voracious reader. In his maiden speech in the Senate in October, 1979, he even admitted to having been a reader of both Hansards for many years. In that same speech, he said something about the Senate which is as appropriate today as it was 15 years ago. He said:

> I may be many things. If I am here with you, if God gives me health for the next 15 years, I may become a consistent advocate of certain things, but I am a great believer in Edmund Burke. You do not discard the institution. You subject it to these great qualities and you end up with his judgment when he said that all government, all virtue, every positive act is founded on compromise and virtue...the art of government, surely, is compromise, common sense and adjustment.

Senator Macquarrie has never hesitated to criticize his party when he feels it is straying from certain basic principles. Titling his memoirs *Red Tory Blues* sums it all up. His advocacy of recognition of the plight of the Arabs began at a time when, to use a faddish term, such causes were "politically incorrect." This only spurred him on, for Senator Macquarrie is truly a man of principle and of conscience. He adopts difficult causes and unravels complex situations.

He recognizes the significance of dropping a colleague a short note of encouragement, for he is very sensitive to the feelings of others.

By the way, our colleague believes, too, that the Senate is the superior House of Parliament. He tells you why in *Red Tory Blues*, his popular political memoir, in which Prime Minister R.B. Bennett is given a whole page to talk about the abuses of capitalism and big business.

When you have read — or reread — *Red Tory Blues*, it is almost certain that you will come away convinced that whatever new tasks Heath and the effervescent Isabel Macquarrie undertake on behalf of their country, they will be spoken of here in the present tense; a vigorous, affirmative tense for Canada.

Hon. Senators: Hear, hear!

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I, too, rise today to pay tribute, and I must say reluctant tribute, to our honourable colleague and friend Senator Heath Macquarrie, who will be leaving this chamber as of September. I say "reluctant tribute" because, Senator Macquarrie, you and I go back on this Hill a very long time. It saddens me to think that I will be looking across at the other side of this chamber and not seeing you here.

Senator Lynch-Staunton said that one is impressed with Senator Macquarrie even before he speaks. That is absolutely right. He has been that impressive figure with the umbrella and beret, trotting along the highways of Parliament Hill. He also dazzles one and all on Parliament Hill in his kilt, as a fashion statement.

However, honourable senators, it has always been the smile and then the words, because Senator Macquarrie has always been a wordsmith. As well as being instructive, it has always been a pleasure to listen to the speeches of Senator Macquarrie, whatever the subject.

In his maiden speech in this place he said:

> I am here as what is called a Red Tory... if it means I have compassion for those in society who most need help from the government... then I am; if it means I believe in the value of historic tradition and the honourable process through time and valuable institutions, I am that too.

That sums up for us all the attitude that Senator Macquarrie has brought to public life, and the personal independence which has guided his actions through thick and thin these many years.

As was noted, Senator Macquarrie came to the Senate in October 1979, but this was after serving as the member of Parliament for Queens—Hillsborough, Prince Edward Island, for over 22 years. This morning, as I was contemplating saying farewell this afternoon, I had a chat with Senator Macquarrie's most recent successor, George Proud, who is the Liberal Member of Parliament for Hillsborough. As I spoke with George, I got the distinct impression that he wished he could come into this place this afternoon and pay his own tribute. Without hesitation he said, first, "Heath is a master politician." He told me of the networks that Senator Macquarrie had built up in Prince Edward Island, in Ottawa and in the party.

George had another life before politics. He told me that he would quietly and secretly come to Ottawa on business. He would register in the hotel and, as soon as he entered the room, the light on his phone would be flashing and it would be Mr. Macquarrie who had, through this astounding network, charted his course across the country from Prince Edward Island. Mr. Proud also said that his friend was a great Maritimer, a great Scot and an Islander with a great heart. As the current member of Parliament for that constituency, his goal is to be as good a member of Parliament as Heath Macquarrie was for the people of that part of Prince Edward Island.

Senator Macquarrie's career did not begin in Parliament, although a good deal of time has been spent here. Prior to his career here, he was a member of the Board of School Trustees for the City of Brandon, Manitoba, he was National Vice-President of the Progressive Conservative Party of Canada, and he held several offices in constituency and provincial organizations associated with his party.

As Senator Lynch-Staunton said, Heath Macquarrie has been a staunch supporter of the upper house throughout his career. He is described by some as "provocative and fiercely patriotic," and he has certainly been outspoken in his high regard for the Senate and its work. He once commented that it was "unfortunate that we live in a society which disregards and devours the past."

In his maiden speech in the Senate, he spoke of his pride and honour at being summoned to this chamber, which he called "the oftentimes misunderstood and sometimes abused" Senate. He also touted Senate committees as the most "efficient and valuable committees of inquiry and investigation of any deliberative body" that he had ever known.

Honourable senators, he should know about those committees, because he has served on so many of them over the years, including the committees on Privileges, Standing Rules and Orders, Internal Economy, Aboriginal Peoples, Fisheries, National Finance, Transport and Communications, and the Joint Committee on the Parliamentary Library.

When he came here, he brought not only 22 years of political experience in the House of Commons with him, but also a lifetime background in the field of education as a public and high school teacher in Prince Edward Island, as an assistant professor of economics and political science in New Brunswick, as a visiting lecturer to many universities, as a professor of political science and international relations in Montreal, and as an instructor of international relations at Carleton University here in Ottawa.

Senator Macquarrie's compassion for people was very evident throughout his affiliation in many areas of foreign affairs with organizations such as the African Student Foundation, the Canadian Diabetes Association, the Canadian Human Rights Association and also in the Canadian branch of the Commonwealth Parliamentary Association and the Canadian Bureau of International Education. He has also been truly committed to the people of all of Canada, and has demonstrated his great admiration for our political institutions and processes by always carrying out his responsibility with honour and dedication.

There is much more to Heath Macquarrie than a chronological listing of his career and his achievements. His love for Prince Edward Island and its people goes beyond words. During our exchange on the fixed link resolution earlier this year, we all understood that the concerns that he expressed were rooted not in politics but in his concern, his anxiety for the future of the unique experience that is Prince Edward Island. To him, it is as distinct as any other spot on the face of the earth, if not more so. It is not merely a place for him to call home. He has always spoken about it as a way of life and love. It is this that he is so determined to protect, and we all understood the passion with which he spoke in that debate.

• (1340)

Senator Macquarrie, as we also know, and this has been said before, is a genuinely humorous and engaging individual. His love of discourse, not only speechmaking but also debate, is legendary on Parliament Hill and his genuine interest in people is evident from even the most cursory relationship with him.

Yesterday, honourable senators, we spoke about what Newfoundland had lost with the death of Frederick Rowe. Today we speak about what we in the Senate will lose and miss with the departure of Heath Macquarrie. Our loss, however, will be Prince Edward Island's gain.

I believe that Senator Macquarrie will never retire. I do not think it is in his psyche to retire. He will continue to promote the best interests, not only of that province, but also of the whole country, which he has served with such distinction and great care.

Senator Macquarrie will continue to brighten the lives of everyone he meets — Scots or otherwise.

All of my colleagues join with yours, Senator Macquarrie, in wishing you much health, great happiness in the years ahead, and good times for you and your family.

Hon. Lowell Murray: Honourable senators, I have often thought how unfortunate it has been for Parliament, for the country, and certainly for my party, that Heath Macquarrie and other talented Conservative MPs from the class of 1957 and 1958 have never had the opportunity to serve in ministerial office. He and they would have made a most impressive cabinet. However, it was not to be.

During their first six years in the House of Commons, they had to yield to the seniority of older Tory MPs who were chosen for Prime Minister Diefenbaker's cabinet. Then came 16 years in the ranks of opposition. Such are the fortunes of politics and of life.

As a pillar of the Presbyterian church, Senator Macquarrie will be familiar with the reminder in the Book of Ecclesiastes, that "Time and chance happeneth to us all, however swift, strong, wise, understanding or skilled we may be." Time and chance turned in his favour in 1979. Although he had not run in that election, a Conservative government came to office and Prime Minister Clark appointed him to the Senate before the new Parliament met. Thus, Senator Macquarrie's service to Parliament has been uninterrupted since 1957.

He has never been given to narrow or excessive partisanship, but his party loyalty is strong. He has given generous service to the national party organization on its policy committees for many years, on its party constitution committees for many years, and as a trusted interlocutor with its youth wing during most of his political career. He knows how to play the political game and he is a formidable campaigner. Ask any of the candidates who opposed him unsuccessfully in eight general elections.

Throughout his career he has attracted loyal followers to his side and to the ranks of the Conservative Party. Over the years hundreds of young people on the Island and hundreds more on university campuses across the country have looked to him as a mentor and friend.

In many different ways Heath Macquarrie is a wonderful asset to the Conservative Party, even when — perhaps especially when — he has been somewhat out of line with the mainstream thinking of the party. I will not go so far as to say that this has been a common occurrence in his career, just that I have lost count of the number of times that it has happened. Indeed, on occasion he has managed to offend both the leadership and the rank and file of the party at the same time. In the Conservative Party that is quite an accomplishment!

Whatever the issue and however uncomfortable the disagreement, respect and affection for him have remained unimpaired, because his integrity and sincerity are unquestioned.

Honourable senators, in 1937 the then Governor General of Canada, John Buchan, went to Charlottetown and delivered a speech that for many years was reprinted in the old high school "readers" of poetry and prose for Canadian students. The speech was entitled, "Island Magic." In it, Buchan spoke of local patriotism and of a wider "patriotism of humanity." He said:

> I do not think you can exaggerate the value of this local patriotism.

He then added:

> The man who has it is at home in the world, for he has his roots deep down in his native soil.

Such a man is our friend Senator Macquarrie. Sometimes his many local, national and international interests have happily converged.

I saw an illustration of this in 1983, when the Standing Senate Committee on Foreign Affairs travelled to five countries in the Middle East. We met two kings, one president, one prime minister, leaders in politics, business, the military and education. Senator Macquarrie was easily the most experienced and best informed among us on the great issues that faced that part of the world and he did us all proud. There was another issue on his mind. It concerned problems that had arisen in the marketing of Prince Edward Island potatoes in Saudi Arabia. No time was lost and not an opportunity was missed by Senator Macquarrie to raise this problem with our hosts in Saudi Arabia. I do not know whether the members of the Saudi Royal Family and other important people that we met there had been familiar with the problem before our arrival, but I can say with certainty that Senator Macquarrie got their attention. This is the essential Macquarrie. The true nationalist, true internationalist, but ever mindful of his duty to his beloved Prince Edward Island.

Finally, honourable senators, I can only acknowledge, because I could never find words to express myself adequately, my own gratitude to Senator Macquarrie and to his wife, Isabel, for the warm friendship and hospitality that they have accorded me, as so many others, for more than 30 years.

• (1350)

Senator Macquarrie has been an adornment to Parliament and to Canadian politics. I am proud to have been his colleague, and, like many others inside and outside this place, I am proud to be his friend.

Hon. Orville H. Phillips: Honourable senators, I have had a longstanding association and friendship with Senator Macquarrie. I will not tell you the number of years we have been associated, but I will say that we both had hair when the association began.

Both Heath and I were surprised to be elected in 1957. Heath described himself as being a political scientist. As honourable senators are aware, political scientists are long on theory, but very short on the practical aspects of politics. Heath had a very efficient secretary, Bonnie Howatt, and she and I were given the task of making a practical politician out of Heath. This involved a lot of serious discussions, a bit of scheming and a lot of laughter. I must say that Heath proved to be a very apt student, because he kept coming back, election after election, until he retired to become a professor at Mount Allison University, which later honoured him with an honourary doctorate.

I think of Heath as a scholar. He was an ardent supporter of the Learned Society. He, as the leader has mentioned, completed the definitive work on the life of Sir Robert Borden. He published his own memoirs, *Red Tory Blues*. He covered that book, I think out of respect to the rest of us, in a blue cover, and that made it seem that much more interesting to me.

Heath also wrote numerous articles for papers such as the *Christian Science Monitor*, articles on international affairs. It always seemed strange to me that such a devout Presbyterian would be publishing articles in the *Christian Science Monitor*.

Someone mentioned Senator Macquarrie's speaking tours on behalf of the Conservative Party, particularly when the Conservative Party was in one of those frequent periods when we were low in the polls. Heath used to go out on speaking tours. It was amazing how the polls improved after one of those tours.

In spite of all these extra activities, Heath always found time for his House of Commons duties. No one ever contacted him with any complaint that did not receive a reply, and, if anything could be done to assist that individual, Heath would assist him.

Frequently, I meet people in the Charlottetown airport and they comment on what a nice airport it is for a small town like Charlottetown. I always tell them to forget the brass plaque on the wall that states who opened it, because the credit for that airport belongs to Heath Macquarrie, and he leaves behind not only the Charlottetown airport as a token of his efforts, but many other projects on Prince Edward Island, and we appreciate them all.

He is very proud of his Scottish heritage. I have a suggestion for the reception this evening, and that is that we have a piper and have Heath show us how young he is, because he can still perform Scottish dances. I think we should have a piper for this evening, and I hope our leader will look after that detail. Perhaps that is the whip's job, so I will pass it to him.

Throughout his career Heath was always fortunate to have the advice and the backing of his charming wife, Isabel, and his children. I am sure Heath would be the first to give them credit or partial credit for his great success in the political life of Canada.

Heath, I wish you a very long, healthy retirement. It is my hope that we will have the pleasure of seeing you and hearing you at many Conservative gatherings in the future and that you will continue to be as eloquent as you have been in your first 75 years. I wish you all the success in the future, my friend, and thanks for our friendship.

Hon. Philippe Deane Gigantès: Senator Macquarrie, I want to thank you for having been here while I was here. You have pleased me, entertained me and enlightened me. I cannot add anything to the political praise heaped on you by Senator Murray as regards your judgment. He is right and it is wonderful. I should simply like to say that you are a scholar, a gentleman and a statesman, and you have added lustre to scholarship, statesmanship and gentlemanliness.

Hon. Norman K. Atkins: Honourable senators, I should like to add my tribute to those already expressed. Senator Macquarrie has been a neighbour of mine on the second floor of the East Block since my appointment as a senator eight years ago, and it has always amused me and seemed appropriate that his office was just down the hall to that of Sir John A. Macdonald. There are a number of similarities, and I suspect that, if Sir John were here today, they would have been getting along just fine.

Senator Macquarrie has been a very loyal, energetic and dedicated member of Parliament. It is no wonder that he commanded the support of his constituents for so many years. What I have always marvelled at is his ability to articulate his case intelligently and with humour. While he did not speak often in this place, when he did, people listened to the elegant presentation which always added significant value to the debate.

I view him as an exceptional parliamentarian, but he is more than that. He is a talented and masterful author and a wonderful teacher. I am told his students at Mount Allison University looked forward to going to his classes, knowing full well that they would receive great value from his lectures.

I wish him well during his retirement. I hope that he will continue to participate in the public affairs of this country and that he will find something that will keep his interest for a long time to come.

Finally, I know he will understand how sincere I am when I say I remember him as one who was there when it counted. May he visit the second floor in the East Block on many occasions in the future. I know he will certainly be welcome. This is one Red Tory who is feeling blue because Heath Macquarrie will no longer be with us in this place.

Hon. Peter Bosa: Honourable senators, I should also like to say a few words about Senator Macquarrie, but from a different perspective. He and I live in the same apartment building, and I have met him quite a number of times in the swimming pool. He is quite a sportsman, you know. We have walked together from the apartment building to Parliament Hill on a number of occasions. He is most conscious of the environment and clean air and, to that end, he mapped out a route in order to avoid breathing the exhaust fumes from the multitude of cars that are on the streets from the apartment building to Parliament Hill.

• (1400)

What I admire most about Senator Macquarrie is his ability to articulate his ideas and his thoughts. He is most erudite. I tried to learn from his English in the course of our walks. From time to time we would discuss literature. I would take some pride in reciting the first few lines of a poem. He would then not only mention the author but complete the poem. I would say, "Behold a young solitary Highland lass reaping and singing by herself..." He would continue to finish the poem. If I said:

> Once upon a midnight dreary, while I pondered, weak and weary,
>
> Over many a quaint and curious volume of forgotten lore...

He would say, "'Nevermore'. That's Edgar Allan Poe."

I have been a great admirer of Senator Macquarrie. I shall miss him. I wish him and Mrs. Macquarrie a happy and enjoyable retirement.

Before he leaves Parliament Hill I hope I have the opportunity to sing "Just a wee deoch-n-duoris" with him. I think I am the only new Canadian, not only in this chamber but probably in all of Canada, who knows all the words of that song.

Hon. Senators: Hear, hear!

Hon. J. Michael Forrestall: Honourable senators, my relationship with Heath goes back, like so many of you, to the days of the Right Honourable John George Diefenbaker. His was such an improbable name one wonders how he ever got elected Prime Minister.

We go back to the days when frequently there were more people on the stage than there were in the audience. Those were the days when loyalties were developed and modern traditions within our party formed. I had the good advantage of being first elected to the House of Commons with Bob McCleave. Bob and I, together with Heath Macquarrie and Angus MacLean, were the last four parliamentarians to seek office in dual constituencies. They were the last of the dual constituencies in Canada.

It is appropriate to recall that because, if there were a new era, it could, perhaps, be dated by our having caught up with ourselves and having brought our institutions into the modern era. Doing that required careful and thoughtful guidance. Above all, it required knowledgeable guidance, based upon experience, broad reading, and a deep understanding of human nature. It was thought in Prince Edward Island that Heath Macquarrie was one of the figures in those days who gave good guidance, good direction, good counsel and good advice. I am grateful to you, Heath, for that.

Our offices were almost shared. I was on one side of the hall and Senator Macquarrie was on the other. We sealed off the end of the hall so that we would have even more privacy. Those were great days. Heath was summoned here and, lo and behold, I moved into the finest office in Ottawa. It was a magnificent office in the corner of the third floor of the West Block. It has been noted that when he was summoned to the Senate he just went across the lawn. He made sure he had the same view he had had for some years before.

Politically, I matured in that office. Heath took on the role of mentor quite willingly, not just with myself but with young and old reporters alike, with other parliamentarians, and with people on the Hill interested in the workings of the place. It was a great place for good conversation. Heath's role of mentor did not stop there, he continued to teach at home. It was a way of life for Heath to teach. He was a teacher; scholar; he was all those things, not to mention a parliamentarian and a historian.

I will miss him in the sense that no longer will I be able to walk across the lawn for advice and counsel, the type of advice and counsel that I watched him give to Robert Stanfield during his years as our leader. Indeed, in the months prior to him becoming our leader, Heath's role was energetic, supportive and creative in encouraging Robert Stanfield to seek the leadership of our party when most others, notably some of our colleagues here in this chamber, had given up on him. Heath Macquarrie did not.

I wish him well. I know I will not miss you because we will continue to see each other. I know where Crapaud is; I know where Victoria is; and I know where Ottawa is. I also know that, which is most important to me, your counsel, freely given in the past, will always be available.

God bless and keep you, Heath. Thank you very much for all the years.

Hon. Senators: Hear, hear!

Hon. M. Lorne Bonnell: Honourable senators, I am glad I arrived here before this great occasion had concluded.

My good friend Heath Macquarrie is a neophyte. I was in the legislature of Prince Edward Island about 15 years before Senator Macquarrie was first elected to the House of Commons in 1957, at which time his old friend, Angus MacLean, had been there since 1951, some time after me.

In 1957, John George Diefenbaker came before the country and talked about the great Canadian vision. Incorporated into that vision was a fellow called Heath Macquarrie in Queens County, Prince Edward Island. At that particular time, Queens County was one of two historic districts in all of Canada because it had two members of Parliament. With Heath Macquarrie, there was Angus MacLean, a former Minister of Fisheries of this great country of ours, and a former premier of Prince Edward Island. He ran with Heath Macquarrie in Queens County which was a dual constituency. The only other such constituency was in Halifax.

This young neophyte, Macquarrie, a professor from Victoria, Prince Edward Island, had the gall to enter his name on that ballot. He won the seat. So did Angus MacLean. In fact, every seat on Prince Edward Island supported John George Diefenbaker. We lost every seat, and we blamed Heath Macquarrie as the organizer behind that campaign. Even our good friend Orville Phillips from Prince County was elected at that time, and they both came here in the same year.

You know, it was a strange situation to have Conservatives elected federally in Prince Edward Island, and yet they took every single, solitary seat. No longer was Chester McClure available, who had been there before Heath Macquarrie, with his good friend Angus.

Sometime after that, they had redistribution, and redistribution meant that either Angus MacLean, who was there previous to Heath Macquarrie, or Heath Macquarrie had to take the city of Charlottetown, where all the Tories were. Heath decided he should represent Charlottetown or Hillsborough. He moved to the Hillsborough district and let Angus MacLean have the Malpeque area. Heath thought he would take the city seat or the Hillsborough seat, which has been Liberal since he left. He won that seat until he finally quit, when his good friend from Nova Scotia promised wage and price controls.

Heath decided he should go back to teaching. He returned to teaching until his very close friend Lowell Murray, and his other friend Joe Clark, decided that Heath should come here to the Senate to represent the province of Prince Edward Island, with the vast experience in political life which he had.

In Prince Edward Island, we had a young Rossiter, the brother-in-law to Senator Rossiter. He was looking for the seat. In fact, he thought he had it in the bag, but no, sir. Senator Macquarrie, with his past experience and his friendship, and close ties with the upper house and in Parliament, ended up here in this lovely chamber and he has been proud to stay here. In fact, Heath said he would not even bother to put his shoes on to come here. He would come, if he ever got the call, without his shoes.

Senator Macquarrie has been a great asset to us here. I have to say, as a Liberal, that I have been very pleased to have him here as a Conservative because, in all his time here, I do not think that, even once, he or I have had any conflicts, one way or the other. He voted against me sometimes, but he never once said the wrong thing or the bad thing. In fact, I can say the same thing for Senator Phillips.

Hon. Senators: Oh! Oh!

Senator Bonnell: No, no. Senator Phillips is not retiring; I will tell you what. He will be here, and I will have to wait for a few more years to see whether he ever says a bad thing about me. So far, he has not.

Islanders are funny people. We are Islanders first, politicians second. I can tell you a funny story about Senator Macquarrie. One thing he is very proud of is his religion. He is a great Christian and a great Presbyterian. He will stick up for those Presbyterian beliefs, wherever he is.

Senator Macquarrie and I had the opportunity at one point to visit John Paul, the Pope, in the Vatican. There we were, with some very good Roman Catholic friends and colleagues of ours. They thought they had met the Lord — but I knew they had only met the Pope — so they never said one word. I did all the talking. No change there.

Anyway, after the conversation was over, and the Pope had his picture taken with me — if you do not believe me, I have the picture to prove it, and Heath Macquarrie knows it — then the Pope said, "Would you like to come to Mass?" I said "I would love to." This was on the Wednesday, before Easter Sunday Mass. I asked Heath if he was coming with me. He said no, that as a Presbyterian, he thought he would go to his own church, just down the corridor below.

So he went to the Presbyterian church, and I went to Mass. But let me tell you, the Pope never asked me if I was Presbyterian, Baptist, Roman Catholic, Methodist, or what I was. He invited me to Mass and where did I end up? In the pulpit, with the Pope for Easter Sunday Mass. I have the pictures to prove it.

On another occasion, Senator Heath Macquarrie travelled down through the northern part of Italy with me. We had many good times together. I will be sorry to see him retire in September. He will be a senator for a long time to come. He will never not be a senator, but he may not be able to come here, because they changed the rules of this place some years ago and he has to retire when he reaches a certain birthday. That birthday comes up in September.

I wish Senator Macquarrie and his good wife well. I want him to know, if he needs any help, he can come stay with me.

Hon. A. Raynell Andreychuk: Honourable senators, I rise with some trepidation to speak after Senator Bonnell. Nonetheless, I will plunge in.

I rise to correct the record. There has been a newspaper article circulating on the Hill recently which contains two grading categories. Unfortunately, Senator Macquarrie did not fare too well in one of those categories. I want to assure him today that most of us, particularly the women on the Hill, disagree with that poll. I think the writer misunderstood his charm, his continental suave, and a manner that we all appreciate and note.

Furthermore, I think some of us perhaps would have relegated Senator MacDonald to second place in the other category. I wanted to make sure that those feelings were put on the record, Senator Macquarrie, because we notice you on every occasion you come to the Hill.

I also wanted to correct the view that Senator Macquarrie's experience, his knowledge and his scholarship are known only in the Atlantic region. I had the pleasure of hearing Senator Macquarrie many years ago in Saskatchewan, where he is known for his scholarship and for his writings. I appreciate the short time I have had to serve with him here.

Senator Macquarrie, I wish you success in the future.

Hon. Heath Macquarrie: Honourable senators, I am sometimes accused of too frequently giving voice to classical sayings, utterances of the great and the past. For this little while, I have been thinking of that well-known expression, "What manner of man is this?" about whom you were making such wonderful observations.

This is a place of debate. It is important that opinions be expressed well. However, for once in my time in Parliament, I am delighted that only one side of the story has been given voice. I do not want to open it further to the opposition, because God knows what might emerge.

I am very glad — not to be going, but glad to hear what is being said today. Some former senator said long ago, "It is the only place in the world where you get a chance to hear your own obituary." Everybody likes that when it is favourable.

• (1420)

I was a little leery yesterday. I heard my Presbyterian friend Senator Stanbury indicating that the committees were so heavily laden that there probably would not even be time to meet today at all. I had visions of saying good-bye to you all by a Hasti-Note, or something like that. That would not have been nearly so enjoyable for me as today has been. Some of you may find it quite boring, but not I. Not I. You have been generous. Indeed, on occasion, flattering. Again, not offended am I.

For a while, so many wonderful things were being said that I became almost speechless, but you notice only almost. I am impressed by the fact that every person who has spoken has spoken, in my opinion, at their best. The subject-matter, perhaps?

I have been reminded of things that I had not given much attention to of late, and I am glad of the reminders. I am glad my dear wife is here to hear what a wonderful man I am. I hope she will be smart enough to accept it. My only son is here to realize what a wonderful heritage he may follow. I am moved by the fact that some people who are very wonderful to me are in that gallery, which is not notoriously overcrowded, I have noticed. I appreciate the support and interest today, the friendship and support of many years.

Senator Forrestall has mentioned Mrs. Howatt, my first secretary. In fact, like the American aboriginals, she was here ahead of the Pilgrims because she was secretary to the man I defeated in order to get into the House of Commons in 1957.

Senator Lynch-Staunton was at his most eloquent. I had no idea that people examined my platform so carefully. It is wise to have a platform. Some American politicians have said that platforms are only to get in on, but I like them for something to lean on. When I taught at university, when I was never too sure of the profundity and weight of my utterances, I made sure I took along a good many books so that at least something would be heavy and substantial. I do that here as well. I appreciate my leader's eloquence on my behalf. I admire his perception, as I admire his leadership of this group.

To Senator Fairbairn, I can make only one correction. In her most agreeable, sensitive, and deeply appreciated remarks, she talked about me "trodding" uphill. I would have preferred "dashing."

Senator Murray, younger than I by far, is in some ways, in part, my creator in my coming to this place. Senator Lynch-Staunton is right. I never had any reluctance about coming to the Senate. When Prime Minister Clark phoned me in Victoria, P.E.I. that day, we had the champagne out. Apparently he had been calling a number of prospects, and he said, "Heath, I guess we do not have to spend much time on the consent aspect, do we?" I said, "No, sir." One-quarter of a second later, I said "yes" and "thank you." I knew what the Senate was like. I had known senators on joint committees. That knowledge was very helpful to me.

I am deeply moved by the brief but eloquent remarks of Senator Gigantès, and if I may be so presumptuous, since someone has called me this, from one wordsmith to another, I give faith and high marks to a compliment from that source.

Now, with Senator Phillips, we get into a little different situation. He said that I was surprised that we were elected in 1957. If I may amend that, I was surprised that he was elected. I want to also say this, and any Prince Edward Islander here will know what I mean: For Senator Phillips to be as effusive and as complimentary in such a forward manner about anyone or anything is indeed a very important occasion. I thank him deeply.

Senator Atkins, my neighbour and fellow Red Tory, recalled incidents and enunciated some very important aspects of my political memories. He was very delicate about Sir John A. Macdonald's propinquity. I am glad to have an office very close to his, because on some of these heavy days when I am troubled about the country, or the party, or about my Presbyterian soul, I have one drink of rum, and I think of two, and I know that good old Sir John would say, "Go to it, lad." He sustains me in the gap between the second and the third. Much have I loved that man.

Senator Bosa, for whom I have the highest regard as a neighbour and as a fine internationalist, has been very kind too. Not only does he know what a "wee deoch-n-duoris" is, I helped him with the spelling of it. I hope that while I am around here but not in the chamber, until I become 75, a mere stripling, that we will know what a "wee deoch-n-duoris" is together.

Mike Forrestall calls me "father." He always has, and I have always answered to that, which of course is a subtle suggestion that he is very young. A man so experienced, such a backroom man and such a frontroom man for so long, is not exactly junior. He and I have trod the ways together.

I remember those days when to be a Tory at all was to be as close to extinction as being a Red Tory is today. I have inured myself twice to that. I can only say that, to most optimists, hope springs eternal. Yesterday's low tide is later on a high tide, and so we sit and we wait, and we hope. When we are good, we pray.

I am impressed by this reference to my Presbyterianism and the fact that I went to the Church of Scotland when I was in Rome. Where else would I go?

• (1430)

I have never claimed to be the greatest Presbyterian. I sometimes went so far as to say I was a pillar of the church — a crumbling pillar, more crumbling than pillar-esque. I am sure most of my fellow Presbyterians would agree with that. Some people in Prince Edward Island say, "I do not know whether you are a good Presbyterian or not, but you sure as hell are a stubborn one!" There may be something to that as well.

It was kind of Senator Andreychuk to come to my rescue about certain adverse, sensitive polls. When my party was languishing in the polls, which it has been most of the time in my long life, people would say, "Oh, polls; pay no attention to them!" Somehow I always liked them better when they were favourable. I did not mind reading a paper about our party being so well received.

Dealing now with the references to my being the worst-dressed senator, I always comfort myself that, if you are going to make the list, make it at the top! No need of this nonsense of being the third worst. Be the worst! Whoever was involved in this electoral college, those beggers have had me in that position now for three years. As Richard Nixon — whom I did not admire — might have said, "They will not have Macquarrie to knock down on the list again."

My own defence is that if any of these sedentary senators think that I am going to take my 25-minute walk every morning in a hard collar, a gray tie and a frock coat, they have another think coming. I have been trained in athletics. That has been referred to. I am an athletic type now. God help us. My children will not be impressed by that.

Thank you very much, honourable senators. I hate leaving this place. I am immensely sincere in my view that the Senate is an important place.

I read once that the Senate is the second chamber, but that it should not be the secondary chamber.

A good many years ago I was furious at a famous Englishman, Harold Laski, who wrote that the Senate of Canada does not even entertain its own self-respect. I thought that was a snobbish remark for an Englishman to make. Then I reflected on that comment — I do a lot of reflecting, not always thinking and talking. There was something in what he said. Perhaps we do not have a sufficient regard for our place in the structure.

I was always a bit amused and annoyed by people who worried about our legitimacy — we are not elected. I have been called a bastard more than once, but I was never, myself, troubled about our legitimacy.

As Senator Phillips once said, we have the legitimacy of the Constitution. We are put here by the Constitution; we come here in a particular way; we are appointed by the leader of the party that has the majority of the people supporting that party. I feel that, through the years, we in the Senate, and I am speaking in the continuity of history, have been a bit too supine.

Honourable senators, the great Arthur Meighen once stood here declaiming about this time of the session and the fact that the senators are here, ready to work, ready to legislate, ready to discuss, and nothing happens until the last day or two. We are deluged by a veritable plethora of legislation. Mr. Meighen said, "We are expected to pass legislation without amendment, without delay, and without argument." Shouldn't the Senate of Canada, somewhere in its great history, have said to the lower House, "This is the period of the year in which this house plans to sit!" We do not have to be called into existence by their whim! However, that was never done. I have often thought that perhaps a better, more used, communication system between the two houses would be useful. Conferencing, if I may so, was arcane when it was created. It has not worked.

Honourable senators, I have no trouble defending the Senate still, and my defence comes from my view of the Constitution. It primarily comes from the fact that I have been privileged to know, over many years — even before I came here — a host of people appointed to this place. They have been an excellent group of people — able, sensitive, competent and dedicated to the best things in our country. So I do not think we should too readily accept the denigration that so easily flows from the uninitiated, the uninformed, and the insensitive.

Thank you very much, honourable senators, for today's remarks and for the well-recalled recollections of great fellowship.

Hon. Senators: Hear, hear!

ROUTINE PROCEEDINGS

MIGRATORY BIRDS CONVENTION BILL, 1994

REPORT OF COMMITTEE

Hon. Pat Carney, Chairman of the Standing Senate Committee on Energy, the Environment and Natural Resources, presented the following report:

Wednesday, June 22, 1994

The Standing Senate Committee on Energy, the Environment and Natural Resources has the honour to present its

FOURTH REPORT

Your Committee, to which was referred the Bill C-23, An Act to implement a Convention for the protection of migratory birds in Canada and the United States, has, in obedience to the Order of Reference of Tuesday, June 21, 1994, examined the said Bill and has agreed to report the same without amendment.

Respectfully submitted,

PAT CARNEY, P.C.
Chairman

THIRD READING

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

Hon. Colin Kenny: Honourable senators, with leave of the Senate, and notwithstanding rule 59(1)(*b*), I move that third reading take place now.

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

Hon. Senators: Agreed.

Motion agreed to and bill read third time and passed.

CANADA WILDLIFE ACT

BILL TO AMEND—REPORT OF COMMITTEE

Hon. Pat Carney, Chairman of the Standing Senate Committee on Energy, the Environment and Natural Resources, presented the following report:

Wednesday, June 22, 1994

The Standing Senate Committee on Energy, the Environment and Natural Resources has the honour to present its

FIFTH REPORT

Your Committee, to which was referred the Bill C-24, An Act to amend the Canada Wildlife Act and to make a consequential amendment to another Act, has, in obedience to the Order of Reference of Tuesday, June 21, 1994, examined the said Bill and has agreed to report the same without amendment.

Respectfully submitted,

PAT CARNEY, P.C.
Chairman

THIRD READING

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

Hon. Colin Kenny: Honourable senators, with leave of the Senate, and notwithstanding rule 59(1)(*b*), I move that third reading take place now.

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

Hon. Senators: Agreed.

Motion agreed to and bill read third time and passed.

• (1440)

ENERGY, THE ENVIRONMENT AND NATURAL RESOURCES

GLOBE 94 CONFERENCE—WILDERNESS VISION COLLOQUIUM—NORTH AMERICAN NATURAL GAS CONFERENCE—REPORTS OF COMMITTEE TABLED

Hon. Pat Carney: Honourable senators, I am pleased to table, in both official languages, five reports prepared by members of the Standing Senate Committee on Energy, the Environment and Natural Resources.

The first two reports, prepared by Senator Nolin and myself, are on the GLOBE 94 Conference held in Vancouver from March 21 to 25, 1994. The third and fourth reports, on the Canadian Parks and Wilderness Society "Wilderness Vision Colloquium," held in Vancouver from March 11 to 13, 1994, were written by Senator Spivak and Senator Adams.

The last report, by Senator Ghitter, is on the Canadian Energy Research Institute's North American Natural Gas Conference, which was held in Calgary from February 27 to March 1, 1994.

AUDITOR GENERAL ACT

BILL TO AMEND—REPORT OF COMMITTEE

Hon. C. William Doody, Chairman of the Standing Senate Committee on National Finance, presented the following report:

Wednesday, June 22, 1994

The Standing Senate Committee on National Finance has the honour to present its

EIGHTH REPORT

Your Committee, to which was referred Bill C-207, An Act to amend the Auditor General Act (reports), has, in obedience to the Order of Reference of Wednesday, June 15, examined the said Bill and now reports the same without amendment.

Respectfully submitted,

C. WILLIAM DOODY
Chairman

THIRD READING

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

Hon. Royce Frith: With leave of the Senate, and notwithstanding rule 59(1)(*b*), I move third reading now, honourable senators.

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

Hon. Senators: Agreed.

Motion agreed to and bill read third time and passed.

[*Translation*]

OFFICIAL LANGUAGES

REPORT OF STANDING JOINT COMMITTEE PRESENTED

Hon. Gerald R. Ottenheimer: Honourable senators, I have the honour to present the first report of the Standing Joint Committee on Official Languages.

Tuesday, June 21, 1994

The Standing Joint Committee on Official Languages has the honour to present its

FIRST REPORT

The Standing Joint Committee on Official Languages has held 11 public hearings since 21 April 1994. This report describes what was accomplished during the hearings.

The President of Treasury Board appeared before the Committee to discuss his 1992-1993 annual report entitled *Official Languages in Federal Institutions*. The sitting allocated to a review of the 1992-1993 annual report of the Minister of Canadian Heritage on Part VII of the *Official Languages Act* was cut short by a vote in the House of Commons. However, the Minister agreed to appear before the Committee again as soon as possible. The Committee held two meetings with the Commissioner of Official Languages. It began its consideration of the 1993 annual report of the Commissioner. The members of the Committee raised questions regarding the expenditures and estimates

pertaining to official languages programs. The Committee looked at the official languages policies and programs of the departments of National Defence, Agriculture and Agri-Food, Finance and Natural Resources and of the Public Service Commission. Finally, the Committee heard the testimony of representatives of Alliance Quebec and the Fédération des communautés francophones et acadienne, who voiced the concerns of minority official-language communities.

The Committee intends to continue its hearings when Parliament resumes sitting in the fall, and will report its observations and recommendations to Parliament at a later date.

A copy of the relevant Minutes of Proceedings and Evidence (*Issues No. 1 to 10 which includes this Report)* is tabled.

Respectfully submitted,

GERALD R. OTTENHEIMER
Joint Chairperson

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

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

[*English*]

ADJOURNMENT

Hon. Richard J. Stanbury (Acting Deputy Leader of the Government): Honourable senators, with leave of the Senate, and notwithstanding rule 59(1)(*h*), I move:

That when the Senate adjourns today, it do stand adjourned until tomorrow, Thursday, June 23, 1994, at ten o'clock in the morning.

The Hon. the Speaker: Honourable senators, is leave granted?

Hon. Senators: Agreed.

Motion agreed to.

CANADA'S DEFENCE POLICY

SPECIAL JOINT COMMITTEE AUTHORIZED TO CHANGE DATE OF PRESENTATION OF FINAL REPORT

Hon. Richard J. Stanbury (Acting Deputy Leader of the Government): Honourable senators, with leave of the Senate and notwithstanding rule 59(1)(*f*), I move:

That notwithstanding its Order of Reference of Wednesday, February 23, 1994, the Special Joint Committee on Canada's Defence Policy be empowered to present its final report no later than October 31, 1994, to coincide with the date given to the Special Joint Committee Reviewing Canada's Foreign Policy for its final report, and that a Message be sent to the House of Commons to acquaint that House accordingly.

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

Hon. Senators: Agreed.

Motion agreed to.

• (1500)

BANKING, TRADE AND COMMERCE

COMMITTEE AUTHORIZED TO MEET DURING SITTING OF THE SENATE

Hon. Michael Kirby: Honourable senators, with leave of the Senate and notwithstanding rule 59(1)(*a*), I move:

That the Standing Senate Committee on Banking, Trade and Commerce have power to sit at eleven o'clock in the morning tomorrow, Thursday, June 23, 1994, even though the Senate may be sitting, and that rule 96(4) be suspended in relation thereto.

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

Hon. Senators: Agreed.

Motion agreed to.

HAZARDOUS PRODUCTS ACT

REMOVAL OF EXEMPTION FOR TOBACCO— PRESENTATION OF PETITION

Hon. Mira Spivak: Honourable senators, I have the honour to present a petition wherein the 939 signatories humbly pray that this honourable house may be pleased to remove the exemption for tobacco from under the Hazardous Products Act.

ORDERS OF THE DAY

CANADA BUSINESS CORPORATIONS ACT

BILL TO AMEND—THIRD READING

Hon. Richard J. Stanbury moved the third reading of Bill C-12, to amend the Canada Business Corporations Act and to make consequential amendments to other Acts.

Motion agreed to and bill read third time and passed.

CANADIAN FILM DEVELOPMENT CORPORATION ACT

BILL TO AMEND—THIRD READING

Hon. Royce Frith moved the third reading of Bill C-31, to amend the Canadian Film Development Corporation Act.

Motion agreed to and bill read third time and passed.

MISCELLANEOUS STATUTE LAW AMENDMENT BILL, 1994

THIRD READING

Hon. Peter Bosa moved the third reading of Bill C-40, to correct certain anomalies, inconsistencies and errors in the Statues of Canada, to deal with other matters of a non-controversial and uncomplicated nature in those Statues and to repeal certain provisions of those Statutes that have expired, lapsed or otherwise ceased to have effect.

Motion agreed to and bill read third time and passed.

PEARSON INTERNATIONAL AIRPORT AGREEMENTS BILL

SECOND READING—DEBATE CONTINUED

On the Order:

> Resuming the debate on the motion of the Honourable Senator Kirby, seconded by the Honourable Senator Frith, for the second reading of Bill C-22, respecting certain agreements concerning the redevelopment and operation of Terminals 1 and 2 at Lester B. Pearson International Airport.

Hon. R. James Balfour: Honourable senators, the details of this matter are familiar to you all. The previous Conservative government entered an agreement to privatize Terminals 1 and 2 of Pearson International Airport in Toronto, Canada's largest airport. In return for a proposed investment of some $700 million, the principals involved were to receive a government-supervised monopoly for a specific period and a share in the profits.

Since this question first became an issue, the perception has been encouraged that the deal was a last-minute transaction cooked up by a government in the throes of an election. Nothing could be further from the truth, as a brief look at the chronology of events clearly shows.

In October, 1990, the government announced its intention to privatize the two terminals in question. Some 17 months later, in March 1992, it called for requests for proposals. In December of that same year, the group eventually known as "Pearson Development Corporation" was selected. Formal negotiations began in May, 1993; a letter of understanding was signed in July; and Treasury Board approval was given in August. The deal was closed in October. That is a total of three years from beginning to end, hardly a last-minute job.

The negotiations leading up to the signing of the agreement were extremely complex, involving a wide variety of interests and issues. Despite this, little criticism was heard prior to the last general election campaign.

By October, however, the situation had changed dramatically. Suddenly Pearson International Airport had become a major issue. Disgruntled civil servants and others were leaking to newspapers confidential cabinet documents concerning the alleged financial instability of the company that had won the contract. Opposition politicians from all levels soon jumped on the bandwagon expressing outrage at the contract and concern for the future of the airport. The press, ever alert to division and conflict, readily communicated and, in many instances, distorted, critics' comments.

The Pearson issue revolved around two main questions. The first was whether to privatize Lester B. Pearson Airport at all. If so, should it be handed to owners having an eye to profit or to local authorities who would put regional concerns first?

The second issue was that of the redevelopment of Terminals 1 and 2. Both quickly fell by the wayside amid the hype and frenzy of the campaign.

The Liberals created a third issue, claiming misuse of patronage and improper lobbying. In essence, they charged the government with corruption. "If elected," they said, "the deal would be cancelled." It was an effective election ploy. It followed the maxim that an accusation, no matter what its nature, always has more impact on the mind of the electorate than any number of subsequent denials and explanations. This is especially true when the accusation is repeated, and given credence by critics and observers alike. It was the beginning of the big lie.

• (1510)

The efficacy of the Liberal campaign was enhanced by its very simplicity. It was tailor-made for the media's black and white mentality. It apparently contrasted the good and the bad, the ethical and the corrupt, the Grits and the Tories. As the rhetoric heated up, policy took a back seat to people, personality, and the gross simplification of issues. Despite all of the lofty oratory, however, no one, then or since, has come forth to offer one shred of concrete evidence of impropriety or illegality.

Following the election, the new Prime Minister called on former Ontario treasurer and leader of the Ontario Liberal Party, Robert Nixon, to inquire into the so-called Pearson affair. He had 30 days to investigate, analyze and report on a series of tremendously complex business agreements that made up the final proposal.

Nixon was accountable only to the Prime Minister. His terms of reference were never made public nor were, with few exceptions, the names of the people he interviewed. Those standing accused were offered no opportunity to rebut or refute the criticisms directed their way.

The Nixon report was made public on November 29, 1993. Highly condemnatory, it was also culpably vague. It referred to the "perception that political staff were interested in this transaction to a highly unusual extent." One phrase stated that "It appears that one company received favoured treatment." Another phrase spoke of "suspicions" of patronage. Like a famous commercial, there was much bun but no beef.

The reception given Mr. Nixon's report was less than laudatory. Even *The Globe and Mail* was moved to comment that it was little more than a shoddy piece of innuendo. Shoddy indeed, yet hardly inexpensive. The Nixon exercise cost the Canadian taxpayer over $80,000, one-quarter of which comprised Mr. Nixon's fee. In passing, the Prime Minister subsequently appointed Mr. Nixon chairman of the Atomic Energy Control Board.

The irony of all this, as you are all no doubt aware, is that the target of Mr. Nixon's cynicism and intimations, the Pearson Development Corporation, is controlled by the Bronfman family of Montreal, who are longtime friends of the Liberal Party. Mr. Charles Bronfman himself paid $1,000 to meet with Mr. Chrétien at a Liberal fundraising party in the midst of the election.

Following the release of the Nixon report, the Prime Minister appointed an arbitrator to negotiate a settlement with the Pearson group. Again he called on a friend, and again things were being done behind closed doors. The man he chose was Bob Wright, his former law partner and chief fundraiser for his 1984 bid for the Liberal leadership. According to *The Toronto Star* the government is paying Mr. Wright $1,000 per day, plus expenses. His negotiations could eventually cost taxpayers as much as $100,000.

Using the Nixon report as its justification, the Liberals recently introduced the innocuous-sounding Pearson International Airport Bill. Let us examine it briefly.

The bill begins by nullifying the series of agreements negotiated and reached in good faith by the Government of Canada and representatives of the Pearson group. These agreements, states clause 3 of the bill:

> ...are hereby declared not to have come into force and to have no legal effect.

Having fired a first shot across the bow, the government then decides to drop a bomb or two down the funnels. It does this in the form of immunity for itself, its acts, and those of its surrogates like Mr. Nixon. Clause 7 states that:

> No action or other proceeding, including any action or proceeding in restitution, or for damages of any kind in tort or contract...

— related to the agreements, or the acts of the government in cancelling them, may be instituted.

Finally, it aims its guns at the engine room. Clauses 9 and 10 state that:

> No one is entitled to any compensation from Her Majesty in connection with the coming into force of this Act.

However, should the government feel that compensation of some sort is due, it alone will decide the appropriate amount "subject to the terms and conditions that the minister considers appropriate."

Having all but sunk the ship, the government then pulls up alongside and offers a life buoy in the form of a shotgun clause. In order to receive any compensation, those deprived of their property have one month following passage of the bill to come to terms with the government. Failing this, they will be left to swim on their own, with no compensation for the time and resources they invested in their proposal.

Honourable senators, this is the most odious piece of legislation I have seen in all my years of practising law. It is a punitive and partisan measure based upon suspicion and unproven charges; an ill-disguised and sordid attempt to punish political opponents. It denies people their property, their right to go to court to protect it, the ability to seek compensation to pay liabilities incurred by the cancellation of their contract and, finally, it denies them the right to protect and clear their reputations.

Newspapers friendly to the government call it "unusual" legislation. Industry Minister John Manley, in a masterful example of understatement, recently described it as "unique." I would go further. I see it as an unvarnished attempt to deprive a group of Canadians of their basic rights to due process in open court. This impression deepens when I look at the proceedings of the Transport Committee that studied the bill following second reading.

It is apparent that the government was intent on getting this issue out of the public eye as quickly as possible, ostensibly in order to move on to what it felt to be more important business. Like Mr. Nixon, government members of the committee were in a hurry to put the stamp of superficial legality and respectability on their doings.

During proceedings they used their majority to block attempts to extend the committee's schedule to accommodate witnesses temporarily unavailable. They also refused to entertain the idea of subpoenaing witnesses involved in the affair who had refused to appear.

The Toronto Star quotes the Minister of Transport, John Young, as saying:

> I do not know what's to be gained by subpoenaing people to discuss a deal that we have already described as being flawed and we have already taken legislative action to cancel.

Absolutely unbelievable! So much for democracy and the concept of the rule of law.

Senator Lynch-Staunton: Hear, hear!

Senator Balfour: From the beginning, this whole affair has been little more than a partisan and openly cynical manipulation of the democratic system. It began in the heat of an election campaign. It was coaxed and nurtured by a media eager for stories of supposed impropriety and abuse in high places. Facts were in short supply. In their absence came indiscriminate and undiscerning rhetoric.

The real issues — privatization, refurbishing of Pearson's Terminals 1 and 2, passenger safety, and the needs and benefits to the region of Toronto — all disappeared in the rush to reduce the story to the largest common denominator easily recognized by all: apparent scandal.

This, in turn, has led to an overflow of fatuous rhetoric from a host of self-appointed moralizers eager to pontificate and condemn. Newspapers like *The Ottawa Citizen*, that paragon of journalistic excellence and probity, refer to the "secrecy, cronyism and suspicious excesses of lobbying" which, according to it, characterize negotiations between the former government and members of the Pearson Development Corporation. The ever-sententious Lucien Bouchard called the agreement "one of the biggest scandals in political life in recent years."

• (1520)

The real scandal, however, lies not here but in the actions of the Liberal government since assuming power last autumn: secret and high-priced friends of the Prime Minister, appointed by and responsible to him alone; Potemkin-like hearings, full of form but empty of content; Draconian and anti-democratic legislation depriving Canadian citizens of their property and their supposedly inviolate right to a fair trail; and, interwoven through it all, a combination of innuendo reminiscent of McCarthyism and Kafkaesque refusals to define specific charges. As a result, a number of highly competent and professional business people are left with sullied reputations and no recourse before the law.

Heedless of the travesty of justice it is perpetrating in the name of expediency, the government has ignored calls for a more extensive investigation of its charges. It says the Pearson issue is closed, and that it is time to press on and make new arrangements.

Honourable senators, you will recall during the past election how the now Prime Minister promised to replace the Pearson agreement with one more suitable to the members of his Toronto caucus. Over and over he waved his "Red Book" to the cameras and repeated, mantra-like: "Chrétien is my name and jobs are my game."

However, in the eight months since the election we have seen neither jobs nor progress in the dossier of the Toronto airport. In fact, we have witnessed the exact opposite, as internecine squabbling between different factions rival with the contradictory proposals of the government and combine to create stagnation and continued unemployment.

I suspect the government is beginning to realize that the deal it has so dogmatically inveighed against is not as iniquitous as it would have the public believe. It has, however, painted itself into a corner. By proclaiming the deal to be bad, and implying that all those associated with it are somehow impure, including one of its most important financial supporters, it has severely limited its options.

The government could, of course, simply allow the construction to proceed as planned and get on with the job; but given the Prime Minister's much vaunted stand on ethics, and his repeated references to the supposedly "flawed" and "politically manipulated" nature of the agreement, this appears unlikely to occur.

What the government could and should do is establish a nonpartisan, impartial inquiry. Its mandate would be to investigate the manner by which the Pearson agreement was arrived at, evaluate its terms, and determine the existence of any impropriety.

Such an approach would allow those implicated by the government's accusations the opportunity to clear their reputations, or, as the case may be, to defend themselves properly should misconduct be proven. In addition, it would afford the Canadian public an opportunity to judge the merits of the deal.

The Liberals have ruled out the idea of such an inquiry. Why? Do they fear that an impartial investigation would clear those Conservatives they have so crassly and carelessly accused of wrongdoing? Or are they afraid that some of their friends might find themselves implicated?

The Prime Minister speaks of ethics and transparency in government. Let him begin in his own back yard. Call an inquiry, let the facts be known and the air cleared. An impartial inquiry would obviate the need for Bill C-22, which in any case should be withdrawn.

I feel strongly about this. I think this act is wrong. I think it is discriminatory. It violates the basic constitutional rights of a person to be heard, to answer charges of impropriety, and, in this case, to sue for just compensation in the face of state expropriation. In sum, it denies those involved in the Pearson agreement those elementary rights that are fundamental to our democratic system.

Twice now in the space of a few weeks the government has attempted to ride roughshod over the rules and principles that guarantee the liberty and freedom of our society.

Clause 7 of the bill referring to immunity from prosecution is particularly contemptible. In itself it should be enough to incite everyone present here to rise and vote against the bill's passage. How a supposedly democratic government could even conceive of drawing up such legislation is beyond me. Both the Prime Minister and his cabinet merit the censure of this chamber and the opprobrium of the Canadian people.

Some Hon. Senators: Hear, hear!

Hon. Duncan J. Jessiman: Honourable senators, I concur with the remarks made by Senator Balfour. I shall not review the legislation from the point of view of all that has gone wrong, although I shall mention a few instances. I want to go into the legality of the situation.

Bill C-22 was passed by the House of Commons for the sole purpose of relieving the government, its ministers, and anyone engaged by the government from any financial responsibility for the cancellation of contracts that were entered into by the government with parties dealing with the government in good faith. It also relieves the government of the responsibility of giving the contracting parties one penny.

The senior executives of these parties were described as "responsible and professional people," you will be surprised to learn, in the Robert Nixon report. These are the people from whom they are taking the rights. That is how they are described in this report written by Mr. Nixon after he, together with one lawyer, one accountant and one administrator, spent a mere 30 days reviewing the documents — he said there were 20 documents, but Mr. Baker on behalf of the parties said there were 50 — and speaking to some, but certainly not all, of the persons involved in this most complicated transaction.

The government is relying on Mr. Nixon's report for the basis of this legislation. The engaging of Mr. Nixon verbally by the Prime Minister, with no evidence as to what he was asked to do, and the manner in which Mr. Nixon carried out his work are contrary to any rules of fair play imaginable. The hearings were *in camera*. Witnesses were not sworn; there was no right for the parties to be present to hear what was being said about them, and no right of cross-examination. That is a far cry from what our supreme court has said in respect of fundamental justice in *Singh and Minister of Employment and Immigration*, which is found in 17 *Dominion Law Reports*, fourth edition, at pages 422 and 425:

> At a minimum the constant of fundamental justice as it appears in section 7 of the Charter includes the notion of procedural fairness. The tribunal which adjudicates upon his rights must act fairly, in good faith, without bias and in judicial temper and must give him the opportunity adequately to state his case. Procedural fairness may demand different things in different contexts...However, where a serious issue of credibility is involved, fundamental justice requires that credibility be determined on the basis of an oral hearing.

Mr. Nixon never heard from most of the major players in this transaction, a number of whom he maligned in his report. It is just not fair.

I then looked at the act itself and tried to determine whether it was unconstitutional. Were parts of it contrary to the Charter of Rights and Freedoms and the Canadian Bill of Rights? When I first looked at this bill I was almost convinced that it was within the jurisdiction of the Province of Ontario. Certainly, we are dealing with property, and section 92 (13) of the BNA Act comes exclusively within that jurisdiction.

Then I thought, no, maybe it falls under "Local works and undertakings..." which is covered in section 92(10) of the BNA Act. Those local works and undertakings would not come within provincial jurisdiction, if, under (*c*):

> Such Works as, although wholly situate within the Province, are before or after their Execution declared by the Parliament of Canada to be for the general Advantage of Canada...

I am told that the Parliament of Canada has not declared the Pearson airport to be "for the general advantage of Canada." On that basis, it was my view that it came within the jurisdiction of the Province of Ontario.

• (1540)

It was then suggested to me that I should read a case on which the Privy Council had decided in 1932. The case is *Re: Aerial Navigation, Attorney General of Canada versus Attorney General of Ontario*, 1937, 1 *Dominion Law Reports* 58. That is the case in which it is stated that certain provisions of an aeronautical act come within the jurisdiction of the Parliament of Canada.

I have read the case, as well as other cases which followed it. I am not convinced that those who have followed it have read it properly. I do not think that case went nearly so far as some of the writers and some of the judges took it. There are judges who have said otherwise.

That case had to do with section 132 of the British North America Act which has to do with the giving of power for performing obligations of Canada or for any province as part of the British Empire. I have come to the conclusion that it falls within the jurisdiction of the federal government under section 91(1) which has to do with public debt and property. As this is public property, which is owned by the federal government, I think it falls squarely within federal jurisdiction.

It is interesting to note, however, that seven of nine judges in the case of *Construction Montcalm Inc. and the Minimum Wage Commission and the Attorney Generals of Quebec, Alberta and Saskatchewan*, 1979 Supreme Court Reports 754 at 755 stated this:

> The construction of an airport is not in every respect an integral part of aeronautics.

It was held that the provincial laws in respect of wages were valid. The two dissenting judges in that case were Chief Justice Laskin and Justice Spence who thought, as I do in regard to this case, that it did fall within the jurisdiction of the federal government because of section 91(1).

I then turned to the Charter and in particular to section 7 thereof which states:

> Everyone has the right to life, liberty and security of the person and the right not to be deprived thereof except in accordance with the principles of fundamental justice.

I must say that the way in which the word "everyone" has been interpreted is certainly not in my favour in terms of what I want to try to prove today.

However, in *Dwiday Systems v. Zutphen Bros. Construction* which is reported at 1990 Supreme Court Reports at 705, it is stated at page 709:

> There can now be no doubt that a corporation cannot avail itself of the protection offered by s. 7 of the Charter. In Irwin Toy Ltd. v. Quebec (Attorney General), (1989) 1 S.C.R. 927, the majority of this Court held that a corporation cannot be deprived of life, liberty and security of the person and cannot therefore avail itself of the protection offered by s. 7 of the Charter.

At page 1004 it states:

> ...it appears to us that s. 7 was intended to confer protection on a singularly human level. A plain, common sense reading of the phrase "Everyone has the right to life, liberty and security of the person" serves to underline the human elements involved; only human beings can enjoy these rights. "Everyone" then, must be read in light of the rest of the section and defined to exclude corporations and other artificial entities incapable of enjoying life, liberty or security of the person, and include only human beings.

I understand that the partners of the limited partnership in this case are corporations and therefore probably fall within what I have just set out.

Although corporations are not given protection under the Charter, it does not mean they do not have rights under the common law. I will speak more about that later.

I then looked at the Canadian Bill of Rights. I will read those parts which are relevant. It states:

> The Parliament of Canada, affirming that the Canadian Nation is founded upon principles that acknowledge the supremacy of God...in a society of free men and free institutions;
>
> Affirming also that men and institutions remain free only when freedom is founded upon respect...and the rule of law;
>
> And being desirous of enshrining these principles and the human rights and fundamental freedoms derived from them, in a Bill of Rights which shall reflect the respect of Parliament for its constitutional authority and which shall ensure the protection of these rights and freedoms in Canada:
>
> THEREFORE Her Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:
>
> 1. It is hereby recognized and declared that in Canada there have existed and shall continue to exist...fundamental freedoms, namely:
>
> > (a) the right of the individual to life, liberty, security of the person and enjoyment of property, and the right not to be deprived thereof except by due process of law;

Section 2 states:

> Every law of Canada shall, unless it is expressly declared by an Act of the Parliament of Canada that it shall operate notwithstanding the Canadian Bill of Rights...

The government did not dare put that in this bill. If it had, we might have some difficulty under the Bill of Rights because it states:

> ...be so construed and applied as not to abrogate, abridge or infringe or to authorize the abrogation, abridgement or infringement of any of the rights or freedoms herein recognized and declared, and in particular, no law of Canada shall be construed or applied so as to...
>
> > (e) deprive a person of the right to a fair hearing in accordance with the principles of fundamental justice for the determination of his rights and obligations;

I want to emphasize the difference between sections 1(*a*) and 2(*e*). In 1(*a*) it states "the right of the individual." That has now been interpreted to mean human being — not a corporation; not a partnership; not a joint venture; but a human being. Under the Bill of Rights these corporations may not have such a right. I am not saying they do not have similar rights, but they do not have it under the Bill of Rights.

The next section, which states shall not "deprive a person" as opposed to an individual, has been interpreted to mean corporations as well as individuals.

• (1540)

It is much wider so they cannot —

> ...deprive a person of the right to a fair hearing in accordance with the principles of fundamental justice for the determination of his rights and obligations;

I refer to Peter W. Hogg's 3rd Edition (1992) of *Constitutional Law of Canada*, where he states at page 32-2:

> The Canadian Bill of Rights lost most of its importance in 1982, with the adoption of the Charter of Rights. Most of the rights and freedoms guaranteed by the Bill are now guaranteed by the Charter. The Charter is part of the Constitution of Canada, and can be amended only by the constitutional amending procedures.

A little farther down he states:

> ...it is plain that the Bill remains in force, despite the fact that most of its provisions are duplicated by the Charter. Those provisions of the Bill that are not duplicated by the Charter are two in number: (1) the Bill's "due process" clause (s. 1(a)), which extends to the protection of property, and (2) the Bill's guarantee (2 (*e*)) of a fair hearing for the determination of rights and obligations. Both these provisions go beyond the guarantees in the Charter, and will therefore continue to be operative restraints on federal (but not provincial) activity.

He also wrote at page 32-9:

> The effect of the Canadian Bill of Rights on subsequent inconsistent federal statutes...

— and I emphasize this —

> ...which do not include an express declaration of exemption is also said to be to render them inoperative. Probably, however, the Bill of Rights renders such statutes invalid, not inoperative. The constitutional basis for this effect is the manner-and-form doctrine. Parliament has bound itself to enact laws inconsistent with the Bill of Rights only in the manner and form prescribed by the Bill of Rights.

We had the same problem with the Bill of Rights as we did with the Charter. How did it affect corporations? There have been only a couple of relevant cases, none of which has gone to the Supreme Court of Canada. It appears that, as far as the right under section 1(*a*), which is the right of the individual to life, liberty, security of the person, enjoyment of property, that does not —

The Hon. the Speaker: Order. I apologize for interrupting the honourable senator. I am told that his time has expired. I allowed him to continue in case he was reaching a conclusion. If we are in unanimous agreement, he may continue. Is leave granted, honourable senators?

Hon. Senators: Agreed.

Senator Jessiman: As far as the Bill of Rights is concerned, as I have said, there have been only two or three cases involving these particular sections relating to corporations. In effect, they have said that section 1(*a*) does not apply to corporations. One decision has inferred that they could, but the other two denied it. I will give the names later to save time. Only section 2(*e*) is applicable.

I would refer to the particular words of the Court of Appeal of Ontario in *New Brunswick Broadcasting Co., Limited v. CRTC*, 1983 1 F.C. 453, where at page 427 it stated:

> I am of the opinion that the word "individual" in section 1 of the *Canadian Bill of Rights* does not include a corporation and that the text of section 1 of the statute does not apply or secure rights to the appellant. However, what is recognized and declared by the statute are existing fundamental legal rights and I know of no reason for concluding that a corporation is not entitled at common law to the same rights as a natural person to the enjoyment of property and the right not to be deprived thereof except by due process of law.

The other case is *Smith, Kline & French et al. v. Attorney General of Canada*, 1986 1 F.C. 274, and it says, in effect, the same thing.

I will close by saying that parts of this bill are bad law. They should not be supported. I hope that it will not only be Conservative senators who will not support it. I would like to think that, after serious thought by senators on both sides of this house, once this matter is referred to committee, there will be amendments whereby some of these clauses will be deleted.

When I was first appointed to this house, I did not believe that this Senate, under any circumstances, should ever defeat a bill passed by those persons who have been elected to the House of Commons. For the first time, I am of the view that, if this bill is not amended, I am afraid I cannot support it.

On motion of Senator Berntson, for Senator Andreychuk, debate adjourned.

[*Translation*]

THE ESTIMATES, 1994-95

REPORT OF NATIONAL FINANCE COMMITTEE ON MAIN ESTIMATES ADOPTED

Leave having been given to proceed to Reports of Committees.

On the Order:

> Resuming the debate on the consideration of the Sixth Report (Interim) of the Standing Senate Committee on National Finance (Main Estimates 1994-95), presented in the Senate on June 14, 1994. — (Honourable Senator Bolduc).

Hon. Roch Bolduc: Honourable senators, I would like to comment briefly on what was said about the Collège militaire royal at St-Jean by witnesses who appeared before the Committee on National Finance.

The minister told us that he felt he had made a good decision. He tried to justify his decision. I realize there are financial constraints and that it was a matter of saving money. Personally, I do not think it was a good decision.

The Collège militaire royal at St-Jean was more than just an adjunct to a military base. It is a training school and a research facility. Any Canadian citizen would be dismayed if a university were shut down in his province. No one would be pleased if St. Francis Xavier University, Mount Allison or any other university had been closed. That is more or less how Quebecers feel. This is not only a Quebec institution but a national institution. The CMR was important, and we will feel hurt if the decision is upheld.

We are not talking about a hangar and a military base. We are talking about an educational institution. It was also, and this is very important, a way to ensure there was a reasonable percentage of francophones in the armed forces, especially in the navy and the air force. In this respect, the CMR was instrumental in promoting equal opportunity in Canada.

I think it was unfortunate the government decided it had to close the Collège militaire at St-Jean to save $15 or $20 million, although that is not a foregone conclusion.

The other point I wanted to raise is that at the CMR, bilingual officer training had been particularly effective, not only for francophones who learned English but also for anglophones who learned French. It was also an important tool for recruiting people from Canadian provinces where the standard of secondary education was not sufficient for entrance to university. This was true in the maritimes, where one-quarter of the students came from. There were 150 anglophone and francophone cadets from the maritimes who came to St-Jean because it was a good way to get admitted to Kingston.

The important thing is not whether the CMR will close or whether Kingston will be bilingual. I have lived in Kingston myself, and I have my doubts. Not that Kingston is not a nice city; it is, but we cannot expect Kingston to be what it is not. This will be a problem.

The other criterion is whether the proportion or percentage of francophone officers in the military will be maintained. I have serious doubts on that score. An unacceptable proportion of francophone officers 20 years down the line would undermine the legitimacy of the armed forces in an environment such as ours in Quebec. I find that unfortunate.

About the budget, I just want to mention one thing: The minister tells us that the government wants to save money. First of all, that is uncertain; the figures are very contradictory. I have data here to indicate, for example, according to the superintendent of the College, that there is a difference of several million dollars between what the federal government says and what actually goes on.

I do not want to debate figures, because to me this is a secondary argument.

However, I would point out to the minister that if he wants to save money — and we are prepared to do our share in the province of Quebec — there is a very simple solution: There is a military housing development behind the Sainte-Foy shopping centre near my home in the Quebec City suburb of Sainte-Foy, not half a mile from my house, in fact, with about 50 houses that were built after the war. This piece of land is about half a mile long and a quarter mile wide; the land alone is probably worth about $10 million, maybe more, not to mention the value of the houses themselves. He could save his $20 million here. There are 400 vacant housing units in Sainte-Foy. It would be easy, therefore, to find alternative housing for affected military personnel.

I know how budget decisions are made: It is all put together by public servants; they draw up a shopping list and present it. I think that they could have cut so many other places in the defence department. It would have been easy, on an $11-billion budget, to find some way to save $20 million without closing the university. I fail to understand how the government can persist in this reasoning. I think that enlightened leadership on an issue such as this, would have reversed this nonsensical decision. It is a mistake.

[*English*]

It is an administrative blunder by civil servants. That is what it is. The government should put its —

[*Translation*]

The ministers should exercise some authority and make the decision. This is not something for civil servants to decide. I think that this is what should have been done. I find it extremely unfortunate, particularly when we are having problems in Quebec — and you know what kind of problems I mean — that this should have been done now. The ministers must take the blame for this.

I think the government will perhaps reach an agreement with Quebec. Even if such an agreement is worked out, it will not solve the fundamental problem. It is not an agreement with Quebec that we want, but rather federal responsibility for a national institution. On this I am "dead on."

We cannot let this go through. That is why I have spoken repeatedly on this subject and do so again today.

Hon. Jean-Maurice Simard: Honourable senators, I would like to speak to you about the same interim report, that is the sixth report produced by the National Finance Committee, and on the same subject as well. The committee report states that other issues, cuts, government intentions and so on were examined.

If we chose — I am one of those, on this side of the Chamber — to examine this particular subject on a priority basis, it is because, as Senator Bolduc just said, this is a national institution. Its closing could cause irreparable loss and harm to the country and the Canadian Armed Forces, which the government of the day — some 50 years ago — sought to improve linguistically and culturally because at the time there were not enough francophone officers.

I have had occasion, both in Fredericton and here — and I was surely not alone — to speak often to please the crowd or to embarrass the opposition, our adversaries, and perhaps to have a little fun!

I can tell you that I am not kidding today on this subject. I am pleading with the government, as best I can, to reverse a decision made on the basis of suggestions from civil servants — as my friend, Senator Bolduc, just said — which Minister Collenette accepted, probably without fully understanding the significance of this action.

We suspect that most of the ministers in the Chrétien government first heard of this decision on the floor of the House of Commons, when the Budget was tabled on February 22. That is the way it goes!

The government has had ample opportunity to re-examine this decision. It fielded questions, supplications and repeated requests from a slew of people, many of whom appeared before our committee and all of whom were strongly opposed to this decision, as we were throughout the course of our examination.

In particular, six groups of witnesses, which I will name in a few minutes, urged the government to reverse this decision, which undoubtedly will prove very harmful to the armed forces and to Canada. The decision is particularly ill-timed, given the present political and constitutional situation.

I cannot understand this statement that Mr. Collenette made to the House of Commons on February 24, 1994, two days after the budget was brought down, which clearly contradicts another statement that a certain Pierre Elliott Trudeau made several years before on the same subject of the presence of the military college in St-Jean and the wisdom of the decision to give training courses there.

I will quote this statement by Mr. Collenette for you:

> I completely reject the idea that you can have bilingual institutions only in Quebec. In Canada, francophones must feel comfortable everywhere. That was the dream of Mr. Trudeau and the Liberals of old.

It would be desirable to have other bilingual institutions elsewhere in Canada outside Quebec. It seems that it would be a little harder to achieve in Kingston! I said that this statement conflicted with or flatly contradicted another statement that Prime Minister Trudeau made on October 8, 1977, on the twenty-fifth anniversary of the college:

[*English*]

> ... it has one even more significant feature: it is a totally bilingual institution. I cannot think of any place where bilingualism is more respected or more thoroughly practised than here. When we recall the wearisome difficulties we come up against elsewhere in the public and private sectors, your success in this area — which seems somewhat disconcerting at first glance — really excites the imagination.

Mr. Trudeau goes on to say:

> You are the living proof that the ideal of Canadian bilingualism is not an illusion but an immediate possibility, ready to spring forth from the roots of the nation - given a small but sincere effort to reach beyond ourselves and our own particularities.

[*Translation*]

At least on this point, Minister Collenette disagrees with a previous statement made by Pierre Elliott Trudeau.

It gets worse. In spite of all the questions that have been raised — this was clear from reading the answers given to us by Senator Fairbairn, the Leader of the Government in the Senate, late last Thursday, June 14, 1994 — it is clear that Minister Collenette has completely disregarded the contradictory statements coming from his officers, from the dean of the military college, from former DND officials and from people in his own department.

These contradictions are evident, whether the debate centres on capital costs for current and future operations, the number of officer cadets that have been or could be recruited or the percentage of francophone officers who received their training in St-Jean.

No doubt repeating an earlier statement made by his colleague Mr. Collenette, Minister Massé told us that the situation was not serious because, first of all, francophone officer cadets could just as easily be recruited from universities as from the three colleges. He went on to add that only 17 per cent of francophone officers had been trained in St-Jean, whereas the correct figure is 82 per cent. When the government is confronted with these contradictions, it has nothing to say. It continues to tell us that there is a $6.9 million fund to cover all unexpected future costs, that everything will be fine and that they will save $23 million to boot.

We realize full well, as Senator Bolduc and others before him have said, that if the government were serious about wanting to have all provinces share in cost-cutting measures, it could have sold off its property holdings in Ste-Foy or it could have cut elsewhere. There is talk of eventually cutting $5 billion or $6 billion over the next five or six years. Considering the cost of military equipment, it seems that $23 million could easily have been saved without attacking this institution. I think that from the outset, the government was had.

I once belonged to a government that was had by officials, perhaps because it did not conduct the proper analyses during the period leading up to the tabling of the budget. In certain instances, we reviewed the situation and when the public saw that we were acting in good faith and were prepared to admit our mistakes, it forgave us for our hasty, ill-conceived decision. They said, "Here is a government that listens to us."

I will dispense with the list of all the questions that have remained unanswered. Maybe we will have an opportunity to come back to this subject. As you know, the debate is not over yet. Let us just say that we are wrapping up one phase of the debate. I call upon the government to review this matter at the earliest opportunity.

Senator Bolduc is not fiercely partisan. He is more of a fiscal conservative. He has proven this recently and under the former government. He made a number of suggestions, some of which were followed. Senator Bolduc is not prone to knee-jerk reactions and is certainly not wont to go off half-cocked. The same can be said of Senator Kinsella. I, on the other hand, am slightly more excitable because I love a good fight.

I think this is a fundamental question. What led me to take an even closer look at this decision, in particular, is the fact that this budget decision was made by an anglicized department. This department has led the field, over the past 25 years, in terms of anti-bilingualism and injustices under the Official Languages Act. The Department of National Defence has won the "Prix du lys flétri," literally the withered fleur-de-lys award, given annually to the department most guilty of injustices and infractions under the Official Languages Act. The answers we received indicate that the Department of National Defence will be a prime candidate for attention from the Commissioner of Official Languages, Mr. Goldbloom, next year. It makes you think. I am not confident. I can tell you that I do not quote Mr. Trudeau too often and refer to his recent or past statements as what the doctor ordered. In this case, however, I think I prefer Mr. Trudeau's words to those of Mr. Collenette, although I am sure he is a man of good faith and all that. I think he lacks experience. I think he was sold a bill of goods.

Before I conclude, I would like the government to be receptive to more than just the opinions of Liberal delegates at a weekend convention, as was apparently the case recently with Bill C-18. Honourable senators will recall that delegates to that convention from Ontario and British Columbia, among others, had enough influence to alter the government decision on Bill C-18.

I would like the government to listen to other people as well, such as those who represented the groups that appeared before our committee. I will name them for you. There was the committee for the future of CMR de St-Jean —

The Hon. the Speaker: I am sorry to interrupt the Honourable Senator Simard, but I assume he is nearing his conclusion. I must tell the honourable senator that the time allotted to him is up, unless there is agreement to let him finish.

Hon. Senators: Agreed.

Senator Simard: Honourable senators, I could perhaps stop until we get to Inquiry No. 8, which was raised by Senator Phillips. However, if you want me to continue, I will be finished in about five minutes.

Honourable senators, I would like the government to listen to representatives from the committee on the future of the military college in St-Jean and to former rector Roch Carrier, recently appointed to a higher position in a different field. I would also like the government to listen to suggestions, arguments and objections expressed by the Director General of the City of St-Jean and by representatives from CROP-Conseil, the Canadian Association of University Teachers, CMR alumni groups — one from Quebec and the other one from outside Quebec — and the association of language teachers who teach at the St-Jean school, now the largest government language training school. As I was saying earlier, these people are all strongly opposed in various ways to the government's decision regarding this bill.

[*English*]

• (1620)

It is a budgetary decision of the government to close the military college at St-Jean. The timing of the decision is bad, and it is as a result of the toss of a coin. The decision was made before conducting a study on the long-term defence needs of Canada. If the government is serious about the future of the army, the need to refurbish and equip it and determine the number of people needed, it should have awaited the results of a study. The government should collect all of the information before it determines that 900 people will need to be trained. At this time, that decision is nothing less than provocation of the separatist forces in Quebec. The decision has caught the cabinet by surprise.

We hear that the federal government is negotiating with the Government of Quebec, and perhaps a deal might be signed shortly. For New Brunswickers and Canadians living inside or outside Quebec, any decision or agreement at any cost that does not include military training in the French milieu is no good, and will not satisfy Canadians. It will not satisfy New Brunswickers. Certainly, I am sure most Canadians do not see the need for a large, new, modern, Berlitz school in St-Jean. What is needed is training en français.

[*Translation*]

Honourable senators, I give notice that we will continue this debate, even into July and August and in all possible and conceivable fora, because it lies at the heart of the Canadian unity problem.

[*English*]

Hon. Noël A. Kinsella: Honourable senators, I wish to make a few remarks on the interim report as it relates to the Collège militaire at St-Jean. This is an interim report, and it is understood that we will be able to ask further questions relating to the decision of the government to close this military college.

A witness who testified in committee underscored the fact that this is the first time in the history of Canadian universities that government action is closing a university. Representatives from the Canadian Association of University Teachers were particularly concerned with the fact that this is a terrible precedent to establish whereby we close a university without any program evaluation. Not only is that a difficulty in and of itself in terms of trying to understand what is happening, but by all reports the military college in St-Jean is doing an excellent job, so that, in terms of results, it is a success story.

From the standpoint of an anglophone Canadian, the military college in St-Jean provided a unique opportunity to become immersed in the dominant French culture, to study as an anglophone Canadian in a minority cultural situation in the dominant francophone culture. That is what was unique about the Collège militaire. Many students from my part of Canada expressed to me directly the particular benefit they had experienced, having had the opportunity to study at that military college.

In terms of who we are and the type of people we are, the Collège militaire in St-Jean was almost a symbol of Canada as a bilingual country, and it was efficacious. It spoke directly to who we are as a bilingual country.

Many suggestions have been made about one military university, if indeed we could afford one. It seems to me it is possible that we could have one military university with several campuses. I would hope that that idea will be explored in the period to come.

Through our questioning of the Leader of the Government in the Senate, we have had an opportunity to receive more details on the numbers around this dossier, and she has been very helpful in providing replies to the questions we have asked. Unfortunately, the answers we received engender more questions, so I think one could expect that the National Finance Committee will need to keep this issue alive.

As a final point, while these things are never certain until they happen, it is my understanding that, as the Leader of the Government has told us, progress is being made in negotiations between the Governments of Quebec and Canada to find a new mission for the college, and that they are very close to reaching an agreement which will provide for the maintenance of a significant military presence in that college.

If that is the case, and federal money is to be spent, while I will be supportive of whatever creativity is brought to bear on the future of the college, it does speak to the issue of what the saving is in dollars and cents. We are told, over and over again, that it is $23.1 million. If the continuance of the college will require an investment of $4 million or $5 million a year under this new model, we know for sure that the saving is not in the order of $20 million. We did not think that would be the case, in any event.

Many questions remain. I hope that the National Finance Committee will continue to keep the file open.

Hon. Richard J. Stanbury (Acting Deputy Leader of the Government): Honourable senators, I wish to remind honourable senators that this question has been discussed at great length in the Senate. Detailed answers to the questions raised by the opposition have been provided. In addition, our leader has invited the opposition to be briefed, at their convenience, by the officials in order to have any remaining questions answered. I hope that we are now in a position to adopt the report.

Hon. C. William Doody: Honourable senators, I move the adoption of the report.

Motion agreed to and report adopted.

APPROPRIATION BILL NO. 2, 1994-95

SECOND READING

On the Order:

> Resuming the debate on the motion of the Honourable Senator Stanbury, seconded by the Honourable Senator Hébert, for the second reading of Bill C-39, An Act for granting to Her Majesty certain sums of money for the public service of Canada for the financial year ending March 31, 1995.

Hon. C. William Doody: Honourable senators, as you are aware, it has been the custom in this place not to debate the appropriations bill in great detail. We in the Senate do our work through the Standing Senate Committee on National Finance. To that end, the interim report has been debated at length. I am sure that as the year progresses, we will bring in other reports on other items in the Estimates which honourable senators on the committee might wish to pursue. Some of the options available were listed in the report which we presented. These and other opportunities will be given to senators to question various Estimates of the government in the course of the year.

To that extent, I see no reason why we should hold up the passage of Bill C-39.

Motion agreed to and bill read second time.

THIRD READING

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

Hon. Richard J. Stanbury (Acting Deputy Leader of the Government): With leave of the Senate and notwithstanding rule 59(1)(*b*), I move that the bill be read the third time now.

Motion agreed to and bill read third time and passed.

AGRICULTURE AND FORESTRY

COMMITTEE AUTHORIZED TO PERMIT COVERAGE OF PROCEEDINGS BY ELECTRONIC MEDIA

Hon. Richard J. Stanbury (Acting Deputy Leader of the Government), for Senator Hays, pursuant to notice of Tuesday, June 21, 1994, moved:

> That the Standing Senate Committee on Agriculture and Forestry be empowered to permit coverage by electronic media of its public proceedings with the least possible disruption to its hearings.

Motion agreed to.

SOCIAL AFFAIRS, SCIENCE AND TECHNOLOGY.

COMMITTEE AUTHORIZED TO MEET DURING SITTING OF THE SENATE.

Hon. Richard J. Stanbury, (Acting Deputy Leader of the Government), with leave of the Senate and notwithstanding rule 59(1)(*a*), moved:

> That the Standing Senate Committee on Social Affairs, Science and Technology be permitted to sit while the Senate is sitting tomorrow, Thursday, June 23, 1994, and that rule 96(4) be suspended in relation thereto.

Motion agreed to.

BUSINESS OF THE SENATE

Hon. Richard J. Stanbury (Acting Deputy Leader of the Government): Honourable senators, I believe there is agreement that all remaining orders should stand.

The Senate adjourned until Thursday, June 23, 1994, at 10 a.m.

THE SENATE

Thursday, June 23, 1994

The Senate met at 10 a.m., the Speaker in the Chair.

Prayers.

[*Translation*]

THE HONOURABLE MARIO BEAULIEU

TRIBUTES ON OCCASION OF RESIGNATION

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, it is always difficult to say goodbye to colleagues who must leave us because they have reached the mandatory retirement age, but at least in those instance, we can prepare ourselves mentally for that fateful day. However, when a colleague decides for personal reasons to leave the Senate before his mandate is up, his departure is even harder to accept because it comes as a total surprise.

Yesterday, we learned of Senator Mario Beaulieu's decision. He had already advised me that certain circumstances might force him to make a decision that no one wanted him to make. Indeed, we learned on Tuesday evening that he had submitted his letter of resignation to the Governor General that morning.

I am saddened not only because I am losing a hard-working, faithful colleague, but also because I am losing a close friend who has been active in politics with me for more than 25 years.

Throughout his career, both in the private and public sectors, Mario has displayed such qualities as integrity, loyalty and generosity of spirit, qualities which are unfortunately becoming less and less appreciated given the cynicism that those with the courage to work in both sectors often face.

[*English*]

Mario Beaulieu has never hesitated to further the cause of his community, for he has always been, and will continue to be, one who feels proud and privileged to be part of Quebec society. To some, he is a contradiction: A nationalistic Quebecer and a loyal Canadian. We have recently heard words from a member on the government side to the effect that a person cannot be one and the other at the same time. What a misunderstanding of Quebec and of Canada!

Mario Beaulieu represents what Quebec is all about: a society anxious about its future, yet equally keen to secure it within Canada. Sadly, it is the Lucien Bouchards who get all the headlines. It is to be hoped, honourable senators, that with a little tolerance and understanding, it is the Mario Beaulieus who will keep this country together.

Hon. Senators: Hear, hear!

[*Translation*]

Hon. Fernand Roberge: I want to pay tribute today to our colleague Senator Mario Beaulieu, who had to resign from the Senate after his company, Simard-Beaudry, was the lowest bidder and obtained a Department of Public Works contract.

Unfortunately, what I consider an archaic law that dates back to 1876 prevents any company owned by a senator from bidding on a Public Works contract, even if that company is a public corporation.

Senator Beaulieu has made his mark in several fields of activity: as a notary, as the chairman of the board of Simard-Beaudry, as a deputy minister in Quebec City, as a politician, particularly as the late Daniel Johnson's chief of staff, as a member of the National Assembly, as Quebec's Minister of Finance, and as a senator.

Our colleague Mario has many admirable qualities, but two of the most notable are his great generosity and his availability.

I had the honour to be escorted into this prestigious Chamber by Senator Beaulieu, who has guided me through the workings of the Senate and who has been a confidant and a friend.

Mario has led a very full and successful life. Today, we bid him farewell from the Senate and good luck in his future endeavours.

[*English*]

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, on behalf of my colleagues, I wish to echo the sentiments of my friends in the opposition. The message that we have received is a surprise. We wish Senator Beaulieu a very long and fruitful career as he returns to his province of Quebec, where he served for many years prior to coming to this place in 1990.

Mario Beaulieu was first elected to the Quebec National Assembly in 1969, and had a very active career within that legislative body. He was appointed Minister of Immigration, Minister of Financial Institutions, and Minister of Finance and President of the Treasury Board. Those are the kinds of roles and experience that enabled him to bring a voice of reason and understanding to the issues that come before a federal Parliament.

In addition to his legislative experience, he has also had a very long association with his party, the Conservative Party, beginning with the young Progressive Conservatives of Quebec back in the 1950s, and he has remained true and loyal to the cause ever since. He has had a very successful private career as a notary and a businessman, and as my friend Senator Lynch-Staunton has said, he has always been involved in the community, in the Laval Kiwanis and the Scouts, and, at one point — and Senator Hébert will be interested to learn this — as vice-president of Katimivik, I am told. We wish Senator Beaulieu and his family well, and we will miss his presence in this chamber.

[*Translation*]

Hon. Normand Grimard: Honourable senators, I have known Senator Beaulieu in a political rather than a business context. Senator Beaulieu and I were both active in the Union Nationale and the Conservative Party.

I met Senator Beaulieu for the first time 33 years ago, when we both supported Daniel Johnson in the race for the leadership of the Union Nationale, at the convention held in Quebec City in 1961. At the time, Mario was one of the main convention organizers, and as you know, Mr. Johnson subsequently became premier of the province of Quebec. As mentioned earlier, Senator Beaulieu was appointed to the cabinet of the Honourable Jean-Jacques Bertrand as minister of finance.

Subsequently, Senator Beaulieu and I witnessed the unfortunate disintegration of the Union Nationale. However, we were both very much into politics and also very active Conservatives. Granted, after Mr. Diefenbaker's time, our party experienced a long drought, but nevertheless, Senator Beaulieu remained a faithful member of the Conservative Party, even when times were hard.

I remember that during the Pearson and Trudeau years, when few Quebecers voted Conservative, Mario and I were often on the front lines. Mario knew how to boost the morale of those who came from outside. I was responsible for Northwestern Quebec, including the vast region of Abitibi, Rouyn-Noranda and Témiscamingue, and every election, Senator Beaulieu told me we had to work hard because we might win.

Today, however, I have a confession to make to Senator Beaulieu, who will probably have time to read this in Hansard.

The fact is that during the Conservative drought, we had a few political phenomena in our region, and I am referring to Réal Caouette and Social Credit. Réal Caouette was king of the Abitibi, Rouyn-Noranda and Témiscamingue, and of practically the whole province of Quebec. Although Mario asked me to work hard for the Conservative Party, I must confess that on two occasions, I voted for Réal Caouette.

Senator Molgat: An ardent federalist!

Senator Grimard: As Senator Molgat just said, an ardent federalist. What else could I do? As you very aptly pointed out, Senator Molgat, he was a federalist, but also a fellow citizen, a friend and one of my clients. Mario, I hope you will forgive me when you read this in Hansard.

In concluding, I would like to mention a few qualities that are typical of Senator Beaulieu. Senator Roberge already mentioned his extreme generosity, but I would like to add that Senator Beaulieu is not only extremely generous, but often anonymously so, and that is worth mentioning!

Senator Beaulieu is modest and always prepared to serve without expecting anything in return, which is worth mentioning as well. I repeat: He was and is always prepared to serve without expecting anything in return.

Finally, I want to say we will miss you, Senator Beaulieu. Personally, Mario, I miss you already.

Hon. Roch Bolduc: Honourable senators, I knew Mario Beaulieu in 1966 when he arrived in Quebec City as Premier Johnson's chief of staff.

At the time, I was a public service commissioner. As you know, when there is a change of government, it is always very important, and not always easy, for the premier's chief of staff and the commission, at the time referred to as the Civil Service Commission and later as the Public Service Commission, to have a good relationship. Having played a key role in Mr. Johnson's victory, Mario had to deal with a custom that was firmly anchored in political circles in Quebec and also with a somewhat ambivalent perception of the Union Nationale, which was common at the time.

I must say that Mario Beaulieu never showed any favouritism towards one of his friends or anyone else during that time. He was never like that. Our relations were excellent. I think we played our role as senior public servants and he played his as the premier's chief of staff.

Indeed, he was the rallying point around which senior civil servants were able to join hands. Thanks to him, the Union Nationale government, during the quiet revolution, decided to trust the mandarins of the day to continue playing an effective role in public administration. These same senior public servants — and I could name them all — worked very closely with the then premier of Quebec.

When Mr. Bertrand took power in 1969, following the death of Mr. Johnson in 1968, Mario Beaulieu became the province's Minister of Finance. Since we already had excellent relations with him, he asked us to work on the 1969 budget, and we worked fiendishly for three or four months to present the best budget possible. Unfortunately, an election was called in April and the Finance Minister was never able to table his budget. I know, from having spoken to him since, that he remembers it nonetheless. You know, the various phases of budget preparation leave a lasting impact on a man.

It is that time, in particular, that I wanted to share with you about Senator Beaulieu. He is a generous, loyal, sober, humble and very sensitive man — which is probably why he is not here with us today. I know that he is embarrassed by such testimonials.

Senator Beaulieu has been my friend for 25 years. I wish him all the best in his endeavours.

Hon. Maurice Riel: Honourable senators, I was not aware that Senator Beaulieu was leaving us, and I am sorry I did not hear about it until this morning.

I have to leave right away, because I have a routine appointment with the doctor at the hospital before I go to Montreal.

Mario Beaulieu has always been a prominent member of the French-Canadian business community in Montreal. I say French-Canadian because I am old-fashioned. Today, people say *québécois* —

Senator Lavoie-Roux: Old-fashioned is fine!

Senator Riel: This means that, although he is retiring from the Senate, Mario Beaulieu will continue to be a prominent member of the French-Canadian community in Montreal. We will see him around, cheerful and dynamic as always, the epitome of the successful French-Canadian businessman, and I am sorry that one of his companies should be the cause for his resignation. However, when you are in business, you have to weigh the advantages and disadvantages and act accordingly.

I hope he will be as successful as he has been in the past, and I hope we will continue to see him. I am sorry to be so brief, because there is much I could say about Mario Beaulieu. We have known each other for a long time. In Montreal, we were both involved in various activities at the same time. I wish him good luck.

Hon. Gérald-A. Beaudoin: Honourable senators, I would like to pay tribute to Senator Mario Beaulieu. Mario and I both received our classical education in Montreal at the Jesuit colleges of Saint-Ignace and Sainte-Marie.

I became a lawyer and he became a notary. He went into politics, while I concentrated on a university career.

Mario Beaulieu held various important positions, including that of Quebec Minister of Finance. After many years, we met again in the Senate in 1990. As he leaves the upper house today, I wish him every success in his business.

Again, the very best!

SENATORS' STATEMENTS

SAINT-JEAN-BAPTISTE DAY

FELICITATIONS TO FRENCH CANADIANS

Hon. Thérèse Lavoie-Roux: Honourable senators, I would like to take a few moments to recall that tomorrow is Saint-Jean-Baptiste Day, the national holiday of French Canadians.

Senator Riel need not apologize for speaking of French Canadians, because that is what I truly feel I am.

I would simply like to remind honourable senators that the origins of Saint-Jean-Baptiste Day date back to 1834 when Ludger Duvernay felt that the descendants of the French in New France should have a common day on which to celebrate their heritage. Over the years, this event has grown and expanded, to the point where it is now celebrated as the national holiday of all French-Canadians. It is my fervent wish that it remain so.

Of course, Quebec celebrates this holiday in a special way, since it is the focus of la Francophonie in North America. May I just say to my fellow Quebecers that I hope that the years ahead, during which important decisions will be made, will not lead to the division of this country that is home to francophones or people whose culture is French, but rather provide an opportunity to strengthen the ties that bind and unite us all as Canadians.

I invite all Canadians to join in the celebrations that may be taking place right in their own community.

I also hope that this day will give Canadians who speak other languages or come from other cultures a chance to learn a little more about this country's history. People often harbour misconceptions, not because they are lacking in goodwill, but because of ignorance, or they fail to understand the aspirations of their fellow citizens. Far be it for me to lecture my colleagues, but each one should endeavour in his or her own community to heighten public awareness that Canada was founded by two peoples, along with the native peoples, who were forgotten for too long, and that we must all work together to make this country prosper.

In the meantime, I want to wish all my fellow French Canadians a happy Saint-Jean-Baptiste Day.

[*English*]

• (1020)

THE SENATE

RETURN TO CHAMBER OF DEPUTY LEADER OF THE GOVERNMENT

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I welcome back to this chamber the Deputy Leader of the Government. Senator Molgat — and this was almost a condition of the job — has been in Europe as an honorary colonel of the Royal Winnipeg Rifles over the last few weeks, commencing with D-day. He has been travelling in France, Belgium and Holland as part of a Canadian group that went there to commemorate with those European countries the

comrades who fell during the war, and also to commemorate the liberation of those countries at the end of the war. He has been missed, and we welcome him back.

I also want to say thank you to Senator Stanbury who, as we all know, is one of the most experienced people in this place. He is a true friend of the Senate, and has conducted himself with customary skill, enormous patience and great good humour. I am in the happy position of being surrounded by the incredible wisdom, support and experience of my colleagues.

I thank Senator Stanbury, and welcome back Senator Molgat.

ROUTINE PROCEEDINGS

INFORMATION COMMISSIONER

ANNUAL REPORT TABLED

The Hon. the Speaker: Honourable senators, I have the honour to table, in both official languages, the Annual Report of the Information Commissioner for the period 1993-1994.

SAHTU DENE AND MÉTIS LAND CLAIM SETTLEMENT BILL

REPORT OF COMMITTEE

Hon. A. Raynell Andreychuk, Chairman of the Standing Senate Committee on Aboriginal Peoples, presented the following report:

Thursday, June 23, 1994

The Standing Senate Committee on Aboriginal Peoples has the honour to present its

SECOND REPORT

Your Committee, to which was referred Bill C-16, An Act to approve, give effect to and declare valid an agreement between Her Majesty the Queen in right of Canada and the Dene of Colville Lake, Déline, Fort Good Hope and Fort Norman and the Métis of Fort Good Hope, Fort Norman and Norman Wells, as represented by the Sahtu Tribal Council, and to make related amendments to another Act, has examined the said Bill in obedience to its Order of Reference dated Thursday, June 16, 1994, and now reports the same without amendment.

Respectfully submitted,

A. RAYNELL ANDREYCHUK
Chairman

THIRD READING

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

Hon. Willie Adams: With leave of the Senate, and notwithstanding rule 59(1)(*b*), I move third reading now, honourable senators.

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

Hon. Senators: Agreed.

Motion agreed to and bill read third and passed.

• (1030)

CANADA STUDENT FINANCE ASSISTANCE BILL

REPORT OF COMMITTEE

Hon. C. William Doody, Chairman of the Standing Senate Committee on National Finance, presented the following report:

Thursday, June 23, 1994

The Standing Senate Committee on National Finance has the honour to present its

NINTH REPORT

Your Committee, to which was referred Bill C-28, An Act respecting the making of loans and the provision of other forms of financial assistance to students, to amend and provide for the repeal of the Canada Student Loans Act, and to amend one other Act in consequence thereof, has, in obedience to the Order of Reference of Tuesday, June 21, 1994, examined the said Bill and now reports the same without amendment.

Respectfully submitted,

C. WILLIAM DOODY
Chairman

THIRD READING

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

Hon. Richard J. Stanbury (Acting Deputy Leader of the Government): With leave of the Senate, and notwithstanding rule 59(1)(*b*), I move third reading now, honourable senators.

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

Hon. Senators: Agreed.

Motion agreed to and bill read third time and passed.

EUTHANASIA AND ASSISTED SUICIDE

SECOND REPORT OF SPECIAL COMMITTEE PRESENTED AND ADOPTED

Hon. Joan Neiman, Chairman of the Special Senate Committee on Euthanasia and Assisted Suicide, presented the following report:

Thursday, June 23, 1994

The Senate Special Committee on Euthanasia and Assisted Suicide has the honour to present its

SECOND REPORT

Your Committee, which was authorized by the Senate on February 23, 1994, to examine the legal, social and ethical issues relating to euthanasia and assisted suicide, and to present its final report no later than December 15, 1994, respectfully requests that, notwithstanding Rule 93(1) which requires that all Committee meetings are to be public, it be empowered to hold occasional meetings *in camera* for the purpose of hearing witnesses and gathering specialized or sensitive information.

Respectfully submitted,

JOAN NEIMAN
Chairman

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

Senator Neiman: With leave of the Senate, and notwithstanding rule 59(1)(*a*), I move that the report be considered now, honourable senators.

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

Hon. Senators: Agreed.

Senator Neiman: Honourable senators, the committee is asking permission to hold certain parts of hearings *in camera.* We have had discussions with certain witnesses who are prepared to give rather sensitive and specialized evidence to the committee, but not on the public record. They have presented sufficient reasons in this regard. The committee is satisfied that under very exceptional circumstances it is prepared to hear evidence *in camera* in order to have the knowledge necessary to help it make decisions in the future.

I ask that the Senate agree to this request.

[*Translation*]

Hon. Gérald-A. Beaudoin: Honourable senators, we on this side of the house fully agree with what was said by Senator Neiman.

[*English*]

Hon Royce Frith: Honourable senators, I ask the chairman of the committee to explain why the committee needs the authority of the Senate to do this.

• (1040)

Senator Neiman: Under rule 93, we are not allowed to have *in camera* meetings except for discussions dealing with labour relations, wages and salaries, et cetera. However, we can have *in camera* meetings with a sub-committee. By way of subterfuge, we could call a meeting of our sub-committee and hold *in camera* meetings, but this subject is important and all committee members should be present. We would prefer to do it openly and receive the permission of the Senate for these exceptional hearings.

Hon. Lowell Murray: I do not want to quarrel — and, in fact, I do not — with the decision that the committee has come to after due consideration, but I would like to know the ground rules. Because the meeting is being held *in camera*, I take it that no verbatim transcript would be kept. Is it the intention of the chairman to report in any way to the Senate on the evidence that is heard in the course of those hearings?

Senator Neiman: We will have to assess the evidence bit by bit. There are certain implications. We can report in a general way. We would like to have some verbatim evidence that the committee may wish to study after the evidence is complete. We may be able to make general use of the testimony when we make our report. However, we would not want to include specific identifications in our report. We would respect that type of confidentiality.

In general, the committee feels strongly that it wants to hear as much evidence as possible in public so that we can make use of it all in our report, if we feel it is appropriate.

Senator Murray: Are the witnesses seeking any other assurances besides the opportunity to testify in an *in camera* session? For example, are the witnesses seeking an assurance of immunity with regard to their testimony before your committee?

Senator Neiman: They do not need to make that request. We do have parliamentary immunity regarding testimony before the committee. I think their reasons are more sensitive or personal than that.

Senator Frith: I have a question of procedure. The chairman is not asking for permission, but that rule 93 be suspended. It is important to proceed in that fashion, because we must then realize that we are suspending a rule that establishes the principle of public access to all Senate committee hearings. This is not a matter that should be taken lightly, but I want to be persuaded by the chairman of the committee.

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, Senator Frith raises a valid point.

Senator Neiman discussed this matter with me some time ago. There are some reservations on the part of witnesses who will be giving useful information to the committee. They have reservations in that they think they could be subject to legal problems should they fully expose their knowledge and experience to the committee. Yet, from the committee's standpoint, their evidence may be useful.

While this involves a change in our rules, I think the request by the committee chairman is valid, and that the committee should hear these people. Subsequently, should the committee disagree as far as the confidentiality of the matter is concerned, the committee could go back to the witnesses and tell them that they want the hearings to be made public. That could then involve a decision of the committee and of the people who appeared to give evidence.

For the time being, the request is valid. The committee should be free to hear these people, subject to a further decision.

Hon. L. Norbert Thériault: Perhaps I missed something, honourable senators, but I did not hear the motion. Will this be done by way of motion?

Senator Neiman: It is a request within the second report of the committee. The committee is reporting and, within its second report, it is asking for permission.

As Senator Frith has said, a more correct wording would have been: "To suspend rule 93(1)" rather than "notwithstanding," but that is the effect of it and of the request in the report.

Senator Thériault: Honourable senators, I repeat that I did not hear the motion. I should like to have a look at the motion. If you suspend a rule does it mean that you suspend it just for that meeting, or is the rule suspended permanently?

Senator Berntson: Just for that meeting.

Senator Neiman: I will repeat the request for Senator Thériault. In the report itself it states that the committee:

> ...respectfully requests that, notwithstanding rule 93(1) which requires that all Committee meetings are to be public, it be empowered to hold occasional meetings *in camera* for the purpose of hearing witnesses and gathering specialized or sensitive information.

Senator Thériault: If your request is that the rule be suspended, you will have to change the wording of your request to include the word, "suspend."

Senator Frith: The word "notwithstanding" is there. I believe the wording will be satisfactory if you underline the request with the words "notwithstanding rule 95..." and we, therefore, will know what we are doing.

The Hon. the Speaker: Honourable senators, there has been a fairly lengthy discussion of this matter. Senator Neiman has presented the committee's report. Should the question be put?

Hon. Senators: Agreed.

Motion agreed to and report adopted.

EXCISE TAX ACT
EXCISE ACT
INCOME TAX ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-32, to amend the Excise Tax Act, the Excise Act and the Income Tax Act.

Bill read first time.

SECOND READING

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

Hon. Dan Hays: Honourable senators, with leave of the Senate and notwithstanding rule 58(1)(*f*), I move that the bill be read the second time now.

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

Hon. Senators: Agreed.

• (1050)

Senator Hays: Honourable senators, Bill C-32 will implement a number of income tax and excise changes announced over the past three months. These changes include a range of legislative amendments to implement the government's national action plan on smuggling announced February 8, 1994, and amendments to the Air Transportation Act and the Goods and Services Tax announced in the federal budget of February 22, 1994.

There can be little doubt that the increasing market penetration of contraband tobacco products over the past few years has caused serious economic and social consequences for government, businesses and citizens of Canada. Governments have suffered a sharp decline in revenues derived from taxation of tobacco products. These revenues are an important part of government tax collection and are used to provide funding for programs and services across many areas of responsibility.

Growing acceptance of contraband tobacco products among Canadian consumers has caused legitimate wholesalers and retailers to suffer a market decline in their business interests. At the other end of the smuggling equation, the profits from tobacco smuggling steadily increased and flowed more and more into the hands of organized criminal networks.

Citizens of Canada began to express an understandable concern with the climate of increased lawlessness and violence surrounding the contraband trade. As well, the ready availability of inexpensive black-market tobacco products to consumers of all ages was impairing the government's health policies to discourage tobacco consumption, particularly among young people.

Responding to these concerns, the government announced a comprehensive anti-smuggling initiative on February 8, 1994, designed to eliminate smuggling as a significant national problem. At the forefront of this national action plan was an increase in enforcement. Both the RCMP and Canada Customs were assigned greater resources to intensify their efforts along the Canada-U.S. border and to target organized criminal networks now dealing in contraband tobacco and other products.

As a complement to increased enforcement and to stymie the increasing market share of contraband tobacco products across the country, the government undertook a national $5 reduction in rates of excise tax on tobacco products. The government also offered to match provincial tobacco tax reductions in excess of $5, up to a maximum total federal reduction of $10, so as to allow for a more concentrated effort in those areas where smuggling was particularly entrenched.

Matching reductions have now been undertaken in response to provincial tax reductions in Quebec, New Brunswick, Ontario, Prince Edward Island, and Nova Scotia.

To ensure that tobacco corporations did not derive any benefit from the reduction in tobacco taxes, the government also moved to impose a new health-promotion surtax on corporate profits from tobacco manufacturing and processing. This new surtax will apply for a three-year period and will fund the largest anti-smoking campaign ever undertaken in Canada.

Finally, the government moved to help the smuggling problem by reimposing an excise tax on exported tobacco products so as to reduce shipments that could fuel the contraband trade.

In addition to these excise and income tax changes, Bill C-32 also contains a number of related measures that are critical to ensuring the long-term success of the national action plan on smuggling. All wholesalers and retailers are eligible to apply for a full inventory rebate in respect of the national $5 excise tax reduction. The rebate is applicable to their tax-paid inventories of cigarettes, tobacco sticks and fine-cut tobacco held as of midnight, February 8, 1994.

Where federal excise taxes are further reduced to match provincial tax reductions, partial inventory rebates are being provided. Wholesalers and retailers can apply for the additional rebate in respect of their inventories of cigarettes in excess of a certain threshold amount held as of the effective date of the matching federal excise tax reduction.

Administration of the inventory rebate program is the responsibility of Revenue Canada. This bill will provide the Minister of National Revenue with the authority to pay out inventory rebate amounts once it receives Royal Assent.

Responding to the variable excise tax reductions undertaken to match provincial tax reductions, Bill C-32 contains new tax liability and offence provisions designed to ensure that tobacco products marked for sale in a particular province are restricted to personal consumption in that province and are not diverted to any other province.

Towards this end, wholesalers and retailers are liable to pay an additional federal excise tax on any sale of marked tobacco products to a person in another province. As well, the legislation makes it an offence, subject to a fine, for any person to sell or offer for sale tobacco products marked for consumption in one province to a consumer located in another province.

These two measures will substantially impair the potential for interprovincial diversion of tobacco products from low-tax jurisdictions. I would note, however, that while the collection of the additional federal excise tax can be enforced immediately, the offence provisions cannot come into force until such time as this bill receives Royal Assent. Also, with respect to matching federal excise tax reductions, the bill contains provisions to ensure that unmarked tobacco products may be sold on reserve to Indians in Ontario and Nova Scotia at the reduced rates of federal excise tax that would otherwise apply to marked tobacco products in each province.

Finally, the legislation amends the fines in the Excise Act for possession or sale of tobacco products on which federal taxes have not been paid. Because these fines were based on previous rates of federal excise tax, this amendment is necessary to maintain the fines at their former minimum and maximum amounts.

Honourable senators, these changes to the excise and income tax structures affecting tobacco products are an integral part of the government's action plan to combat smuggling. Combined with increased enforcement, these measures form a comprehensive approach that will work to eliminate smuggling as a significant national problem.

Bill C-32 also implements changes to the air transportation tax. Honourable senators may recall that the budget of February 22, 1994, proposed certain changes to the structure of the air transportation tax to reduce the tax burden on short-haul domestic and transporter flights and to recover a greater proportion of the cost of air facilities and services provided by Transport Canada.

For domestic and transporter flights, the air transportation tax is comprised of both a flat tax component and an *ad valorem* component up to a stipulated maximum. Bill C-32 will alter the structure of the air transportation tax in respect of domestic and transporter flights by reducing the flat tax component while increasing the maximum amount.

For international flights where the air transportation tax is comprised solely of a flat tax, this amount is being increased.

Finally, Bill C-32 contains one change to the goods and services tax that was announced in the February 22, 1994 budget. The Excise Tax Act will be amended to reduce the income tax credit in respect of the goods and services tax paid on eligible business meals and entertainment from 80 per cent to 50 per cent. This change will better reflect the personal consumption element of these expenses and is consistent with the reduction in the income tax deduction for business meals and entertainment expenses from 80 per cent to 50 per cent.

• (1100)

In conclusion, Bill C-32 is an important bill. It enacts a number of provisions that will make a significant contribution to the government's efforts to combat the trade in contraband tobacco products. Bill C-32 also implements changes to the air transportation tax, the goods and services tax, and will improve the fairness and efficiency of the tax system.

I would remind honourable senators that two very important tobacco measures, the ability to pay inventory rebates and the offence provisions in respect of interprovincial diversion, will not take effect until this bill receives Royal Assent. I therefore urge you to give your attention to this bill and, if possible, give it speedy passage.

Hon. Noël A. Kinsella: Honourable senators, Senator Hays has given us a good overview of Bill C-32. There are but a few particular items that I would like to focus on, recognizing this is an omnibus bill that includes some budgetary measures relating to the air transportation tax and the GST input credits on meals. There may be some questions of specificity that we would want to raise when we do clause-by-clause study relating to that matter.

I would call to the attention of honourable senators that when the bill was given second reading in the other place, the Parliamentary Secretary to the Minister of Finance stated:

> The primary purpose of the bill is to implement a range of measures related to tobacco taxation that were developed to combat the very serious smuggling problem facing Canada.

Let us focus for a few moments on those provisions. The Prime Minister announced the government's action plan on smuggling on February 8, and there are some commendable elements to that plan: the increased monetary and human resources devoted to law enforcement; renewal and extension of initiatives of the previous government to educate Canadians about the effects of tobacco consumption; and some of the measures included in this bill, such as the imposition of an export tax on cigarettes and a surtax imposed on the profits of manufacturing companies.

On the same day as the Prime Minister made this announcement, the Minister of Health issued a press release which stated:

> We recognize that there are health risks associated with some of the tax measures that we are taking. Let's be clear. On their own, lower prices are likely to lead to increased tobacco use, especially by young people ... For this reason ... there is a strong health component in the government's overall strategy. Starting immediately, we will spend $185 million on this health component over the next three years.

Honourable senators, that health component is to be funded by one of the desirable measures of this bill, the surtax on profits of tobacco manufacturing companies. Some have difficulties, however, even with this desirable element. This tax measure is expected to raise $200 million over the next three years. So far, we have seen only an announcement of $55 million in planned expenditures for an education campaign on the effects of smoking. Like those in the health community across the land, one would like to see some indication of where the rest of these revenues will go. One hopes that the government will follow through on its commitment to spend that money on the health care component of the tobacco strategy.

Others are also troubled by the limit of three years on this surtax. Why should it be limited at all, one might ask. Does the government expect that after three years of education on the subject, we will no longer have any smokers in Canada, and it will no longer be spending any health care dollars on the effects of smoking?

Another desirable provision of this bill is the imposition of an export tax of $8 per carton of cigarettes as well as taxes on other export and tobacco products. What one does not understand, however, is why the government did not try this measure first in combination with enhanced enforcement measures to see what effect they would have on the smuggling problem. Enforcement and export taxes were not given a chance to work. By dramatically decreasing the price of tobacco in this bill, the government has ensured that there is nothing left to attempt to enforce.

By reducing tobacco taxes in this bill by $5 per carton of cigarettes, and similar amounts on other tobacco products, and up to $10 per carton in provinces which choose to match that decrease, the government has clearly shown, as has been said before in this chamber by a number of honourable senators, that it views tobacco sales and consumption as simply a smuggling issue rather than a health problem. Health concerns have been lost in the rush to deal with the economic issue of illegal tobacco sales in the underground economy.

Tobacco prices were dramatically lowered by nearly 50 per cent in the province of Quebec over four months ago, immediately after the strategy was announced, even though we have yet to pass Bill C-32 into law. Neighbouring provinces such as Ontario, my own province of New Brunswick, Nova Scotia, and Prince Edward Island were effectively forced into following suit for fear of having their retailers lose the bulk of their sales to

vendors in the province of Quebec. This is particularly true for those who live along the interprovincial border areas. This will inevitably also encourage consumption, as the Minister of Health noted in her press release, especially among young people who are the most susceptible to adopting the smoking habit and the most influenced by price changes.

This tax measure encourages our youth to experiment with the most toxic and addictive substance legally available in Canada. It comes at a time when all levels of government in Canada have been trying to discourage tobacco usage, especially by young people. We recently passed Bill C-11, which bans the sale of so-called "kiddy packs," but Bill C-32 will make it legal to sell a full package of cigarettes at a lower price than kiddy packs used to cost in some provinces. Because of the effects of this bill, our passage of Bill C-11 will have an effect only in the western provinces.

Bill C-32 also contains provisions to ensure that the province of origin of tobacco products is marked and to impose fines for selling tobacco for consumption in another province. Quite apart from the silliness this could create for tobacco sellers and consumers in areas like the National Capital Region, where people do frequently migrate across provincial borders for a lunch or dinner and might well buy tobacco while in the other province, these provisions suggest recognition by the government that these anti-smuggling measures have in fact created a new interprovincial smuggling problem. That was very apparent immediately after February 8 when the province of Quebec drastically lowered prices. Soon after, my own province of New Brunswick, then Ontario, then Nova Scotia and Prince Edward Island, were forced to do the same.

• (1110)

Whether it is admitted or not, Newfoundland and Labrador and the four western provinces are now facing the same problem. Bill C-32 does not solve the smuggling problem; it simply changes the borders where the problem exists, and we do not have customs officials at those borders to undertake enforcement.

Finally, honourable senators, there is evidence that by acting precipitously on this issue, the Canadian government may be on the verge of creating a reverse smuggling problem with the United States. In an article in *The Globe and Mail* on June 15 of this year at page 83, it was reported that the United States Supreme Court has recently issued a ruling that will allow the State of New York to limit the supply of untaxed cigarettes to Indian reservations.

The article also notes that fully taxed cigarettes in New York State now cost about 25 cents U.S. per pack more than in Ontario or in Quebec. If the expected U.S. health tax on cigarettes — estimated to be 75 cents to $1.25 per package — is added on later this year, Canadian cigarettes will be about $1.50 per package cheaper. On that point, it is fervently hoped that the federal government, the governments of Ontario and Quebec and the governments of the maritime provinces will consider significantly increasing taxes on tobacco.

In the meantime, Canada's enviable record of sending a health message and setting a healthy example to other countries — especially the United States — on tobacco taxes is seriously undermined, if not entirely destroyed, by some of the measures in Bill C-32.

On a more technical basis, in the bill at pages 41 and 30, one finds reference to formulae. On page 30 of the bill there is a formula which reads as follows:

$$U + (V \text{ times } W \text{ over } X) - (Y \text{ times } Z \text{ over } A_1) - B_1.$$

It is to be hoped that in committee we will be able to examine the full meaning of such a formula in a bill that is 62 pages long. It is also to be hoped that we will have sufficient time at the committee stage to fully examine the matter.

Senator Oliver: Perhaps Senator Hays will answer it now.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE OF THE WHOLE

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

Senator Hays: Honourable senators, I move that the bill be referred to the Committee of the Whole and that the Senate do now resolve itself into a Committee of the Whole for that purpose.

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

Motion agreed to.

CONSIDERATION IN COMMITTEE OF THE WHOLE

The Senate was accordingly adjourned during pleasure and put into a Committee of the Whole on the bill, the Honourable Senator Eymard G. Corbin in the Chair.

The Chairman: Honourable senators, the Senate in now in Committee of the Whole on Bill C-32, to amend the Excise Tax Act, the Excise Act, and the Income Tax Act.

Shall the title of the bill be postponed?

Hon. Senators: Agreed.

The Chairman: Shall clause 1 carry?

Hon. Senators: Agreed.

Pursuant to rule 21 of the *Rules of the Senate*, the Honourable David Walker, Parliamentary Secretary to the Minister of Finance, was escorted to a seat in the Senate chamber.

The Chairman: Honourable senators, we are honoured to have with us Mr. David Walker, Parliamentary Secretary to the Minister of Finance.

Mr. David Walker, Parliamentary Secretary to the Minister of Finance: Thank you, honourable senators, for the opportunity to be here today.

The officials with me are Mr. Brian Willis and Ms Patricia Malone from the Department of Finance, who are here to answer more detailed questions.

Senator Kinsella made reference to the mathematical chart on page 30 of the bill. The only exam I flunked in 21 years of education was during my first year math course at Carleton University. Therefore I will refer that question to the officials who are with me today.

For Senator Hays, thanks for your introductory speech on the second reading of Bill C-32. If Senator Hays sounded strong and healthy, it is because I fed him last night. He has a very good skill — he can sharpen knives. If any of you have a dull knife collection, just get Senator Hays to come by. He will sharpen every knife in your house.

Senator Frith: Mac the Knife!

Mr. Walker: I am sure he did not learn that at the Senate; he learned it at home.

Since Senator Hays has outlined most of the major considerations contained in Bill C-32, unless the Senate wishes to review those same points, I will consider them read. If there are specific questions, I would be more than happy to answer those questions and elaborate on any concerns that senators may have over this piece of legislation.

The Chairman: Honourable senators, may I suggest that we proceed on a clause-by-clause basis, unless there are senators who wish to make a general comment at this time.

Senator Kinsella: I have a few questions of a general nature.

Can the parliamentary secretary and the officials give an indication as to how much manufacturing of tobacco takes place in Atlantic Canada? I know that clause 1 of the bill gives a definition of Atlantic-manufactured tobacco. What is the profile of manufacturing across Canada?

Mr. Walker: In answer to your first question, my understanding from our officials is that there is practically no manufacturing of tobacco in Atlantic Canada. The primary manufacturers of tobacco are in Quebec, and the second largest tobacco-producing province is Ontario. That would account for the vast majority of production in this country.

Senator Kinsella: Why the need, then, to have Atlantic-manufactured tobacco defined this way?

• (1120)

Mr. Walker: This definition is used to distinguish those tobacco products that have the Atlantic marking, and are taxed at the full federal excise tax rates, from those tobacco products that have a distinct provincial marking and are taxed at the reduced federal excise tax rates. The exception is the Atlantic-marked cigarettes for retail sale on Prince Edward Island from June 1, 1994 to September 11, 1994.

Senator Kinsella: So "Atlantic-manufactured tobacco" is a bit of a misnomer. They are actually not manufactured in the Atlantic region?

Mr. Walker: The marking refers to distribution, and not to the actual production.

Senator Kinsella: The word is "manufactured" not "marketing," Minister.

Mr. Walker: I agree with you, Senator. In the definition in the act under subsection 2(1) "Atlantic-manufactured tobacco" is defined as manufactured tobacco, cigarettes, tobacco sticks and fine-cut tobacco that is marked for retail sale in the Atlantic provinces.

Senator Kinsella: The act distinguishes between Indians, or aboriginal persons defined as Indian, in relation to the Indian Act. There is no definition of aboriginal persons who are other than non-status. What is the public policy behind that?

Mr. Walker: Most of the policies of the federal government are based on the definition provided in the Indian Act as to who is an Indian. This is consistent with that definition.

Senator Kinsella: In newspaper accounts since January on smuggling, native persons in particular communities have been identified. Is that part of the reason for having Indians defined in this bill?

Mr. Walker: Yes, it is because the taxation policy on reserves concerning Indians as defined in the act is different from the taxation policies for the rest of the country. Therefore, the act has to recognize those distinctions, particularly in Ontario and Nova Scotia.

Senator Kinsella: I have a final generic question on some of the issues I attempted to raise in the debate here on second reading. It deals with the health issue. Are we to understand that the government's policy is to use the moneys generated here in part to fund the health education program over the next three years?

Mr. Walker: That is correct.

Senator Kinsella: Is there a particular reason why it is capped at three years?

Mr. Walker: The government is very cognizant of the health nature of its measures, and that there is a great deal of dispute within the health community as to the degree to which this may or may not encourage increased consumption. As you know, we are watching the StatsCanada material very closely.

As I said before the committee of the House of Commons, I would not belittle those who are concerned about this. Three years was put in on the assumption that within the next three years we will be reviewing this measure, and taxation will be subject to our ability to adjust taxes and to respond to any health issues that arise in that time.

Senator Hays: I join with other senators in welcoming the Parliamentary Secretary to the Minister of Finance, Mr. Walker, to this chamber, particularly inasmuch as he is well known for his great hospitality.

My question arises out of Senator Kinsella's excellent speech. He spoke of a possible reverse smuggling problem in the event that the United States, as anticipated, increases its tobacco taxes as part of its health tax. Could you, Mr. Walker, comment on what would likely happen in that event? Is it anticipated that the Government of Canada would respond quickly, in that event, to increase excise taxes so that we could resume the situation where we had higher taxes on tobacco? I think that would please everyone who is against smoking in that it would make it more difficult for people to buy cigarettes, particularly young people.

Mr. Walker: Although this problem has not been raised formally by the American government or by the states with the Department of Finance, the enforcement agencies work very closely together on both sides of the border. There have been a number of media accounts speculating on the reverse flow, although this has not been brought to our attention in a formal way.

We do think that in some respects this will be of assistance to us in the short term. In the longer term, if it becomes an issue for the American states and the American national government, we will be very responsive to that. Since we just went through this battle ourselves, we are not about to create problems for other jurisdictions.

The Chairman: Shall clause 1 carry?

Hon. Senators: Agreed.

The Chairman: Shall clause 2 carry?

Hon. Senators: Agreed.

The Chairman: Shall clause 3 carry?

Hon. Senators: Agreed.

The Chairman: Shall clause 4 carry?

Hon. Senators: Agreed.

The Chairman: Shall clause 5 carry?

Hon. Senators: Agreed.

The Chairman: Shall clause 6 carry?

Hon. Senators: Agreed.

The Chairman: Shall clause 7 carry?

Hon. Senators: Agreed.

The Chairman: Shall clause 8 carry?

Hon. Senators: Agreed.

The Chairman: Shall clause 9 carry?

Hon. Senators: Agreed.

The Chairman: Shall clause 10 carry?

Hon. Senators: Agreed.

The Chairman: Shall clause 11 carry?

Senator Kinsella: Clause 11 amends section 99.2. What safeguards are in place for privacy and notice for persons who must make their records, books, accounts and vouchers available?

Mr. Walker: Revenue Canada follows its normal procedures and, in addition, the act specifically protects the privacy of the businesses and prohibits the release of any information dealing with any one of these plans of the department for each one of these businesses. It is specifically prohibited.

The Chairman: Shall clause 11 carry?

Hon. Senators: Agreed.

The Chairman: Shall clause 12 carry?

Hon. Senators: Agreed.

The Chairman: Shall clause 13 carry?

Hon. Senators: Agreed.

The Chairman: Shall clause 14 carry?

Hon. Senators: Agreed.

The Chairman: We now go to Part II of the bill. Shall clause 15 carry?

Hon. Senators: Agreed.

The Chairman: We now proceed to Part III of the bill. Shall clause 16 carry?

Hon. Senators: Agreed.

The Chairman: Shall the title carry?

Hon. Senators: Agreed.

The Chairman: Shall I report the bill without amendment?

Hon. Senators: Agreed.

• (1130)

The Chairman: Honourable senators, before rising I wish to thank the honourable parliamentary secretary for his cheerful spirits and his excellent cooperation. Also, on behalf of the Committee of the Whole, I would thank the officials who have accompanied him.

Mr. Walker: Mr. Chairman, I would also like to thank the senators for their cooperation. We all realize how busy June is and sometimes very important pieces of legislation come quickly to the Senate. I appreciate the tolerance and cooperation of the people in this chamber.

The Hon. the Speaker: Honourable senators, the sitting of the Senate is resumed.

REPORT OF THE COMMITTEE OF THE WHOLE

Hon. Eymard G. Corbin: Honourable senators, the Committee of the Whole, to which was referred Bill C-32, to amend the Excise Tax Act, the Excise Act and Income Tax Act, has examined the said bill and has directed me to report the same without amendment.

THIRD READING

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

Hon. Day Hays: Honourable senators, with leave of the Senate, and notwithstanding rule 59(1)(*b*), I move that the bill be read the third time now.

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

Hon. Senators: Agreed.

Motion agreed to and bill read third time and passed.

YUKON FIRST NATIONS LAND CLAIMS SETTLEMENT BILL

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-33, to approve, give effect to and declare valid land claims agreements entered into between Her Majesty the Queen in right of Canada, the Government of the Yukon Territory and certain First Nations in the Yukon Territory, to provide for approving, giving effect to and declaring valid other land claims agreements entered into after this Act comes into force, and to make consequential amendments to other Acts.

Bill read first time.

SECOND READING

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

Hon. Paul Lucier: Honourable senators, with leave of the Senate and notwithstanding rule 58(1)(*f*), I move that the bill be read the second time now.

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

Hon. Senators: Agreed.

Senator Lucier: Honourable senators, I rise to address Bill C-33, the Yukon First Nations Land Claims Settlement Bill.

I am extremely pleased to be bringing this bill before the Senate at this time. Today, we are being asked to continue to demonstrate the good faith and wise judgment that was demonstrated by our colleagues in the other place as they quickly dealt with this important piece of legislation.

We are being asked to bring a fair and respectable end to many years of difficult negotiations to provide a basis for the beginning of the Yukon Indians and a new partnership between governments and Yukon First Nations in the management of lands and resources.

For example, each final agreement guarantees employment opportunities for the beneficiaries at heritage sites, in the forestry industry and in the surveying of their settlement lands. Each first nation will also have the right to buy a 25-per-cent interest in any new hydroelectric or non-renewable resource project undertaken by the Yukon government in their traditional territories.

The final agreements differ significantly in other ways — for example, in terms of the quantity of land and financial compensation provided to each first nation and the special fish and wildlife harvesting rights granted to each group. Each agreement also includes unique ratification and amendment processes and legal descriptions of the settlement lands.

Honourable senators, I should like to read into the record of the Senate some quotes from a report of Judy Gingell, the Chair of the Council for Yukon Indians. Miss Gingell is in the gallery today. I feel it is important that some of her comments and those of the leaders of the Yukon Legislative Assembly be read into the record, and I would do that at this time.

Judy Gingell, the Chair of the Council for Yukon Indians in her presentation to the House of Commons committee on Bill C-33 stated:

> Mr. Chairman, members of the standing committee, Chiefs, respected Elders, ladies and gentlemen, it is a great pleasure to present the views of the Council for Yukon Indians regarding the proposed legislation giving effect to our final land claims and self-government agreements. We have occupied what is now known as the Yukon Territory longer than any other people. Evidence of our occupation goes back approximately 40 thousand years, in areas within the Old Crow flats, of North Yukon. Our recent history has witnessed first contact with fur traders in the mid-1700s. This trade severely altered our lifestyles and livelihoods and introduced the new concept of European trade and currency.

The subsequent discovery of gold prompted Canada to include the Yukon Territory as part of Canada in 1870. The *1870 Order*, as it was referred to, includes the constitutional commitment by Canada to settle with us prior to granting land interests to third parties. This constitutional commitment remains a part of the Constitution of Canada and is still an outstanding obligation for Canada to address.

In 1898, the Klondike Gold Rush brought approximately 30,000 gold seekers to the Yukon Territory. This gold rush necessitated the establishment of the Yukon as a Canadian Territory under the *YUKON ACT* in 1898. This in-migration of gold seekers had an unprecedented impact upon the Yukon First Nations. This prompted Chief Jim Boss of the Ta'an Kwach'an of Lake Labarge to formally request that a treaty be made with our people. This petition by Chief Jim Boss occurred in 1902. Canada, at that time, responded that a treaty was not necessary. However, the Northwest Mounted Police would continue to take care of the interests of Yukon Indian people.

Following 50 years of inability to present our grievances and solutions; Chief Elijah Smith and all Yukon First Nation Chiefs presented a petition to Canada to negotiate a comprehensive Land Claim Agreement. This petition followed closely on the heels of the Supreme Court of Canada's decision in *Calder vs The Attorney General of British Columbia.* This petition, entitled: *Together Today for our Children Tomorrow* was the first request for a modern day treaty and was presented on February 14, 1973. It is also important to note that this petition included all individuals who met the criteria of a Yukon First Nation citizen.

On that same day, then Prime Minister Pierre Trudeau accepted our request to commence negotiations. At the time, the Minister of Indian Affairs and Northern Development was the Honourable Jean Chrétien. Since 1973, we have negotiated with 15 Indian Affairs Ministers in our attempt to finalize a Land Claim Settlement in the Yukon Territory.

I believe that it is entirely appropriate that the Right Honourable Jean Chrétien, now the Prime Minister of Canada, conclude the circle of negotiations of our Final and Self-Government Agreements. My sincere regret is that Chief Elijah Smith and many of our Elders who provided their guidance and direction are no longer with us to witness this historical event.

We have negotiated an umbrella Final Agreement, the terms of which provide a basis for negotiating individual First Nation Final Agreements. Any Yukon First Nation that seeks to enter into a Final Agreement with Canada and Yukon, may negotiate specific provisions that will be unique to that First Nation. In this fashion, we have common framework for a settlement throughout the Yukon Territory and at the same time have incorporated the flexibility into each Final Agreement to ensure that the provisions are appropriate for that particular First Nation.

As an aside, honourable senators, what I am holding in my hands now is the umbrella final agreement dealing with four of the 14 claims. As you can see, it is not a light document. It contains approximately five different books and makes up a nine-inch-high pile of paper. Its scope is obvious.

Ms Gingell went on to say:

> The UFA contains 28 chapters. The UFA was ratified on December 7, 1991 by a Special General Assembly, called specifically for that purpose. Our General Assembly is the ultimate power base of our First Nations. Our General Assembly consists of no less than five voting delegates from each Yukon First Nation, in many cases supported by their own community caucus. Following 21 years of internal debate, the UFA was ratified by consensus.
>
> These agreements manifest the vision of our Elders. Our Elders maintain that our homelands must be protected in a manner that allows the sharing of the natural resources with other Canadians. Our Elders know the importance of healing, following the major cultural impacts upon our people. Our Elders have instilled in us a great respect for other cultures and other people. Their vision of justice and fairness form the basis of our agreements. Their guidance and strength has carried us to this point in our history and now my generation must carry on with implementing the vision of our Elders.
>
> Bills C-33 and C-34 are enabling pieces of legislation for our agreements. In my opinion these agreements and the proposed legislation provide the social, economic and political foundation in the constitutional and cultural fabric of Canada for Yukon First Nations.

I should now like to quote part of the presentation made by Mr. John Ostashek, who is the government leader in the Yukon. Mr. Ostashek has not been in office for very long. While he has been a Yukoner for some time, he was not in government for most of the negotiations. His are important points to be put on the record. Mr. Ostashek said:

> Bill C-33 and Bill C-34 ensure that Yukon First Nations have access to the use of the land and its resources. That assurance is the key to preserving Yukon First Nations' traditions and cultures, and to building an economic base that will allow Yukon First Nations to move toward self-sufficiency. These agreements will also provide

Yukoners with the security and certainty about land and resources, so that all Yukoners and Canadians, both aboriginal and non-aboriginal, will be able to pursue economic opportunities, some of which have been on hold for many, many years.

Throughout the 20 years of land claims negotiations, Yukon First Nations have all said that what they want is something made in Yukon, something that works in Yukon and that permits all of us to live together and to work together for the betterment of the whole Yukon. That is what we have achieved through the agreements and that will be realized fully through the passage of the federal legislation.

The fundamental goal of the claims and the self-government agreement is to ensure both aboriginal and non-aboriginal people realize their potential and live in a society that reflects and respects each other's values.

It is important that the committee understand that in the Yukon, from Old Crow to Watson Lake to Beaver Creek, all Yukoners are supportive of the agreement and the aspirations that they represent.

I would draw your attention particularly, honourable senators, to the last paragraph where Mr. Ostashek states that this measure is supported by all Yukoners.

I will now quote the words of Mr. Jack Cable, the Liberal leader in the Yukon, although, I must add, he was the only Liberal elected to the legislature.

Senator Lynch-Staunton: We know how you feel.

Senator Lucier: We are quite proud of him.

He said:

As was indicated by the Government Leader, the claims legislation passed unanimously in the Yukon Legislative Assembly and it is my opinion that the large majority of Yukoners are supportive of the principles behind the settlement of the First Nation claims in what we now call the Yukon Territory.

I should say, it's my sense, due to the complexity of the relationship that there is no single set of documents or legislation or contracts that we can point to and say that is the right deal, the only deal that will work. It is also my sense, that the Yukon people are ready to proceed and they're prepared to take the risks that are inherent in creating so complex a relationship as what we're about to do.

Now the first four nations will break trail. There are issues to resolve. I have to say from talking to many people that there is sufficient goodwill present in the Yukon Territory to make these arrangements work. Most people are prepared to view the new relationship between the First Nations and the non First Nations People as a challenge rather than with fear.

The last quote I wish to use from those committee hearings, honourable senators, is by Mr. Tony Penikett, who is presently the Leader of the Opposition in the Yukon Territory. He represents the New Democratic Party. Mr. Penikett was the Government Leader when much of this work was done. He deserves a lot of credit for having kept it on track when it was difficult to do so.

He said:

I can say that in the years in which I was not only involved in negotiations but also involved in trying to explain the land claims and the self-government agreements, there were many, many tough questions from many, many quarters of the community.

But the overwhelming sentiment of every audience I addressed in the years we were dealing with this matter at the end of any meeting on the subject, was the view that whatever concerns or questions they may have had about the particulars in the agreements, they desperately wanted to see these negotiations completed, the legislation finished. Because from the point of view of the business community, the need to get certainty to the ownership of the land and resources in the Yukon was absolutely essential.

Honourable senators, it is unusual that the whole of the legislature of the Yukon agreed to this position. They were urged to appear before the committee at the insistence of our member of Parliament, Audrey McLaughlin, a member of the NDP who also strongly supports these initiatives. I want to make the point that every representative of the Yukon Territory in the legislature was in agreement with the passage of Bills C-33 and C-34.

• (1150)

I should like to take this opportunity to review the major elements of each of the four final agreements so that honourable senators can appreciate the full benefits that will result from Bill C-33. I would remind you that the rights provided under these agreements will be constitutionally protected when this bill becomes law.

Under its final agreement, the Vuntut Gwitchin First Nation will have recognized title to 7,744 square miles of land. This entire quantum of land will be Category "A" land — in other words, land on which the Vuntut Gwitchin will have rights equivalent to fee simple title to both the surface and sub-surface of the area.

This First Nation, which is situated in the remote Arctic Circle community of Old Crow, is one of the oldest communities in Canada, and will receive financial compensation of $19.1 million in 1989 dollars. As is the case with all final agreements, this money will be paid over 15 years.

The Vuntut Gwitchin will have a number of special rights in relation to hunting and fishing in their settlement area. These will include the right to harvest salmon from the Porcupine River drainage basin and to harvest moose for subsistence needs. As well, for the first 15 years after the final agreement comes into effect, the Vuntut Gwitchin will receive all commercial and sport fishing salmon licences in the Porcupine River drainage basin area. They will have the right of first refusal on new licences or permits for wilderness adventure travel, freshwater sports fishing in their traditional territory, and the exclusive right to all new big game outfitting concessions.

Honourable senators should also be aware that three special management areas will be established under the final agreement: Vuntut National Park, a fishing branch ecological reserve, and the Old Crow Flats Special Management Area. Within Vuntut National Park, the beneficiaries will have special rights related to subsistence wildlife harvesting and commercial harvesting of fur-bearing animals for pelts. They will also have a role in the development, operation and maintenance of the park, including significant employment opportunities.

The Vuntut Gwitchin will also have preferential fish and wildlife harvesting rights within the ecological reserve. Mines and minerals will be withdrawn from exploration and development, and the beneficiaries will work with the territorial government to develop a management plan for the reserve.

The Old Crow Flats area, which will compromise both settlement and non-settlement lands, will be jointly managed by government and the Vuntut Gwitchin First Nation. The primary objective will be to preserve the unique ecological character of this remarkable area. The Vuntut Gwitchin final agreement also provides for the protection, ownership and management of designated heritage sites.

Bill C-33 will also give effect to the final agreement of the First Nation of Nacho Nyak Dun, whose members live in the village of Mayo and the surrounding area on the Stewart River north of Whitehorse. This Yukon First Nation will have recognized title to 4,739 square kilometres of land, with a virtually even split between Category "A" and Category "B" lands. For this latter category, the First Nation will have rights equivalent to fee simple title to the surface. The First Nation will also receive financial compensation of $14.5 million in 1989 dollars.

Within their traditional territory, the beneficiaries of this agreement will have subsistence harvesting rights to moose and woodland caribou. They will also have the right to 25 per cent of all new licences and permits for commercial freshwater fishing, wilderness adventure travel and freshwater sports fishing, in the event that quotas are established.

Under this final agreement, the existing McArthur Wildlife Sanctuary will become a special management area, and a new habitat protection area will be established to preserve the wetland at Horseshoe Slough. Representatives of the Nacho Nyak Dun will also sit on an advisory committee that will make recommendations on water and land use issues in the Peel River watershed.

In terms of heritage protection, the old trading post at Lansing will become an historic site, and the Bonnet Plume River will be nominated as a Canadian heritage river.

Honourable senators are also being asked today to endorse the final agreement of the Champagne and Aishihik First Nations. This agreement provides for recognized First Nation ownership of 2,395 square kilometres of land, approximately 51 per cent of which will be Category "A" land. The members of those First Nations who live in and around the village of Haines Junction, northwest of Whitehorse, will receive compensation of $27.5 million in 1989 dollars.

In terms of fish and wildlife, special provisions are made for the Champagne and Aishihik people to harvest moose for subsistence needs within their traditional territory. They will also have special rights to harvest freshwater fish in specified lakes, and sockeye and chinook salmon from the Alsek River Basin.

With limited exceptions, the beneficiaries will have exclusive subsistence harvesting rights in that part of Kluane National Park that falls within their traditional territory, as well as the exclusive right to harvest fur-bearing animals for pelts. The Champagne and Aishihik First Nations will have a role in the development and management of this part of the park, and will benefit from significant economic and employment opportunities.

The final agreement also commits the government to work with these First Nations to prepare a heritage resources management plan for the Sha'washe and surrounding area. This plan will recommend whether the area should become a designated heritage site. Under the final agreement, the Tatshenshini River will automatically be nominated as a Canadian heritage river.

Aside from the economic opportunities with Kluane National Park, the Champagne and Aishihik First Nations will have a right of first refusal to the first outfitting concession established in their traditional territory. They will also have a right of first refusal to operate a commercial wilderness campsite at the junction of Silver Creek and the Tatshenshini River. They will also have the right of first refusal to acquire up to 25 per cent of the new permits or licences for commercial freshwater fishing, wilderness adventure travel and freshwater sports fishing in their traditional territory. The Champagne and Aishihik First Nations will also receive 26 per cent of the commercial salmon fishing licences issued for the Alsek River Basin, or the first two licences issued, whichever is greater.

Finally, I should like to address the Teslin Tlingit Council Agreement. This First Nation comprises people living mainly in and around the village of Teslin, on the shore of Teslin Lake on the Alaskan highway.

Like the Champagne and Aishihik First Nations, the Teslin Tlingit Council will have recognized title to a total of 2,395 square kilometres of land, 51 per cent of which will be Category "A" lands. The council will receive final compensation of $18.6 million in 1989 dollars.

Under the terms of its final agreement, the Teslin Tlingit Council must approve any proposed game farming or ranching activities in its traditional territory which may affect wildlife harvesting rights. The Teslin Tlingit will have special rights should it be necessary to establish a harvesting quota for moose within this territory. As well, they will receive primary consideration in the allocation of freshwater fish resources and will have preferential harvesting rights for freshwater fish in certain lakes.

Also under this final agreement, the Government of Canada will establish the Nisutlin River Delta National Wildlife Area. The Teslin Tlingit Indians will have the right to harvest wildlife in this area pursuant to the fish and wildlife provisions of the final agreement. They will have the right to harvest forest resources for traditional pursuits. A management plan for the area will be prepared jointly by the Teslin Renewable Resources Council and the Canadian Wildlife Service.

This final agreement acknowledges the heritage and cultural significance of the Nisutlin River valley and a number of other routes and sites in the settlement territory. The government will give special consideration or protection to these areas and to all heritage resources identified in the future.

Until January 1, 2016, the Teslin Tlingit Council will have rights of first refusal to a number of economic opportunities.

For example, they will have the right to acquire the first new outfitting concession established in their traditional territory. They will also have the right to acquire new commercial freshwater fishing permits or licences to a maximum of 25 per cent of the commercial fish quota in the territory. Finally, the Teslin Tlingit will have the right to acquire up to 25 per cent of new licences or permits, if a quota is established for either the commercial freshwater sports fishing industry or for any sector of the wilderness adventure travel industry.

Each of these final agreements has been duly ratified by the beneficiaries, who are eager to proceed to implementation. There is also support for the agreements among remaining Yukon First Nations, five of which are actively negotiating their own final agreement.

As honourable senators can appreciate, a great deal of effort has been devoted to negotiating the complex documents that will be given forth by Bill C-33. I urge my colleagues on all sides of the house to support this legislation so that the people of these Yukon First Nations can begin to reap the benefits that will flow from their long overdue land claim agreement. This will benefit not only First Nations, but also all other Yukoners and all Canadians.

Honourable senators, this has been a long, drawn-out procedure. A lot of water has flowed down the Yukon River since Mr. Trudeau, Mr. Chrétien and Elijah Smith first met to begin the process that we will be concerned with later today and, I hope, will be putting a conclusion to in the next day or two.

The Council for Yukon Indians, under the able leadership of several chairpersons, beginning with Elijah Smith and currently Miss Judy Gingell, is to be congratulated. Miss Gingell, honourable senators, is in our gallery today with her delegation. The job they have done has been quite outstanding.

An Hon. Senator: Superb.

Senator Lucier: They have negotiated with honour, honesty, integrity and, most of all, with patience — and they needed a lot of that. Since this process began, honourable senators, they have dealt with 15 ministers of Indian and Northern Affairs. They have dealt with over 17 federal negotiators, with 5 different federal governments, and at least 5 territorial governments. It has not been an easy process.

I must also say that when the present Minister of Indian and Northern Affairs, Mr. Ron Irwin, was appointed, he came to the Yukon and met with virtually everyone. We had him there for three days and he never slept for three days. He decided that this legislation should be put before Parliament and put before it very quickly. I honestly do not believe that one of his department officials has had a day off since. They have done a tremendous job in order to get this legislation before us at this time.

I must also mention some people involved in the early days of the negotiations. I refer to Joe Jacquot and Harry Allen, and I can still remember Johnny Johns, one of the Elders from Carcross, who had a perpetual smile on his face and a perpetual joke on his lips. When things got very difficult for the negotiators, he was the first one to come in with a little joke and loosen them up. Mr. Dave Joe, a lawyer for the Council for Yukon Indians and a Yukon Indian himself, is in the gallery today; he did a great job on their behalf.

Elijah Smith is the Sir John A. of the Yukon. He is the one who really put all of this together. Elijah Smith was awarded the Order of Canada. I remember getting myself an invitation to the Governor General's residence when that happened. People who know Elijah Smith will understand this: He came to me and said, "Why did they give me this? I didn't do anything." Well, he did a lot. He is the one who made all of this possible today.

Honourable senators, this is a great day for the Yukon. I am very pleased that I can be here today speaking on their behalf.

We really must understand here that this is a Yukon deal. This agreement is for the people of the Yukon and it is by the people of the Yukon and it is good enough for them. We should reflect that in our dealings with this legislation the consultation process in the Yukon included, first of all, as I said before, unanimous consent of the legislative assembly.

Consultations included those with the Yukon Chamber of Mines, the Klondike Placer Miners Association, the Mining Association of Canada, Canadian Petroleum Association, B.C. & Yukon Chamber of Mines, Yukon Fish and Game Association, Association of Yukon Communities, which represents all municipalities in the Yukon, and the Yukon Outfitters Association. Public consultations were held through public meetings held in Whitehorse and all major Yukon communities, through community tours by the Yukon Legislative Special Committee on Land Claims and Self-Government, and through municipal governments' participation in the land selection process. This legislation has gone through every process that it should have gone through, as far as we are concerned.

In ending my remarks, I want to point out again that there have been a lot of people doing an awful lot of hard work on this legislation. As I said, Miss Gingell and her delegation are here now. They have been here for some four weeks trying to make sure that this legislation stays on track.

I thank you for your attention. I hope we can get on and get this piece of legislation behind us and get the people of the Yukon working together.

Hon. Erminie J. Cohen: Honourable senators, because Senator Tkachuk is attending the high school graduation of his son, he asked me to deliver his written response to Bill C-33, the Yukon land claims legislation.

Honourable senators, before we approve this bill, I present for the record a brief overview of some major Progressive Conservative government achievements during the years 1984 to 1993 in providing greater justice for aboriginal peoples.

They appointed the Royal Commission on Aboriginal Peoples to examine the broadest range of issues ever put before a royal commission. The commission, whose co-chair and majority of members are aboriginals, is examining the history of relations between aboriginal peoples, the Canadian government and Canadian society as a whole, as well as social, economic and justice issues of aboriginal people.

A major new initiative, the Native Agenda, was announced, and implementation was well under way. The initiative affirmed the government's commitment to deal with land claims and unfulfilled treaty obligations; to improve economic and social conditions on reserves; to build a new partnership between aboriginal peoples and governments; and to review the fundamental place and role of aboriginal people in contemporary Canada.

The Indian Act was amended to remove discrimination on the basis of gender from the act and to restore Indian status and band membership rights to eligible persons, particularly women who had lost their status by marrying non-Indians, and to enable bands to assume control over their membership.

In 1992, the Gwich'in Comprehensive Land Claim Agreement was finalized. Under this agreement, the Gwich'in become the private owners of 22,331 square kilometres of land, an area approximately three and a half times the size of Prince Edward Island in the Northwest Territories and Yukon, and participate in renewable resources and land and water management, and receive significant financial benefits.

The B.C. Treaty Commission was established in September 1992 to help resolve B.C. land claims.

The government's specific claims policy was modified to cover pre-Confederation claims. Additional funding of $355 million was provided.

Canada, Saskatchewan and the Federation of Saskatchewan Indian Nations signed an historic $450-million agreement to settle outstanding treaty land entitlements in Saskatchewan.

• (1210)

Specifically, in the area of comprehensive land claim agreements of the sort contemplated in Bill C-33, the Progressive Conservative record is very strong. Once Bill C-33 receives Royal Assent, the total will have risen to four comprehensive land claims which were signed by the former PC government and subsequently concluded. By comparison, the number of comprehensive land claims which were signed and concluded by the former Liberal government is three.

I salute the agreement behind Bill C-33 and congratulate the Yukon First Nations in their long drawn-out fight and their search for justice and real equality, which has eluded them for so many years. Their dream has finally become a reality. We approve of and support the bill.

Hon. Royce Frith: Honourable senators, I think it is important to note for our record that although we are dealing with this bill and Bill C-34 quite expeditiously, the negotiating process was far from speedy. From what I have been told, it has taken 21 years, and it has involved 15 ministers, 17 negotiators, 5 territorial governments and 5 federal governments.

Since we are dealing with these bills so expeditiously, it is important that our record, including the committee record, shows that we were aware of some of the important consequences to the finalization of this long process. I would ask that the committee deal with some questions I have been receiving in correspondence over the past three or four months. By a process of synthesis, I am left with about five questions to which I do not know the answers. I am sure that some witness who appears before the committee, probably the minister, can give us the answers. I intend to ask the committee to deal with those five questions together.

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 Lucier, bill referred to the Standing Senate Committee on Aboriginal Peoples.

DEPARTMENT OF LABOUR ACT

BILL TO AMEND—REPORT OF COMMITTEE

Leave having been given to revert to Presentation of Reports from Standing or Special Committees:

Hon. Thérèse Lavoie-Roux, Deputy Chair of the Standing Senate Committee on Social Affairs, Science and Technology, presented the following report:

Thursday, June 23, 1994

The Standing Senate Committee on Social Affairs, Science and Technology has the honour to present its

FOURTH REPORT

Your Committee, to which was referred the Bill C-30, An Act to amend the Department of Labour Act, has, in obedience to the Order of Reference of Tuesday, June 21, 1994, examined the said Bill and now reports the same without amendment.

Respectfully submitted,

THÉRÈSE LAVOIE-ROUX
Deputy Chair

THIRD READING

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

Hon. Richard J. Stanbury (Acting Deputy Leader of the Government): Honourable senators, with leave of the Senate, and notwithstanding rule 59(*a*)(*b*), I move that the bill be read the third time now.

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

Hon. Senators: Agreed.

Motion agreed to and bill read third time and passed.

YUKON FIRST NATIONS SELF-GOVERNMENT BILL

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-34, respecting self-government for First Nations in the Yukon Territory.

Bill read first time.

SECOND READING

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

Hon. Charlie Watt: Honourable senators, with leave of the Senate and notwithstanding rule 58(1)(*f*), I move that the bill be read the second time now.

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

Hon. Senators: Agreed.

Senator Watt: Honourable senators, I would first congratulate the Yukon First Nations on the success of their negotiations.

I rise to speak in support of Bill C-34, the Yukon First Nations Self-Government Act, and to urge the speedy passage of this important and historical piece of legislation.

This act, together with the Yukon Land Claims Settlement Act, which is also before the Senate, will usher in a whole new era of stability and opportunity for the Yukon Territory. It will provide Yukon First Nations with the power to govern their own affairs to a degree not possible before. It will help to strengthen the relations between the aboriginal and non-aboriginal Yukoners, and it will help create an atmosphere of certainty which will encourage investment, development and jobs in the territory. For these reasons, honourable senators, this legislation has the strong support not only of Yukon First Nations but all sectors of the Yukon society.

One of the significant characteristics of the Yukon First Nations Self-Government legislation is the substantial degree of flexibility that is offered in many of its provisions. It is this flexibility that will enable First Nations to develop their governments in the manner and at a pace most suitable to them. It is this flexibility that will help each First Nation achieve the goal of self-determination and economic, social and cultural progress.

• (1220)

From the beginning, it was clear that no single model would meet the needs of all aboriginal people and all situations. A "one-size-fits-all" approach would simply not respond adequately to the varying political, economic, legal, historic, cultural and social circumstances of aboriginal people across this land.

What was needed to be developed was a broad framework for negotiations covering basic areas including law-making powers, administration of programs, taxation powers, administration of justice, and so forth. Within this framework, individual self-government agreements could then be developed reflecting the particular needs and priorities of the communities concerned.

This is a more painstaking process, but it is a process much more likely to lead to successful agreement and effective implementation after the agreement. This flexibility of approach is very much in evidence in the agreement reached with the Yukon First Nations. Although the Yukon Indians have many common interests and aspirations, there is a considerable variety of needs and priorities within the group. Thus, the decision was made to enter into individual self-government arrangements with each of the 14 First Nations involved under the general aegis of the umbrella final agreement.

Honourable senators, one area of agreement with the Yukon First Nations that reflects this flexibility of approach is that of transferring the administration of many programs and services now provided by the federal and territorial governments to the First Nations. This is a very important element of any self-government arrangement. It is fundamental to the concept of aboriginal people managing their own affairs and of elected councils setting their own priorities according to the needs of each community.

Here, the government has taken a very flexible approach. This process should go ahead at a reasonable pace without forcing program delivery on any First Nation before it is ready, or impeding progress when a First Nation has demonstrated its willingness to take on such responsibilities.

Under this flexible approach, First Nations will determine which programs and services they wish to take on. The First Nations will decide on their priorities, and they will set their own timetable and decide in what order they wish these transfers to take place. Government will meet each year with their governments to discuss this timetable for transfer of programs and services, including the details of implementing the transfers.

The question of program administration has a particular significance in the Yukon, as this is the first self-government legislation that will provide for First Nations to assume the responsibility for the provision of program and service delivery to First Nation citizens off settlement land as well as on.

As First Nations assume treaty responsibility for a wide range of programs and services, the Minister of Indian Affairs and Northern Development has made it clear that he intends to press for a much diminished role for his department over the next few years. It is anticipated that, over the next few years, the department will be downsized by 75 per cent in the Yukon, with the balance remaining only to fulfil federal responsibilities and obligations that arise from negotiated self-government agreements.

Another aspect of these self-government agreements with the Yukon First Nations into which a good deal of flexibility has been built is the financial transfer agreement. First Nations cannot be expected to administer their affairs without a financial base that permits flexibility in setting priorities and allocating resources among a range of social and economic programs.

The new arrangements will provide a more stable financial regime with greater opportunity for long-range planning and economic growth. The flexibility of this self-government legislation can be seen throughout many of these provisions.

Honourable senators, Yukon First Nations will have the power to enact laws in a range of areas — from internal management on settlement land, delivery of programs and services, to taxation and administration of justice. However, First Nations are not obliged to pass laws in any or all of the areas it sets out in this legislation and are free to determine when to exercise those powers, just like any other government in Canada.

It is this flexible approach that gives these self-government agreements and enabling legislation much of their strength. It provides individual First Nations with a considerable degree of autonomy and many options as to how they manage their affairs; yet, it is constructed within the broad framework which ensures that Canadian law and the Canadian Constitution will apply to First Nations and their citizens, as they do to all Canadians.

Yukon's Indians have waited a long time for this day. Land claims negotiations began more than twenty years ago and self-government negotiations some seven years ago. The agreements are now in place.

Congratulations are in order for the negotiators and the resource people who have worked so hard over the years. The necessary territorial acts have been passed.

Honourable senators, this legislation represents the final step in what has been a long but worthwhile journey. Let us give prompt attention and speedy passage to Bill C-34 so that the process of renewal for Yukon's First Nations can begin today.

Honourable senators, I should like to make one additional point in relation to the bill that was dealt with before Bill C-34. The two bills are sewn tightly together. It is very important that the Yukon First Nations deliver the message to their people that both bills have been taken care of sufficiently.

Hon. Eric Arthur Berntson (Deputy Leader of the Opposition): Honourable senators, as Bill C-34 is, in part, a result of the work of the previous administration, as it relates to that government's efforts to redress historical injustices for Canada's aboriginals, I would like to briefly review some of that administration's achievements in providing greater justice for aboriginal peoples.

First, they appointed a Royal Commission on Aboriginal Peoples to examine the broadest range of issues ever put before a Royal Commission. The commission, whose co-chair and majority of members are aboriginals, is examining the history of relations between aboriginal peoples, the Canadian government and Canadian society as a whole, as well as social, economic and justice issues of aboriginal people.

Second, a major new initiative, the Native Agenda, was announced, and implementation was well under way. The initiative affirmed the government's commitment to deal with land claims and unfulfilled treaty obligations; improve economic and social conditions on reserves; build a new partnership between aboriginal peoples and governments; and review the fundamental place and role of aboriginals in contemporary Canada.

Third, the Indian Act was amended to remove discrimination on the basis of gender from the act; to restore Indian status and band membership rights to eligible persons, particularly women, who had lost their status by marrying non-Indians; and to enable bands to assume control over their membership.

Next, the Gwich'in Comprehensive Land Claim Agreement was finalized. Under the agreement, the Gwich'in would become the private owners of 22,331 square kilometres of land — an area approximately three and a half times the size of Prince Edward Island — in the Northwest Territories and the Yukon, participate in renewable resources and land and water management, and receive significant financial benefits.

Next, the B.C. Treaty Commission was established in September of 1992 to help resolve the B.C. land claims. In addition, the government's specific claims policy was modified to cover pre-confederation claims. Additional funding of $355 million was provided.

Canada, Saskatchewan and the Federation of Saskatchewan Indian Nations signed a historic $450-million agreement to settle outstanding treaty land entitlements in Saskatchewan, a process in which I am happy to say I was involved.

Bill C-34 represents a continuation of the work toward greater justice for Canada's aboriginal people. I am proud of this legacy, and I would strongly urge fellow senators to support this legislation in principle. Everyone who has been involved in the process over the many years ought to be congratulated as it arrives at this final phase.

However, the bill is not uncomplicated, and it deserves the scrutiny of this chamber. We received this legislation 15 minutes ago. We have an obligation to scrutinize it. I understand that the Standing Senate Committee on Aboriginal Peoples will be receiving this bill later today, together with Bill C-33. I do not think that Bill C-33 breaks new ground at all. It is not dissimilar to other entitlement bills which have passed this house. I fully expect that it will go through committee and be back to this house very expeditiously.

The Standing Senate Committee on Aboriginal Peoples has agreed to sit when the Senate rises today in order to receive these bills and start their work. I have no doubt that they will complete their work on both of these bills next week. Following that, the bills will be reported back to the Senate, and I have no doubt that they will be given third reading at that time, and the work will be complete. At that final step, congratulations should go to everyone involved in the process.

Again, I want to congratulate everyone who has been involved throughout the many years it has taken to get the process this far. I am sure the committee will complete its work in the next few days. I fully expect that when the Senate reconvenes the week following next, these bills will be dealt with in their final form.

Hon. Royce Frith: Honourable senators, as I mentioned with regard to Bill C-33, and as others have mentioned, including my colleagues Senators Lucier and Watt, these bills are of landmark importance and of significant and complex consequence. It is my opinion that many Canadians, perhaps even some senators, may not understand some of the consequences of these bills, or perhaps they misunderstand some of them.

As I mentioned, I have received a lot of correspondence about these bills, raising questions that may well be easily answered. I ask that our committee record show that they were dealt with, for the benefit of my correspondents and interested others.

The last correspondence I got on this was a fax received yesterday. I have synthesized that and the other correspondence into five questions. I ask that the committee deal with these questions. I will put them on the record now because I want to give the officials of the department, and any others, the opportunity to deal with them.

First, Bill C-33 deals with four land claims in the Yukon, and Bill C-34 deals with four parallel agreements relating to native self-government. Is it the case that these two bills are the forerunners of ten more land claims and ten more self-government agreements, and that, when finally passed, the agreements will cover all of the Yukon? I have some hints from my colleague's interventions that the answer is that they will.

Is it correct that the two bills provide for ten subsequent claims and agreements to be ratified by order of the Governor in Council and that, accordingly, the remaining ten agreements would not have to come before Parliament?

I hear a "yes" from my colleague and I have a feeling that most of these questions will be answerable with a "yes" or a "no."

Bill C-34 gives exclusive law-making powers in 44 specified areas; that is, powers with regard to the administration of justice, control or prohibition of motor vehicles, regulations of business, marriage, and others. Is it, in fact, exclusive law-making power?

Does the bill contemplate a citizenship other than Canadian citizenship?

Clause 8 leaves in the hands of the First Nations the composition of the legislative assembly. Does that include power over establishing voting rights?

Clause 9(2) allows a delegation of power to enact laws to any other First Nation or any other person. Does that mean that it is possible that this delegation could be to a single person such as a supreme chief?

Finally, following enactment of the bills the Yukon will be governed by 16 bodies, namely, the federal government, the territorial government and 14 First Nation assemblies. Senators Lucier and Watt told us that the structures which are proposed by this legislation have virtually unanimous support from all the citizens of the Yukon. The information I have received through correspondence is that of the Yukon's 32,000, inhabitants, 8,000 are First Nations peoples and some 24,000 are not. Is that correct? If so, what is the instrumentality of political power in these 16 bodies for the non-First Nations residents of the Yukon?

• (1240)

Honourable senators, I admit that in much of the correspondence that I received there was some rhetoric, but I tried to edit that out. I am not asking these questions rhetorically. I am asking them for information. A "yes" answer or even a "no" answer to some of those questions does not mean that I will not vote for the bill. In fact, I intend to vote for it at second reading. However, I wish to know what it is I will be asked to vote for when it comes to third reading.

Hon. Len Marchand: Honourable senators, I have a few comments I would like to make. I am an Okanagan Indian, and was a parliamentarian in the other place. The whole question of land settlements and self-government is fundamental to our people. On behalf of the people in the Yukon, I am happy that we have come this far.

I seldom like to talk about things I have done, but I will at this time, just a little. As a parliamentarian in the other place, it gave me the utmost pleasure to be Parliamentary Secretary to the Honourable Jean Chrétien, our present Prime Minister, when he was Minister of Indian Affairs in 1973. Following the *Nisga* judgment of the Supreme Court, those of you who were in the other place at the time will recall the heavy debate that went on.

For the duration of my active political life, we have been attempting to achieve proper land deals for our people. I have to say emphatically that this is a proper land deal. After the *Nisga* case, we had a meeting with Pierre Trudeau, all the Nisgas and the late George Manuel. That was the time when Pierre Trudeau said, "I guess you people have a lot more rights than I thought you did." He was a little sceptical about the whole question of aboriginal rights, and asked many questions just as Senator Frith is doing; very honest questions.

Senator Frith: I do not mind the association.

Senator Marchand: Around August 14, 1973 we had lunch at 24 Sussex, Pierre Trudeau, Jean Chrétien and I. It was at that meeting that the decision was made to negotiate settlements to land claims. Of course, the people in the Yukon have been working on it since that date. One can understand their anguish. That is why they are here today. One can understand why they are here, because they have been working at it a long time. We had hoped, and they had hoped, that by the end of today the bill would have been passed, and the matter completed, so they could go home to their people and celebrate.

Senator Doody used to say, "I can count," so we have to do what the other side, the opposition, wants us to do in this case. I can count. They have the majority. I am at least glad to have the commitment from the other side that the Senate will pass these bills, and hopefully in good time.

I am a little apprehensive about some of the things that could go wrong, or that might go wrong. I know many of my people, Senator Twinn's people, treaty people, status Indians from Southern Canada south of 60, may not agree with many of the things that are in these two bills. So be it. It still comes down to that important fundamental statement that this is their deal. This is the deal of the people of the Yukon. We have to understand and recognize that this is their deal, and that that is what it is all about.

Unlike so many deals that our people have made in the past, the people of the Yukon have gone into this deal with their eyes wide open. They have gone into this deal with competent lawyers who were their own people. It has given me great comfort to know that, especially after having read the history where our people were, frankly, cheated. There is no other word for it.

In the province of British Columbia where I come from, I weep when I see the type of land settlements they are making. In British Columbia we are fiddle-faddling along. I am not sure how far we will get. The big stumbling blocks have always been the provinces. The provinces have been stubborn.

I was happy to see what the Tories did when they were in power. Frankly, I was a little afraid when they came to power that perhaps this whole question would be swept under the rug. They did not do that. They made some good settlements with respect to the Gwichin and the treaty commission in B.C., and so on.

We, in British Columbia, have approximately 860,000 acres of land in total. If one wishes some perspective, Banff National Park is twice as large as all of the lands that are in reserves in British Columbia. Our reserves comprise .36 per cent of the province of British Columbia. One may ask why we have been concerned. One may ask why we have wanted the land deal.

Our people would not be in the sad situation and the sad conditions that we are in today if we had made a proper deal in the beginning to have a proper economic base in our homeland, so that we could properly raise our children, and generations could look back and say that we did have a good beginning. That was not done. In British Columbia we were absolutely cheated out of our lands.

I wished to put a few of those comments on the record to let honourable senators know how I feel, and perhaps express how the people in the Yukon feel about what is going down here today, and how important it is to them.

I very much hope that we can pass these bills quickly next week, and that we will not unduly complicate things. We can ask all types of questions. I would prefer it if they were passed today. We can still do it. We can do anything we want with unanimous consent. We can call the minister and have him brought down here, and he can answer all these constitutional questions in one hour. We can do it if the will is there.

Senator Lucier: He is here and ready.

Senator Marchand: He is here and ready. It can be done.

Hon. Senators: Hear, hear!

Hon. Walter P. Twinn: Honourable senators, I wish to make a few comments following those of Senator Marchand. I do congratulate the people from the Yukon. With respect to the concerns of the people south of 60, I wish to state that there are already treaties. They do not want to be affected by this legislation, nor have it set a precedent. That is exactly the way it has to go.

• (1250)

Senator Marchand has said that we were cheated out of our lands, and he used the word "cheat" often. I hope that the Minister of Indian Affairs and Northern Development, Ron Irwin, does not do that by using this measure as an umbrella with regard to those reservations south of 60 which have treaties.

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 Watt, bill referred to the Standing Senate Committee on Aboriginal Peoples.

Hon. A. Raynell Andreychuk: Honourable senators, I wish to advise the members of the Standing Senate Committee on Aboriginal Peoples that the committee will meet when the Senate rises today.

PRIVATE BILL

GENERAL SECURITY INSURANCE COMPANY OF CANADA— MESSAGE FROM COMMONS

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons returning Bill S-3, to authorize General Security Insurance Company of Canada to be continued as a corporation under the laws of the Province of Quebec, and acquainting the Senate that they had passed this bill without amendment.

ROYAL ASSENT

NOTICE

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

RIDEAU HALL

June 23, 1994

Mr. Speaker,

I have the honour to inform you that the Honourable Claire L'Heureux-Dubé, Puisne Judge of the Supreme Court of Canada, in her capacity as Deputy Governor General, will proceed to the Senate Chamber today, June 23, 1994, at 2:00 p.m., for the purpose of giving Royal Assent to certain bills.

Yours sincerely,

JUDITH A. LAROCQUE
Secretary to the Governor General

The Honourable
The Speaker of the Senate
Ottawa

DEPARTMENT OF CITIZENSHIP AND IMMIGRATION BILL

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-35, to establish the Department of Citizenship and Immigration and to make consequential amendments to other Acts.

Bill read first time.

SECOND READING

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

Hon. Peter Bosa: Honourable senators, with leave of the Senate and notwithstanding rule 58(1)(*f*), I move that the bill be read the second time now.

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

Hon. Senators: Agreed.

Senator Bosa: Honourable senators, it is with real pleasure that I rise to speak on Bill C-35.

This week marks the 125th anniversary of Canada's immigration service. This bill marks one more step forward in our country's proud history of citizenship and immigration legislation.

This legislation has a simple and straightforward purpose: the creation of the Department of Citizenship and Immigration. For all its brevity and clarity, the bill is significant for a number of reasons. It fulfils a major campaign commitment of the Prime Minister. It carries through on the principles of the Red Book. It organizes the immigration and citizenship promotion functions of the government in a coherent and common-sense fashion.

Most important, the legislation before the Senate modernizes and streamlines our government to meet the needs of Canadians and to give us the foundation to deal properly with a host of complex citizenship and immigration issues.

Honourable senators will recall that last summer and fall the Prime Minister campaigned vigorously on this issue. The government feels so strongly that on the very day he was sworn in, November 4, the Prime Minister announced:

> ...the creation of a separate Department of Citizenship and Immigration, under its own Minister, which will bring together all immigration policy and program activities currently in the Public Security and Human Resources portfolios, plus the citizenship registration and promotion programs of the Canadian Heritage department.

The department has been operating since last November through Order in Council. Today, the Senate is asked to give formal approval to the creation of the new department.

The government believes that citizenship and immigration spring from the same common values and objectives. Citizenship and immigration fit together naturally. Citizenship completes the process that immigration begins, the process of making a personal commitment to this country, its privileges and its responsibilities.

By taking programs, resources and responsibilities from a variety of different departments and consolidating them in one department, we can make government more open and more accountable. The responsibilities of the new department include: immigration applications; immigration levels and selection criteria; federal-provincial relations on immigration; visa requirements; refugee matters; enforcement; settlement; citizenship applications and registration; and citizenship promotion.

Honourable senators can see the continuum here stretching from the time someone applies to come to this country to the time that person takes on the obligations of being a Canadian. Of course, citizenship does not end with the swearing of an oath and the acquisition of a document. In some ways, that is only the beginning.

That is why the new department will take a lead role in strengthening the values, identity and commitment required of all citizens — those who are born here and those who choose to come here.

Like the minister who introduced this bill in the House of Commons, I am an immigrant and a naturalized citizen of Canada. I am deeply aware of the value and importance of the words "immigrant" and "citizen."

Honourable senators recognize the need to overhaul our immigration policies and to consider the long-term role of immigration in nation-building. All of us recognize the need to improve the immigration system. All of us know the importance of redefining and reinforcing our citizenship policies. All of us understand the profound impact which immigration issues are having upon the world.

• (1300)

The government has moved, and will continue to move, on these important matters.

Honourable senators are aware of the goals that the Minister of Citizenship and Immigration is actively pursuing. They are goals I am sure we all share. As Canadians, we need to think about immigration in a bigger way. We must consider the vital role that immigration has played, and should continue to play, as part of our nation's growth.

We have to clean up the problems with our immigration system. We want to stop the small number of abusers who so undermine the aspirations of the overwhelming majority of upstanding immigrants. We have to push even harder to ensure that the international community comes to grips with the problems confronting 20 million refugees every year. We must try to understand the particular problems facing women immigrants and refugees.

We must move our citizenship ceremonies out of the courtrooms and into communities. Citizenship should be a real "grass roots" celebration. We must also eliminate the overly large backlog facing qualified applicants who wish to become Canadian citizens. Honourable senators will also agree that we should act to strengthen the values and principles inherent in citizenship.

The bill before the Senate today does not accomplish all of those objectives. What it does do is create a rational, common sense department that will allow us to pursue those objectives more effectively, more fairly and more cohesively. The legislation to establish the Department of Citizenship and Immigration will put in place the integrated and simplified framework we require as we move together to address the challenges and the tremendous opportunities offered by immigration and citizenship.

This legislation puts in place a modern, efficient and intelligent structure. With this structure we will be better equipped to introduce and carry through on fair and open policies to reunite families, offer safe haven for refugees, use immigration as a building block for economic growth, and promote the concept and the principles of citizenship. This legislation will not stop further debates about specific immigration and citizenship policies. I cannot foresee how all our policies will evolve, but I do know that the setting up of this department will ensure that we put the horse before the cart.

As I said before, this legislation is short and straightforward, but it is important. I encourage honourable senators to give this bill speedy passage so that we are in a position to change immigration and citizenship policies for the better and, in so doing, change our country for the better.

Hon. Noël A. Kinsella: Will the honourable senator permit a question? I heard the honourable senators say that the new Department of Citizenship and Immigration will have responsibility for the naturalization activity under the Canadian Citizenship Act. Will this new department have the mandate for promoting Canadian citizenship for the 27 million existing Canadians, or is their mandate on the promotion side limited to the new immigrants who apply for, and subsequently receive, citizenship?

Senator Bosa: Honourable senators, the department is going beyond just presenting a document to new citizens. As it evolves, the department will develop new policies in the future in order to create the feeling of citizenship and to promote Canadian citizenship.

I mentioned during my remarks that the coming into being of the Department of Citizenship and Immigration does not end there. New policies will evolve. This is just the commencement of something of which there will be more to come.

Hon. Consiglio Di Nino: Honourable senators, although I understand the reasons, the process that we are following in dealing with this issue is unacceptable. The haste with which we are being asked to deal with this and other important issues, such as Bills C-33 and C-34, does not do justice to the subject-matter covered by these bills.

Honourable senators, I understand that a major revision of the immigration and citizenship issues will be forthcoming within the next few months. I look forward to the dialogue and debate which this critical issue will engender, and intend to participate with a wider, and hopefully more substantial, intervention at that time.

Honourable senators, Bill C-35 embraces the previous government's downsizing and restructuring of the federal government. It is principally a housekeeping initiative necessary to implement the changes made by Order in Council when this present government took office.

New in this legislation is the power granted to the minister to enter into agreements with international and other organizations. The minister should be aware that we will follow closely his use of this new power, and ensure that it is used for the betterment of Canada and Canadians.

The promotion of Canadian unity is also included in this bill. We support this initiative.

I should like to remind all honourable senators of the exceptional work done on Canadian citizenship by Senator Kinsella last year when he was acting chairman of the Standing Senate Committee on Social Affairs, Science and Technology. I recommend Senator Kinsella's report to all colleagues and, in particular, to the Minister of Citizenship and Immigration.

Bill C-35 does not appear to address any policy issues. As I stated earlier, I look forward to participating fully in future debates.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE OF THE WHOLE

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

Senator Bosa: Honourable senators, I move that this bill be referred to a Committee of the Whole. However, we may have to wait a few minutes before the government official arrives.

The Hon. the Speaker: Honourable senators, is it your pleasure to adopt the motion?

Hon. Senators: Agreed.

Motion agreed to and bill referred to Committee of the Whole for consideration later this day.

BUSINESS OF THE SENATE

ADJOURNMENT

Leave having been given to revert to Government Notices of Motions:

Hon. Richard J. Stanbury (Acting Deputy Leader of the Government): Honourable senators, with leave of the Senate, and notwithstanding rule 59(1)(*h*), I move:

> That when the Senate adjourns today, it do stand adjourned until Wednesday, July 6, 1994, at two o'clock in the afternoon.

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

Hon. Senators: Agreed.

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

Senator Stanbury: Honourable senators are due some explanation. You may have noticed that Senator Berntson and I have been wearing out the carpet, going back and forth between our seats. Others have also been doing some running around. We have been trying to come to an agreement and we have reached an agreement.

• (1310)

First, I must say two things. One comment is in agreement with Senator Murray and with Senator Frith that, somehow or other, we must persuade governments to give us legislation much more quickly. Probably the answer to that is to have a much greater volume of legislation begun in the Senate so that there is an interchange of legislation at the end, rather than all of it being dumped on us. We understand the difficulty, so the second comment is that we also greatly appreciate the cooperation we have had. The situation is under control, or will be if Bill C-35 is looked after. There will then be the opportunity for all bills presently available to receive Royal Assent.

Everything else will be sent to committee. Bills C-33 and C-34 will go to the Aboriginal Peoples Committee, which has agreed to meet when the Senate rises today in order to consider those bills. I know that will be of great help to our friends who were in the gallery and to our friends who have been involved in the committee. Senator Andreychuk has been kind enough to make those arrangements. The intent, then, is that the Aboriginal Peoples Committee will meet next week, as Senator Berntson said. That means we will have urgent consideration of those two bills.

Bill C-11 is still before the Banking Committee, where there are some discussions, apparently, on whether there is some means of making it more attractive. That still has to go on. I would hope that that committee, if it is able to get on track, will sit next week as well.

Bill C-22 is the only other bill remaining, and we all know that it will take a bit of time. The suggestion is that the committee will meet on Monday, July 4. That is in the hands of the committee, but it will have two or two and a half days. There are no Wednesday morning caucuses these days. The committee will have that amount of time to consider the bill.

The Senate will then come back at two o'clock on Wednesday afternoon, July 6, with a view to being able to deal with Bills C-33, C-34, C-11, and C-22. We will be able to wind up, it is to be hoped, by Thursday night, with a complete program. If we are so successful, then I, for one, believe that we will be entitled to very substantial congratulations, because it has been a most difficult time.

Again, I do appreciate the help and cooperation of Senator Berntson and others on his team.

Hon. Paul Lucier: May I ask Senator Stanbury a question? Would the proceedings next week include Royal Assent on Bills C-33 and C-34 next Thursday?

Senator Stanbury: No, the Senate will not resume until July 6. We will do all those bills in the final week, if they are reported without amendment.

Hon. Eric Arthur Berntson (Deputy Leader of the Opposition): Honourable senators, I think that fairly reflects the eminently reasonable arrangement which was arrived at by my counterpart Senator Stanbury and myself.

Hon. Royce Frith: Honourable senators, this might be an appropriate time for us to start thinking about a way to avoid the last-minute rush, and that is to establish that we adjourn at a certain date in June of every year, so that the other place will know well in advance.

Senator Murray: There are always pre-studies.

Senator Frith: Let us have one intervention at a time. That is another question.

Hon. Noël A. Kinsella: Honourable senators, to the point raised just now by Senator Frith, we had an excellent suggestion from our colleague Senator Macquarrie the other day as he was speaking after tributes, that there should be a fixed calendar for this chamber.

Hon. Consiglio Di Nino: Honourable senators, I would like to put in my two cents' worth on this issue as well. I do not often find myself in total agreement with Senator Frith, although partially many times. He is absolutely right on this occasion. We really cannot be expected to do justice to some of the subject-matter with which we are being presented when we are given such a short period of time. One must wonder at times whether it is not being done on purpose so that we do not get a lot of time to deal with these issues.

It is not criticism of this government solely. We had the same problem with the previous government.

Senator Fairbairn, it is not meant as criticism to you or your government. However, I do get the feeling that the other place is not necessarily respectful of our time frame and the kind of job that we in this institution are being asked to do.

I support Senator Frith's position.

Senator Stanbury: Honourable senators, I am tempted to make a small remark after Senator Di Nino's remark. I will resist, except to say that, certainly during the time that I have been filling in for Senator Molgat, Senator Fairbairn and I have had the greatest cooperation from Mr. Herb Gray and his staff and the people in the House of Commons, who have been most considerate.

For other reasons, some of these bills have been slow getting through. I am not sure exactly what the answers are, but we must try to find some.

Honourable senators, we have agreed not to have a Question Period, but I would like to table some documents.

The Hon. the Speaker: Honourable senators, if I may be allowed, I think we have a motion before us now. There have been so many amendments that I think the archivists will grow old studying this. Still I must ask a question before I put the motion. Is it two o'clock on July 6?

Senator Berntson: Two o'clock on Wednesday, July 6.

The Hon. the Speaker: Honourable senators, with your permission, I will put the motion.

It is moved by Senator Stanbury, seconded by Senator Hébert:

> That when the Senate adjourns today, it do stand adjourned until Wednesday, July 6, 1994, at two o'clock in the afternoon.

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

Hon. Senators: Agreed.

Motion agreed to.

QUESTION PERIOD

DELAYED ANSWERS

Hon. Richard J. Stanbury (Acting Deputy Leader of the Government): Honourable senators, I have two deferred answers, one to a verbal question by Senator Cochrane on May 25, 1994, and one to an Order Paper question by Senator Marshall on April 19, 1994.

YOUTH

EMPLOYMENT PROGRAMS—GOVERNMENT POSITION

(Response to question raised by Hon. Ethel Cochrane on May 25, 1994)

1. The Atlantic Groundfish Strategy (TAGS) is the program referred to by Mr. Jasen, when he was quoted in *The Globe and Mail*, in reference to individual contracts that unemployed fisheries workers would not be required to sign in return for income support and job training.

2. Under TAGS, participants agree to "help themselves" by actively participating in the range of labour market adjustment measures available.

3. Fisheries workers will be required to develop a career action plan that will identify what labour market adjustment measures they will be required to participate in, in order to receive ongoing income support.

4. Fisheries workers are required to demonstrate significant past attachment to the groundfish industry in order to qualify for TAGS. The criteria include significant past attachment to the groundfish fishery, with a rate of income support determined by previous Unemployment Insurance benefit rates. Enforcement of requirements under TAGS will be achieved through ongoing counselling, use of a report card system not unlike that used under the Unemployment Insurance program and a number of other administrative procedures normally used in the delivery of regular Human Resources Development Canada (HDRC) labour market programs and services.

5. Fisheries workers have to meet requirements as described above.

ANSWER TO ORDER PAPER QUESTION TABLED

VETERANS AFFAIRS—RECOMMENDATIONS TO TASK FORCE ON PROGRAM REVIEW

Hon. Richard J. Stanbury (Acting Deputy Leader of the Government) tabled the answer to Question No. 32 on the Order Paper — by Senator Marshall.

• (1320)

DEPARTMENT OF CITIZENSHIP AND IMMIGRATION BILL

CONSIDERATION IN COMMITTEE OF THE WHOLE

The Senate in Committee of the Whole on Bill C-35, to establish the Department of Citizenship and Immigration and to make consequential amendments to other Acts.

The Senate was accordingly adjourned during pleasure and put into a Committee of the Whole, the Honourable Eymard G. Corbin in the Chair.

The Chairman: Honourable senators, the Senate is now in Committee of the Whole to consider Bill C-35 to establish the Department of Citizenship and Immigration and to make consequential amendments to other acts.

Senator Fairbairn: Honourable senators, for the purpose of proceeding with Bill C-35, we have officials from the Department of Citizenship and Immigration who are prepared to assist us through our colleague Senator Bosa, who is sponsoring this bill.

Pursuant to Order of the Senate, Mr. Bob Blackburn and Mr. D. Martin Low were escorted to seats in the Senate Chamber.

Senator Fairbairn: Honourable senators, we have with us Mr. Bob Blackburn, the Assistant Deputy Minister in charge of policy in the Department of Citizenship and Immigration, and Mr. Martin Low, Senior General Counsel.

The Chairman: Honourable senators, shall the title be postponed?

Hon. Senators: Agreed.

The Chairman: Shall clause 1, the short title, be postponed?

Hon. Senators: Agreed.

The Chairman: Shall clause 2 carry?

Senator Kinsella: Perhaps the officials could give us a brief description of the machinery of government change. In particular, am I correct in my understanding that from the former Department of Multiculturalism and Citizenship, there will be transferred to the new Department of Citizenship and Immigration the Citizenship Registration Branch?

Senator Bosa: Yes.

Senator Kinsella: On the citizenship promotion side, what parts of the old Department of Multiculturalism and Citizenship that dealt with citizenship promotion, as distinct from the citizenship registration activities, are being transferred?

Senator Bosa: That part of the department which dealt with citizenship promotion is being transferred to the new department.

Senator Kinsella: What is the distinction between the Department of Heritage Canada's responsibilities for Canadian identity and Canadian heritage and the responsibilities of the new department, sustained by this bill, in promoting multiculturalism and Canadian citizenship with our 27 million Canadians?

Senator Bosa: The promotion of citizenship is moved to the new department. What remains in the heritage department is that part which is called "Canadian Identities." That remains with the heritage department, but citizenship promotion is moved on to the new department.

Senator Kinsella: Mr. Chairman, which minister will have responsibility for the Canadian Multiculturalism Act, which was the old Bill C-63?

Senator Bosa: The Minister of State (Multiculturalism) in Heritage Canada. There have been many changes in the restructuring of the government departments, and I sympathize with the honourable gentleman. It is difficult to keep track of what has happened, and to where these responsibilities have been transferred.

I think that what the honourable gentleman was interested in was whether the new department has responsibility for the promotion of citizenship. To that question, I answered yes, the new department has responsibility for citizenship promotion and for doing the kind of work that the honourable gentleman did when he was chairman of the Social Affairs Committee which carried out this particular study.

Senator Kinsella: Does the human rights branch, which was in the old Department of the Secretary of State and then I believe in the new Department of Heritage Canada, remain within Heritage Canada, or does it go to the citizenship promotion unit in the new department?

Senator Bosa: Yes.

Senator Kinsella: Yes what? Where is the human rights branch?

Senator Bosa: It will remain under Heritage Canada.

The Chairman: I do not believe your answer was recorded, Senator Bosa. Would you repeat your answer?

Senator Bosa: The answer is that the part that the honourable gentleman was asking about will remain within Heritage Canada, the human rights section.

Senator Di Nino: I wish to welcome the departmental officials to the Senate. First, I would like to commend the officials to the report that Senator Bosa spoke of a moment ago, which was prepared by the Standing Senate Committee on Social Affairs, Science and Technology under the acting chairmanship of Senator Kinsella. I think it would be a very useful document in your deliberations on future dealings with the issue of citizenship in particular. If you do not have one, please get one.

Mr. Chairman, my questions relate to another clause.

The Chairman: Let us deal with clause 2. If there are no further comments on clause 2, shall clause 2 carry?

Hon. Senators: Agreed.

• (1330)

The Chairman: Shall clause 3 carry?

Hon. Senators: Carried.

The Chairman: Shall clause 4 carry?

Hon. Senators: Carried.

The Chairman: Shall clause 5 carry?

Senator Di Nino: Honourable senators, I have a couple of questions with respect to clause 5. I understand this clause deals with a new power that is being given to the minister.

Senator Bosa: These are essentially the same powers that existed before, except for one minor amendment. If the honourable senator would count four lines down from the top where it is written "or any agency thereof," that part has been removed.

Senator Di Nino: With regard to the authority the minister has to enter into agreements with those agencies and/or international organizations, was "international organization" there already, or is this new?

Senator Bosa: No, this part is new.

Senator Di Nino: That is what I thought. Can you give me examples of these agencies and/or organizations?

Senator Bosa: The High Commissioner for Refugees and the International Organization for Migration.

Senator Di Nino: So these organizations are entities dealing with immigration issues principally, or refugee issues?

Senator Bosa: Yes. They are United Nations agencies.

Senator Di Nino: This reference is so broad that obviously it may include other organizations and agencies. That was the point I wanted to make. I understand the need to have a relationship with UN organizations, but are there other organizations not associated with the United Nations, or UNESCO, or entities of that nature?

Senator Bosa: The International Red Cross; the European Union, because it is a new organization.

Senator Di Nino: So it is a very wide authority. What kind of subject-matter would the minister deal with, just for clarification?

Senator Bosa: Matters relating to immigration and refugees.

Senator Di Nino: Let me be more specific: Would the minister, for instance, be empowered, without reference to Parliament, to sign agreements with an organization on the number of refugees that it may take in any one particular area or from any particular source? Would the minister have the authority under this clause to set limits of immigrants from a particular area, such as the European Community, which is one that you mentioned?

Senator Bosa: It could theoretically happen, but the minister must comply with the terms of reference of his department. He cannot move beyond them.

Senator Di Nino: I do not want to get into a debate on the issue now. As I stated in my response to you, Senator Bosa, that is the one area I have some concern over. It is important to register that we must monitor this area carefully, so that we are better able to understand its use once the minister applies his authority to actual practice. It is still unclear to me how far and wide this authority is.

I will not prolong the debate except to suggest that if there is a better answer, you can provide it for me at some future time, understanding the fact that the minister is not here.

Senator Bosa: The minister must have the consent of the Governor in Council before he goes beyond the terms of reference.

Senator Di Nino: That was my question specifically. I said, "without reference to Parliament." You suggested it may happen. Obviously, we are not totally sure.

Senator Bosa: It has not happened in the past, to my knowledge.

Senator Di Nino: In the past, the minister did not have this authority.

Senator Bosa: However, if it does happen, the minister needs the authority of the Governor in Council.

Senator Kinsella: Will clause 5 permit the Minister of Citizenship and Immigration to enter into a contract with the Minister of Education of a province for the promotion of teaching civics and citizenship in Canadian schools?

Senator Bosa: The minister has the authority to deal with education now. This clause would confirm that authority.

Senator Kinsella: Then if the Government of Canada wants to enter into an agreement with a province for a program of Canadian citizenship education, this clause represents the facultative provision for that minister?

Senator Bosa: There are always negotiations taking place between the federal government and the provinces.

Senator Kinsella: I understand that.

Senator Bosa: A great deal of consultation goes on before a program is instituted.

Senator Kinsella: My question is very specific: Who in the Government of Canada will have the authority to negotiate with the provinces with respect to Canadian citizenship education programs that will be programs for all the children of Canada, not just immigrants? Do you understand my question?

Senator Bosa: That would be under the authority of the minister, with the approval of the Governor in Council.

Senator Kinsella: Then clause 5 allows the Minister of Citizenship and Immigration to do this.

If the program was one of multicultural education under a federal-provincial agreement, it would not relate to this minister under this provision. It would relate to the Minister of State for Multiculturalism under —

Senator Bosa: Under Heritage Canada. There is very close cooperation among the Minister of Citizenship and Immigration, the Minister of State for Multiculturalism under Heritage Canada, and the commensurate officials in the provinces — the Minister of Education or the Minister of Citizenship, whatever the case may be. There is constant communication. They deliberate these matters amongst themselves.

Was that your question, Senator Kinsella?

Senator Berntson: That was the right answer, but for a different question.

The Chairman: Honourable senators, shall clause 5 carry?

Hon. Senators: Carried.

The Chairman: Shall clause 6 carry?

Hon. Senators: Carried.

The Chairman: Shall clause 7 carry?

Senator Di Nino: Question!

The Chairman: Senator Di Nino.

Senator Di Nino: I have a quick question that can be answered "yes" or "no."

Will any further funds be appropriated by this change, or is the budget established for the previous departments and ministries sufficient to cover the costs of this new department?

• (1340)

Senator Bosa: I understand there are no new appropriations for the running of the department.

Senator Di Nino: Will the department live within the appropriations which were budgeted, and will no increases be requested or required?

Senator Bosa: My understanding is that there will be no increases, no requests for additional funds, subject to Supplementary Estimates.

The Chairman: Shall clause 7 carry?

Hon. Senators: Agreed.

The Chairman: Shall clause 8 carry?

Hon. Senators: Agreed.

The Chairman: Shall clause 9 carry?

Hon. Senators: Agreed.

The Chairman: Shall clause 10 carry?

We shall now deal with clause 10.

Senator Kinsella: For greater clarification, this provision amends the Department of Multiculturalism and Citizenship Act by replacing section 4 of that act. Is this where we see that Canadian identity is the responsibility of that Minister of State?

Senator Bosa: Yes, you are right.

The Chairman: Shall clause 10 carry?

Hon. Senators: Agreed.

The Chairman: Shall clause 11 carry?

Hon. Senators: Agreed.

The Chairman: Shall clause 12 carry?

Hon. Senators: Agreed.

The Chairman: Shall clause 13 carry?

Hon. Senators: Agreed.

The Chairman: Shall clause 14 carry?

Hon. Senators: Agreed.

The Chairman: Shall clause 15 carry?

Hon. Senators: Agreed.

The Chairman: Shall clause 16 carry?

Hon. Senators: Agreed.

The Chairman: Shall clause 17 carry?

Hon. Senators: Agreed.

The Chairman: Shall clause 18 carry?

Hon. Senators: Agreed.

The Chairman: Shall clause 19 carry?

Hon. Senators: Agreed.

The Chairman: Shall clause 20 carry?

Hon. Senators: Agreed.

The Chairman: Shall clause 21 carry?

Hon. Senators: Agreed.

The Chairman: Shall clause 22 carry?

Hon. Senators: Agreed.

The Chairman: Shall the short title carry?

Hon. Senators: Agreed.

The Chairman: Shall the title carry?

Hon. Senators: Agreed.

The Chairman: Shall I report the bill without amendment?

Hon. Senator: Agreed.

The Chairman: Before reporting the bill, I would thank Senator Bosa, in his acting capacity, for his cooperation. I also wish to thank the officials who assisted Senator Bosa.

The Hon. the Speaker: Honourable senators, the sitting of the Senate is resumed.

REPORT OF THE COMMITTEE OF THE WHOLE

Hon. Eymard G. Corbin: Honourable senators, the Committee of the Whole, to which was referred Bill C-35, to establish the Department of Citizenship and Immigration and to make consequential amendments to other acts, has examined the said bill and has directed me to report the same to the Senate without amendment.

THIRD READING

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

Hon. Peter Bosa: Honourable senators, with leave of the Senate and notwithstanding Rule 59(1)(*b*), I move that the bill be read the third time now.

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

Hon. Senators: Agreed.

Motion agreed to and bill read third time and passed.

CONSTITUTIONAL IMPLICATIONS OF UNILATERAL PROVINCIAL ATTEMPT TO DECLARE SOVEREIGNTY OR SEPARATION

NOTICE OF INQUIRY

Hon. Royce Frith: Honourable senators, I give notice that, on Tuesday, June 28, 1994, I will call the attention of the Senate to a letter of June 13, 1994 from Gordon Robertson to Lise Bissonnette of *Le Devoir*, copies of which were sent to *Le Soleil*, *La Presse* and the *Gazette*, on the subject of the constitutional implications of a unilateral provincial attempt to declare sovereignty or separation.

ORDERS OF THE DAY

PEARSON INTERNATIONAL AIRPORT AGREEMENTS BILL

SECOND READING—DEBATE SUSPENDED

On the Order:

> Resuming the debate on the motion of the Honourable Senator Kirby, seconded by the Honourable Senator Frith, for the second reading of Bill C-22, respecting certain agreements concerning the redevelopment and operation of Terminals 1 and 2 at Lester B. Pearson International Airport.

Hon. Consiglio Di Nino: Honourable senators, in the past few days several of my colleagues have raised substantive concerns with respect to this legislation; concerns with which I agree. My intervention in this debate will be restricted to two points: the request by certain parties for an independent and impartial public inquiry; and clauses 7 and 8 of Bill C-22.

Honourable senators, I am incredulous at the position taken by the Minister of Transport and his government on the request by, among others, the person who claims to be most aggrieved, to have an opportunity, publicly, fairly, openly, impartially and justly, to defend himself and to clear his name.

If for no other reason, the government should agree to an independent public inquiry into this whole Pearson mess to clear the name of Robert Nixon, the author of the report that led to the creation of Bill C-22. Failure to do so denies one of the most basic and important rights enjoyed by Canadians.

Mr. Nixon is being accused of covering up facts and getting them wrong, of being secretive, of misleading the government and of being negligent in the performance of his duties. One national columnist called his report "a shoddy piece of innuendo."

Let me remind honourable senators that Liberal members of the Committee on Transport and Communications would not even agree to invite Mr. Nixon to testify about his investigation and subsequent report, a rather glaring omission on the part of a committee supposedly impartially probing the issue. Are they hiding something?

• (1350)

Only seven witnesses testified. I understand they were all chosen by the government. The Liberal majority in the committee denied efforts to subpoena others.

None of this Pearson airport innuendo has ever been openly investigated or prove. Not a shred of evidence has been produced to demonstrate that the Pearson contracts are anything but legal, sound and desirable agreements.

I find myself agreeing with Giles Gherson of *The Globe and Mail*, when he states:

> The Liberals refuse to confront the possibility that their election rhetoric about the Pearson contract might turn out, in the full light of day, to be off the mark.... Disgracefully, there has been no due process here.

He continues:

> Above all, this government has striven obsessively to avoid putting itself in a position of having to retreat from its election promise to cancel the deal. Any independent arbitration that might have impartially examined the merits of the contract was wholly out of the question.

Still another columnist wrote:

> Whatever their motives, the Liberals are preparing to seal the Pearson coffin forever with a Draconian piece of legislation that not only kills the deal, but effectively bars even the courts from ever prying into the truth behind this mess.

Honourable senators, is Mr. Nixon nothing but a negligent, misleading secretive flunky of the Chrétien government? Is he the kind of person who would cover up facts? Would he be party to unfair and unjust treatment of Canadians, particularly when those Canadians claim they are innocent and ask for an impartial, independent public inquiry? Would such an inquiry not allow the parties to defend their actions and provide them with an opportunity to clear their names? To deny such a basic right is undemocratic and un-Canadian.

On the one hand, the government states that its most important goal is to restore the trust of Canadians in their institutions. On the other, it undermines its own integrity and potentially the economic interest of the nation, by denying a full and public inquiry into this matter.

If the process itself undermines that integrity, clauses 7 and 8 of Bill C-22 send a clear and chilling message to Canadians that we as parliamentarians cannot be trusted to protect their fundamental property rights and their right to judicial recourse.

Clause 7 of the bill states:

> No action or other proceeding...may be instituted by anyone against Her Majesty...in relation to any agreement...related thereto.

Clause 8 adds:

> Every action or other proceeding referred to in section 7 instituted before the coming into force of this Act is hereby set aside and dismissed.

Terence Corcoran summed it up succinctly on June 14 in *The Globe and Mail*, when he wrote:

> Bill C-22 is an act to protect all government and Liberal hacks against legal liability and they ram through what is almost certainly an unconstitutional law to confiscate property and contracts without proper hearing, compensation and restitution.

Another commentator stated:

> In effect, the government is using the supremacy of Parliament — and the supremacy of the Liberal majority in the Commons — to settle its own breach of contract with a group of Canadian companies. The companies have no practical recourse to the courts. Take it or leave it.

Appearing before the Standing Committee on Transport in the other place Robert Vineberg, legal counsel for Pearson Development Corporation, said this bill has as its basic objective "the taking of property and the cancellation of contractual rights without the payment of fair compensation. We ask you to consider that this bill is nothing more or less than that. A simple act of confiscation."

Perhaps all too smugly we like to associate such measures with Nazis, despots or dictators of one sort or another. It could not possibly happen in Canada — or could it? However, it will, unless we put a stop to it right now in this chamber.

Clauses 7 and 8 have no place in a bill passed by the Parliament of Canada. The right to fair and just recourse is basic to our system. This principle dates back to the Magna Carta. It has been enshrined in English common law ever since. The French fought a revolution to achieve the same rights under their civil code. Canadian men and women went to war, and too many died, protecting these very rights. Yet, incredibly, this bill takes away from certain Canadians this fundamental right.

Honourable senators, all too well we remember the last time a Canadian government passed a similar law. Ask the thousands of Canadians who were denied their fundamental rights under the War Measures Act because they were members of a particular race. Ask those Canadians of Italian, Japanese and other backgrounds what it feels like to be treated as enemies in your own country and have your property, your dignity and self-respect taken away from you. Some of us in this chamber on both sides have met some of these Canadians, survivors of those dark days, and felt their pain and their shame. Are we to make the same horrible mistake we made some 52 years ago? Honourable senators, not if I can help it.

Hon. A. Raynell Andreychuk: Honourable senators, I rise to speak on Bill C-22 after some considerable thought. Initially, my feeling was that the government of the day had a right to cancel any contract which it believed was not in the best interests of Canada. This government in particular was given a clear mandate and, in my opinion, it was exercising that right. However, on reflection, the bill before us goes way beyond the principle of determining the public policy or programs of the federal government. Therefore, I feel compelled to put my concerns on the record.

First, I support the position outlined by Senator Kinsella, that property rights and the opportunity to receive fair and adequate compensation is a compelling reason to question this bill. The right to cancel a contract cannot be the right to cancel it unilaterally, but only with some proper compensation for the other party and access to an impartial tribunal.

Second, I associate myself with the comments made by Senator Balfour, who spoke very comprehensively in favour of due process, the right to an independent inquiry, and the right not to be tainted by innuendo.

I would, however, also add these further thoughts and appeal to the government to reconsider not the decision it has made particularly, but rather the manner in which it is imposing it on the parties to the contract and, more particularly, on the people of Canada.

In a free and democratic society it is the responsibility of the government to act within the laws and within the traditions of the country and not to act in a summary fashion. The people have a right to know. In a good functioning democracy, governments do not stand behind rules and authorities, but refer to the checks and balances for confirmation of their good intentions. In a responsive democracy, the leaders of the day share information and operate in an open and transparent manner.

Not to allow full disclosure of facts, not to allow access to the courts for compensation, and not to allow the public to know what alternative will be put in place are not in keeping with an open and responsive approach. Why should the people of Canada, put such absolute faith in their government?

Perhaps the first inclination has been, as it was with me, that it was only big corporate interests that were involved. A growing uneasiness is that if it can be done to a big corporation, what protection do individual citizens have against their government?

Second, by denying due process, the government of the day is indicating or sending a signal that the laws of the land could be selectively applied and that other institutions of the democratic state are less important.

Finally, in any responsible democratic government, the right to cancel a contract or change a policy comes within the right of a majority government. Surely, there is a responsibility to indicate what alternative it is choosing when cancelling the initial contract, which was in fact a contract put in place by a democratically elected government.

• (1400)

A choice to privatize Pearson airport may not be the direction this government wishes to go. It may not wish to be bound by a contract previously entered into. It may not wish to deal with the people who were contracted with previously. However, it is a fair government that shows what the alternative is so that ultimately the people can judge what is in their own best interests.

It will be ironic if this government cancels a contract with particular individuals and corporations and then turns around and renegotiates, after compensation or not, another contract, perhaps with the same individuals and corporations. Rarely is parliamentary choice inherently good or bad. It must be judged against other alternatives and in an open and transparent exposure of facts.

Some have argued that it is the government's right, and in certain cases it is preferable, to act within the ambit of cabinet confidentiality or government secrecy. In today's times, with rapid communication and a growing sophistication and involvement by people, surely secrecy and arbitrary decision-making have little or no place except in times of crisis or danger. I do not believe that anyone can seriously characterize this contract in that way.

It is not just a contract; it is a precedent unworthy of pursuit. Surely, the checks and balances of the courts or other inquiry systems are safeguards worthy of protecting. Surely, open scrutiny would go a long way towards counteracting the cynicism expressed by citizens about our governments today.

Some Hon. Senators: Hear, hear!

Hon. Royce Frith: Honourable senators, in my opinion, the issues for us at second reading of Bill C-22, the debate on the principle of the bill, are essentially two. The first is a political-legislative one. The second is purely legal, or can be looked at in that context.

The first is this: Is the cancellation of the contract, including clauses 7 and 8, politically and, therefore, legislatively, justified? After all, we are a political-legislative institution. What is the context for this first question? What are the facts?

Senator Balfour helped us with part of that yesterday, when he said:

> In October, 1990, the government announced its intention to privatize the two terminals in question. Some 17 months later, in March 1992, it called for requests for proposals. In December of that same year, the group eventually known as "Pearson Development Corporation" was selected. Formal negotiations began in May, 1993; a letter of understanding was signed in July; and Treasury Board approval was given in August. The deal was closed in October.

In order to put a slightly tighter focus on the dates, the private sector participants formed Pearson Airport Development Corporation and T1T2 Limited Partnership for the purpose of carrying out the project, and in August of 1993 the federal government, the previous government, and PDC announced that they had reached an agreement to redevelop and operate Terminals 1 and 2.

Legal agreements at that time were to be finalized in the autumn of 1993. We know that a federal election was called on September 8, 1993. During the election campaign, the Leader of the Opposition, now the Prime Minister, declared that a new government under his leadership would cancel any deal to privatize Terminals 1 and 2, if the transaction was deemed not to be in the public interest.

The chief negotiator for the government sought written instructions on whether to complete the transaction. On October 7, 1993, three weeks before election day, he received written direction that it was Prime Minister Campbell's wish to complete the deal on that date. The legal agreements were therefore finalized on October 7.

The decision to enter the contract, knowing that it probably would be cancelled if the government lost the election, must have been taken wanting at least to succeed in sticking a successor government with a lawsuit, a long and expensive one, effectively nullifying the cancellation by tying up development of the airport with years of lawsuits, injunctions and goodness knows what else. I do not quarrel with the government's right to do this at all. It was the government. It had carried out the negotiations. It was still the government. It had the right to do it. From a certain point of view, it was not a bad move. If I had been acting for the developers, I probably would have recommended just that.

We can see the situation. The negotiations have gone on, as Senator Balfour said. They did not really heat up until the summer. We can picture the meeting at which it would have been said, "What will we do? We are in the middle of an election. If we lose the election, we already know that if the Liberals win the election they will probably cancel it. If we sign the deal, then we can at least keep the thing alive with lawsuits."

In fact, the Conservative government did lose the election and the new government did cancel the contract. By the legislation that is before us not only did it do that, but it refused to be stuck with the lawsuit.

It seems to me, honourable senators, and I say this in parentheses, although most, not all, of the opposition interventions did not deal with the contract or wish particularly to deal at length with this or dwell on this aspect, we can at least go this much further — and I do not want to dwell too long on it either — it seems to me that clauses 7 and 8 are the inescapable corollaries of the decision to take the legislative route.

The Liberal government might well have decided to go with a cancellation. It could simply have moved on a cancellation and taken on the lawsuits that would follow. Instead, it decided to go the legislative route.

Once it decided to go the legislative route and pass a law cancelling the contract, then, it seems to me, it would have been foolish not to take the next step and state that there could not be any lawsuits, because there could have been lawsuits by simply cancelling the contract. The result of refusing to accept the inevitable lawsuits is that the decision to cancel the contract can be effective.

None of that decides, of course, the issue of whether or not the government should have gone the legislative route. There is considerable debate to say that they should not, which the opposition has quite properly placed on the record. I am simply saying that, once they had decided to do it that way, it would have been foolish not to cancel the possibility of law suits.

• (1410)

The answer to the first question, namely, is the cancellation of the contract and the refusal to be tied up by consequent law suits legislatively justified, is "yes."

The second question is: Are clauses 7 and 8 justified in the legal context? I put "the legal context" in the broad legal context that it has been put by honourable senators who have debated this issue.

Is the government justified in being in conflict with the rule of law? I am using the phrase, "the rule of law" in an attempt to embrace everything that has been said by members of the opposition. That is, in the very broadest sense, consistent with principles of human justice and rightness in its broadest sense. I do not wish to limit it.

Perhaps it is worthwhile putting on the record an answer to the question: What is the rule of law? Any of us trained in law, whether lawyers or not, or having taken any courses in law, would have names like Blackstone come to our minds concerning what the rule of law is.

Black's Law Dictionary, Sixth Edition, defines it as follows:

> A legal principle, of general application, sanctioned by the recognition of authorities, and usually expressed in the form of a maxim or logical proposition. Called a "rule," because in doubtful or unforeseen cases it is a guide or norm for their decision. The rule of law, sometimes called "the supremacy of law," provides that decisions should be made by the application of known principles or laws without the intervention of discretion in their application. *See e.g. Rule against perpetuities above;* also, Shelley's Case, Rule in. *See also Stare decisis.*

The *Dictionary of Canadian Law* defines the rule of law as follows. I do not know which edition it is.

The Hon. the Speaker: I apologize for interrupting, as I always regret interrupting any speaker. Pursuant to rule 136(8), I must interrupt the proceedings so that we can proceed to Royal Assent since we set the time earlier this morning.

I am in your hands, honourable senators. I assumed we could continue with the sitting after Royal Assent. That is why I felt that I had to interrupt at this time.

Senator Doody: Let him finish his speech!

Senator Frith: I will finish this one point and then I will wrap it up.

Senator Simard: Order!

Senator Frith: It is a bit ironic that I am in the middle of talking about the rule of law when I am interrupted. I suppose we should not detain a lawyer who is a judge.

The Hon. the Speaker: As I watched the clock I became increasingly concerned because I thought we might find ourselves in this situation. In many ways, it is unfair to interrupt any speaker while he is developing his thoughts, but I am afraid I have no choice. We must proceed to Royal Assent at this time.

The Senate adjourned during pleasure.

• (1420)

ROYAL ASSENT

The Honourable Claire L'Heureux-Dubé, Puisne Judge of the Supreme Court of Canada, in her capacity as Deputy Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned, and being come with their Deputy Speaker, the Honourable the Deputy Governor General was pleased to give Royal Assent to the following bills:

An Act to implement a Convention for the protection of migratory birds in Canada and the United States. (*Bill C-23, Chapter 22, 1994*)

An Act to amend the Canada Wildlife Act and to make a consequential amendment to another Act. (*Bill C-24, Chapter 23, 1994*)

An Act to amend the Canada Business Corporations Act and to make consequential amendments to other Acts. (*Bill C-12, Chapter 24, 1994*)

An Act to amend the Canadian Film Development Corporation Act. (*Bill C-31, Chapter 25, 1994*)

An Act to correct certain anomalies, inconsistencies and errors in the Statutes of Canada, to deal with other matters of a non-controversial and uncomplicated nature in those Statutes and to repeal certain provisions of those Statutes that have expired, lapsed or otherwise ceased to have effect. (*Bill C-40, Chapter 26, 1994*)

An Act to approve, give effect to and declare valid an agreement between Her Majesty the Queen in right of Canada and the Dene of Colville Lake, Déline, Fort Good Hope and Fort Norman and the Metis of Fort Good Hope, Fort Norman and Norman Wells, as represented by the Sahtu Tribal Council, and to make related amendments to another Act (*Bill C-16, Chapter 27, 1994*)

An Act respecting the making of loans and the provision of other forms of financial assistance to students, to amend and provide for the repeal of the Canada Student Loans Act, and to amend one other Act in consequence thereof (*Bill C-28, Chapter 28, 1994*)

An Act to amend the Excise Tax Act, the Excise Act and the Income Tax Act (*Bill C-32, Chapter 29, 1994*)

An Act to amend the Department of Labour Act (*Bill C-30, Chapter 30, 1994*)

An Act to establish the Department of Citizenship and Immigration and to make consequential amendments to other Acts (*Bill C-35, Chapter 31, 1994*)

An Act to amend the Auditor General Act (reports) (*Bill C-207, Chapter 32, 1994*)

An Act to authorize General Security Insurance Company of Canada to be continued as a corporation under the laws of the Province of Quebec (*Bill S-3*)

The Honourable David Kilgour, Acting Speaker of the House of Commons, then addressed the Honourable the Deputy Governor General as follows:

May it please Your Honour:

The Commons of Canada have voted certain supplies required to enable the Government to defray the expenses of the public service:

In the name of the Commons, I present to Your Honour the following bill:

An Act for granting to Her Majesty certain sums of money for the public service of Canada for the financial year ending March 31, 1995 (*Bill C-39, Chapter 33, 1994*)

To which I humbly request Your Honour's assent.

The Honourable the Deputy Governor General was pleased to give the Royal Assent to the said bill.

The House of Commons withdrew.

The Honourable the Deputy Governor General was pleased to retire.

• (1430)

The sitting of the Senate was resumed.

PEARSON INTERNATIONAL AIRPORT AGREEMENTS BILL

SECOND READING

On the Order:

Resuming the debate on the motion of the Honourable Senator Kirby, seconded by the Honourable Senator Frith, for the second reading of Bill C-22, An Act respecting certain agreements concerning the redevelopment and operation of Terminals 1 and 2 at Lester B. Pearson International Airport.

Hon. Royce Frith: Honourable senators, before I was interrupted by the Speaker of the Senate, Her Majesty's representative, and the Speaker of the House of Commons, a group loftier than I pretend to be — in fact, Parliament in its full panoply, the three parts — I was saying:

We were looking at the two issues as I see them in this bill. The first is the political, legislative one; that is, whether the cancellation of the contract, and therefore any ensuing lawsuit, is politically and therefore legislatively justified. I pointed out why I thought that it was so justified. This bill is extraordinary, clauses 7 and 8 are extraordinary, and this is in effect a most extraordinary answer to what was a most extraordinary act, though one that the previous government had a strict right to do. It has to be in that context that we look at the first question, namely, the political and legislative justification for what is an extraordinary piece of legislation.

Then we were talking about whether clauses 7 and 8 are justified in the more legal context, namely, are they unjustified as being in conflict with the rule of law? We were looking at what the rule of law is. Although I do not mean to restrict it, I had given the definition in *Black's* and was just about to give the definition in the *Dictionary of Canadian Law*. The authors are Daphne Dukelow and Betsy Nuse. There it is defined as follows:

> Rule of law. Processes which are ultimately predicated on fair and just methods and which theoretically adhere to standards of consistency, predictability of result, and impartiality.

Those of our colleagues who studied law before 1982 will remember that in those times we were taught that the basic rule of law was that Parliament was supreme. It used to be jokingly expressed as the fact that Parliament can make a man a woman, and vice versa, so long as it does so within its legislative competence as between the federal and provincial legislatures.

That is not the case now. Parliament is no longer supreme. It still is in Great Britain. It is not, and never has been, in the United States. We fell between the two when we adopted a Charter of Rights. The Charter of Rights and the new Constitution provide, in section 52, that the Charter is supreme. I quote:

> 52.(1) The Constitution of Canada is the supreme law of Canada, and any law that is inconsistent with the provisions of the Constitution is, to the extent of the inconsistency, of no force and effect.

The Charter, therefore, overrides any legislation. Senator Jessiman, Senator Balfour and I — and all of us who studied law before 1982, had to adjust what we were taught because, since 1982, all laws must comply with the Constitution and with the Charter. As a result, of course, it is impossible to open any law report these days without seeing some Charter cases. The rule of law is now enshrined in the Charter.

The question then becomes a translation of the question of what is the rule of law from the old sense. You used to have to dig back to Blackstone and elsewhere to try and find the rule of law, even though it did not help that much, so far as Parliament was concerned. That is translated now into what is in Canada the highest form that the rule of law has ever had, namely the Constitution. Many of the principles in the Constitution and in the Charter of Rights formed the subject-matter of most of the interventions that our colleagues have made today.

Again, then, our second question is whether clauses 7 and 8 are unjustified as being in conflict with the rule of law, and, in fact, is even the cancellation of the contract without clauses 7 and 8 against the rule of law, which now means, in its highest form in Canadian history, the Charter. The answer to that question is: It may very well be.

My colleagues during this debate made some very searching comments about the Charter. It is not easy to find a specific section that clearly establishes that this bill is against the Charter, and neither is that so in many of the cases that we all read in the law reports.

There is no question that Bill C-22, the bill that is before us, is subject to the Charter. Not only does the Charter apply in the normal sense, but there is nowhere in this bill the use of the famous or infamous section 33, which says:

> 33.(1) Parliament or the legislature of a province may expressly declare in an Act of Parliament or of the legislature, as the case may be, that the Act or a provision thereof shall operate notwithstanding a provision included in section 2 or sections 7 to 15 of this Charter.

This bill does not have a notwithstanding clause. I must say that if it had, I would have had some difficulty disagreeing with many of the observations made by interveners on the other side. However, it does not. Ergo, again the answer is yes, this bill is subject to the Charter. If clause 7 and 8 offend against the rule of law, which in its highest form is now the Charter, then it will be struck down.

Let me explain, honourable senators, that that would not be a complicated or unusual proceeding. Better put, it would not take place in an unusual proceeding. It does not involve a reference to the Supreme Court of Canada to see whether Bill C-22 is consistent with the Charter. It would arise in a straightforward and normal way. It would arise in the way most Charter cases arise. The scenario would be as follows: The aggrieved parties would decide to sue for damages. They might even ask for an interim injunction; they might even ask for a permanent injunction, the very thing to enforce all of their rights under the contract as they see them.

• (1440)

The government would plead Bill C-22, clauses 7 and 8, and say, "You cannot sue because your right to sue has been totally destroyed by clauses 7 and 8." To that the plaintiffs would say "Ah, yes, but clauses 7 and 8 and the whole bill are unconstitutional." In most cases, that is the way the Charter or Constitution arises. Therefore, the right to sue has not been foreclosed by Bill C-22, because all parts of Bill C-22 that purport to destroy the right to sue are subject to the Charter and can be struck down, if found offensive.

As a footnote or epilogue, I do not fault the opposition for engaging in a passionate debate on this extraordinary legislation. In the first place, it is their duty as the opposition; in the second place, it is an extraordinary piece of legislation. I must say, I quibble with some of the rhetoric, but that is essentially a quibble. It has been a good debate and a necessary debate.

Senator Lynch-Staunton covered many of the dimensions to which I have already spoken.

Senator Kinsella dealt mostly with the Bill of Rights and the Magna Carta. Incidentally, perhaps I have misunderstood the Magna Carta all these years, but we do tend to refer to the Magna Carta as a great charter of rights of the subject. It really was not. It was a great charter of the rights of the barons against the kings.

Senator Gigantès: That is what the Conservatives are, the barons!

Senator Frith: At any rate, that is merely a footnote. I have been guilty of the same thing.

The Bill of Rights was quoted by Senator Kinsella. It is important to this issue because the Bill of Rights does contain rights to property which the Charter does not. The difficulty one would have with the Bill of Rights in court is that the Bill of Rights is simply parallel legislation and not paramount legislation, as the Charter is. So the best wicket for the plaintiffs in our case would be the Charter rather than the Bill of Rights.

Senator Nolin dealt very well with what is technically called a privative clause — a clause attempting to oust the jurisdiction of the courts.

When I was studying for my diplôme d'études supérieures at the University of Ottawa, my work included a particular study on privative clauses. I thought Senator Nolin added significantly to the debate by putting the issue in that context. I can say that a privative clause — that is, one ousting the jurisdiction of the court in legislation — is normally found with reference to administrative tribunals. The whole course that I took from Mr. René Dussault dealt with la revue judiciaire de l'administration, of which privative clauses form an important part. He had written a book on the subject, which he has expanded now to two volumes. I say simply this: It has added an extraordinary dimension to this bill. Normally, the exclusion of judicial review or judicial participation does not apply and is not used in this specific context. That is what makes it so unusual.

Senator Balfour also dealt particularly with the question of the reputation of people involved.

Two aspects were interesting with respect to Senator Jessiman's comments on this issue. His was a quite learned and appropriate intervention. He dealt with the question of legislative jurisdiction as between sections 91 and 92 of the Constitution and the question of whether or not it fell within that category of unconstitutionality which would be a ground of challenge. If the plaintiffs read our debates, they might want to retain Senator Jessiman, or at least ask him to pass along his brief.

Honourable senators, without going over all of the interventions, I simply want to say, as a postlude, that this has been a good debate. There is a lot of good material on the record. It is not an open-and-shut matter, in my opinion.

To repeat the answers to the first two questions that lie at the root of our debate on this bill, on the first I take it there is no quarrel with the right of the government to cancel — as distinct from the propriety — any more than there is a quarrel with the legal right of the previous government to have entered into the agreement.

I believe that any government, if the roles were reversed, would have done the same thing. If a Liberal government had done what the previous government did, any succeeding government, if it decided to really cancel the contract effectively, would have done the same thing as is done in Bill C-22. To sever clauses 7 and 8 from the cancellation ties up the whole matter and has the practical — versus the legal — effect of killing the bill.

Just as a parenthetical remark, I can imagine why we lawyers would argue against too wide a use of this type of legislation: It would be very bad for business.

In this case, either we do not go the legislative route or we do; if we do, we then cancel, and we need clauses 7 and 8 in order not to nullify what has been done. The practical effect of severing clauses 7 and 8 would be to kill the bill.

If the bill is against the rule of law, that is, the Charter, then the courts will kill it.

Some Hon. Senators: Hear, hear!

Hon. Lowell Murray: Honourable senators, another quite unfair and improper suggestion has now been added to the flurry, indeed, the snowstorm of innuendo and accusation that has been swirling around in the atmosphere on this subject for many months now. The suggestion made by our friend, Senator Frith, is that the previous government signed a contract in order to facilitate lawsuits against the Crown.

Senator Lynch-Staunton: Shame!

Senator Frith: That is certainly an innuendo upon an innuendo.

Senator Lynch-Staunton: Yours was a straight fabrication.

Senator Murray: Honourable senators, that suggestion is not borne out by the facts. It is not even borne out by the chronology of events placed on the record earlier in the debate by Senator Balfour and referred to today by Senator Frith.

• (1450)

The negotiations were completed and an agreement was concluded in the month of August. An October date was set for the signing.

Nothing had been heard from Mr. Chrétien or the Liberal Party at that stage. As a matter of fact, I may say within parenthesis, that Mr. Hession, the former president of Paxport, testified before the House of Commons committee as to the discussions he had with various opposition critics, including Liberal critics, on the development and the negotiations, and the briefings he had given to those critics. The point was not pursued by the committee but it, perhaps, should be pursued in another forum at another time because some of the people involved in these briefings by Mr. Hession are now ministers of the Crown sitting in the other place.

Senator Frith and others might do well to consider what the legal position of the government was between August and October, between the time the agreement was concluded and the actual signing. What would the legal position of the government have been had it attempted to walk away from the deal between August and October? This is a matter which I think the honourable senator and others who are versed in the law might consider very seriously. They might also ask whether advice was sought and received on that very point by the government from its legal advisors at the time.

Everything Senator Frith said in the first few minutes of his speech on this very subject of the process seems to me to reinforce the suggestion made by Senator Balfour earlier in the debate, that what is needed is an impartial inquiry set up under the Inquiries Act and conducted in public so that we can settle, once and for all, the questions of process that have come to bedevil this whole debate and to confuse the issues of finance and economics, and even law, that are before us and the public.

I thoroughly enjoyed the second part of Senator Frith's speech in which he gave us a dissertation on the rule of law as it existed in the era of the supremacy of Parliament and as it exists now in the era of what he would call "the supremacy of the Charter." It was extremely interesting and instructive in every way.

I also appreciated the instruction as to how the aggrieved parties might, if this bill were to be passed as it is, get to court. He has told us that, because the government did not invoke the notwithstanding clauses of either the Diefenbaker Bill of Rights or the Trudeau Charter of Rights, a party can still contest the constitutionality of the bill in the courts and, if the party gets by that hurdle, then perhaps he or she can sue for compensation for loss of property.

I suggest that the issue before us is not something the government did not do, namely, it did not attach the notwithstanding clauses to the bill. The subject before us is what the government did do or is attempting to do, which is to deny access to the courts to Canadian citizens. It is trying to deny Canadian citizens their day in court. That is a question which is a matter of policy, a matter of propriety, in the broadest legal and constitutional sense, to which Senator Frith might well have addressed himself.

As you know, honourable senators, I was a member of the government of Prime Minister Mulroney and of the government of Prime Minister Campbell. Therefore, I share responsibility for the decisions that were taken and for the policy that led to those decisions. I was not personally directly involved in the negotiations, nor did I have a portfolio responsibility that was directly involved, but, in saying that, I share the responsibility. I support the policy and those decisions not in any perfunctory way at all. I and my cabinet colleagues believed then, and I certainly believe now, that this was a sound policy; that it was a necessary policy; and that the decisions that were taken were sound. No one seems to deny the need, in fact the urgent need, for the redevelopment of that important facility, the most important airport in Canada.

Anyone familiar with the fiscal position of the government will understand why a government would be reluctant to make the financial commitment, and particularly the cash flow commitment, that would have been involved in having the Ministry of Transport go it alone as a public venture; and they will understand the attraction, therefore, of a private development option which we invited and received.

We believed then, and I certainly believe now, that the agreement that was reached was financially sound, financially beneficial for the government, and we certainly believed that it was economically sound. Involved in the agreement was a $700-million private investment in the redevelopment; the creation of 14,000 jobs through the redevelopment, many of them in the metropolitan Toronto area; and, further, the creation of an indigenous airport development industry in this country that would be capable of competing in an international market worth many billions of dollars. So it seemed to us then, and it certainly seems to me now, to have been sound financially and economically.

That being said, I am the first to acknowledge that these are subjects of legitimate debate. Honest people can disagree. Honest people may come to conclusions other than those that I and my cabinet colleagues reached on this matter.

In the case of Mr. Chrétien, a month into the election campaign he attacked the contract. He said he would review it. I must say that I do not quarrel for a moment with Senator Kirby's contention, repeated by Senator Frith and others, that the government does have the political authority and the mandate — because I am one of those people who has always interpreted such mandates quite broadly — to cancel the contract. However, honourable senators, that is no justification for trying to exempt themselves from the legal consequences of their action. There is no justification for that at all.

While they have the political authority and the mandate to cancel the contract, one might have hoped that, in a matter as important as this — and it is a very important contract in a very important sector of the Canadian economy — they would have subjected those contracts to a much more rigorous analysis than

seems to have been the case. Some enterprising journalist might well put in an Access to Information request and try to find out what analysis was actually done by the new government of these contracts and of the agreement that the previous government entered into. Was there any analysis done other than the "analysis," if I can dignify it with that name, done by Mr. Robert Nixon for his report?

The Nixon report was as shallow and as shabby a piece of work as any reputable politician has ever signed his name to. It was what they call in the trade "quick and dirty." Quick it was, and dirty it was in the unsubstantiated accusations it launched against unnamed people.

I have said that the wisdom or otherwise of the policy of the previous government and of the decisions we took has become entangled in this question of process and all these accusations and innuendoes that have been flying around for many months.

Again, I support Senator Balfour's suggestion that the only way to sort these out — and indeed "these" include the suggestion made by Senator Frith today that somehow there was a rush to sign in order to facilitate lawsuits — is through an impartial inquiry under the Inquiries Act. I must say I am puzzled why the government has so far refused requests to this effect that were made in the other place, that have been made in the media, that have been made by the principals and by many other people.

• (1500)

Meanwhile, here is the Senate confronted with this bill which has several obnoxious clauses, which denies access to the courts to those affected by the cancellation of the contracts. Senator Lynch-Staunton and others have spoken about this, and there is nothing really that I can add to what they have already said.

I wish to say, honourable senators, that we are coming now to the closing hours of this part of this session of Parliament. The pundits are already at work evaluating and appraising the performance of the government and the various ministers. Honourable senators, the major news, the defining feature in this session of Parliament to date has been the failure of the two major opposition parties in the House of Commons to carry out the responsibilities of our parliamentary traditions.

Hon. Senators: Hear, hear!

Senator Murray: One does not want to be unduly harsh with people who, I am sure, are honourable members and are sincerely motivated, and most of whom are new to Parliament. However, the failings of the Bloc Québécois and the Reform Party during this session cannot be attributed to inexperience alone, and they cannot either be explained in terms of a difficulty in addressing terribly complex issues. On the two bills that have preoccupied the Senate in the last little while, the issues at stake have been issues of fundamental principles.

On Bill C-18, it was a question of the principles of representative democracy being endangered by a government initiative, by a bill. Neither the Bloc Québécois nor the Reform Party raised their voices in protest against this. They succumbed to the temptation of short-term political advantage because they also happened to find the preliminary maps inconvenient, and so therefore they were quite prepared to ignore the principles that were at stake, abort the process, abolish the commissions and put the principles of representative democracy in danger. That is what they were about.

In the case of this bill, Bill C-22, great sport they had trying to outdo each other kicking the stuffing out of Tory lobbyists, Tory bagmen, Tory businessmen, and all the rest of it. The argument or inference seems to be that because the people concerned are a bunch of well-connected businessmen, hanging is too good for them. Who cares about access to the courts? There was not a thought for the precedential nature of what they were doing. I do not think there was a voice raised in protest in the other House about the principles that are at stake in part of this bill. Not one. There, too, they succumbed to the temptations of short-term political advantage, or to the temptation to engage simply in political rhetoric.

Honourable senators, what we are talking about here is the rule of law. I accept the dictionary definition that Senator Frith put on the record when he spoke. I did not write it down in longhand, but it seemed to me to be applicable, either in the days of pre-1982 or post-1982. I accept that definition. It has to do with the right of Canadian citizens to their day in court.

Honourable senators, if the Bloc Québécois and the Reform Party cannot identify those principles in two bills as simple as the two bills we had here, if they cannot identify those principles, articulate those principles and stand up for them, what do they intend to stand up for over there in the House of Commons?

Hon. Senators: Hear, hear!

Senator Murray: I must say that, over the summer, I think that we in the Senate must reflect on our role, if only on the added responsibility, if I can put it that way, that seems to be upon us in our role as a revising chamber. We must reflect on how we will conduct ourselves without resorting to unnecessary confrontation with the elected government and the elected House, and without causing undue disruption to the legislative process, which none of us want. I think we must reflect on that. Frankly, I think the government should also reflect on what it is doing.

There are wiser heads and longer heads in the Liberal cabinet who know better than to bring in a bill depriving Canadian citizens of their access to the courts. The Prime Minister, the Minister of Justice and many others know better than that; just as there are people over there in that cabinet who know perfectly well that trying to blow up the redistribution process in the

manner attempted in Bill C-18 was wrong, and would cause trouble. One would hope that, after a period of reflection, the wiser and longer heads in the Liberal Party will prevail. I will say that they had the grace to be embarrassed by what they tried to do in Bill C-18, and that is always a good sign. I hope they will reflect on this, and without getting too personal about it, not let the hotheads run away with the government.

Honourable senators, with those few words of helpful and constructive criticism, I extend best wishes to the government, and especially to the Leader of the Government in the Senate, for an enjoyable summer holiday. We certainly intend to have one.

Hon. Michael Kirby: Honourable senators —

The Hon. the Speaker: Honourable senators, I should inform the Senate that, if the Honourable Senator Kirby speaks now, his speech will have the effect of closing the debate on the motion for second reading.

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, I wish to ask Senator Frith one question. I do not want to go over the ground which Senator Murray has covered so eloquently, although I too am very disturbed by Senator Frith's adding another innuendo to the long list regarding what was behind this contract by suggesting that it was concluded simply to encourage lawsuits. That is not up to Senator Frith's usual argumentation.

However, what concerns me even more is the fact that, while sharing our concerns regarding the constitutionality of clauses 7 and 8, he seems to suggest that we should pass them anyway, and let those directly affected attack their constitutionality in court, as he assures us they have such a recourse. They do not have a recourse for damages in the bill, but they have a recourse in court to challenge the bill.

Surely, if we have some apprehension about the constitutionality of the bill, we cannot in good conscience put the onus to challenge that constitutionality on those directly affected. That would be one of the most irresponsible acts a parliamentarian could commit.

We must assure ourselves to the extent possible, and with all the legal and other resources we have, that every law we pass is constitutional. The fact that Senator Frith and others here with outstanding legal credentials are having serious doubts about the conflict between clauses 7 and 8 and the Charter should be enough for them to join us, when the bill is referred to committee, in urging the committee to recommend to this chamber that clauses 7 and 8 not form part of Bill C-22.

• (1510)

Senator Frith: Honourable senators, there seems to be some misunderstanding. If I gave any impression that I thought there was some dark conspiracy to encourage a lawsuit —

Senator Lynch-Staunton: You did.

Senator Frith: — that was not my intention at all. In fact, the context in which I put it in was that, if I were acting for the developer, for example, and I were asked, "If we sign this contract, what will the effect be, if a subsequent government cancels or wants to cancel the agreement?", I could imagine saying, "Well, they would have to cancel, and also try to cancel any lawsuit." That is all. In my opinion, it would not be an unusual situation for a lawyer to be asked that question.

I was speaking speculatively, and if I gave any impression that I thought I knew something about a meeting at which such a thing took place, I do not. I am not alleging that it did.

On the second point, we have to understand that we have a certain duty to concern ourselves with constitutionality. However, I think it is a bit unusual and "extraordinary," to use a word that has been popular in this debate, to suggest that we can constitutionalize any law we pass. The whole point of the Charter is to separate the judicial from the legislative. What was new about the Charter was that it said to us legislators, "Look, you pass any law that you pass at your peril because it has to be constitutional in the context of the Charter." The normal way to exercise that right under the Charter, which is a right given to all citizens, is to challenge the constitutionality in a court. That is all.

I agree with Senator Lynch-Staunton that we should not say, "Well, we are not interested in constitutionality." I do not suggest that. However, there is a point beyond which we have to say that we can think of a lot of good reasons not to pass a bill, but I do not think that the political, legislative, executive and judicial systems in Canada expect us to do the reverse and exclude the role of the courts. Our job is to pass the law and to think about the legal dimension. We cannot affect a citizen's right to claim that what we pass is unconstitutional.

Hon. Roch Bolduc: May I ask the honourable senator a question?

Senator Frith: Of course.

Senator Bolduc: Before 1982 we had the same problem in terms of the taking of responsibilities.

Senator Frith: That is right.

Senator Bolduc: Therefore, it was a limited government even before 1982, so far as the federalist aspect of the Constitution is concerned.

Senator Frith: Absolutely. That is what I said. Up to that time, if you were challenging anything on a constitutional ground, then you had to do it on Senator Jessiman's point. That is to say that it was beyond their legislative competence as between sections 91, the federal competence, and 92, the provincial. Now it is also subject to the Charter. The honourable senator is quite right.

Senator Kirby: Honourable senators, in rising to close the debate on Bill C-22 I will be brief.

Having listened to the speeches from senators on both sides of this chamber on this bill, it is clear that they have revolved around two issues. One issue is the question of whether or not the government had the legitimate political authority — the "mandate" I think was the word used by Senator Simard in response to my opening remarks on this bill — to decide to cancel this contract.

I do not think I need to comment on that question since Senator Murray in his remarks a few moments ago conceded absolutely that the government had the political authority and mandate to cancel the contract. He stated that fact clearly, and is, himself, a former member of both the Clark government and the Mulroney government. Therefore, it seems to me that this first issue is no longer open for debate.

The second issue is the debate over process. It comes down to an agreement over whether or not clause 7, or perhaps clauses 7 and 8, if some want to include clause 8, violate the legal process by which the cancellation is to be achieved. That is the case whether or not one uses phrases such as "principles of natural justice," "fairness," or whatever. The debate is no longer a debate over the cancellation of the contract, nor is the debate about the public policy issue at stake.

Over the last two or three days we have heard some very eloquent remarks on both sides of this second issue, particularly from Senators Lynch-Staunton and Frith. Clearly, there are strongly held and conflicting views on this point. It is an issue that relates to legal process as opposed to public policy.

Since it is the intention to refer this bill to a committee, and to have at that committee witnesses who will deal specifically with the legal issues that have been raised in this debate, it seems to me that the appropriate thing for me to do at this stage in the game is to end the debate here. Of course, I reserve the right to deal with the outcome of the committee report when we get to the third reading stage on this bill.

In light of the fact that we are now dealing with a legal-substance issue rather than a contract issue, which I think was the phrase used by Senator Lynch-Staunton in his remarks, I recommend to this chamber that the bill be referred to the Standing Senate Committee on Legal and Constitutional Affairs as opposed to the Standing Senate Committee on Banking, Trade and Commerce.

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 Kirby, bill referred to the Standing Senate Committee on Legal and Constitutional Affairs.

ABORIGINAL PEOPLES

COMMITTEE AUTHORIZED TO MEET DURING SITTING OF THE SENATE

Leave having been given to revert to Notices of Motions:

Hon. A. Raynell Andreychuk, with leave of the Senate and notwithstanding rule 59(1)*(a)*, moved:

> That the Standing Senate Committee on Aboriginal Peoples have the authority to convene now, while the Senate is sitting, and that rule 96(4) be suspended in relation thereto.

The Hon. the Speaker: Honourable senators, is leave granted?

Hon. Senators: Agreed.

Motion agreed to.

RADIO CANADA INTERNATIONAL

REPORT OF TRANSPORT AND COMMUNICATIONS COMMITTEE ADOPTED

The Senate proceeded to consideration of the fifth report of the Standing Senate Committee on Transport and Communications (study of the mandate and funding of Radio Canada International), tabled in the Senate on June 21, 1994.—(*Honourable Senator Oliver*).

• (1520)

Hon. Donald H. Oliver: Honourable senators, at this time I should like to say a few things about the report of the Standing Senate Committee on Transport and Communications concerning the mandate and funding of Radio Canada International or RCI.

At the outset, I should like to comment on the contribution that Senator Finlay MacDonald, the former chairman of that committee, made to the hearings and to the preparation of the report. I also wish to state for the record that this report of 22 pages is by far the largest public document ever produced on this particular subject.

RCI has, in the past, been studied by two other federal commissions or task forces, but only as a small part of the more than general and comprehensive inquiry into broadcasting and broadcasting policy in Canada. When broadcasting policy was studied by the House of Commons Standing Committee on Communications and Culture, RCI merited a one-page reference only, and one salutary recommendation out of 16 that were made.

This study, undertaken by your committee according to its Order of Reference of March 15, 1994, represents the most up-to-date and most penetrating investigation into the operations of RCI, its funding, its relationship with other international shortwave broadcasters, and its organizational status within the federal bureaucracy that has yet been ventured.

The inquiry was enlightening and, as you will observe upon reading the report, points to serious faults in the organizational setup of RCI within the federal government that have led to a consistent underevaluation of the services provided by RCI to Canadians. This, in turn, has snowballed into the underfunding of the operations of RCI.

Canada, unfortunately, has suffered a loss in prestige around the world as a direct consequence of our diminished presence in international short-wave broadcasting. The recent controversy sparked by the propaganda disseminated on Canadian forestry practices by the German environmental movement is only one manifestation of a growing gap in public awareness of Canada around the globe. No doubt this international relations fiasco is partly the result of the withdrawal of RCI broadcast services from Germany.

The vacuum and broad information dissemination about Canada and Canadians extends beyond the political borders of Germany and includes Central and Eastern Europe and the Asia-Pacific Rim — most notably Japan, Latin America and, in particular, Brazil. The committee believes that this foreign and international trade policy blunder could have been mitigated by RCI broadcasts, and is likely to be the first of many to come, absent any corrective measures. The status quo is simply not a viable option.

For those senators who are not acquainted with Radio Canada International, let me briefly sketch for you RCI's history and present circumstance.

RCI was originally given two purposes, as set out in the Order of Council that created it in September 1942. First, the international broadcasting service was to provide a communications link between Canada and the hundreds of thousands of Canadians serving abroad during World War II. Second, it was also intended as an uncensored news source for the people of nations living under Germany.

Today the mandate of RCI is as follows: to provide a program service designed to attract an international audience with the purpose of further developing international awareness of Canada and the Canadian identity by distributing, through short-wave and other means, programs which reflect the realities and quality of Canadian life and culture, Canada's national interests and policies, and the spectrum of Canadian viewpoints on national and international affairs. RCI also broadcasts programs to the growing number of Canadians abroad, in recognition of their need for more Canadian news and information in those areas already served under the primary objective of broadcasting to foreign audiences.

The focus of our investigation in our committee was the 1990 funding cut-back decision, first made by the CBC and then by cabinet, which in the end saw approximately one-third of RCI's operation budget disappear and one-half of its staff laid off. In its investigation, the Standing Senate Committee on Transport and Communications found fault with RCI's mandate as it is presently worded. The committee feels that the mandate is too fungible and subject to too much interpretation. For example, the mandate uses terms such as "to provide, to distribute and to broadcast" but the mandate does not use the terms "to produce, to present or to create." This terminology has allowed the federal government to fund RCI on a basis that should focus almost exclusively on rebroadcasting popular domestic programs of the CBC and Radio-Canada on RCI transmitters to the world.

The problem is that programs such as *As it Happens* or *Les magasins économiques* are specifically designed to attract a domestic audience, not an international audience. An international audience can only be qualified as collateral demand for such broadcasts, and as such these programs are certainly not an effective way to attract an international audience. That led to the first recommendation of the committee.

At present, RCI is organized under the CBC. The executive director of RCI is appointed by the president of the CBC. RCI programming and editorial policies remain the responsibility of the CBC, and the policies of the Department of Foreign Affairs and International Trade form the basis for determining RCI's target area and language priorities. Since fiscal year 1991-92, however, the Department of Foreign Affairs and International Trade provides funding to RCI under agreement with the CBC until fiscal year-end 1995-96.

The committee finds that this arrangement is, on the whole, beneficial to all parties concerned, although problems have cropped up and are likely to continue to do so, to which the current structure cannot effectively respond. Thus, the committee concludes that the present organizational structure should be adjusted slightly. That led to recommendation No. 2.

The committee finds something lacking in the present organizational setup and bureaucratic status of RCI between the CBC and the Department of Foreign Affairs and International Trade. There are emerging problems between RCI and the department that are not dissimilar to what had previously occurred between RCI and the CBC.

Under the CBC, RCI was no more than a fifth wheel. Today the same situation has arisen in the context of the Department of Foreign Affairs and International Trade. The committee concludes, therefore, that RCI is not properly represented within that department to receive a fair hearing on its activities and funding and, consequently, the reporting relationship should be elevated to that of reporting directly to the minister.

While raising the reporting level of the executive director of RCI within the department would be helpful, more bureaucratic support is also required. The committee concludes that an institutional buffer between the executive director and the minister, comprising a group of selected experts in the field, should also be established. This buffer would have as its mandate to execute and oversee that RCI receives its due recognition, making resident Canadians and their politicians and officials aware of the invaluable service that RCI performs for Canadians.

An unfortunate fact of international broadcasting is that the listening audience is not resident in the broadcasting company's home country. Thus, a political constituency promoting these vital services does not form to make sure that government officials and politicians take notice of their interests. International broadcasting, therefore, is a pure, public good with no highly visible or vocal political base. This problem appears to be more serious in Canada than elsewhere, and was highlighted to us by Mr. Keith Spicer when he appeared before the committee.

The committee believes that the previous recommendation to establish an advisory council on RCI affairs and to have it report to the most senior officials of the Department of Foreign Affairs and International Trade would, to some extent, address this problem in the future. However, it will do nothing to alleviate RCI's current funding shortfall.

It must be remembered that Canada is the only G-7 industrialized country to have dramatically reduced its international broadcasting activities in recent years. Other broadcasters, particularly European broadcasters, have been scrambling to purchase short-wave transmitter time that has become available on former Soviet and East Bloc transmitters.

• (1530)

The committee concludes that RCI is run effectively within its budgetary constraint and represents money well spent, but that it is underfunded. The committee recommended that the funding be restored at least to where it was in 1990.

The committee also feels that the current funding arrangement must be modified to provide for better long-range planning for these services. The committee concludes that RCI executives and officers require a longer funding time horizon. They suggest a five-year funding time horizon.

In conclusion, honourable senators, the committee feels that, if these recommendations are accepted and implemented by the government, Canada's prestige abroad can be recaptured. RCI can then return to its former glory days providing the world with an important window on Canada and Canadians.

Hon. Raymond J. Perrault: Honourable senators, I would commend Senator Oliver for his eloquent statement this afternoon and for his competence in chairing the committee which considered this important matter.

The status of RCI has never been a partisan issue in this chamber. The original motion was moved by me, seconded by Senator MacDonald. I am not an official member of the committee, as honourable senators are aware, but I do wish to commend the chairman and the members of the committee for an excellent piece of work, for their competence and their sensitivity.

I agree with the recommendations. We are on an international information highway and, in a certain sense, Canada has been shunted to the side in recent years. We have to play a more prominent role on that information highway. With the digitalization of radio and television signals, with the possibility that perfect signals can be delivered throughout the world now, thanks to satellites and other technical advances, we have to be much more active participants in international communications.

I look toward to the day when RCI is no longer Radio Communications International — but rather Communications International Canada when the Canadian image and activities will be seen on television screens throughout the world as well as via shortwave radio and cable systems.

That day is rapidly coming. Last weekend, for example, I tuned in my own backyard satellite and was able to see a long program, originating in Dubai, describing the culture of Dubai. I see some senators nodding their heads; they also have satellites. That little oil state of Dubai has their own 24-hour programming service in which they are endeavouring to explain their hopes and aspirations and something of their culture to the rest of the world.

An all-Arab satellite is now telecasting to the world 24 hours a day. Deutsche Welle from Germany is telecasting via satellite 24 hours a day in several languages including excellent English newscasts available anywhere in Canada to those who are able to access satellites. More and more people are finding themselves in that position.

It is not good for Canada to be in forty-fourth place in international broadcasting as we are at the present time and as Senator Oliver has confirmed to us in his remarks earlier. Forty-fourth place in communications internationally is not good enough for Canada.

We export more, per capita, than any other people in the world. We have to look to the world. We must have a window on the world. We have to speak to the world. We must tell them of Canada and our institutions, of our art, and of our economic aspirations.

The committee, I see, recommends restoring programming and transmissions to Germany. Of course, that is very important with the emerging economic importance of Germany in the new world.

Suggestions are that we should increase transmissions to China. Of course, we should. The Pacific Rim has just come alive. We lopped Japan off our RCI transmission schedule two or three years ago. It should be restored and the committee so recommends.

I find the committee recommendations both practical and sensible. I hope the government follows through and implements them.

Again I want to thank the chairman and his committee for a first rate piece of work which is a credit to the Senate.

Senator Oliver: Honourable senators, I move the adoption of this report.

On motion of Senator Oliver, report adopted.

HEALTH

IMPACT OF CHANGES TO TOBACCO TAXES—DEBATE CONTINUED

On the Order:

> Resuming the debate on the inquiry of the Honourable Senator Di Nino, calling the attention of the Senate to the impact of the Government of Canada's changes to tobacco taxes.

Hon. Peter Bosa: Honourable senators, on May 31, 1994, Senator Di Nino followed a discussion of the current government's Action Plan on Smuggling by asking two questions to be found on pages 524 and 525 of Hansard.

Senator Bonnell: Did you not table those yesterday?

Senator Bosa: He wanted statistics on the use of cigarettes since the plan was initiated and information on the advertisements which he described as "an insult and a joke to all those who saw them."

The "Break Free" anti-smoking campaign and the advertising that was part of it were not initiated by the current health minister. The first anti-smoking advertising campaign was launched in 1985-1986 under the previous government.

Senator Berntson: What?

Senator Bosa: Yes, I think Senator Di Nino will be embarrassed by the insinuations he made.

The media inference that the health minister pulled prematurely an ongoing series of advertisements is inaccurate. What the media failed to report was the fact that the contract for the particular advertisement was only operational until March 31, 1994, the usual end of the fiscal year of 1993-94. This contract had been developed during the previous year under the previous minister using money from the previous budget.

As indicated in my previous statement, approximately $55 million has been allocated over three years to continue the multi-media campaign aimed at preventing tobacco use among youth. The proposed new campaign will be designed to appeal to older teens with a particular focus on teenage girls. Consultations related to this new initiative are ongoing at this time and involve the provinces, non-governmental organizations and the private sector.

Statistics related to the use of cigarettes since the action plan on smuggling was initiated. I would remind the honourable member that less than four months have passed since this plan was announced.

Senator Berntson: Perhaps you should have saved this until the media was here.

Senator Bosa: On the second question, an examination of the statistics available from Statistics Canada on the production and disposition, but not the actual consumption, of tobacco products over this short time period gives no indication of any particular trend. While domestic sales of cigarettes, those invoiced to wholesalers, retailers, and institutions, were up in March, they were down in April. This type of monthly change occurred in previous years also and is really more a reflection of wholesalers' and retailers' expectations than of actual sales.

As analysts at Statistics Canada stated, more figures are needed before anything definitive can be said about the impact of the tax roll-back on sales construction.

On the question of the impact of the tax roll-back on smuggling, the Statistics Canada figures for the last few months show a steady decrease in the export of cigarettes. This suggests that the February decision to cut cigarette taxes has greatly reduced the potential profits for smugglers who were buying cheaper tax-free Canadian cigarettes and returning them for illegal sales in Canada. However, as with the domestic sales figures, trends over time will tell the full story.

• (1540)

I hope that the honourable gentleman will relate this information to Senator Di Nino. I am sure he will be very pleased to learn the particulars.

On motion of Senator Bosa, for Senator Spivak, debate adjourned.

SECOND WORLD WAR

PARTICIPATION OF CANADIAN TROOPS IN ITALIAN CAMPAIGN—INQUIRY—DEBATE ADJOURNED

Hon. Eymard G. Corbin rose pursuant to notice of June 2, 1994:

> That he will call the attention of the Senate to the heroic and essential contribution made by Canadian troops to the Italian campaign in 1943 and 1944, and the pilgrimage that he and other Canadian parliamentarians, including the Secretary of State for Veterans' Affairs, had the privilege of going on in Sicily and Italy in the company of 50 veterans of all provinces of Canada, from May 2 to May 20, 1994.

He said: Honourable senators, I wish to briefly launch my inquiry today. Unfortunately I did not have time to deliver this inquiry on June 14, according to the notice I had given to the Senate, for the simple reason that we have been so busy around here on committees that I had not had the leisure of doing much of the reading I wanted to do in preparation for the inquiry.

Canada commemorated, as it ought to have done, the Normandy landings. Our colleague Senator Molgat participated actively in those ceremonies. From May 5 to 20, I was fortunate to participe in the pilgrimage to Italy with the Secretary of State for Veterans Affairs, in the company of some 50 veterans of the Italian campaign, which preceded the Normandy landings.

Great publicity has been given, as it should have been, to the Normandy landings and the subsequent events. I would not suggest that the effort, the courage, and the heroism of Canadians who participated with other Allies in the Italian campaign has been swept under the carpet, but it has not been given the attention it merited, and still merits.

The object of my inquiry, once I have dug into the historical facts, is to deal with just that. The Italian campaign produced a number of Victoria Crosses. One of the recipients of the Victoria Cross participated as well in the Normandy ceremonies. I am sure Senator Molgat met Smokey Smith, who is well advanced in age.

Senator Perrault: Where is he from?

Senator Corbin: Of course he is from your area, Senator Perrault. He carries his name very well. I guess he was a track champion in his younger days, and that is where he got his name. He could also be called Smiley Smith, because he smiles all the time, and he is a great person. He was accompanied during the pilgrimage by his wife, and they, along with the 49 other veterans, did Canada a great honour.

A number of parliamentarians, as I said earlier, accompanied the Secretary of State and the veterans, as well as some hard-working civil servants. Senator Simard was also part of that pilgrimage, and there were three members from the House of Commons. In other words, each party in both Houses delegated either a member of the House of Commons or a senator to accompany the group.

In those days of the campaign, these soldiers were all young men, just 17 or 18 years of age. Some of them lied about their age because they wanted to get involved in the fighting. A lot of them are no longer around. Those who did accompany us on the pilgrimage are still quite remarkable men and women. We had a representative of the nursing sisters accompany us. If my memory serves me well, we visited over 10 Canadian or Commonwealth cemeteries in Sicily and Italy.

At a later date, honourable senators, I will continue with this inquiry.

The Hon. the Speaker: I must ask Senator Corbin if he intends to adjourn the inquiry.

Senator Corbin: Absolutely, honourable senators.

Hon. Finlay MacDonald: I would suggest to Senator Corbin, as I think he knows, that the best book on the subject is *The D-day Draft Dodgers*. It is an excellent account of that campaign.

Senator Corbin: You are quite right, senator, and that is one of the books I want to go through before I make my intervention.

On motion of Senator Corbin, debate adjourned.

JEAN KERR

FELICITATIONS ON RETIREMENT FROM SENATE

Hon. Royce Frith: Honourable senators, if I may, a very brief indulgence. We will not be sitting here on June 30. Jean Kerr, who has been with the Senate for 30 years, will be retiring as of that date. I believe her Senate career merits recognition on the Senate record.

Jean has served, as I said, for 30 years in the Senate in various, as she said in her letter of resignation, "interesting and challenging positions," and they are as follows: From February 3, 1964, to October of 1981, she was secretary to the Leader of the Government in the Senate, Senator Connolly; from April, 1968 to December 30, 1981, she was secretary to Senator Connolly and also to Robert Fortier, the then Clerk of the Senate; from January, 1982, to January 23, 1984, with Charles Lussier who was the Clerk of the Senate; and from January 23 on, secretary to the Deputy Leader of the Government, the Deputy Leader of the Opposition, and the Leader of the Opposition.

I hope you will join with me in expressing our thanks and best wishes to her as an outstanding example of the excellent staff that serves the Senate loyally and competently, day after day, year after year, decade after decade. In her case, three decades.

Hon. Senators: Hear, hear!

CANADA'S DEFENCE POLICY

SPECIAL JOINT COMMITTEE—CHANGE OF DATE OF FINAL REPORT—MESSAGE FROM COMMONS

The Hon. the Speaker: Honourable senators, I have received the following message from the House of Commons:

> Ordered.— That, notwithstanding its order of reference of Wednesday, February 23, 1994, the Special Joint Committee on Canada's Defence Policy be empowered to present its final report no later than Monday, October 31, 1994, to coincide with the date given the Special Joint Committee on Canada's Foreign Policy for its final report, and that a Message be sent to the Senate to acquaint their honours therein.
>
> *ATTEST*
>
> CAMILLE MONTPETIT
> *for The Clerk of the House of Commons*

The Senate adjourned until Wednesday, July 6, 1994, at 2:00 p.m..

THE SENATE

Wednesday, July 6, 1994

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

Prayers.

SENATORS' STATEMENTS

THE SENATE

ON THE NATURE OF DEBATE

Hon. Philippe Deane Gigantès: Honourable senators, I have a brief autobiographical comment. My best friend and I spent our youth boxing against one another, beating each other's brains out. We still loved one another. After all these years, we still do.

That is my way of saying that, if I engage in verbal pugilism with anyone opposite, it is not because I do not appreciate you or like you or respect you. I will think of you this summer with affection, as I will think of the people on our side with affection, because I have been proud to know you. I have been honoured to be with you, and I still am.

THE RIGHT HONOURABLE PIERRE ELLIOTT TRUDEAU

TENTH ANNIVERSARY OF RESIGNATION

Hon. Jack Austin: Honourable senators, I should like the Senate to take note that June 29 marked the tenth anniversary of the resignation of Prime Minister Pierre Elliott Trudeau and his government.

To that I will only add my comment that I am sure neither he nor his government wants to take responsibility for what has followed at the hands of his immediate successor.

ROUTINE PROCEEDINGS

POVERTY IN CANADA

DOCUMENT TABLED

Hon. Ethel Cochrane: Honourable senators, with leave of the Senate, I would ask permission to table, on behalf of Senator Macquarrie, a document printed in both official languages entitled *Poverty in Canada.*

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

Hon. Senators: Agreed.

OFFICIAL LANGUAGES

ANNUAL REPORT OF COMMISSIONER TABLED

The Hon. the Speaker: Honourable senators, I have the honour to table the annual report of the Commissioner of Official Languages for the period ended March 31, 1992, pursuant to the Privacy Act.

YUKON FIRST NATIONS LAND CLAIMS SETTLEMENT BILL

REPORT OF COMMITTEE PRESENTED AND PRINTED AS APPENDIX

Hon. A. Raynell Andreychuk: Honourable senators, I have the honour to present the third report of the Standing Senate Committee on Aboriginal Peoples concerning Bill C-33, to approve, give effect to and declare valid land claims agreements entered into between her Majesty the Queen in right of Canada, the Government of the Yukon Territory and certain first nations in the Yukon Territory, to provide for approving, giving effect to and declaring valid other land claims agreements entered into after this Act comes into force, and to make consequential amendments to other Acts.

I ask that the report, including the appendix, be appended to the *Minutes of the Proceedings of the Senate* of this day and that it form part of the permanent record of this house.

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

Hon. Senators: Agreed.

(*For text of report, see today's* Minutes of the Proceedings of the Senate.)

Senator Andreychuk: Honourable senators, I would request leave of the Senate to say a few words. However, I wish to delay my comments on Bill C-33 until after I have presented the report on Bill C-34, so that I can address both bills together, if that is acceptable.

THIRD READING

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

Hon. Royce Frith: Honourable senators, I wish to say a few words, but first, a credo: I believe that rights and status should not be based on race.

What has that to do with Bill C-34, the first full-blown self-government bill? This bill, we know, is a landmark in the process of righting a history of wrongs. I think those wrongs were the result of a wrong principle, namely treating the aboriginal peoples differently and badly because of their race; that is, basing status and rights on ethnicity, or race.

While this bill crowns with success decades of long, hard struggle to right many wrongs, its basis, its underpinnings, its ideology, or parts thereof, perpetuate the same wrong principle that led to the very wrongs it seeks to right, and that is basing status and rights on race.

In Bill C-34, the word "right" is not used to describe the powers being given to the first nations people. However, the concept of rights can be inferred from the law-making ability the first nations will have, such that they will be able to confer rights and privileges on citizens. Citizens under the bill are defined as:

> ... in relation to a first nation, means a citizen as determined in accordance with the constitution of the first nation;

Bill C-34 awards rights premised on racial distinction. It creates a new category of Canadian citizens and would award the Yukon First Nations peoples dual citizenship.

The bill itself refers to such citizenship in clause 8.(1)(*a*). The main part of the section reads:

> The constitution of a first nation named in Schedule II shall, in a manner consistent with its self-government agreement, provide for
>
> (*a*) a citizenship code that includes the requirements for citizenship in the first nation and the procedure for determining whether the person is a citizen.

The delegation from the Yukon First Nations recognized this dual citizenship as being created by the bill. In the Standing Senate Committee on Aboriginal Peoples which met on Monday, I asked David Joe, legal counsel and negotiator for the first nations, a question:

> As a Canadian citizen, I have rights and duties to the municipality I live in, and to the province I live in, but this is creating a new category of citizens. Would they still be Canadian citizens as well?
>
> **Mr. Joe:** Yes.
>
> **Senator Frith:** They would still all be Canadian citizens, plus citizens of first nations?
>
> **Mr. Joe:** Yes, and that reflects the current status quo in Canada.

With this new status comes rights, responsibilities and powers. First nations natives become citizens gaining legal rights and privileges in many areas that were previously administered or controlled by provincial or federal branches of government. Rights are limited to them as defined in the bill, and by their leaders who have the power to say who is and who is not a citizen. That is covered in clause 11:

> 11.(1) A first nation named in Schedule II has, to the extent provided by its self-government agreement ...
>
> (*c*) the power to enact laws of a local or private nature applicable on the first nation's settlement land in relation to the matters enumerated in Part III of Schedule III.

There is a very large number of items therein enumerated.

Bill C-34 would give the first nations numerous powers, such as the power to enact laws in relation to taxation as described in Part IV of Schedule III; to administer justice; to make provisions for health care services and social and welfare services, and the guardianship of children. That was covered on page 14 of the unrevised transcript of the committee's hearings. Of course, I cannot give you the reference to the final report or proceedings of the committee.

• (1410)

These all can be argued to be necessary powers to implement self-government, and they are. However, we must understand that these rights are not for any Canadian. They are only for citizens of the First Nations of Yukon. The governing body of the first nations will determine the requirements for citizenship that will or will not qualify someone as a first nation citizen. If one is not a first nation native so defined, one will not enjoy the privileges we are being asked to confer on first nation citizens. We are awarding rights not enjoyed by all Canadians to a certain group of Canadians, based on the qualification of race. Race will determine who will enjoy these privileges, however deserved they are.

That is not a principle with which I can agree. I feel that status and rights based on race are constitutionally and jurisprudentially pernicious, though I support the end reached here, namely the attempt to right a long history of wrongs and to establish what we must accept is an exciting new concept; that is, self-government for the aboriginal peoples, a concept and a construction that will eventually put us as Canadians in the forefront of nations who treat their aboriginal peoples with justice. Therefore, although I support the end result here, I believe that the means, status and rights based on race will be seen, in the long run, to have spawned unanticipated, undesirable results in other contexts, and for other races.

Honourable senators, I realize that it is very late for me to be raising this point, because really the concepts that I have talked about do not appear here for the first time in the law of Canada or even in the Constitution. I do not want to stop, or be the instrument of stopping, a very important historic event, and that is the first, as I understand it, full-blown experiment in aboriginal self-government. I record my reservations, therefore, only to say that the enthusiasm I otherwise have for this important day is somewhat diminished by my concern for a pernicious principle embodied in the legislation.

Hon. A. Raynell Andreychuk: Honourable senators, I thought the understanding was that we would speak to Bills C-33 and C-34 after I had introduced the standing committee report on Bill C-34.

Senator Frith: Honourable senators, I do not want to offend. I understand the bill was reported without amendment.

Senator Di Nino: Bill C-33 was, but Bill C-34 has not yet been reported.

Senator Frith: Honourable senators, if any bill is reported without amendment, it stands adopted without debate, and the sponsor of the bill then moves third reading. Therefore we were at third reading, not introduction of the report. That is why I stood up. I did not mean to deprive the honourable senator of her ranking in the debate.

Senator Andreychuk: Honourable senators, the thought was that, for expediency, we could deal with Bills C-33 and 34 together, because they are so closely linked, and that I would speak to them after the presentation of both reports. I have no problem with speaking to them now, so I shall go ahead and make my comments on Bills C-33 and C-34.

Honourable senators, as you know, the bills were introduced in the chamber on the last sitting day at 12:15 p.m., and were subsequently referred later that day to the Standing Senate Committee on Aboriginal Peoples. That committee met shortly on that date, and we have met again since. I will refer to the process presently, but on behalf of the committee, I wish to say that we were unanimous. We were also unanimous in some of our concerns, as well as our support for Bill C-33 and Bill C-34.

Honourable senators, the committee recognized the long process that the Yukon Tribal Council and the aboriginal peoples entered into with the Government of Canada, a process that has involved many governments and many ministers over the years. This long process of some 20 years' duration led to the umbrella agreement in 1993, which I believe was a satisfactory consultative process for the Government of Canada, the people of Canada, and the peoples who make up the Yukon Tribal Council.

I was convinced, as were other members, that consultation took place with all levels of government and all groups, including those groups which were not directly affected, but were peripherally affected. Therefore, the umbrella agreement upon which the process will proceed is an admirable one for the Yukon people and for the people of Canada.

Honourable senators, it is very important to note, as the committee noted, that Bill C-33, Bill C-34 and the surface rights agreement yet to be entered into are agreements unique to the Yukon Territory. Many questions were asked in committee about whether this would set a precedent for further negotiations. Both parties satisfactorily answered many questions. The Yukon Tribal Council said negotiations would correct issues that they saw facing them.

Uniquely, the Yukon Territory has ceded some of its authority to the first nations by virtue of these acts. Therefore, the acts were not intended to be a precedent for any other negotiations in Canada, and certainly the government officials supported that notion, indicating that it was a unique process — albeit similar in some aspects — in its totality as an agreement and a way for the future of the people of Yukon. Therefore, the process may not necessarily fit anyone else.

Should the process ever become a precedent, it would have to be the choice of other peoples in other areas, and provincial governments would certainly have something to say about that. Therefore I and the other members of the committee accepted that the process was a Yukon process.

Honourable senators, it is interesting to note that while I believe the intent of the negotiations was to fulfil aspirations and unfulfilled commitments for the Yukon Tribal Council, the process involved the Yukon people. The process involved not only self-government issues but environmental issues and others. The committee, however, was preoccupied — and I bring this to the attention of all senators — with the issue of dual citizenship, to which Senator Frith has alluded.

I believe the intent of negotiations was to create an acknowledgement of what first nations peoples were, and that they have some measure of responsibility for the conduct of their own lives and the land claims to which Bill C-33 alludes. It was indicated that words such as "membership" and "representatives" have gained taint by virtue of the Indian Act. These words and others like them were not acceptable to the Yukon First Nations. Therefore, "citizenship" or "citizens" was a more appropriate word to exemplify the existing rights and issues that they wish to address. The department, in its assessment, indicated that they had searched for other words, but with little success. However, it would be fair to say that a code will evolve out of the self-government process as to who is a citizen within the Yukon First Nations. There will be a process for Yukon First Nations people who are not recognized at the moment as being eligible to become citizens. It is not a totally exclusionary process. There is some contemplation of widening the definition, and that gave me some assurance of the good faith of this negotiation.

• (1420)

The committee was concerned that the dual citizenship issue would be confusing to Canadians. Canadians have a unique understanding of "citizenship." A committee of the House of Commons is presently addressing the issue of dual citizenship, and is trying to define citizenship. Many members of our committee felt that it was an inopportune time to create a new category of citizen and a new definition which may not be supported by international law, and certainly would not be understood elsewhere.

The committee was persuaded of two things, however. There is a definition, unique to the act, of what "citizen" means, and it means nothing more and nothing less than that act provides. Senator Frith pointed out that that does not, therefore, diminish Canadian citizenship. With regard to our concern that others may not understand this, we asked the government officials how we would be able to distinguish this type of citizenship from the traditional type of citizenship. Their answer was through education. I did not find that answer satisfactory. I believe that the government should embark on a process to determine more particularly what this type of citizenship means.

I turn now to a few other matters. Our committee received, at very short notice, two very important bills. The Yukon Tribal Council had the impression that the bills would pass last week. They had been given that impression by someone, somewhere, that the Senate process would be swift, if not superficial. That is not in the best interests of negotiations with our aboriginal peoples, nor of the rest of Canada. The committee was unanimous in noting that this is not the way to handle significant pieces of legislation. Our deliberations are necessary, and the process must be changed.

In that vein, a portion of the Yukon First Nations who were involved in the umbrella agreement raised some concerns before the House of Commons committee. Minutes before our deliberations, they requested to be heard by us, although they were not present in the city. Due to the urgency that our committee was led to believe existed, we did not hear from the Kaska Nation. Only later did many of us find out that Bill C-33 and Bill C-34 cannot, or will not, be proclaimed until the surface rights agreement is brought forward, which is anticipated to happen some time in the fall. We would have heard that group had we known that that urgency did not exist.

Consequently, the committee has asked that its report, comments and recommendations be appended to today's *Minutes of the Proceedings of the Senate.*

The first recommendation is that the government and the Kaska Nation pursue negotiations in good faith and with due diligence over the period of the next two to three months.

• (1430)

The second recommendation is that the Standing Senate Committee on Aboriginal Peoples monitor the status of these negotiations and request an update from the minister or departmental officials in the fall, and from time to time as the committee feels is warranted.

Those two recommendations, in a similar form, were passed in the House of Commons. Owing to the fact that the Kaska Nations feel that their area of interest spans not only the Yukon but British Columbia, they did not want only the Yukon First Nations agreements to apply to them; they wished to negotiate all of their settlements with the government, and they would have some concerns if that did not go in tandem.

We also believe that that should have happened. Since it has not, and since the government will now negotiate with due diligence, we wish to be on the record as having stated that we believe that this should happen before proclamation of any of the three bills and that the Senate committee should follow those negotiations.

Because we did not have the opportunity to afford the Kaska Nation the right to appear on Bill C-33 and Bill C-34, the committee deemed it appropriate to ask for a third recommendation: that if and when the Yukon Surface Rights Bill receives second reading in the Senate, it be referred to the Standing Senate Committee on Aboriginal Peoples and that the Kaska Nation be invited to come before the committee to testify at that time.

This process cannot have any validity if it is not given a proper airing by all those affected. It is not to determine whether their concerns are appropriate or valid; but they must be heard if justice is to be assured. Since there was no immediacy, we question the process of how it was brought here, but we believe it can be corrected if the Kaska Nation is heard, if it so wishes, when the third bill comes forward.

Bill C-33 and Bill C-34 seem to have moved rather quickly, particularly Bill C-34. The committee believes that Bill C-33 is similar to other land claims agreements and there was nothing unusual or different about it. However, the committee feels that Bill C-34 represents the first time that self-government has entered into an agreement with aboriginal peoples in such a forceful manner. There are concerns as to whether this is a complete negotiation or whether this will lead to further negotiations.

I personally believe that the issue of good faith is important throughout this process and that it is time that the aboriginal people be given responsibility for their own issues within their own areas and that outstanding disputes be settled in order that we can, with them, as a Canadian nation, move forward.

I believe that the self-government in these two bills does not, on its face, move the rights that the Yukon First Nations wished any further forward than they would have been otherwise. It simply now embodies them in Bill C-34. There is some qualifier to that, because of course we do not control further interpretations or court decisions flowing from that. The committee chose to place good faith in this negotiation, in all of the governments and committees that have dealt with this matter previously, and particularly in the Yukon Council.

Therefore, I believe that it is an historic moment in the Senate. I believe that it is an agreement that the government should now look at and clarify to ensure that there is no misunderstanding, and that this process does not lead to further difficulties, but begins a new chapter in our relationship with aboriginal peoples.

The Hon. the Speaker: Before I put the question, I would apologize to Senator Andreychuk for not having alerted her right away that, pursuant to the rules, we had to proceed from one bill to the other in an orderly fashion. I could not bunch them together, so to speak. I do apologize. I think we have the point clarified.

Honourable senators, when shall this bill be read the third time?

Hon. Paul Lucier: Honourable senators, with leave of the Senate and notwithstanding rule 59(1)(*b*), I move that the bill be read the third time now.

The Hon. the Speaker: Honourable senators, is leave granted?

Hon. Senators: Agreed.

Motion agreed to and bill read third time and passed.

YUKON FIRST NATIONS SELF-GOVERNMENT BILL

REPORT OF COMMITTEE PRESENTED AND PRINTED AS APPENDIX

Hon. A. Raynell Andreychuk: Honourable senators, I have the honour to present the fourth report of the Standing Senate Committee on Aboriginal Peoples concerning Bill C-34, an Act respecting self-government for first nations in the Yukon Territory.

I ask that the report, including the appendix, be printed as an appendix to the *Minutes of the Proceedings of the Senate* of this day, and that it form part of the permanent record of this house.

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

Hon. Senators: Agreed.

(*For text of report, see today's* Minutes of the Proceedings of the Senate.)

THIRD READING

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

Hon. Charlie Watt: Honourable senators, with leave of the Senate and notwithstanding rule 59(1)(*b*), I move that the bill be read the third time now.

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

Hon. Senators: Agreed.

Hon. Royce Frith: Honourable senators, because I thought we were dealing with both bills at the same time, the comments I made earlier on Bill C-33 are relevant to Bill C-34. Moreover, I should, for the record, state that the examples that I gave were quotes from Bill C-34, the self-government bill, rather than Bill C-33, the land claims bill.

Hon. A. Raynell Andreychuk: That was precisely the reason I rose. It was not to receive an apology from Your Honour, it was simply to ensure that I was following the procedure. My comments were intended for Bill C-33 and Bill C-34.

With one exception, Bill C-34, in my opinion, is a historic bill in that it creates a form of government in Canada that is different from those that were in place before. However, in my interpretation, that does not change the issue of citizenship. I think we are all still peoples of Canada and citizens of Canada.

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

Hon. Senators: Agreed.

The Hon. the Speaker: With leave of the Senate and notwithstanding rule 59(1)(*b*), it is moved by the Honourable Senator Watt, seconded by the Honourable Senator Marchand, that this bill be read the third time now.

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

Motion agreed to and bill read third time and passed.

[*Translation*]

PEARSON INTERNATIONAL AIRPORT AGREEMENTS BILL

REPORT OF COMMITTEE PRESENTED AND PRINTED AS APPENDIX

Hon. Gérald-A. Beaudoin, Chairman of the Standing Senate Committee on Legal and Constitutional Affairs, presented the following report:

Wednesday, July 6, 1994

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

EIGHTH REPORT

Your Committee, to which was referred Bill C-22, An Act respecting certain agreements concerning the redevelopment and operations of Terminals 1 and 2 at Lester B. Pearson International Airport, has, in obedience to the Order of Reference of Thursday, June 23, 1994, examined the said Bill and now reports the same with the following amendments:

1. *Page 2, clause 3*: Strike out lines 1 to 3 and substitute the following:

   "**3.** The agreements are hereby declared to have no legal effect on and after April 13, 1994."

2. *Page 2, clause 4*: Strike out lines 7 and 8 and substitute the following:

   "hereby declared terminated on April 13, 1994."

3. *Page 2, clause 5*: Strike out line 19 and substitute the following:

   "declared to have no legal effect on and after April 13, 1994."

4. *Pages 2 and 3*: Delete clause 7 and renumber the subsequent clauses accordingly.

5. *Page 3*: Delete clause 8 and renumber the subsequent clauses accordingly.

6. *Page 3, clause 9*: Strike out lines 7 to 9 and substitute the following:

   "**9.** No one is entitled to any compensation from Her Majesty by reason of the application of this Act, except any entitlement to compensation that arose before April 13, 1994 in respect of the agreements."

Respectfully submitted,

GÉRALD-A. BEAUDOIN,
Chairman

Hon. Gérald-A. Beaudoin: Honourable senators, I ask that the report be printed as an appendix to the *Minutes of the Proceedings of the Senate* of this day.

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

Hon. Senators: Agreed.

(*For text of report see today's* Minutes of the Proceedings of the Senate.)

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

Hon. Marcel Prud'homme: Honourable senators, at the next sitting of the Senate.

Senator Beaudoin: Honourable senators, with leave of the Senate —

The Hon. the Speaker: I am sorry, but we did not hear. Perhaps the person responsible for the console did not see Senator Prud'homme rise.

Senator Prud'homme: Your Honour, I think that the *Rules of the Senate* require 24 hours' notice for any substantial amendment to a bill reported by a Senate committee. *The Rules of the Senate* are very clear. It is rule 59(1)(*c*) on page 62.

I do not think that I can give my consent to consider this bill at report stage now because there must be 24 hours' notice.

[*English*]

Hon. Royce Frith: Speaking to the point of order of the Honourable Senator Prud'homme, Your Honour and honourable senators, the rules that have been referred to, of course, exist. However, it is not for Senator Prud'homme to move a motion concerning when the bill shall be dealt with; it is for Senator Beaudoin to do so. It normally would be at the next sitting of the Senate. However, if Senator Beaudoin wants it to be today, then he can ask for leave, after which Senator Prud'homme may want to refuse leave.

Senator Prud'homme: Exactly, honourable senators, the Honourable Senator Beaudoin did not ask for leave to proceed.

Senator Frith: You did not give him a chance.

The Hon. the Speaker: Senator Beaudoin, forgive me for a moment.

Honourable senators, we are having some hearing problems at this end of the chamber. I did not hear Senator Beaudoin, when Senator Prud'homme rose. I believe Senator Prud'homme said that he was rising on a point of order. That is why I heard him. However, I should have asked for leave, which I gather is what Senator Beaudoin had requested, although I did not hear him.

[*Translation*]

Senator Beaudoin: Honourable senators, with leave of the Senate and notwithstanding rule 59(1)(*g*), I move that the report be placed on the Orders of the Day for consideration later this day.

[*English*]

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

Some Hon. Senators: Agreed.

Senator Prud'homme: No.

The Hon. the Speaker: Since leave is not granted, honourable senators, the motion for third reading will be put at the next sitting of the Senate.

Hon. John Lynch-Staunton (Leader of the Opposition): Perhaps Senator Prud'homme could explain why he is refusing leave. At least he owes us the courtesy of an explanation. If he has a problem with the bill or with the report, then perhaps we could discuss that.

Senator Prud'homme: Your Honour, I would be more than delighted. Since yesterday, I have been requesting advice from those all around me. I was told that once a senator has said, "No", the issue cannot be debated.

I am courteous enough to my colleagues that I am ready to say exactly why I do not want the debate on this important bill to proceed today. However, the rules do not allow me to do so. Having put myself in the hands of able senior senators, I am told that I am not allowed to explain because, if I do, then it becomes a debate.

Honourable senators were asked to give leave. I regret, I have said today that I do not give my consent. I have reasons, of course. I will certainly debate the issue tomorrow, since the issue will be postponed only until tomorrow. I will explain tomorrow what I would otherwise wish to explain now. However, if a debate is started, then honourable senators know that I will be out of order.

Hon. C. William Doody: You can explain now, with leave.

The Hon. the Speaker: Honourable senators, I am informed that pursuant to the rules, when there is not unanimous consent, there can be no debate.

Senator Doody: But he can explain, with leave.

Hon. Peter Bosa: Honourable senators, could we not, with unanimous consent, give Senator Prud'homme the chance to explain his reasons?

The Hon. the Speaker: I have some difficulty, in that the record of the Senate is made possible by sound and not by gesture. Senator Bosa has made a suggestion. I have to interpret by his gestures that Senator Prud'homme does not agree to my putting the question of unanimous consent. Am I right?

Senator Prud'homme: You are absolutely right, Your Honour.

The Hon. the Speaker: Then we will proceed.

ADJOURNMENT

Hon. Richard J. Stanbury (Acting Deputy Leader of the Government): Honourable senators, with leave of the Senate, and notwithstanding rule 59(1)(*h*), I move:

> That when the Senate adjourns today, it do stand adjourned until tomorrow, Thursday, July 7, 1994, at ten o'clock in the morning.

The Hon. the Speaker: Honourable senators, is leave granted?

Hon. Senators: Agreed.

Motion agreed to.

• (1450)

BANKING, TRADE AND COMMERCE

COMMITTEE AUTHORIZED TO MEET DURING SITTING OF THE SENATE

Hon. John Sylvain, Deputy Chairman of the Standing Senate Committee on Banking, Trade and Commerce, with leave of the Senate and notwithstanding rule 59(1)*(a)*, moved:

> That the Standing Senate Committee on Banking, Trade and Commerce have power to sit at ten o'clock in the morning tomorrow, Thursday, July 7, 1994, even though the Senate may then be sitting, and that rule 96(4) be suspended in relation thereto.

Motion agreed to.

HAZARDOUS PRODUCTS ACT

PRESENTATION OF PETITION

Hon. Mira Spivak: Honourable senators, I have the honour to present a petition praying that the house may be pleased to remove the exemption of tobacco from the Hazardous Products Act.

ORDERS OF THE DAY

GOVERNMENT OF CANADA

HUMAN RIGHTS POLICIES—DEBATE CONTINUED

On the Order:

> Resuming the debate on the inquiry of the Honourable Senator Ghitter, calling the attention of the Senate to the Human Rights Policies, or lack thereof, of the Government of Canada—*(Honourable Senator Austin).*

Hon. Consiglio Di Nino: Honourable senators, I wish to speak on Order No. 19, standing in the name of Senator Austin. I should like to make some comments today.

Hon. Peter Bosa: Honourable senators, Senator Austin is not here at the moment, but, speaking for this side, I do not have any objection and I yield to Senator Di Nino.

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

Hon. Senators: Agreed.

Senator Di Nino: Honourable senators, let me begin by commending my colleague Senator Ghitter for bringing forward this inquiry into the policies of government with respect to human rights. I want to thank as well all those who contributed to the discussion on this issue. My hope is that we will all come away from the discussion with a greater appreciation of what it is Canada can and should do if we are to remain true to our values when confronted with flagrant abuses of human rights. More than that, I hope that we come away with a shared understanding of the threat posed by such abuses and the need to address them firmly and openly in policies relating to aid and foreign policy in general. Only by doing so will we help others succeed in their struggle to obtain the rights and freedoms we enjoy and too often take for granted as Canadians.

Rights violations continue rampantly and systematically in many countries. I am appalled that the Chrétien government would stoop to treat these abuses one way in Haiti but quite another way elsewhere, largely depending upon the amount of trade between Canada and these countries. It is worse than hypocritical. It will lead inevitably to inconsistencies in foreign policy and will destroy our credibility among nations that look to Canada for leadership in the struggle for human rights.

I do not wish to dwell on the inconsistencies of the Liberal government in its approach to human rights generally; my focus today will be on human rights violations in China. Certainly, the suppression of Tibet and the massacre at Tiananmen Square are the most highly visible, tragic and offensive of these abuses.

Honourable senators are already aware of my views regarding China's aggression against the people of Tibet. As I mentioned last March, the Dalai Lama produced a five-point peace plan. We should be encouraging the Government of China to accept this plan.

On May 23, 1991, the United States Congress and Senate passed a resolution calling Tibet, including those areas incorporated into Chinese provinces, an occupied country whose true representatives are the Dalai Lama and the Tibetan government in exile, as recognized by the Tibetan people.

On March 24, 1994, Senator Frith, then Leader of the Opposition, said that he would gladly support a resolution similar to the one passed by the U.S. Congress incorporating the five-point peace plan. I wish to advise honourable senators that it is my intention to present such a motion for your consideration at an early opportunity. It is my earnest hope that Senator Frith and his colleagues will see fit to give it favourable consideration at that time.

No one knows for sure how many students, men, women and children died in the massacre at Tiananmen Square on June 4, 1989. It is still an indictable offence in China to challenge the official government count of 300. Amnesty International says it was at least 1,000. University of Toronto historian Timothy Brook says that 2,600 died. *Maclean's* put the number at as many as 5,000. Troops armed with AK-47 assault rifles and machine guns continued the killing throughout that dark night and well into the next day. In one incident, 11 people were crushed to death by an armoured personnel carrier that overtook students walking back to their universities.

Five years after the mass murder, China's leaders have yet to offer a syllable of regret or apology. China's leaders have thumbed their noses continuously at criticism of their position on human rights, environmental issues, and their preoccupation with nuclear power for other than peaceful purposes.

That is not all, of course. Marian Botsford Fraser, President of PEN Canada, points out that there were 1,600 executions in China last year. Prison camp labour is used to mass-produce products for the North American market. China persists in ignoring the human rights of thousands of imprisoned "counter-revolutionaries." A World Bank report says more than 30 million Chinese citizens have been evicted from their homes in the past four decades. All this takes place in the absence of anything resembling an independent judicial system.

Former Secretary of State for External Affairs Barbara McDougall noted in a recent article published in *The Toronto Star*, that:

> We have seen in very recent years success in the long fight for freedom in Eastern Europe, the turnover of virtually every military dictatorship in Latin America, the collapse of apartheid in South Africa, and the toppling of the totalitarian behemoth in the former Soviet Union. A variety of factors has combined to bring about those changes, but the impact of international pressure should not be discounted.
>
> That is why the recent actions of Western democracies, particularly Canada, with respect to China, is so disappointing. This is not the time, if ever there is one, to abandon the pursuit of human rights in the world's most populous nation.

Richard Gwyn put it well in *The Toronto Star* on June 1 when he said that in kowtowing to China, we are in danger of losing our self-respect.

> We've fallen silent, not simply about China's record on human rights but about our own values.

Commenting on the fifth anniversary of Tiananmen Square, he added:

> Either leaders, from Clinton to Jean Chrétien, will talk loudly about the West's ideals, and about the departures from them in China and elsewhere, or they'll kowtow. And those who kowtow never quite stand up straight again.

We all know what happened next: Prime Minister Chrétien declared he was not in a position to tell the President of China what to do. Canada, he said, was too small, too insignificant, to have much effect.

Foreign Minister Ouellet said:

> I don't think it is wise to say, "If you don't make progress on human rights we're going to punish you and not deal with you on other subjects."

Later, he added that "a lot of time has passed" since the events at Tiananmen, and that he did not want to get "bogged down" in this issue.

Amnesty International voiced its concern over this government's position on China, stating as reported in *The Globe and Mail* on June 1:

> ...in the stampede to take advantage of trade opportunities, Mr. Chrétien and other Canadian politicians are guilty of wilful public neglect of Canada's commitment to the protection of international human rights...
>
> Canada's public silence about human rights violations is interpreted by the Chinese government as recognition that they were justified in crushing the democratic opposition in 1989.

All this, honourable senators, sends the wrong message to the courageous and selfless defenders of basic rights and freedoms everywhere. It is simply wrong for this government to deviate from Canada's longstanding policy of understanding, compassion, and support for all those who reach out to us.

Consider for a moment the plight of some 4,500 people who applied to Canada for refugee status following the Tiananmen Square massacre five years ago. Immigration Minister Marchi said last March he would decide once and for all whether to deport them all by this summer.

Chinese Canadian leaders told the *Montreal Gazette* that they were fearful the refugee claimants would be sent back to China, in order to curry favour with the regime in Beijing. They suggested it was all part of a cynical plan on the part of the new Liberal government to sacrifice Canada's traditional human rights concerns to help smooth the way for Canadian companies eager to do business in China.

Kenneth Cheung, president of the Montreal Chinese Professional and Business People's Association, said that instead of pandering to the régime in Beijing, Canada should:

> ...live up to its traditional position of playing a leadership role in international human rights commitments....

This is not an episode which enhances in any way Canada's long and well-deserved reputation as a leader in the struggle for human rights and freedoms, both at home and abroad.

There is no doubt that trade with China is increasingly important to Canada. Our two-way trade has grown substantially in recent years, reaching $4.6 billion in 1993. Growth in our exports of manufactured goods to China has been strong, particularly in the sectors of electrical equipment, machinery and construction materials. China remains a large market for exports of Canadian wheat, with sales totalling some $400 million in 1993, down from $1 billion in 1992.

Canadian companies have invested some $300 million in China, and a growing number of companies are interested in expanding their operations through foreign investment. China's largest investment in Canada is in the Castlegar Pulp and Paper Mill in British Columbia.

I agree with those who say that Canada can have some influence on the Chinese government by being a partner — rather than by being absent from China's affairs. However, I accept such a notion only in the absence of far more concerted efforts on the part of Canada and the international community. Worldwide trade sanctions against China — sponsored by the United Nations — may yet be required before China mends its ways.

However, this government is wrong in suggesting that we are limited to two mutually exclusive alternatives, one being open trade and the other being a hard line in support of human rights. I choose to view these two choices as interdependent, and in Canada's national interest.

What is to prevent us from expanding trade with China in a number of areas while restricting shipments of nuclear equipment in light of last month's underground test, as an example? Will our bilateral trade with China suffer if we continue to welcome refugees from that country? It is doubtful. In fact, it is high time we went the extra mile by offering sanctuary in Canada to refugees from Tibet. It is my understanding that only two or three Tibetans were granted refugee status last year. This is unacceptable.

The Globe and Mail commented in an editorial June 4:

> Like shoppers at a Boxing Day sale, Western dignitaries are trampling each other in the rush to take part in the Chinese economic miracle — with Canada leading the pack.

Perhaps we need to rethink this resurgent exchange in top-level visits between Canada and China. Remember that China's leaders welcome such visits as an opportunity to earn foreign exchange, all the while using such visits to convince their people that Western leaders condone or support their leadership.

I cannot accept, even for a moment, what appears to be the personal diplomatic stance of the Prime Minister, based as it is on the notion that Canada is somehow too small, too insignificant to influence the struggle for basic human rights and freedoms in a country the size of China.

We are one of the world's seven largest economies, one of the major voices at the United Nations. We belong to more international bodies than any other country, including the Asia-Pacific Economic Conference. We are represented on the boards of directors of international financial institutions, including the Asia Development Bank. These organizations regularly present opportunities for Canada to press for a concerted international effort to advance the cause of human rights, as does the GATT, which soon will consider an application for membership from China.

We must recognize that the impact of Canadian action, whether bilaterally or multilaterally, will be more like water on stone than a thunderclap of change. The dilemma we face in balancing economic interests with the promotion of fundamental values is real enough. In the long run, we will put our own prosperity at risk if we fail to adhere to our own set of values in our dealings with other countries.

Speaking to you on June 14, Senator Ghitter suggested five steps Canada could take to promote human rights in China and elsewhere. Let me repeat them: Exposing and criticizing nations whose human rights records are unacceptable; striving to maintain the best human rights record possible within our own country; using our influence at the United Nations, the World Bank, the IMF, GATT and other international organizations; refusing ourselves to buy, and encouraging our trading partners not to buy, goods from countries producing goods under slave labour conditions; taking steps to overcome obstacles to human rights, for example, helping to build an independent and corrupt-free judiciary in these countries.

• (1510)

I am happy to support Senator Ghitter's suggestions.

Honourable senators, Canada has stood straight and tall and should be proud of its reputation as a world leader in defending the weak, holding out hope for the desperate and setting an example for all nations. However, we have come to a fork in the road. We are in danger of straying from the path we have followed for so long. We are in danger of losing our way. "For what is a man profited, if he shall gain the whole world, and lose his own soul?" Now is the time to uphold and promote the rights, the freedoms, and the fundamental human values we enjoy as Canadians, rights and values even today debased and denied in so many parts of the world.

Honourable senators, I invite all of you to join me in sending a strong message to Mr. Chrétien, Mr. Ouellet and others in government, but more important than that, a strong message to the leaders in China. That message is that the values of Canada and Canadians are not for sale at any price.

On motion of Senator Bosa, for Senator Austin, debate adjourned.

SOUTH AFRICA

FIRST DEMOCRATIC ELECTIONS—INQUIRY

On the Order:

> Resuming the debate on the inquiry of the Honourable Senator Oliver, calling the attention of the Senate to his participation as a United Nations observer at last month's first Democratic Elections in South Africa.—*(Honourable Senator Cools).*

Hon. Anne C. Cools: Honourable Senators, I rise today to take part in the debate on the enquiry of Senator Oliver regarding the United Nations Observer Mission to the elections in South Africa.

I would like to begin by stating that I, too, went to South Africa as one of Canada's participants with UNOMSA, the United Nations Observation Mission in South Africa, on the occasion of this election.

The precise number of IEOs, Independent Electoral Observers, from Canada was 35, all nominated by the Minister of Foreign Affairs, Andre Ouellet. I would like to put their names on the record, with the indulgence of fellow senators. Their names are as follows: Mr. Andy Anstett, Mr. Wellington Borland, Mrs. Rosemary Cairns, Mr. Alan Cassels, Mr. John Courtney, Mr. Almon Dale, Mr. Garth Dalton, Mrs. Sandra Delgaty, Mr. Pierre Fafard, Mr. Maurice Foster, Mrs. Georgette Gagnon, Mrs. Brigitte Gauvreau, Dr. Richard Heinzl, Dr. Eric Hoskins, Mrs. Sylvie Jacmain, Mr. Edward Lee, Mr. He Liu, the Honourable Flora McDonald, the Honourable Lorne Nystrom, the Honourable Donald Oliver, Mr. Robert Patterson, Mrs. Eileen Peters, Mrs. Lise Provost, Mr. Stephen Toope, Mrs. Linda Trimble, Mr. Alan Tupper, Mr. Barry Turner, Mr. Kent Vachon, Mrs. Alida Vokey, Mr. Patrick Wansbrough, Mrs. Shawn Ward, Mr. Dermot Whelan, Mrs. Sandra Wilson, Mr. Merill Wigginton and myself. These persons were the Canadian IEOs to South Africa.

This stupendous event in South Africa was made possible by the social and political collapse of the U.S.S.R. and the personal and political character of two men, Mr. Frederik Willem de Klerk and Mr. Nelson Mandela. I think that this South African election is the single most impressive political event of the decade, possibly the century. It is certainly an enormous testimony to human endurance, to political will, and to political skill.

It is indeed a pleasure to see once again South African products and produce such as fine wines, Outspan oranges, Granny Smith apples, and all such other splendid produce returned to the shelves for eager consumers of this country to purchase. It is a great joy to see this resurgence of commercial activity between our two countries, because any visit to South Africa quickly reveals the damage inflicted by the economic sanctions.

I would like to put on the record a little bit of the history of Canada-South Africa relations. I would like to begin by addressing the particular issue of South Africa's departure from the Commonwealth of Nations on May 31, 1961. As you know, the Prime Minister of Canada at that time was the Right Honourable John Diefenbaker, and he played an important role in the events at Lancaster House. We must be mindful that Mr. Diefenbaker held the view that the door should be left open to South Africa.

I read as follows from an article that was printed in the *London Times* on March 16, 1961. The headline reads, "South Africa Decides to Leave the Commonwealth (1961)." The article says:

> As the debate went on it became more and more clear that attacks upon apartheid within the Commonwealth would increase in future. Dr. Verwoerd evidently came gradually to the view that the basic difference over racial policy would in practice continue to create strains for South Africa and for the Commonwealth, which were becoming, and would increasingly be, intolerable.
>
> At this point he took, in the British view, the honest course. With much dignity and restraint he rose to tell the other Prime Ministers that he felt that South Africa was not welcome as a member and was in fact an embarrassment. After a short adjournment he announced that he thought it better both for South Africa and for the Commonwealth to withdraw the application for readmission to membership.
>
> There were others last night who thought that a dangerous precedent had been created by the attacks upon a member's policy, but many argued too, that South Africa's racial policy was certainly not just an internal matter. As but one clear and concrete proof of this they pointed, for instance, to her refusal to permit non-white diplomatic missions from other Commonwealth countries.
>
> Many felt that in the end the Commonwealth would gain, and hoped one day to see South Africa return to the fold. The argument about who was to blame — whether South Africa was forced out, or by her policy made her departure inevitable — will certainly continue for years.
>
> Soon after Dr. Verwoerd left Lancaster House, this statement was issued:
>
> > At their meetings this week, the Commonwealth Prime Ministers have discussed questions affecting South Africa.
> >
> > On March 13 the Prime Minister of South Africa informed the meeting that: following the plebiscite in October, 1960, the appropriate constitutional steps were now being taken to introduce a republican form of constitution in the Union, and that it was the desire of the Union Government that South Africa should remain within the Commonwealth as a republic.

> In connection with this application the meeting also discussed, with the consent of the Prime Minister of South Africa, the racial policy followed by the Union Government.
>
> The Prime Minister of South Africa informed the other Prime Ministers this evening that in the light of the views expressed on behalf of other member Governments and the indications of their future intentions regarding the racial policy of the Union Government, he had decided to withdraw his application for South Africa's continuing membership in the Commonwealth.

I wanted to put that on the record because even today, 30 years later, there is much contention as to whether South Africa left or was expelled from the Commonwealth. Today, however, South Africa has rejoined the Commonwealth.

I would like to continue by looking again at the relationship at the turn of the century between Canada and South Africa, being mindful of the fact that South Africa was one of the original four British Dominions. The four British Dominions were Canada, South Africa, Australia and New Zealand. For many years Canada and South Africa enjoyed most favourable diplomatic relations. In point of fact, Canada, under Sir Wilfrid Laurier, though reluctantly, sent a contingent of 7,000 to 8,000 troops to take part in the Boer War in 1899 to 1902.

Of interest in today's climate of Quebec-Canada relations and pressing Quebec sovereigntist sentiments is the fact that at the turn of the century Canadians, Englishmen, Afrikaners, and British South Africans believed that the proper solution to race relations in South Africa should be the implementation of the equivalent constitutional arrangement that Quebec and French Canadians had in Canada. I would like to put a few quotations on record to illustrate this fact.

• (1520)

I should like to quote from the United Kingdom's House of Commons Hansard of 1901, part of a debate that upheld Lord Durham's Report and proposed a constitutional arrangement, including a fusion of the races in South Africa, which essentially meant a fusion of South Africans of Dutch and British origin. Of importance to note is that, in all these discussions on democracy and constitutional arrangements, remarkably little attention was given to consideration of the black peoples of South Africa. In any event, I should like to quote Mr. Thomas Shaw, a Liberal member of Parliament, who, on April 2, 1901, rose in the House of Commons at Westminster and said:

> What hon. Gentlemen opposite are apparently contending for is the weakest form of government for distracted South Africa that could possibly be devised — I want the strongest. I want a trust in these people who are of an alien race. There was the same complexity in Canada, but under wise and free civil government the reconciliation of the two races was gradually accomplished. There is, far more than the mere question of flags, deep down this great root problem, how the Dutch and the English are to dwell in amity and concord in that portion of His Majesty's dominions. I want to see done in South Africa what was done in Canada. I want to have a full and free amnesty, and properties fully restored. I want Botha's elective assembly accepted, and that without delay. I cite in favour of all these things the precedent of Canada and the report of Lord Durham, which said that at the root of all such troubles is the question of the apparent impossibility of the fusion of the races...
>
> I plead for what in my mind and heart I believe to be a more excellent way — a present and a fuller clemency, and a future and enduring peace.

Honourable senators, that point of view was quite prominent at the turn of the century during the Boer War and immediately on the heels of the Boer War. The proposed constitutional solution that was believed to be the one that could find peace between the British and Afrikaner people in South Africa was the Canadian solution. The Canadian solution was the very special accommodations that had been made with French Canadians and Quebec.

Honourable senators, a prevalent point of view at the time maintained that the Boers of South Africa were in a similar plight to the French Canadians of Canada. Here in French Canada there was enormous sympathy and support for the Boers and President Kruger, and that point of view was reflected in Canadian politics in the persons of Sir Wilfred Laurier's Minister of Public Works, Mr. Joseph-Israël Tarte, and even Mr. Henri Bourassa.

That was the thinking at the turn of the century regarding the relations of the Boer South Africans and the British South Africans in South Africa.

I would like to share with honourable senators a few of my observations and conclusions on South Africa. I was posted to the electoral district called PWV, Pretoria-Witwatersrand-Vaal which is an extremely large area that returned 43 seats to Parliament. It includes the entire electoral area around Johannesburg, Pretoria and their environs. My assignment from the United Nations with my United Nations teammate was to an area called Kargiso, where we observed 10 polls. Kargiso, in the electoral district of PWV, is a black township located about 20 to 30 kilometres outside of Johannesburg, and about the equivalent distance from Soweto. Kargiso was a typical black township with row after row of brick bungalows. The backyards of these little brick bungalows accommodated several squatters who just lived there, squatting in makeshift circumstances, a condition for the squatters which was an upgrade from the squatter camps. The squatter camps were visible, and plentiful.

As you know, the troubles at Sharpeville, a black township, in 1960 compelled us all to focus our minds on the existence of these black townships and the problems therein.

There has been so much television coverage on the election that I am reluctant to repeat what everybody now knows, such as the long lineups for voting and the dedication and patience of the people waiting to vote. For myself, I would like to share with honourable senators my experience of participating in observing this election, which was not a happy one. It was a difficult one, it was a challenging one and in many respects it was a very dangerous one. One of my constant concerns throughout my stay was for my personal security and well-being, which I truly felt was at risk most of the time.

My observations of South Africa are as follows, and I relate them in no particular order:

On arrival in Johannesburg I became immediately aware of the high degree of personal violence, personal assault and crime. I was fast to learn that South Africa is the unhappy owner of the highest murder rate in the world. The murder rate in the area in which I was working, Kargiso and Johannesburg, is eight to ten times the murder rate in Washington, D.C., and, as Canadians, we usually think that Washington has an extremely high murder rate. This violence is most marked among the black people, with black assailants and black victims.

In the first two days of our visit, one of the IEO's from our hotel was held up at knife-point, and there was a murder right outside our hotel, the Mariston, in Johannesburg.

The presence and the visibility of force, and its use by the South African Defence Force and the South African police was somewhat overwhelming. I quickly learned the differences in their uniforms. I have never in my life seen the quality of police-armoured trucks, either in quantum or in magnitude. These armoured trucks that patrol the townships are frequently to be seen on television. They are quite often coloured yellow and blue, and they are most monstrous looking.

In talking to black and white police, I was made aware that the murder rate was so high and the level of personal violence was so prevalent that the management of bodies, of corpses, is indeed daunting. I was told by many of the police that the police college has training programs directed at stress and counselling for both black and white policemen who are distressed from dealing with the consequences of personal violence, assaults, and murders. Both black and white policemen talked to me about this problem.

The quickest, most superficial glance at the black townships very quickly revealed the fact that the black people of South Africa had been ravaged by the economic sanctions such that the unemployment rate is of staggering proportions. South Africans frequently pointed out to me little brick houses in the townships in which 12 people lived with only one person employed. It is important that the honourable senators understand that it will be at least a generation before South Africa, and in particular black South Africans, will recover from the consequences of the economic sanctions.

I observed that Afrikaners were well represented in the police forces and in the military. I heard much Afrikaans spoken by members of both the military and the police forces. I learned that Afrikaans is the official language of the South African police and the official language of police reports.

• 1540)

I observed that in South Africa, despite years of truce, despite years of supposed peace between the Afrikaners and South Africans of British extraction, the two peoples still live largely separate, and largely unintegrated. These two peoples still maintain a largely separate existence and remain two solitudes.

Again, I observed that South Africa, in many ways, is a mixture of first world and third world, if not fourth and fifth worlds. I observed enormous numbers of well-constructed roads, hospitals, and schools. The infrastructure of South Africa is most impressive, undoubtedly the finest in all of Africa. In the black township in which I worked, the 10 polls that I observed, honourable senators, were all in schools, which I found surprising.

I observed, honourable senators, enormous goodwill on the part of most white and black people. The commitment to start anew, to build afresh, was really quite remarkable. The expression of goodwill that I heard on both sides from black and white — or, in reality, four sides, if you count the black South Africans, the coloured and Indian South Africans, the English-speaking South Africans and the Afrikaner South Africans — was indeed most humbling.

I observed a strong apprehension on the part of many white and black South Africans that the new South African government might follow the path of many African countries and lean towards violence and one-party states. I heard a stated desire that this would not be the case. I heard this from large numbers of white and black people alike as they attempted to peek into the future to see what it would hold. Many black people told me they were voting ANC, but that they wanted Mr. de Klerk to continue to have a strong presence in the political life of South Africa.

The negative residue of Soviet Union-backed wars is very evident in South Africa. The negative residue of the U.S.S.R. and the consequences of Marxist activity in Africa — such as the wars in Angola and Mozambique — was very evident in the number of weapons, the ease at which these weapons were moving around the country, and the ease of their purchase. During the few weeks leading up to the elections, Soviet-made AK-47s plus 100 rounds of ammunition were selling for as little as 25 Rand. Honourable senators, 25 Rand is barely $10 Canadian. I repeat, these weapons were largely Soviet-made, and had made their way into South Africa from Angola, Mozambique and everywhere else.

The Hon. the Speaker: I apologize for interrupting, but I wish to inform the honourable senator that her time has elapsed.

Honourable senators, is there unanimous consent to allow the honourable senator to continue?

Hon. Senators: Agreed.

Senator Cools: Thank you, honourable senators.

The use of these weapons is well known, given the high murder rate in the area to which I have previously made mention.

In the election process, as I observed daily at the polling stations, it was very clear that the National Party had had experience running elections. They had their players, their candidates, both black and white, and they behaved and acted like a political party. I also observed that the ANC, within my polling areas, was not so accomplished and their party agents were not as practised at being political party people. However, I have no doubt that that will come. The challenge now for Mr. Mandela and the ANC is to transform the ANC into a true political party, and a democratic one at that.

On the question of violence, again I would also like to share with senators that I observed a group of black Africans playing in a band. I observed the wounds and scars on the band members' bodies. I observed one particular individual as he was wearing his "beshu," which is a piece of animal skin that covers the lower part of the body, the loins. I observed and counted the number of scars on his body — I counted thirteen and stopped. I came to the conclusion that this was a part of growing up black in South Africa.

I observed large numbers of illiterate people voting. I saw them in droves. I observed large numbers of functional and near illiterates. I observed that pre-election voter education was frequently directed to the functionally and near illiterate. For example, some of the voter education manuals were in comic book format. I will show these to honourable senators. They are literally comic books! I have never seen this before. I was born in Barbados where there is a high level of literacy, but these comic books were the instruments used to bring voter education to the people!

I observed in conversations with many black South Africans that many of these people have extremely high expectations of the election. Many black people told me that they expected new houses, and great increases in their personal wealth. Many expected not to have to pay taxes any more, and so on and so forth. Their enthusiasm to participate in this election was unequalled. However, their expectations are a matter for concern.

These are some of my observations, honourable senators, and they are to be taken as one wishes. Some of them were quite chilling to me, and some were quite enlightening to me.

Honourable senators, it is frequently forgotten that apartheid was an Afrikaner creation. It was introduced in my lifetime, in 1948, by the governing party of South Africa, the National Party, the very same party now headed by Mr. de Klerk, who has currently led in bringing about this total transformation of South Africa. Mr. de Klerk has achieved an enormous feat.

Mr. De Klerk said some weeks before the election, and I quote:

> This election is not about ending apartheid. We have already ended it...

And a few days later he said:

> I have distanced myself from that which was wrong in my past. The ANC has not.

Mr. de Klerk states that he has distanced himself from the wrong of his past and his party, more so than Mr. Mandela. I would submit, honourable senators, that the jury is out. The reality is that the ANC has only recently abandoned its program of violent revolution, and the road ahead is indeed daunting for Mr. Mandela and the new government as they go forward, where the damage from the past is enormous and the expectations are high.

For example, honourable senators, the ANC had a policy in the seventies which called for, and I quote, "liberation and not education." Large numbers of young people dropped out of school and did not even use the limited school facilities to their maximum. Many of the schools became sites of insurrection and rebellion. This new government goes forward now with the handicaps that are the result of policies it held at earlier times in its existence.

South Africa is in Africa, and it personifies the history of Africa. It carries the collective "racial unconscious" that is a part of Africa. While there, I talked with as many of the black peoples as I could. I met and talked with black people of various tribes and languages, including the Shangaan, Venda, Sotho, Tswana, Xhosa, and Zulu, these last two being the Nguni language groups. I am told that there are at least 26 such tribal groups and languages in South Africa.

I must share with honourable senators that for years, growing up as a child in a colony, I read of the different black races of South Africa including the Matabeles, the Griquas, the Basutos, the Hottentots, the Korannas, and others, but this was the first time in my life that I had encountered, face to face, people of these races and people who spoke these languages.

The black township in which I worked, Kargiso, was largely a Tswana-speaking area. I must tell honourable senators that in my visit there, and like most people going to South Africa for the first time, I had been influenced by the enormous public relations campaigns outside of South Africa. I tended to view the Zulus with some antipathy, if not with some negative considerations. Honourable senators, if I came back with a changed perception or sensitivity, it was that I came back with a sharpened sensitivity to the plight and the condition of the Zulu people. As I said before, the United Nations was aggressive in its support of the ANC, as were the media and everyone else. Consequently, I think that the plight of the Zulu, all seven million of them, will need some close observation from Canadians.

The Zulu nation is the last African nation which remains intact. It comprises seven million people in the area of Natal-Kuazulu, formerly known as Zululand. They still have a constitutional structure of their own. They have a king, King Goodwill Zwelithini, who is the hereditary king descended from

King Tshaka. His first minister is Mangosuthu Buthelizi, who is also a direct descendant of King Tshaka's first minister. They have maintained intact many of their tribal rites, rituals, and customs. Television has shown us their war dances, their peace dances, their anger dances, and so on.

Their reputation as warriors was well known. In their various campaigns they had a reputation for fierceness, which was developed as a result of King Tshaka. King Tshaka had a penchant for killing his vanquished by impaling them with spears. King Tshaka was such a fierce fellow that when his mother died, he thought she ought to be well accompanied on her way to the next life. For that purpose, he was able to organize the death of some 5,000 people to accompany her there. In addition to this, we know that King Tshaka was accomplished as a leader and an organizer, and that he united the Zulu nation.

In South Africa I saw the bougainvillaea, the frangipane and the oleanders, all beautiful flora. South Africa is a land of enormous beauty and a land of enormous bloodletting. South Africa is the land of the Great River, the land of the Great Trek, the land of the Great Hunger and the land of the Great Killings. Because of tribal warfare some centuries ago, and because of the abundance of human wounded, the lions on the veld acquired a preference for human flesh over ordinary wild game. At some points in time during the great hungers and famines, cannibalism existed as the strong preyed upon the weak, in their hunger.

South Africa is the land of the African Bushman, the original inhabitants of South Africa, who predate the black and white South Africans. The archery skills and poisoned arrows of this strange, diminutive hunter; this strange, diminutive aboriginal; this Stone Age person, this bow-and-arrow person, caused him to be hunted by black and white South Africans alike. The Bushman, barely five feet tall, thought by many to be the oldest human being on the earth, is now nearly extinct. His numbers dwindled to dangerously low levels sometime in the 1830s due to the various raids, hunts, and campaigns at the hands of black and white Africans alike. The Bushman was killed off through deliberate acts of genocide. He is now all but extinct, except for some 100 or so who live in a national park somewhere in South Africa. Their near extinction is a terrible witness to the enormity of man's inhumanity in South Africa.

Sir Laurens van der Post, a most notable South African author, who although quite elderly is still alive, has written about the Bushmen and their terrible fate, saying:

> You cannot eliminate something precious in life without killing something in your soul.

Sir Laurens has always maintained that true harmony among the races in South Africa will only be possible once the pain and the blood of the South African Bushman has been atoned. The future will tell whether or not there will be racial harmony in South Africa.

I reported to the United Nations that, in all that I observed, I saw a fair and free election, a true testimony to political will and political capability. It was unmistakably fair and free. It was so fair and free that I concluded that the United Nations observation teams were not vital. The election was a stupendous effort, and a monumental success. Mr. de Klerk and Mr. Justice Johan Kriegler, head of the Independent Electoral Commission, accomplished a superhuman task in conceiving it, in executing it and in completing it. Mr. Mandela's personal tribulation is legend.

Honourable senators, I feel honoured and privileged that I was present, and witness to the completion of an historical process as universal suffrage was brought to the black people of South Africa. As a Canadian, I felt honoured and privileged in my knowledge that Canada, in its bilateral relationship with South Africa, had assisted in the process of bringing about that election. Canada's assistance, particularly through its Canadian electoral officers, Mr. Kingsley and Mr. Gould, was critical and, as always, firm, steady, and unobtrusive. It was a testimony to our humanity, and a testimony of our commitment to the black peoples of the world.

As I observed my ten polling stations in Kargiso, as vulnerable and as exposed as I was in South Africa, I felt that I had witnessed an appointment with destiny.

The Hon. the Speaker: Honourable senators, if no other senator wishes to speak, this inquiry is considered debated.

CONSTITUTIONAL IMPLICATIONS OF UNILATERAL PROVINCIAL ATTEMPT TO DECLARE SOVEREIGNTY OR SEPARATION

INQUIRY—DEBATE ADJOURNED

Hon. Royce Frith: rose pursuant to notice of Thursday, June 23, 1994:

> That he will call the attention of the Senate to a letter of June 13th, 1994 from Gordon Robertson to Lise Bissonnette of *Le Devoir*, copies of which were sent to *Le Soleil*, *La Presse* and *The Gazette*, on the subject of the constitutional implications of a unilateral provincial attempt to declare sovereignty or separation.

He said: Honourable senators my motivation for this inquiry is my opinion that there should be something on the record of the Senate dealing with the question of Quebec separation and sovereignty which enables us to exchange views on the subject freely, and not on any partisan basis. I have had that feeling for some time, but I had no clear picture of how to get the matter before the Senate in such a way as to give senators an opportunity to express and exchange their views on this important matter.

We have in the Senate a number of experienced and learned constitutional lawyers and politicians. I hope that this inquiry will give them an opportunity to put forward their views so that when one looks at the Senate record of 1994, which could turn out to be a rather important year, it will be seen that this historic subject did engage the attention of senators.

Therefore, when Mr. Gordon Robertson told me about a letter which he intended to send to two French-language newspapers in Canada and one English-language newspaper, and sent me a copy of it, I decided to put that letter into the record by way of an inquiry.

I will say nothing more than that, to put it down at this stage. Interested senators can have a look at this letter over the summer. I expect to speak again after I have heard the observations of such persons experienced in the field as Senator Murray and Senator Beaudoin, and many other senators, because it is a matter of interest to all of us.

The letter was written in French to the two French-language newspapers, of course, and in English to the other. I propose simply to read the letters, but I will alternate between French and English because the letter was written in both languages.

• (1550)

I should put on the record, although I think most of us know this, that Mr. Gordon Robertson is a former Clerk of the Privy Council. His letter starts in French in the following manner:

[*Translation*]

> "Quebec in a New World," the Parti Québécois plan of action, is a most interesting document. However, if the purpose is to set forth for the people of Quebec and the rest of Canada the PQ plan for sovereignty, I can only deplore the unreality of the important part on "accession to sovereignty."
>
> Under the PQ plan, when it forms the government of Quebec, it will secure passage by the National Assembly of a solemn declaration of Quebec's wish to accede to full sovereignty. Thereafter, the PQ government will:
>
> "(b) following discussions with the federal government, proceed to fulfil its responsibility and its mandate to establish the timetable and modalities for transferring powers and determine the rules for dividing Canada's assets and debts; (...)"
>
> The PQ government would then move to draw up a constitution for a sovereign Quebec and to hold a referendum. "This referendum will be the act that will bring into being a sovereign Quebec."
>
> The process sounds rational and simple, but it bears no relation to the facts of the constitution of Canada. It will not happen. Why not?
>
> As secretary to the cabinet, and then secretary to the cabinet for federal-provincial relations, I spent 16 years of my life (1963 to 1979) advising federal prime ministers and governments on their relations with the provinces and on the courses of action possible for the government where constitutional issues were involved. If I were back in that job in 1995 and a hypothetical Premier Jacques Parizeau approached Ottawa for the discussions proposed in "accession to sovereignty," what would I advise?

[*English*]

> I would advise that there is only one legally valid way under the constitution by which the "accession to sovereignty" by Quebec can be accomplished: by an amendment of the constitution under Part V of the Constitution Act, 1982. There is no other constitutional way. The amendment would have to be under Section 41, which requires the unanimous consent of the Senate, the House of Commons and the legislative assembly of each province. This is because the separation of Quebec from Canada would affect at least three of the five matters listed in Section 41: the office of the lieutenant-governor of Quebec, the composition of the Supreme Court of Canada, and the amending procedure for the constitution.
>
> In view of that situation, the government of Canada would have no constitutional power to enter into any negotiations with the government of Quebec on "the timetable and modalities for transferring powers," nor on "the rules for dividing Canada's assets and debts," nor on any other matters relating to the sovereignty of Quebec.
>
> Adding to the lack of jurisdiction is the political fact that the head of the federal government, Prime Minister Chrétien, and several ministers are from Quebec. In these circumstances, it might be unwise to have any meeting with Premier Parizeau or with any ministers or officials from the government of Quebec on this subject.
>
> The best course of action, given the constitutional requirements and the position of the prime minister and other ministers who represent federal constituencies in Quebec, would be to invite Premier Parizeau to put his proposals in writing so they could be communicated to the premiers of all the provinces. With a view to a first-ministers conference, the written proposals could form the basis for discussions at the ministerial or the official level involving representatives of the federal government, Quebec and all the provinces. Only this process involving 11 governments would provide the kind of authoritative discussion the PQ program contemplates.

[*Translation*]

> There is another aspect of reality that is not touched on in the PQ program, but which could not be ignored in advice to a government of Canada.

Under section 91(24) of the Constitution Act, 1867, the federal government is responsible for Indians which, under a judgment of the Supreme Court, includes the Inuit. Aboriginals attach particular importance to the Royal Proclamation of 1763 as the basis of their historic rights. All of these are "recognized and affirmed" for them and for the Métis by the Constitution Act, 1982.

A constitutional amendment for the separation of Quebec would raise concerns among the aboriginals resident in Quebec about their rights. They would almost certainly press for representation at the conference of first ministers to discuss the things the PQ proposes to raise.

This federal responsibility for the aboriginal peoples would be more than apparent to the prime minister, who was formerly minister of Indian affairs, but the importance of the constitutional fact is not generally understood.

The most significant issue for the federal government to consider in this regard is aboriginal self-determination. With the Quebec referendum planned "as quickly as possible" to determine the views of Quebec people on their future, it is very likely that the aboriginal people in Quebec would claim the same right for themselves.

It is not at all clear that the United Nations Covenant on Human Rights, which recognizes the "self-determination of peoples" as a human right, would apply to the aboriginal peoples of Quebec. However, it would be extremely difficult to reject that claim if the right was being asserted by the people of Quebec generally.

The PQ "plan for sovereignty" does not give any attention to the interest of the aboriginal people of Quebec and the constitutional need for them to be consulted by the federal government.

[*English*]

Finally, I would advise in 1995 that the whole process for a constitutional accession to sovereignty by Quebec would take a long time.

There would have to be discussions and conferences to arrive at an agreement on all the points of substance. If the aboriginals demanded self-determination, there would have to be time for their referendum or referendums to take place. If they opted to stay with Canada, a whole new range of problems would arise. At the end of all this, the total agreement would have to be hammered out and accepted by all the parties.

Only then could the "steps and conditions that will lead to a sovereign Quebec," as stated in the PQ plan, be placed before the people of Quebec. The next and final step for a constitutional separation would be the approval of the Parliament of Canada and of the 10 provincial legislatures.

The time required for a constitutional separation might lead a PQ government to consider a non-constitutional course: a unilateral declaration of independence. But such a declaration could be illegal and an agreement on dividing assets and debts and on the economic relationship with Canada would still be lacking.

Realistic advice would have to include this possibility along with some attempt to foresee the very serious and disturbing consequences. It is clear that both the constitutional process by amendment and a unilateral declaration of independence present grave difficulties.

My hypothetical advice would have to include recognition that a strong, unequivocal majority vote for separation in a referendum on a clearly worded question would leave the rest of Canada with no choice but to acknowledge the self-determination imperative.

But even in such circumstances and, with good will on all sides, the difficulties would be enormous. There would have to be negotiation. But negotiation with whom? We would be outside the realm of law and constitution and it is impossible to know how this or any related problem would be handled.

It seems to me that the PQ has a responsibility to the people of Quebec to provide a realistic analysis of the problems involved in accession to sovereignty. They have not done so thus far.

Honourable senators, thus would that distinquished and experienced Canadian public servant, Gordon Robertson, advise the Prime Minister of Canada on the matters to which I have referred.

I will not add much more at this stage. However, may I underline the invitation to senators to give their opinions about any of the matters that are included in this very interesting letter. Of course, such opinions would include the opinions of people such as Senator Beaudoin and others on the constitutional side of the question. However, in my view, that would limit the value of having this matter discussed in the Senate. I say that it should also include reactions by experienced politicians, by persons experienced in federal-provincial relations and former cabinet ministers, such as Senator Murray, as to some of the practical political consequences of such moves for separation and, in fact, of Mr. Robertson's hypothetical advice to the Prime Minister.

I hope in the fall, honourable senators, we will have interesting and informative interventions by our many learned and experienced senators on the subject of this inquiry.

On motion of Senator Di Nino, debate adjourned.

The Senate adjourned until Thursday, July 7, 1994, at 10 a.m.

THE SENATE

Thursday, July 7, 1994

The Senate met at 10 a.m., the Speaker in the Chair.

Prayers.

ROUTINE PROCEEDINGS

BUSINESS OF THE SENATE

Hon. Richard J. Stanbury (Acting Deputy Leader of the Government): Honourable senators, I believe it is understood that we will stand all of the routine proceedings and move directly to item No. 1 on the Order Paper. If there is a problem with that, I would appreciate hearing about it, but that is my understanding.

The Hon. the Speaker: Honourable senators, is there leave for this approach?

Hon. Senators: Agreed.

[*Translation*]

Hon. Marcel Prud'homme: Honourable senators, this definitely bothers me. I have no objection as such, but really! I have always said that independent senators, and there are not that many, should be consulted from time to time.

I will give my consent because I respect the person who requested it. Someday, however, there may be more independent senators in this Senate, and we cannot keep saying they do not count. I admit that these agreements between the two parties are a reasonable way of doing things, but I resent the fact that we are kept in the dark about such agreements.

I want to say to the Acting Leader of the Government that I have every respect for him, but I wish that we, as independent senators, or anyone else for that matter, were at least informed. I will give my consent, although this was unexpected.

I repeat, honourable senators, it is not easy to be entirely on your own, from time to time. It is not. We have the same rights as those with partisan affiliations in this Senate. We should be informed of these agreements.

[*English*]

I wish to repeat: I am an extremely reasonable person, but I will not accept being sidetracked all the time with these ententes between the two parties. I will cooperate to the fullest; however, if deals are being made of any kind that I am unaware of, as a senator I will exercise my rights, as I do now. I now agree that the honourable senator may proceed.

Hon. Royce Frith: Honourable senators, unless I am mistaken, and, unfortunately, I am unable to find the rule quickly, under our new rules the Leader of the Government in the Senate is entitled to call the order of business.

Hon. John Lynch-Staunton (Leader of the Opposition): Government business, yes.

Senator Prud'homme: That is correct.

Senator Frith: Yes, the government business. In effect, Senator Stanbury was being courteous to Senator Prud'homme and to all senators in saying that he believed we had this understanding. He was asking for approval, and His Honour then asked if there was leave to proceed that way, but Senator Stanbury did not have to do any of that. He could have simply called it. That should be understood.

[*Later*]

VISITOR IN GALLERY

MEMBER OF PARLIAMENT OF VICTORIA, AUSTRALIA

The Hon. the Speaker: Honourable senators, I should like to draw your attention to the presence in the gallery of a visitor from a long distance away, Australia, Mr. Barry Pullen from the Parliament of Victoria.

Hon. Senators: Hear, hear!

[*Translation*]

ORDERS OF THE DAY

PEARSON INTERNATIONAL AIRPORT AGREEMENTS BILL

CONSIDERATION OF REPORT OF COMMITTEE

The Senate proceeded to the consideration of the Eighth Report of the Standing Senate Committee on Legal and Constitutional Affairs on Bill C-22, an Act respecting certain agreements concerning the redevelopment and operation of Terminals 1 and 2 at Lester B. Pearson International Airport, presented in the Senate on 6th July, 1994, with the following amendments:

1. *Page 2, clause 3:* Strike out lines 1 to 3 and substitute the following:

"3. The agreements are hereby declared to have no legal effect on and after April 13, 1994."

2. *Page 2, clause 4:* Strike out lines 7 and 8 and substitute the following:

"hereby declared terminated on April 13, 1994."

3. *Page 2, clause 5:* Strike out line 19 and substitute the following:

"declared to have no legal effect on and after April 13, 1994."

4. *Pages 2 and 3:* Delete clause 7 and renumber the subsequent clauses accordingly.

5. *Page 3:* Delete clause 8 and renumber the subsequent clauses accordingly.

6. *Page 3, clause 9:* Strike out lines 7 to 9 and substitute the following:

"9. No one is entitled to any compensation from Her Majesty by reason of the application of this Act, except any entitlement to compensation that arose before April 13, 1994 in respect of the agreements."

Hon. Gérald-A. Beaudoin moved the adoption of the report.

He said: Honourable senators, the Standing Senate Committee on Legal and Constitutional Affairs held two days of hearings this week, on Monday and Tuesday. It heard four important witnesses: two ministers, the Honourable Allan Rock, Minister of Justice, and the Honourable Doug Young, Minister of Transport; and two experts on constitutional law, Professor Douglas Schmeiser of the University of Saskatchewan and Professor Dale Gibson of the University of Alberta.

After hearing the two expert witnesses, who dealt with the rule of law, the Canadian Charter of Rights and Freedoms and the 1960 Canadian Bill of Rights, a majority of committee members concluded that Bill C-22 contained a serious flaw which should be corrected by the Senate, namely, the denial of access to the courts imposed under clauses 7 and 8.

[*English*]

The honourable Minister of Justice expressed the view that Bill C-22 does not offend against any constitutional provision and is, therefore, constitutional, and six members of the committee agreed with the opinion of the minister.

[*Translation*]

I said at the beginning of the hearings before the committee that the debates should be restricted to the constitutional issue of rule of law and access to the courts.

The rule of law is a principle enshrined in the Canadian Constitution. Access to the courts is part of the rule of law. What is referred to in English as the rule of law is one of the basic principles of our Constitution. In the Manitoba Language Rights Reference, [1985] 1 S.C.R. 721, also mentioned by the two constitutional experts who testified before the committee, the Supreme Court stated unanimously, at pages 748-749:

[*English*]

> The rule of law, a fundamental principle of our Constitution, must mean at least two things. First, that the law is supreme over officials of the government as well as private individuals, and thereby preclusive of the influence of arbitrary power.
>
> ...
>
> Second, the rule of law requires the creation and maintenance of an actual order of positive laws which preserves and embodies the more general principle of normative order. Law and order are indispensable elements of civilized life.

In short, it means that the rule of law principle cannot be ignored or set aside; it has to be complied with. It is part of our Constitution by virtue of the preamble of the Constitution Act, 1867, and, since 1982, by the preamble of the Canadian Charter of Rights and Freedoms.

The question of a fair and public hearing is also of utmost importance. The issue was dealt with at length by Professors Schmeiser and Gibson. In brief, we may say that the right guaranteed by section 2(e) of the Canadian Bill of Rights of 1960 has been denied because clauses 7 and 8 of Bill C-22 prohibit access to the courts.

[*Translation*]

The amendments proposed by the majority of committee members would have the effect of restoring the principle of the rule of law and giving the parties adversely affected by the cancellation of the contract access to the courts. That is why, according to the majority of the committee, clauses 7 and 8 should be repealed.

Furthermore, for the repeal of clauses 7 and 8 of Bill C-22 to be fully effective, it is also necessary to amend clauses 3, 4, 5 and 9. The purpose of the amendments to clauses 3, 4 and 5 is to remove the presumption that the contract never existed. To do so, a date must be set. According to the majority, this date should be April 13, 1994, when Bill C-22 was tabled in the House of Commons. The contract for the privatization of Pearson airport existed and therefore had a legal effect until April 13, 1994, according to the majority of committee members.

The amendment to clause 9 will have the effect of allowing payment of compensation, if necessary, provided the entitlement to compensation in respect of the agreements arose before April 13, 1994. Compensation will not necessarily be paid, but in any event, to uphold the principle of the rule of law in this case, it is vital to preserve access to the courts.

Honourable senators, this was substantially, and very briefly, an explanation of the amendments to Bill C-22 proposed by a majority of the members of the Committee on Legal and Constitutional Affairs.

[*English*]

Hon. Royce Frith: If the people of Canada thought that they had buried Mr. Mulroney, Ms Campbell, and their Conservative Party politically by their votes in the last election, they must now know that the same group intend to continue to rule from their graves.

Some Hon. Senators: Oh! Oh!

Senator Frith: For example, will the government the people elected in October last decide whether and how the Pearson airport deal is to be cancelled? No, sir, it shall not. The Conservative Party in the Senate will tell Canadians whether, and how, they can cancel the Pearson airport deal.

They are giving us that message in the amendments proposed in the committee. What we are debating at this stage is the report embodying those amendments, telling the government under what terms they can cancel the Pearson airport deal. The Conservative Party shall determine whether or not the rights they gave to the developers just before the election will survive or not. The government subsequently elected shall not so decide. but shall be told by the Conservative Party Senate majority how it shall be done. Not your way, government. No, our way.

Let us look at these amendments. In whose interest are these killer amendments?

An Hon. Senator: For the rights of Canadians.

Senator Frith: That is it. You hear the answer. I hope that their answer was recorded. It is for "the rights of Canadians."

Senator Hastings: For the rights of Canadian millionaires!

Hon. Royce Frith: Let us just look at the rights and interests of Canadians, and which Canadians we are talking about.

Senator Lynch-Staunton: All of them.

Senator Berntson: Any Canadian.

Senator Frith: "All of them," we hear. Let the people who voted, and let the people who have an interest in the cancellation of this Pearson deal, hear that this is in all their interests — indeed, in the interests of all Canadians. They are being told that it is in all their interests.

Is it in the interests of Canadian electors who surely and clearly wanted this deal cancelled? Well, no. Is it in the interests of the travelling public, to whom Pearson airport and its reasonable development as Canada's centre for air travel are so important? No! Is it in the interests of the lobbyists? Perhaps.

Senator Olson: Could be.

Senator Frith: For the lawyers of the parties? Perhaps.

An Hon. Senator: Have an inquiry!

Senator Frith: Is it in the interests of the developers who want to claim richly anticipated profits over 57 years? I would think so.

By these amendments, the developers to whom the Conservative government gave Pearson airport just before the election are rescued from the effects of the new government's decision, and the will of the people is successfully frustrated. These amendments will stall the whole question for an indefinite length of time, and at a potential cost, according to the evidence before the committee, of millions to the Canadian taxpayers, who so recently turfed out the government that caused the problem in the first place.

An Hon. Senator: Destroyed the party. All but two.

Senator Frith: From the very thorough and detailed debate in committee study, two key questions emerge: One, does the government have the moral mandate and the political authority to proceed with this initiative?

Some Hon. Senators: Yes.

Senator Frith: Two, if such mandate exists, would it be in the public interest to exercise it in the manner suggested by the committee's report?

First, on the mandate, I do not think anyone has argued, or will argue seriously against the government's political authority to cancel the agreement for the privatization of Terminals 1 and 2 at Pearson International Airport. In fact, the Conservative senators never really quarrelled with that authority. However, on the matter before us, namely the amendments proposed by the committee, it seems they just do not want that authority to be effectively exercised. They want it stalled for an inquiry while the developers involved in their governments' deal tie everything up with lawsuits based on all the claims which these amendments will give to those developers.

The Conservative senators try to paint a picture of normalcy for the deal but, in fact, it was characterized by undue haste. When the government issued a request for proposals on March 11, 1992, it gave the interested parties only 90 days to prepare and submit their proposals. However, prior to that time there had been an unsolicited proposal; the unsolicited proposal had been prepared, and then only 90 days were given to others to submit their proposals. Guess who won, finally? The one who made up the unsolicited proposal and had that head start.

That may be just a coincidence, but it is the kind of coincidence that should be remedied by leaving Bill C-22 unamended.

On August 30, 1993, a mere nine days before calling a general election, the government announced that a general agreement had been reached to turn over control of the airport to the Pearson Development Corporation for a period of 57 years.

Senator Lynch-Staunton: Not the airport, Senator Frith.

Senator Frith: On October 9, 1993, less than three weeks before Canadians went to the polls to pass judgment on the government, the chief federal negotiator received written instructions from Prime Minister Kim Campbell to conclude the transaction that same day.

Senator Molgat: Written instructions.

Senator Frith: Yes. The privatization of Terminals 1 and 2 became a major issue early in the election campaign. Metro city councillors called it a highjacking. The Ontario Minister of Transportation, neither a Liberal nor a Conservative, Gilles Pouliot, asked that the deal be set aside because it was not in the public interest.

Finally, on October 6, 1993, the day before the contract was signed, sealed and delivered, the then Leader of the Opposition, now Prime Minister Jean Chrétien, urged the government to postpone the signing and, as reported in *The Globe and Mail*, on October 7, 1993, he said:

> I'm warning everyone involved: If we become the Government, it will be reviewed, and if legislation is needed — to overturn the deal — we will pass legislation.

Everyone involved heard the warning. Everyone involved knew that the odds favoured heavily a Liberal government. Everyone went to the table with their eyes wide open and decided to take the risk. Having lost, they complain about the very consequences they gambled on. The Conservative senators, with these amendments, come to their rescue.

At the time of the signing and before, the political positions were quite clear. If the Conservatives won, the deal was on; if the Liberals won, the deal was off. Well, the Liberals won 98 out of 99 seats in Ontario, including every riding in metropolitan Toronto. The then government failed to win a single seat in the province.

• (1020)

In his remarks at second reading, Senator Murray himself said:

> ... the government does have the political authority and the mandate...to cancel the contract.

Why, then, are the Conservative senators trying to tell the government how to exercise its admitted moral and political authority?

If Bill C-22 is amended as proposed and if the developers are successful in court, the Minister of Transport has told us about the costs to the taxpayers of Canada for cancelling this contract entered into in the dying days of the Conservative administration, and those costs could be hundreds of millions of dollars. Those are costs that would be imposed upon Canadian taxpayers by Conservative senators immediately following their party's electoral defeat.

What would have been provided to the people of Canada in exchange for these hundreds of millions of dollars? How would Canadians have benefited? What would the developers have contributed to the nation to warrant such compensation from the taxpayers? They would have held a lease to Terminals 1 and 2 of Pearson airport for 57 days, between October 7, 1993, when the final agreement was signed and December 3, 1993, when the government announced that the agreement was to be cancelled. In return for holding a lease for 57 days, they would be asking for all the profits they had anticipated making over the next 57 years. Why?

Conservative senators, trying to take the attention away from these "rescued" developers — invoking throughout the debate and the committee the Magna Carta, the International Bill of Human Rights, the Canadian Bill of Rights, the Charter, NAFTA, memories of internment of Japanese Canadians, the Canadian dead of World War II and the spirit of the French Revolution — are effectively keeping the legal games alive. They are helping the developers with whom they had their contract, and the cost will be borne by the Canadian taxpayer.

Is there a fundamental principle at stake, as the Conservative senators claim? They say, and have said repeatedly, that they are not interested in the compensation side. They say they are indifferent to the interests of the developers. If they are indifferent to the interests of the developers, then in consequence they are also indifferent to the costs that those developers are trying to impose on the taxpayers. Well, this government is not indifferent to the developers, and it is not indifferent to the costs imposed on the people of Canada.

Let us look at all these constitutional points. Is the bill constitutional? Conservative senators say no. The Minister of Justice says unequivocally that it is. Two law professors disagree, though, if you read the committee proceedings, not quite so unequivocally. They both agreed that there are arguments both ways on the constitutional question, including the rule of law. Everyone agrees that the rule of law is rather vaguely defined, except as it is specifically defined in the Charter.

Conservative senators are satisfied that it is unconstitutional. When the Conservative senators admit that the government has the mandate to cancel the agreement, surely that mandate must include the ability to do so on the best possible terms for the people of Canada.

Furthermore, there is absolutely no question that in exercising that mandate, the government must operate within the law. Bill C-22, unamended, is subject to the law. The government is confident that it is acting within the law. The government has not excluded the Charter of Rights or the Bill of Rights, and therefore both the Charter and the Bill of Rights apply to every provision in Bill C-22, including clauses 7 and 8, which attempt to bar court action. If the courts find clauses 7 and 8 or any other provision in Bill C-22 unconstitutional, any such clause or all such clauses will be of no effect. Nothing in the bill or otherwise bars any right to challenge their constitutionality in the courts of the land, in the same way as they have been challenged in the Senate and in the committee.

The report we have before us recommends that Bill C-22 be eviscerated so that anyone connected in any way with the agreement can take the government to court and claim, from the taxpayers of Canada, hundreds of millions of dollars in compensation for alleged loss of profits and lobbyist fees. Is such an outcome in the public interest? Does the public believe it to be in the public interest?

In defence of their actions, then, let us look at the legal and constitutional issues raised by the Conservative senators. First, the question of whether Bill C-22 infringes upon provincial jurisdictions was very early and quickly disposed of by Senator Jessiman, though the question was raised again to both my surprise and Senator Jessiman's, I believe, by Professor Dale Gibson. He suggested that Bill C-22 had nothing to do with aeronautics and therefore did not fall within the federal jurisdiction. He said that it could not be justified under section 91 1A, dealing with public government property, because it dealt entirely with property and civil rights. Of course, it does deal with property and civil rights, but it also deals with aeronautics and the matters in section 91 1A; therefore, the paramountcy doctrine applies and the federal jurisdiction prevails.

For those who would argue that this is unconstitutional legislation because it is outside federal jurisdiction, the question then becomes: In whose jurisdiction does the cancellation of the contract fall? Surely no one is suggesting that the province of Ontario is required to cancel this contract.

Next, questions were raised about Charter implications. Senator Jessiman has already described how corporations cannot avail themselves of the protection that is given to individuals to life, liberty and security of the person in section 7 of the Charter. The courts, as he has put on the record, have been very clear on that point.

Senator Balfour claimed that Bill C-22:

> ...violates the basic constitutional rights of a person...to sue for just compensation in the face of state expropriation.

As we have seen, there is no such constitutional right. It is not there. It is not in the Charter. The rule of law has been codified in Canada in two ways: first, in the Charter, and, second, in the Bill of Rights. There is no property right in the Charter. As all those who followed the debates leading up to the 1982 Constitution will remember, that was deliberately left out.

Although that was a deliberate decision, Professor Gibson tried to get property rights in through the back door of section 8 on search and seizure. He admitted that there is a case in the Alberta Court of Appeal that is solidly against that proposition, as it should be, because it is an attempt to bring into the Charter rights that were deliberately left out.

One of the other grounds of objection is based on the Canadian Bill of Rights, which in section 1(*a*) contains property rights and which in section 2(*e*) guarantees —

The Hon. the Speaker: I apologize to the honourable senator, but I am informed by the Table that the allocation of time, 15 minutes, has elapsed. However, if leave is given, perhaps the honourable senator may continue. Is leave given?

Hon. Senators: Agreed.

Senator Frith: Thank you, honourable senators.

Another ground of objection is based on the Canadian Bill of Rights, which in section 1(*a*) contains property rights and which in section 2(*e*) guarantees a fair hearing for the determination of rights and obligations. Without going through it in any detail, I do not think there is any argument about where the area of doubt lies with regard to sections 1 and 2(*e*). Section 1 has been held not to apply to corporations. With regard to section 2 — and I am sure Senator Jessiman will correct me if he thinks I am not properly stating the area of doubt or shadow — a good argument can be made that it does apply to corporations. However, the argument is whether your rights under 2(*e*) are only rights that are stated in section 1. One of the professors said that there is no linkage between them at all, and that the Canadian Bill of Rights would apply in this case to render these clauses of Bill C-22 invalid. If so, of course, the courts can so decide.

• (1030)

Even if they do apply, there is the question of whether the parties to the contract have been denied "the right to a fair hearing in accordance with the principles of fundamental justice for the determination of... rights and obligations," as provided for in section 2(*e*). As I say, the evidence is conflicting. The point is a moot one for the reasons I have described, and can be settled in the courts of the land.

In addition, almost parenthetically on this question of a hearing, clause 10 of Bill C-22 does provide that the Minister of Transport may, if he considers it appropriate, enter into agreements for payments in connection with the coming into force of the act. This provision will grant the federal government the authority to reimburse legitimate expenses incurred in the ordinary course of business. It specifically excludes payments for lobbying fees or loss of profits. Though this clause provides authority to the government to make such payments, it does not

grant a right to anyone to receive payment. It is within the discretion of the minister and of cabinet whether to make any payment. Though the government has promised to reimburse legitimate expenses, there is nothing in Bill C-22 that requires it to do so. This was underlined quite correctly by the Conservative senators.

However, there is a strong argument that, although there is this right to compensation, if it is an existing right, there is some provision for a hearing for those expenses dealt with under clause 10. If the opposition senators believe that Bill C-22 is flawed because of the fact that compensation for out-of-pocket expenses, provided for in clause 10, is contrary to the Bill of Rights, I am surprised that they have not attacked it in their amendments. They have left it untouched and, I take it, therefore, subject to constitutional challenge, because if it is invoked against any action brought that is now free to be brought, because of the amendments to the earlier clauses, then that clause could be used to block the claims. I assume it will also be challenged as unconstitutional if the developers proceed with their claims, or are permitted to proceed with their claims because of the amendments proposed.

Honourable senators, that leaves the question of the rule of law. The rule of law, as we heard in the committee, is an ill-defined rule. That is not to say that it does not exist, but that it is ill-defined to the extent, as we were told in the committee, that it is whatever the judges say it is. However, as I said earlier, in Canada the rule of law has been codified in the Charter and in the Canadian Bill of Rights.

Is there some rule of law left over? We must understand that if the Conservative senators are basing their case on purely legal and constitutional grounds, they must find something, either in the Charter, which they cannot do, in my submission, and in the opinion of the Attorney General. Except for the suggestion of search and seizure, on which there is a case dead against it, I have not heard that any section of the Charter has been invoked. What about the Bill of Rights? Yes, sections 1 and 2 were invoked. If they are found to apply, then of course the offending sections will be struck down, and the courts are the ones that are given the responsibility of deciding on constitutionality.

We certainly have the responsibility to debate —

Senator Murray: Will the honourable senator take a question?

Senator Frith: Let me finish my sentence, please. We certainly have the responsibility, the right and the duty to debate these aspects — and I have no quarrel whatsoever with the fact that all these points have been raised by the Conservative senators. The corollary to that, in my opinion, is that the opposition senators have the duty, obligation and right to raise these constitutional questions.

Senator MacDonald: You are changing your mind.

Senator Frith: I am not changing my mind at all. I have the right to talk about the constitutionality, as do you, but the decision as to whether or not the clauses are constitutional is not for the Senate. It is for the Senate, if it wishes, to defeat legislation as a lawmaker, because of its concern over the Constitution, but we cannot declare these clauses unconstitutional. Only a court can do that. We can argue that they are or are not constitutional; we can find the bill objectionable because it has those provisions; and we can defeat the bill as legislators because it has those provisions, if we want to. If the Senate decides not to pass this bill because its provisions are unconstitutional, is it being seriously contended that that will have the force of law? Of course not. It is a reason that we can use as legislators.

Therefore, if it is not the Charter, and if it is not the Bill of Rights, then it must be some ill-defined leftover of this concept of the rule of law. If so, the courts will decide on that also, and nothing in Bill C-22 prevents that question from being raised in order to strike down Bill C-22.

There is no legal justification for the amendments proposed by the committee. The amendments are not an attempt to remedy legal flaws, in my opinion, but rather an attempt to impose on the current administration and on the current Parliament the will of the prior administration and of the prior Parliament, and to saddle Canadian taxpayers with huge costs. Parliament may repeal or alter any decision taken by a prior Parliament. As Professor Hogg explains, in *Constitutional Law of Canada, 1992* at page 307:

> If a legislative body could bind itself not to do something in the future —

Such as to preserve this contract.

> — then a government could use its parliamentary majority to protect its policies from alteration or repeal. This would lay a dead hand on the government subsequently elected to power in a new election with new issues. In other words, a government while in office could frustrate in advance the policies urged by the opposition.

• (1040)

That is what we are seeing occurring today, only in a different forum. If this contract cannot be cancelled without paying the parties compensation, including for lost profits and lobbying fees, those parties may be entitled to receive immediately what they would have received over the next 57 years, had the lease run its course. It would, as if the contract had never been cancelled. This would be tantamount, to use the words of Professor Hogg, to the imposition of the "dead hand" of the previous government onto this government, this Parliament and the Canadian taxpayers.

Honourable senators, the government has a clear mandate from Canadians on the Pearson contract. More than a mere mandate, it could be argued that the government received a clear instruction from Canadians. Conservative senators, supporters of the party of the previous government, are trying to rewrite that mandate as saying, "We want you to cancel the contract, but only after you pay the unsuccessful bidders all the money they think they would have made over the next 57 years," and, also, all their fat lobby fees!

Some Hon. Senators: Oh! Oh!

Senator Lynch-Staunton: You got instructions to kill the GST too.

Senator Frith: That was not the understanding. That was not the compact the government made with the voters. If Conservative senators wish to protect the party's political legacy in the form of its Pearson airport contract, why not do so openly and not under the smoke screen of dubious constitutional and legal arguments that become transparent when subjected to the light of close scrutiny, and which, in any event, if they are right, will be found to be right in the courts, but, if not, will be found to be wrong? If legal and constitutional arguments do exist, our courts are in a position to deal with them.

The government is very confident of the outcome of any such challenges. Apparently the opposition is not as confident about its own legal arguments; hence, the determination to use its majority here in this chamber to ensure that the courts do not have the opportunity to decide the constitutional question.

The opposition raises legal requirements such as due process and natural justice and attempts to incorporate them into the political parliamentary process by attacks on the Nixon report. Their purpose, in my opinion, is to cloud what is really happening here today.

Honourable senators, Bill C-22 is a political response to a political mandate given by the people of Canada to their government. It is a response that is well within the legal competence of the government in Parliament, and it is in the public interest. The government has decided how to honour its mandate, as has the House of Commons.

The purpose of the bill, honourable senators, is not complicated. The bill has two objectives: cancel the contract and have no lawsuits. The amendments say, "Do not cancel the contract and, yes, lawsuits." It is that simple.

Senator Lynch-Staunton: How unfair!

Senator Frith: That is the exact effect of these amendments. The inescapable effect of these amendments is to say that the contract is not cancelled and, yes, there will be lawsuits.

The amendments should be defeated and the government should be permitted to effectively carry out its mandate from the people as quickly and directly as possible and without the cost of additional millions of dollars to the taxpayers that these amendments expose them to.

Senator Lynch-Staunton: How do you know? Did a judge tell you that?

Senator Frith: The way to do that, honourable senators, is to defeat this motion for the approval of the report and pass the bill without amendment.

Some Hon. Senators: Hear, hear!

Senator Lynch-Staunton: If I had a lost cause, I would hire you!

Hon. A. Raynell Andreychuk: Would the honourable senator permit a question?

Senator Frith: Yes, certainly.

Senator Andreychuk: I listened with great interest to the legalities the honourable senator put forward. I would ask him to respond to two points.

First, less on the rule of law but more on the democratic process, surely a government that says it dislikes a contract and calls it dastardly is asking the people of Canada to believe that on blind faith. Why would you not have an impartial body rule on that issue? We want to know what is in the contract. In a good democracy, checks and balances are important.

Second, there seems to be a presumption that the courts would be unfair. I find that rather intolerable, having been a judge for 12 years. You have implied that the courts will not do their job appropriately and in a fair manner. If the contract is usurious or improper, nothing says that the court would not rule fair compensation. That is why in a contract dispute you go to an impartial arbiter, or court, to set the fairness so that neither side has an advantage in assessing what is right and wrong. That impartiality has not come at the point of cancelling the contract, nor will it be in the compensation. That is the argument that people should consider. This is not a question of large corporations.

In my days in law school, I was taught that if the strongest link is attacked, the weakest link has no chance. I come from a province where there has been a lot of expropriation of small farms. Would it be fair for them to receive no compensation when a government deemed that contracts signed by a previous government were unfair? The principle and not the actors are at issue here.

I should like your response to those comments, senator.

Some Hon. Senators: Hear, hear!

Senator Frith: Honourable senators, I was not able to —

Senator Berntson: Understand the question.

Senator Frith: I was. I was not able to understand what portion of the intervention was a question, but some of it certainly was a question.

First, the word "democracy" was used. That is what we are engaged in at this moment. There was an election. That election produced an issue; it produced legislation. People disagree with the legislation. The honourable senator disagrees with it. The democratic parliamentary process is what we are doing here.

I do not see how passing a bill such as Bill C-22 and presenting it to Parliament is undemocratic. I did not understand the intervention beyond that, frankly.

The second question might help us better understand the intervention as a whole. The opposition thinks there should be an inquiry. Mr. Young was absolutely clear. He simply said, "Look, we want to cancel this contract, and we want to tie it up neatly so there is no long investigation or inquiry." The honourable senator disagrees with that; that is her right. However, if she wants to know why, the "why" is that that was a decision made by the elected government. That is how it wanted to handle the Pearson contract. The government felt that its mandate was strong enough for it to say, "We will cancel the contracts, and we will not subject Canadian taxpayers to 10 years of lawsuits over the contract." That is what the honourable senator objects to. That is why we are here. That is democracy. We disagree with your viewpoint on this issue.

I do not know how the impression was given that I thought the courts would be unfair. On the contrary, I assume the courts will be quite fair.

Senator Oliver: The minister's discretion is unfair.

Senator Frith: The minister's discretion as far as compensation is concerned is also subject to review.

Senator Andreychuk: The honourable senator indicated that this matter would be in the courts for 10 years. The honourable senator indicated that the compensation would be in the millions of dollars. Those are unknowns. One does not know what the courts would do. The court might say the contract is usurious and not award anything but nominal damages. If we do not give the matter to the courts and let due process take its course, how can we say how long the matter will take and how costly it will be? That is why this issue is important to me. The matter should be placed before an impartial body.

Senator Frith: I absolutely agree with what the honourable senator just said: We do not know how long; we do not know how costly. We, the government, are not prepared to take that chance. That is a decision we made that the honourable senator disagrees with.

Some Hon. Senators: Hear, hear!

Senator Frith: As the honourable senator said, she is indifferent. Her interest is in the constitutional issue, not the claim under the contracts. That is what has been said. I am simply saying that we are concerned. I used that very expression. Who is to know how long the matter will be tied up in the courts? Who is to know how long an inquiry will take? Who is to know how long the lawsuits will take? As a lawyer, the honourable senator would know that ten years is a good estimate for a big case.

• (1050)

That, then, is the answer. I do not have difficulty understanding the honourable senator's concern, but the answer is that it was the decision made, and the very things she has raised are the things that Bill C-22 tries to avoid. As I have said from the beginning, and as I think we have all agreed, it is an extraordinary piece of legislation. I do not quarrel with that at all. However, as I and others have said, in the government's view it is required to be extraordinary legislation in order to deal with a very extraordinary situation. That is our position.

Hon. Gerry St. Germain: My question is basically with regard to the inquiry. Since the Nixon report has alluded to such improprieties within this particular contract, why would the government and the honourable senator not want a full inquiry with full disclosure to the public, in order that we can learn from this, and possibly do better in the future in dealing with contracts of this nature for the benefit of the general public and the nation as a whole? Why would the government want to restrict this decision to the opinion of one man, arrived at in some 30 days, as opposed to going through a proper inquiry which would be impartial and fair, and would expose all of those who are alluded to as having done wrong?

Senator Frith: Honourable senators, the senator was not at the committee so I do not fault him for emphasizing the Nixon report. Had he been at the committee, he would know that the government representative, Mr. Young, said that the Nixon report was only one of many things which he took into account.

Many Conservative supporters here have been in cabinet and know that inquiries are one way to deal with such things. Cabinet needed to decide what to do about the Pearson airport contract, putting it in the context of when it was signed, what was said about it during the election, and what promises were made. You do not have to make cabinet decisions quickly on the basis of all available information, knowing that the decisions are not going to be perfect. You can decide not to govern that way but, rather, to have inquiries to look into all of these things.

Senator Lynch-Staunton: Give a fair hearing.

Senator Frith: Yes, have a full and fair hearing. It could certainly shorten cabinet meetings, because you would need only say, "Let's have a hearing. Let's not make the decision. Let's wait until there is a fair hearing." That is an option, in many cases. I am not trying to ridicule that idea, because that is an option. It is an option the honourable senator's government took, but it was not the one it took all the time. It was there. It made some decisions on what it thought was the best possible information, what it thought was proper, and the right thing.

We may be wrong on this one. The honourable senator's government may have been wrong on some of its decisions. However, my answer is that the decision is a government decision, by which the government stands. The government decided that, rather than taking the long route, it

would take the short, quick route, and there it is. It will have to pay politically for making that decision, just as the honourable senator's government had to pay for decisions that it made. It will get credit for the decisions that the people agree with, and blame for the ones they do not.

The reason the government did not do that, as I understand it from Mr. Young, is that they looked at all of the information which would enable them to deal with the matter speedily, and decided to do it that way.

Senator St. Germain: This particular inquiry has cast aspersions and doubt on certain individuals and corporations in the country. How can we learn from this, and improve in the area of devolution of airports if we pass legislation that restricts debate and restricts the ability to fully explore what transpired in this particular situation? Does the honourable senator not think it would be fairer to those who are being chastised and accused, unfairly in certain instances, and with no ability to defend themselves, and the country would benefit more if we went through a process of this nature?

Senator Frith: Obviously the answer is "no" because I think we are doing it the right way. One thing we have learned, which I think is very clear to everyone who is interested in this matter, is that this is not the way the honourable senator's government would have done it. I take it that it would have done it with an inquiry, not taking away any of the legal rights, and perhaps not even cancelling the contract. That would have been their call. However, it happens that the Liberals were the victors in an election in which this issue played an important part, and they made the call. I accept that none of the Conservative senators, had they been in a Conservative cabinet, would have done it that way. I take it that they would have gone the inquiry route. We decided not to.

[*Translation*]

Hon. Marcel Prud'homme: Honourable senators, this is especially for the benefit of honourable senators who may have been too pressed for time to follow the proceedings of the Standing Senate Committee on Legal and Constitutional Affairs, chaired by Senator Beaudoin, on Monday and Tuesday when we heard the Minister of Justice, the Honourable Allan Rock, and the Minister of Transport, the Honourable Douglas Young, as well as constitutional experts who were invited to appear before the committee.

Throughout the proceedings, Senator Lynch-Staunton made it clear he was not interested in the political aspects of the bill but wanted to concentrate on the constitutional aspects, and I believe that is why we were asked to come. I see that Senator Beaudoin, who made the decision, feels that is exactly what we had in mind when we were sitting Monday and Tuesday.

So I said that I agreed with this approach. However, throughout the proceedings, committee members, and especially Senator Lynch-Staunton, criticized the Nixon report. As you know, it was the Nixon report, and I must say I agree with Senator Frith, that was perhaps not the only reason for tabling Bill C-22, but it played a major role in the cancellation of the contract.

In the press release from the Prime Minister's Office, it said "cancelled." And Mr. Nixon prepared a report.

During the two days the committee sat, there were almost constant attacks on Mr. Nixon's credibility. I begged the committee to call him as a witness, so he could either explain his report or defend it or respond to the insinuations.

In fact, Senator Lynch-Staunton indicated that he might ask Mr. Nixon and also the Minister of Transport, Mr. Young, to appear before the committee.

I keep saying to myself: What does the Senate do? Why did I come to the Senate? Surely because I think we have a role to play, including examining controversial issues like this one, but at a leisurely pace. Without costing taxpayers a fortune in inquiries, we can at least determine whether there is any reason for requesting an inquiry. Perhaps the press will finally say there are a lot more questions than they thought, questions that require an answer, and perhaps we should have an inquiry.

To lend some credibility to what I am saying, I would like to read all the insinuations that were made against Mr. Nixon to prove and to help honourable senators understand my conclusions. I will quote him. I will be perfectly fair.

[*English*]

• (1100)

Mr. Nixon's report has been severely criticized by parties directly affected by some of his statements. He was asked by opposition members to appear before the House of Commons Transport Committee in order to answer questions arising from his report. Obviously, the Liberal government gave instructions to its members on the committee not to have him appear. It made me feel sorry not to be in the House of Commons to receive that type of order, if such an order was given.

Senator Lynch-Staunton asked the witness that day, if he found that this was proper procedure, why the report, which is a key element to the preparation of controversial legislation, should not be aired totally and openly? If we cannot get all the answers to the Nixon report that we are looking for, there will be constant questions on Bill C-22. Senator Lynch-Staunton stated that, if need be, we will invite both Mr. Young and Mr. Nixon. As honourable senators know, we concluded by inviting Mr. Young, but not Mr. Nixon.

Senator Lynch-Staunton also stated that there were still question marks. I will make my comments rapidly, because I am afraid I will not receive consent for further minutes later on. Senator Lynch-Staunton stated that there has been a refusal to air all the allegations. Listen to this: An honourable gentlemen like Mr. Nixon — and I would hope all of my colleagues who know him as an honourable gentlemen —

Senator Cools: A very honourable gentlemen.

Senator Prud'homme: — will rise and talk about the honourable gentleman that I have known.

I come from Montreal. I do not come from Toronto. I do not come from Ontario. However, I certainly stand for the taxpayers of Canada and the interests of Toronto, as I did for the interests of British Columbia on Bill C-18. Senators will hear later about that bill.

There has been refusal to air the allegations, and more or less a direct accusation of questionable action by lobbyists and ministerial aides. Even government officials have been drawn into this near-libelous campaign against all the parties. Senator Lynch-Staunton stated that the reputations of hundreds of people have been hurt by the Nixon report, and by the refusal of the government to open up the matter to the public.

It seems to me so logical, when attacking someone like that, and when you have the possibility, the rules, the capacity, the time, the intelligence and the devotion to Canadian taxpayers, that the immediate conclusion is to call on at least Mr. Nixon before going a step further and asking for an inquiry that will cost tens of millions of dollars, and that will delay all of what has been said before.

I hope honourable senators will read the testimony given to the committee on Monday and Tuesday. I am at your disposal because I will not have enough time to quote all the insinuations and innuendoes that were put against Mr. Nixon, a man of great reputation. I read the Nixon report. I am amazed. Yesterday I privately asked many people, "Did you read the Pearson report?" We all go outside with a big thick report like that and we think that that is the Pearson report. That is not the Nixon report. It is exactly 14 pages long, and even my friend Senator Stanbury can read it. Strange questions arise. On page 2 it states:

> Only two bids were submitted, one by Paxport Inc., controlled by the Matthews Group —

I would say that Mr. Matthews is a fine gentlemen; I know him. A good businessman; I know him. I will not attack or make innuendoes on the reputation of a fine gentleman who serves Canada well by being prosperous.

> — and the other by a group controlled by Claridge.

They are also very influential people in Canada. Those were the two bids that were submitted.

> On December 7, 1992, Paxport Inc. was announced as the best overall acceptable proposal. It was required to demonstrate by February 15, 1993 to the satisfaction of the Government that its proposal was financially viable.

Of course, it had just won the bid. Does it have the finances to back it up?

> Because Paxport could neither provide evidence of this, nor, according to its President, raise capital from other sources, it turned to Claridge for financial support.

Listen to the next few paragraphs:

> On February 1, 1993, Paxport Inc. and Claridge announced a joint venture partnership (which became T1T2 Limited Partnership) to pursue the redevelopment project in accordance with the Paxport Inc. proposal.

I hope *The Globe and Mail* writes about that part in the interests of private enterprise and fair competition. It is very interesting. Peter and Paul competing against each other; Peter winning, and finally Paul eating up Peter. Two people bid; one wins, but he does not have the finances, so he goes to see the one who lost and says, "Come with me," and the one who lost eventually ends up winning the contract.

[*Translation*]

Frankly, do you think we are that dumb?

[*English*]

Can we not read between the lines?

> Between that date and May, 1993, the new joint venture engaged in discussions with the Government of Canada concerning the financial viability...

Listen to this:

> By May of 1993, these issues had been sufficiently addressed for formal negotiations to commence. Claridge had by this time obtained effective control of the joint venture.

What an interesting paragraph. I could go on. The debate is not finished for me. I will certainly talk for the taxpayers of Canada and for the interests of the people of Toronto. Toronto airport c'est le joyau. It is the jewel of the latest great development taking place there. Therefore, it is worth the Senate looking into this situation for a little longer. After all, this is a contract for 57 years.

I do not have much experience of business. If I have to plead guilty today I would say, yes, I was part of a government that predicted a huge success for another large airport, namely Mirabel. I was there. One reads what one is given, and scratches here and there to find information, and then decides that the deal is good. Now you sign for 57 years.

Can you imagine, Honourable Senator Marshall, great devoted friend of the veterans, all the money that will go there? A 57-year deed to ensure that we do not end up paying $10 million.

I do not have a research bureau. I am not informed of what is going on because I am an independent. However, I can work night and day. In order to get that, and in order to avoid paying $10 million to the Ontario government, they divided that 37 years, plus an option of 20 years. Honourable senators can read the report.

• (1110)

I will not be partisan and speak to paragraph 4 on page 9, which is entitled, "The Politics of the Process." Like my friend Senator LeBreton, I agree that, when you are in government, you try — I do not believe in hypocrisy.

Mr. Young appeared before the committee and there was a fairly interesting exchange. We know not to tangle with Mr. Young. He is fast and bright. He is articulate and can answer fast in both languages. You have to be sure of what you ask. He said, "Honourable senators, you are accusing us of having ordered —

[*Translation*]

Honourable Senator Thériault, you are a reasonable man. You understood everything, of course, all those foul smelling hidden facts surrounding this contract! However, we speak now of the rule of law —

[*English*]

Of course it is important, but it is strange that one of the main witnesses called in by Senator Beaudoin, a distinguished professor and scholar, said, "But please do not ask me to define exactly what 'rule of law' could mean."

[*Translation*]

The rule of law as a concept is easy to understand, but hard to define. It is a bit like obscenity. In the Supreme Court of Canada, they have difficulty with that term.

[*English*]

Mr. Young said, "We chose that road. We did not order the committee." I do not know; I am not in the chamber any more, but the government chose to present Bill C-22.

I regret that more Torontonians do not get up and talk about the great city of Toronto, which I like, and the importance of that city's airport development. I am sure they will.

The Hon. the Speaker: I regret to interrupt the honourable senator, but his time has expired. Is there leave, honourable senators, for the honourable senator to finish his remarks?

Hon. Senators: Agreed.

Senator Prud'homme: Honourable senators, I could have come here today to present a few hours of argument. I read the full report. I am not an expert in contracts. I am not a businessman. I am not a shareholder. I have just a few shares in a few banks and a few other interests that went bankrupt in Quebec. I am not too good in that regard. However, I can read. I discovered in the report something that is fascinating. I refer, honourable senators, to clause 31 of the agreement, which states that members of the House of Commons are not to benefit from the agreement. It is strange to see something like that in a contract. clause 31(1) states:

> As required by the Parliament of Canada Act, it is an express condition of this lease that no Member of the House of Commons shall be admitted to any share or part of this lease or to any benefit arising therefrom.

I imagine there is a mistake there. It should state "no member of Parliament." I say that, because Parliament is the House of Commons and the Senate.

MOTION IN AMENDMENT

Hon. Marcel Prud'homme: Honourable senators, I would beg the indulgence of an honourable senator to second a motion which I now wish to move — at least for the principle of it. I move:

> That the eighth report of the Standing Senate Committee on Legal and Constitutional Affairs be not now adopted, but that it be referred back to the Committee and that the Committee be instructed to invite Mr. Robert Nixon, the author of the *Pearson Airport Review* of November 29, 1993, to appear before the Committee to answer the questions that have been raised in the Committee regarding his report.

Hon. Lowell Murray: Honourable senators, as a courtesy, I second the motion of Senator Prud'homme so that I may argue against it.

The Hon. the Speaker: Honourable senators, is it your pleasure to adopt the motion in amendment?

Senator Murray: Honourable senators, I think it is a matter of courtesy that someone second the motion of an independent senator who does not have a party and who wishes to move a motion. According to that tradition, I have seconded the amendment of Senator Prud'homme and I shall now explain why I intend to vote against it.

The amendment proposed by our friend Senator Prud'homme revives, essentially, an argument that he made the day before yesterday at the Standing Senate Committee on Legal and Constitutional Affairs, to the effect that the committee, rather than reporting Bill C-22, should continue its study with a view to convening other witnesses, notably Mr. Robert Nixon, for the purpose of going into the background of this bill, namely, the policy of the previous government, decisions taken by the previous government and the process by which those decisions were taken.

Let me say, first, that the Conservative senators in this place successfully moved to have Bill C-22 sent to the Standing Senate Committee on Legal and Constitutional Affairs precisely because we wanted to concentrate our attention on the legal and constitutional aspects of this bill. As has been mentioned this morning and on previous occasions, none of us has ever had or expressed any doubt about the political authority of the government to cancel the contracts. It is the way in which the government is proposing in Bill C-22 to cancel those contracts that we want to discuss.

Thus, the bill was referred to the Standing Senate Committee on Legal and Constitutional Affairs. As a result of those deliberations, the Senate is now seized of a report with a number of amendments from the committee. Those amendments would have the effect of cancelling the contract as of April 13 and of restoring to Canadian citizens the right to access to the courts that Bill C-22 would otherwise deny them. That is the essence of the amendments that the committee is proposing to Bill C-22.

• (1120)

There is, however, another question that was raised by Senator Prud'homme and a number of senators on the committee, namely the question of the public interest in a full examination of the decisions that were taken by the previous government on this matter and the process by which those decisions were arrived at. That public interest has been heightened in recent months by the numerous unsubstantiated allegations, insinuations and innuendoes, and the surmising and scuttlebutt that has now become part of the public record.

As I have indicated, I believe that the public interest would be served by having a full examination of these matters and an impartial investigation. For the reasons that I set out in the committee the other day, I believe that the best forum in which to conduct that inquiry — and it would include, of course, Mr. Robert Nixon as a witness — would be a judicial inquiry set up under the Inquiries Act.

The Senate can do it. The Standing Senate Committee on Transport and Communications or another special committee of the Senate can do the same thing. However, I believe that a parliamentary committee is a rather awkward forum in which to conduct that kind of inquest. Such an inquest is best conducted under oath. If you convene witnesses under oath, they want to be represented by counsel; if you have counsel present, they want to examine and cross-examine witnesses. The parliamentary forum is an awkward forum for doing that. It has been done in the past, and we could do it in the future if the Senate so wishes, but a public inquiry set up by the government under the Inquiries Act would be a more efficient forum in which to do this.

Honourable senators, the question of the public interest being served by an examination of these matters need not hold up this bill. We can proceed with this bill now because the government wants to cancel the contracts, and our amendments to the bill will cancel the contracts.

The opposition wants to restore the right of Canadians affected to go to court. I intend to vote against my friend's proposed amendment, and I will ask the Senate to pass the bill with the amendments proposed by the Legal and Constitutional Affairs Committee. The Senate, if it wishes, can conduct an inquiry at any time into the matters that concern Senator Prud'homme and others here.

Honourable senators, while I am on my feet I cannot forbear to make a comment on one aspect of the speech that we heard earlier this morning from Senator Frith. It is important, in view of the argument that Senator Frith has made about the legal and constitutional aspects of this bill, to state again for the record that the evidence that the committee heard from two eminent constitutional experts was that Bill C-22 violates the Diefenbaker Bill of Rights, the Trudeau Charter of Rights and Freedoms and the rule of law.

Hon. Royce Frith: No, they both did not say that.

Senator Murray: Well, that was the evidence that we had. If there is a nuance —

Senator Frith: No, it is not a nuance. The first professor did not say that. He did not say that it broke the Charter. However, the second professor stated that, and referred to clause 8.

Senator Murray: I appreciate that. If there was a difference between Professor Schmeiser and Professor Gibson on that point, fine, but we have been told by constitutional experts that the bill violates the Diefenbaker Bill of Rights, the Trudeau Canadian Charter of Rights and Freedoms and the rule of law.

Senator Frith: You are not prepared to concede that the Attorney General knows anything about constitutional law, then?

Senator Phillips: No, of course not!

Senator Murray: Well, honourable senators, if you want me to deal with that, I can, but I think perhaps I should not. There is a certificate there. As I said, and I hope gently enough, to Mr. Rock the other day, the government has been known to lose cases in the Supreme Court of Canada notwithstanding the certificate of previous ministers of justice on a bill.

Senator Frith: Yes, and the courts have also been known not to have agreed with some professors' opinions.

Senator Murray: Honourable senators, in addition to the evidence that we had from Professors Schmeiser and Gibson, we have the acknowledgement by Mr. Rock himself, the Minister of Justice, that this bill, in its denial of access to the courts, is unprecedented in Canadian history.

Senator Molgat: So was the contract signed a few days before the election!

Senator Lynch-Staunton: How do you know? That is not a precedent.

Senator Murray: Honourable Senator Frith, having heard those arguments, said this morning, as he said before we went to committee, that if anyone feels that the bill is unconstitutional, let them go to court and challenge the constitutionality of the act, if the bill were to pass as it is.

Well, honourable senators, how long would that take? How long would it take for a constitutional challenge to wend its way up through the courts to the Supreme Court of Canada?

Senator Frith: The same time it would take any case.

Senator Murray: If you believe the argument made by Mr. Young and others — and I do not — that litigation necessarily would delay the redevelopment of the Toronto airport; or that litigation would somehow impose a liability on a new airport authority, then you have to ask: What effect would a constitutional challenge have on redevelopment of the Pearson airport?

Senator Frith: It is just a part of the case. It is not a separate thing.

Senator Murray: If the Supreme Court of Canada ultimately found —

Senator Frith: You do not know what you are talking about.

Senator Murray: I am dealing with the context that the honourable senator has set out, and the arguments that he has made about the delay that is caused by litigation.

Senator Frith: But the constitutional question would not be separate. It would be a part of the case on the contracts.

Senator Murray: In one breath the honourable senator says that we should not restore the rights of Canadian citizens to go to court to challenge or sue the crown; in the next breath he says, "If you think it is unconstitutional, go to court."

Senator Frith: Of course!

Senator Murray: If you go to court to challenge the constitutionality and it wends its way up to Supreme Court, how long does that take? What happens if the Supreme Court of Canada decides that the act is unconstitutional? The government is back at square one and will have to start all over again.

Senator Frith: How does that support the amendments? Why do you not ask one of your good legal associates what goes on? You do not understand.

Senator Murray: I tried to interrupt my friend and ask a question when he was speaking, but he would not entertain a question. He would not allow me to interrupt him.

Senator Frith: No, I asked the honourable senator to allow me to finish my sentence. That is all.

Senator Murray: If a constitutional challenge succeeded, the government would be back at square one. They would either have to try and find a way to act without coming to Parliament, or prepare new legislation to come to Parliament. I am saying that our amendments remove any doubt about the constitutionality of this bill. Our amendments rescue the government from the consequences of their own act.

Senator Frith: I see.

Some Hon. Senators: Hear, hear!

An Hon. Senator: We are doomed!

Senator Frith: We will explain that to the people of Canada.

Senator Murray: Our amendments would cancel the contracts as of April 13.

Senator Frith: This is all "in the interest of the public," is it?

Senator Murray: I repeat, our amendments would cancel the contracts as of April 13, restore the right of the people affected to go to court, and preserve from a very evil precedent the fundamental rights of Canadian citizens.

Senator Frith: Particularly any developers who happen to be Canadians.

Senator Prud'homme: Honourable senators, I want to ask my honourable friend a question. First, I would thank him very much for his courtesy in seconding my motion.

As a comment, this is the Senate at its best. We may disagree, but this is the Senate as I always wanted and dreamed to see the Senate.

May I ask him a brief question? I do not know yet if I want an inquiry, because of everything that is being said on both sides regarding costs, time, et cetera. However, when you have a very tough, brilliant, legal mind, when you have knowledge and you build a case, you do not go to the extreme first; you build the case. That was my intention in asking to have Mr. Nixon appear, to be a part of what might perhaps lead to a resolution of this issue, in view of the pressure of public opinion.

The question is, would you not agree that, by calling a witness like Mr. Nixon, it helps? It builds up and gives weight to those who may eventually require an inquiry on the issue.

Senator Murray: Honourable senators, that may be the case. However, I repeat that there is no reason why this bill needs to be held up in order to have a Senate committee call Mr. Nixon to discuss his version of what happened between 1987 and November 1993.

Hon. Gerry St. Germain: Honourable senators, are we speaking to the amendment now?

The Hon. the Speaker: It is my impression that we are now discussing the amendment.

Senator St. Germain: I would like to speak to the report very briefly, honourable senators.

Hon. Richard J. Stanbury (Acting Deputy Leader of the Government): Honourable senators, I assume that we are finished with the debate on the report. If that is not the case, then I will speak later.

The Hon. the Speaker: I was indicating that we were to dispose of the amendment first and then go on from there.

Is the house ready for the amendment?

ALLOTMENT OF TIME FOR DEBATE

Hon. Richard J. Stanbury (Acting Deputy Leader of the Government): Perhaps I should raise this issue now. This is not in connection with the report, but it is a question which I know is of concern to all members of the chamber. That is, when we complete the vote on the report stage, which probably will be within the next half hour or so, we will have a fair amount of time left during the day.

I have heard from many people that they would like to be sure that they proceed with third reading today. I have had discussions with the opposition. Recognizing that it would have been courteous to seek the advice also of the independents, even though they are not a party in the legal sense in the Senate, I do so now.

I am really looking for any guidance on whether we should proceed immediately after the vote to third reading, rather than waiting for that time to have an indication? I understand from my friend across the way that his group is agreeable to that. If there is general agreement, then I will use rule 39 to make it formal.

Senator Lynch-Staunton: Those dastardly rules.

Hon. Marcel Prud'homme: Honourable senators, on this point, we should go step by step in an orderly fashion. If my honourable friend does not mind, we should first dispose of the amendment and then we can go back, because my honourable friend wants to speak on the report stage.

Before we jump the gun, we should dispose of the amendment, and that will be very rapid, I imagine. Then we will have on the table, in an orderly fashion, the report of Senator Beaudoin, which will have to be disposed of. Then after that, all kinds of requests will have to be made concerning the third reading.

Senator Stanbury: It is not my intention to interfere with the debate on the report. It is just a matter of knowing where we go after that.

If it seems to be acceptable, I will put on record the motion which is necessary to allow us to finish up the third reading debate. The rule indicates that this may be done at any time while the Senate is sitting. It is a matter of giving us some guidance as to what our timing will be.

I move, seconded by the Honourable Senator Berntson:

> That in relation to Bill C-22, An Act respecting certain agreements concerning the redevelopment and operation of Terminals 1 and 2 at Lester B. Pearson International Airport, beginning immediately following the conclusion of the report stage of the said bill, not more than two and one-half hours shall be allotted to the consideration of the third reading stage and, at the expiry of the said hours, any proceedings then before the Senate shall be interrupted, if required for the purpose of this Order, and, in turn, every question necessary for the disposal of the third reading stage of the bill shall be put forthwith and successively without further debate or amendment.

I should tell you also that we have canvassed our caucuses and have estimated the number of speakers and have added very liberally to that, so that period of time should be sufficient.

Hon. Eric Arthur Berntson (Deputy Leader of the Opposition): Honourable senators, the explanation as put forth by my honourable counterpart is essentially the arrangement that we have come to over the last couple of days. I think there are very few new arguments to add to this debate, going through the various stages.

Senator Prud'homme: Oh, you might be surprised.

Senator Berntson: In a quick canvass of our side, coupled with what has been indicated would be the time necessary for the other side to get their debate concluded, we have made a very generous but conservative estimate.

Senator Frith: Erring on neither the liberal nor the conservative side?

Senator Berntson: Exactly. We essentially agree with what has been put forward by the member opposite.

[*Translation*]

Senator Prud'homme: I simply wanted to point out that I was expecting this, so I looked up section 39 of the *Rules of the Senate*. I think I should warn you that I may suggest setting up a party of independents, since when they say, with such joyous relief, that an agreement was reached by representatives of the parties, meanwhile the independents, Senator Pitfield and myself, are completely left out of these discussions. I will stick to the rules. I know you have to call a vote on this question, and I shall ask that it be recorded.

[*English*]

• (1140)

Senator Frith: "Independent" means independent of any party. You cannot have it both ways.

The Hon. the Speaker: Honourable senators, pursuant to rule 39, it is moved by the Honourable Senator Stanbury, seconded by the Honourable Senator Berntson:

> That in relation to Bill C-22, An Act respecting certain agreements concerning the redevelopment and operation of Terminals 1 and 2 at Lester B. Pearson International Airport, beginning immediately following the conclusion of the report stage of the said bill, not more than two hours shall be allotted to the consideration of the third reading stage and, at the expiry of the said hours, any proceedings then before the Senate shall be interrupted, if required for the purpose of this Order, and, in turn, every question necessary for the disposal of the third reading stage of the bill shall be put forthwith and successively without further debate or amendment.

Senator Stanbury: Honourable senators, I apologize. There was a last-minute change to two and a half hours, but the printed motion was not changed. I think our intention was that there be two and a half hours.

The Hon. the Speaker: Is it agreed that this correction should be recorded?

Hon. Senators: Agreed.

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

Some Hon. Senators: Yes.

Senator Prud'homme: No.

The Hon. the Speaker: Those in favour will please say "yea."

Some Hon. Senators: Yea.

The Hon. the Speaker: Those against will please say "nay."

Senator Prud'Homme: Nay, of course.

The Chairman: In my opinion, they "yeas" have it.

Senator Frith: That is your first tough call, Your Honour.

Motion agreed to, on division.

MOTION IN AMENDMENT NEGATIVED

The Hon. the Speaker: Honourable senators, we will now go to the amendment of Senator Prud'homme.

It is moved by the Honourable Senator Prud'homme, seconded by the Honourable Senator Murray:

> That the Eighth Report of the Standing Senate Committee on Legal and Constitutional Affairs be not now adopted, but that it be referred back to the Committee, and that the Committee be instructed to invite Mr. Robert Nixon, the author of the Pearson Airport Review of November 29, 1993, to appear before the Committee to answer the questions that have been raised in the Committee regarding his report.

Is it your pleasure, honourable senators, to adopt this motion in amendment?

Some Hon. Senators: Yes.

An Hon. Senator: No.

The Hon. the Speaker: Those in favour of the motion in amendment will please say "yea."

Some Hon. Senators: Yea.

The Hon. the Speaker: Those who are not in favour will please say "nay."

Some Hon. Senators: Nay.

The Hon. the Speaker: If my hearing is accurate, the "nays" have it.

Hon. Gerry St. Germain: Honourable senators, on this particular piece of legislation on the cancellation of this contract, I believe, as Senator Frith has stated, that the government has the right to do this. There is no question about that. It is the will of the government. Theirs is a duly elected government; they have a strong majority, and there is no question about their right to act.

As to the spirit of how it was done and when it was signed, three days before the election, I too stood there in shock, in spite of the fact that I was the president of the party. I guess presidents should not be involved in what is going on in the government. Senator Hays will find out more about this as he goes along in his presidential role.

I believe that we are all under a veil of suspicion as a result of this matter. I say that because, when I look at the Prime Minister's press release, there is a quotation in it. It is a quotation in regard to what Mr. Nixon stated. The quotation is:

> My review has left me with but one conclusion. To leave in place an inadequate contract, arrived at with such a flawed process and under the shadow of possible political manipulation, is unacceptable. I recommend to you that the contract be cancelled.

I have no problem with that.

However, honourable senators, what if there was wrongdoing? What is the shadow of possible political manipulation? Is this criminal activity? If there was wrongdoing on the part of Conservatives, Liberals, or whoever was involved, why would we want to sweep it under the rug with a piece of legislation

that restricts our ability to fully expose this issue? If our people are responsible, they should pay the price. Whoever is responsible should pay the price. The general public should not be left asking about the shadow of possible political manipulation. If this is wrongdoing or criminal activity, honourable senators, we have a responsibility to expose it.

I was part of this devolution, and I took pride in it. I would vote for the government if we were doing the right thing. Go ahead and cancel the contract. Who cares? Do what is in the best interests of Canadians. Do not hesitate, do not procrastinate, but do not sweep it under the rug. Let us expose them. If they are wrong, whether they are Conservatives or whoever they are, hang them high. That is the way things should be done in this country. We will then gain credibility with the general public. We will not be going around making excuses for why we are senators or why we are members of Parliament. We should be proud, and stand up for what we believe in. This country was built on integrity, and if we shroud integrity by legislation or by any other source of manipulation, it is totally and unequivocally wrong.

I have worked on my reputation and my integrity all my life. Like you, Senator Frith, like you, Senator Gustafson, like you, Senator Bolduc, and like other honourable senators, I have not come here to place that reputation in doubt. That is what this bill does. That is the only reason I am voting against it. Other than that, I would vote with the government on this particular issue.

Hon. Royce Frith: Senator, could I ask a question? I do not quarrel with your intervention, but a partial answer, at least, to your question might have been given by Senator Murray when he said that an inquiry and the bill are not necessarily linked.

Senator St. Germain: There is a possibility that what Senator Murray stated, and what Senator Frith has just reiterated, is correct, and they may not be linked. As you know, I am the last to have arrived at this honoured place. My experience possibly restricts me in my ability to know exactly how the Senate operates. I do not believe that the bill totally restricts the situation, but I do think that passing legislation that is so restrictive to debate and the ability for parties to have access to the courts sends the message that the case will be closed as of the passing of the legislation.

Hon. Marcel Prud'Homme: I would like to ask my neighbour and friend a question. It is the same kind of question that I asked Senator Murray. The ultimate goal would be, of course, an inquiry. Would the honourable senator not like to base it on certain new additional facts obtained by a committee of the Senate, be it under the chairmanship of Senator Oliver or under the chairmanship of Senator Beaudoin? Would it not bring more argument during the summer once having heard the man who was the prime motivator, the man who convinced the government to bring in Bill C-22?

In a committee, you prove the usefulness of the Senate. What is wrong with having a committee of the Senate hearing only one witness and perhaps another witness, depending on what we hear from Mr. Nixon? After that, the committee would stop and report to the Senate.

• (1150)

I know that some senators agree with me. This procedure is unusual. The number of calls of encouragement I received last night caused me to work until very early this morning, after an excellent dinner with two senators. We need more to convince Canadian taxpayers that maybe after all a general inquiry would be in their best interests. The best way to bring more food for thought for future action is by having a committee look into the matter, and that committee should have a chairman and a deputy chairman representing both sides, so you can depend on the fact that things will be done in agreement.

Does the honourable senator not agree that it would be a fair way to proceed, or does he prefer to go directly by general inquiry?

Senator St. Germain: Honourable senators I am not prepared to say what type of inquiry should be conducted. I would prefer, in my heart of hearts, a judicial inquiry. However, to answer my honourable colleague, giving credibility to the Senate by way of a committee is one thing, but I am concerned about the general public, that they be convinced that justice has taken its rightful place on this particular issue. My concern is with the words, "shadow of possible political manipulation."

As to what process we take, I am not prepared at this point in time to enunciate as to the type of inquiry, but I would prefer a judicial inquiry, in view of the fact that there is innuendo here that would indicate possible criminal activity.

REPORT OF COMMITTEE ADOPTED

The Hon. the Speaker: Honourable senators, is the house ready to proceed with the question on this report?

Senator Berntson: Question.

The Hon. the Speaker: It was moved by the Honourable Senator Beaudoin, seconded by the Honourable Senator Grimard, that this report be adopted now. Is it your pleasure, honourable senators, to adopt the motion.

Some Hon. Senators: Yes.

Some Hon. Senators: No.

The Hon. the Speaker: Those in favour will please say "yea."

Some Hon. Senators: Yea.

The Hon. the Speaker: All those against the motion, please say "nay."

Some Hon. Senators: Nay.

The Hon. the Speaker: Honourable senators, the noise level would indicate that the "nays" have it.

And two honourable senators having risen.

The Hon. the Speaker: Is there agreement on the duration of the bell?

Hon. Richard J. Stanbury (Acting Deputy Leader of the Government): Thirty minutes was suggested.

Hon. Eric Arthur Berntson (Deputy Leader of the Opposition): Thirty minutes or half an hour, whichever you like.

Hon. Marcel Prud'homme: Your Honour, I seek your direction and perhaps that of the two house leaders. As I say, I keep reading the news. Perhaps Senator Frith and Senator Berntson could answer me right away. Is this vote taking away from the time of the debate, or will the third reading debate go for two and a half hours from the moment we enter into the third reading stage?

The Hon. the Speaker: Is the understanding as Senator Prud'homme has described it?

Some Hon. Senators: Yes.

Senator Prud'homme: Of course.

The Hon. the Speaker: Call in the senators.

• (1230)

Report of Committee adopted on the following division:

YEAS
THE HONOURABLE SENATORS

Andreychuk
Atkins
Beaudoin
Berntson
Bolduc
Buchanan
Charbonneau
Cochrane
Cohen
Comeau
Desmarais
DeWare
Di Nino
Doody
Doyle
Eyton
Grimard
Gustafson
Jessiman
Kelleher
Lavoie-Roux
LeBreton
Lynch-Staunton
Macdonald (*Cape Breton*)
MacDonald (*Halifax*)
Marshall
Meighen
Murray
Nolin
Oliver
Ottenheimer
Phillips
Rivest
Robertson
Rossiter
St. Germain
Stratton
Sylvain
Tkachuk—39

NAYS
THE HONOURABLE SENATORS

Austin
Bonnell
Bosa
Cools
Corbin
Fairbairn
Frith
Gigantès
Graham
Hastings
Hays
Kenny
MacEachen
Molgat
Olson
Perrault
Petten
Prud'homme
Robichaud
Stanbury
Stewart
Stollery
Thériault—23

ABSTENTIONS
THE HONOURABLE SENATORS

Pitfield
Spivak—2

Hon. P. Michael Pitfield: Honourable senators, I should like to explain why I abstained on this vote. Albeit for somewhat different reasons, there is much to be said for some of what Senator Prud'homme had to say, which I do not think we addressed.

As it is, the interests of party are causing this issue to be defined in a way that is unfortunate. This makes the matter more difficult to deal with and, in the end, I cannot support either the position of the government or that of the opposition.

Hon. Mira Spivak: Honourable senators, I wish to take a few seconds to explain why I abstained.

It is quite clear that the government of the day was elected with a majority to do what it is doing. I am not fully convinced of the merit of the arguments for the amendments. I am also of the opinion that the Supreme Court should at the end of the day decide the constitutionality of the issue.

THIRD READING

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

Hon. Richard J. Stanbury (Acting Deputy Leader of the Government): Honourable senators, it is with great regret that I note that my Conservative colleagues have once again abused this chamber in the interests of partisan politics.

Some Hon. Senators: Shame!

Senator Stanbury: Once more they have turned their backs on the declared will of Canadians.

• (1240)

Throughout the debate over the last two weeks, both in this chamber and in committee, my Conservative colleagues have repeatedly represented themselves as being the defenders of the rights of Canadians. They stated over and over that they were utterly indifferent as to the outcome of the dispute concerning the Pearson Development Corporation or any of the parties to the Pearson deal. With equal force, they stated that they accepted the right of the Liberal government to cancel the Pearson deal.

The amendments to Bill C-22 proposed by the Conservative majority in the Standing Senate Committee on Legal and Constitutional Affairs put the lie to those noble words. These amendments demonstrate that their purpose is now, as it was when the Conservative government shamefully pushed the agreements through less than two weeks before the election in which they were soundly defeated —

The Hon. the Speaker: Order. I apologize for interrupting, but there are many conversations going on. I know that after a vote there is always some movement, but perhaps we could cooperate by keeping our discussions at a very low level and allowing the speakers on both sides to be heard.

Senator Stanbury: Thank you, Your Honour.

Now, as then, their purpose is to get the best deal possible for the partners in the Pearson Development Corporation, whatever the best interests of Canada may be, and whatever the cost to Canadian taxpayers.

Yes, Bill C-22 is an extraordinary bill. It would nullify contracts. It would limit the compensation that can be given to the contracting parties and limit their access to the courts. However, it is extraordinary because the contracts it concerns were extraordinary, both in their substance and in the process by which they were concluded.

These agreements, as everyone in this chamber knows, and as most Canadians know, were needlessly rushed through to conclusion at the end of the election campaign when it was clear the government would be defeated. It was a shameful flouting of the principle of responsible government which is, as Peter Hogg, one of the pre-eminent Canadian constitutional scholars, has written, "probably the most important non-federal characteristic of the Canadian Constitution." The action of the Campbell government was clearly in breach of an important convention of our system of responsible government.

The Liberals made it very clear that they opposed conclusion of the agreements and that, if elected, the agreements would be reviewed and, if it was appropriate, they would be cancelled. The Conservative government, knowing this, and knowing also that the opinion polls showed that the Liberals were indeed about to win a majority government, proceeded to conclude the agreements.

This, in itself, demonstrated the utter disdain that the government had for the will of Canadians. It refused to wait and let the choice of the electorate determine and implement those policies that Canadians wanted to have implemented. In spite of them, the electorate did choose, in spades. They elected 33 Liberals in the Toronto area where the Pearson airport deal was the big issue, and they elected all but one Liberal in Ontario.

In substance, too, the Conservatives demonstrated their true motivation. Contrary to the normal practice, these contracts did not include any cancellation clause or termination-for-convenience clauses. The Conservatives, therefore, sought, as best they could, to present their duly elected successor with a fait accompli. They sought to impose their policies on their successor in blatant disregard for the will of Canadians. They rushed through a contract and omitted to provide terms whereby the next government could easily, and in the ordinary course, extricate itself from those contracts with minimal cost to the Canadian taxpayer.

Why should Pearson Development Corporation benefit from a privileged legal regime not available to businesses in general? This is clearly improper conduct on behalf of an outgoing government. To quote Professor Hogg again:

> If a legislative body could bind itself not to do something in the future, then a government could use its parliamentary majority to protect its policies from alteration or repeal. This would lay a dead hand on a government subsequently elected to power in a new election with new issues. In other words, a government while in office could frustrate in advance the policies urged by the opposition.

What they knew they could not do by legislation, because Parliament had already been dissolved, the Conservative government attempted to do by contract.

True to their election promise, the Liberals reviewed the Pearson deal. They concluded that it was not in the best interests of Canadians, and they proceeded to cancel it. However, the Conservatives are still trying to lay their dead hand on the new government's policies. They claim that their purpose is to ensure that the rights of all Canadians are defended.

Honourable senators, Bill C-22 threatens no rights. All Bill C-22 would do is put an end to the interests and expectations wrongfully raised in the first place. All the parties to these contracts knew full well that these agreements should not have been concluded so rashly. All the parties knew that they were likely to be cancelled if they insisted on steamrolling them through. This is not a case where anyone could have reasonably relied upon agreements, assuming that they were freely and properly entered into by parties with the authority and power to bind themselves and their successors.

The Minister of Justice came before the Standing Senate Committee on Legal and Constitutional Affairs specifically to address the concerns that had been raised about possible violations of rights that would be affected by Bill C-22. He stated categorically that, in accordance with the Department of Justice Act, he had satisfied himself that Bill C-22 was valid in terms of constitutional requirements. The minister went further. He described the analysis that was conducted of the bill in terms of the Canadian Bill of Rights. He stated his conclusion, that nothing in Bill C-22 was invalid because of the operation of any part of the Bill of Rights.

There was a suggestion by Senator Murray that the Department of Justice is sometimes found to be wrong. I would not dispute that at all, but I would like to read into the record the record of how often it has been overridden by the courts.

Since 1982, every government bill has received a Charter certificate. Between 1982 and December 31, 1993, 604 such pieces of legislation have been passed by Parliament. Only three were overturned by the Supreme Court of Canada. This represents a success rate of more than 99.5 per cent for the Department of Justice. The same applies for the certificates pursuant to the Bill of Rights. Between 1973 and 1982, 435 pieces of certified legislation passed through Parliament and only two were reversed by the Supreme Court of Canada; once again, a success rate of more than 99.5 per cent.

Therefore when the Tories claim that this bill is unconstitutional, they are placing their opinion and the speculative opinions of a couple of academics against the 99.5-per-cent track record of the Department of Justice. Instead of accepting the assurance of the Minister of Justice, who takes an oath of dedication to public service, they chose to accept the hypothetical speculations of two academics as to what might happen if the bill were ever challenged in the courts.

My Conservative colleagues continued to attack the bill, suggesting it would wreak havoc on all future government contracts. How could anyone be confident, we were asked, that any contract with the government would not be summarily cancelled like this? In fact, the real world of Canadians welcomed the Prime Minister's decision to cancel the Pearson deal.

I quote from an article by Allyson Jeffs which appeared in *The Ottawa Citizen* on December 4, 1993.

> Businesses seeking deals from outgoing governments will definitely think twice in the wake of Jean Chrétien's decision to toss out the Tory deal privatizing Toronto's Pearson Airport, a contract law expert said Friday.

The expert was Professor Robert Howse.

> They won't say "Let's sign it so it's done and a future government will leave it alone," Professor Robert Howse of the University of Toronto said in an interview. "It will discourage that in the future, certainly."
>
> And that, he said, is a good thing all the way around.
>
> It is efficient for everybody because it will not lead to business decisions based on the illusion that they'll be left alone after the democratic process. And it's also efficient for society as a whole because there will be fewer costs to get out of these contracts.

• (1250)

That was the opinion of Professor Robert Howse.

I also draw the attention of honourable senators to the fact that this contract law expert pointed out last December that the government could have legislated an end to the contracts and refused to pay any compensation. Indeed, this is precisely what Bill C-22 would do, except that it would not go that far. It would allow for a negotiated compensation agreement, with the limitation that there would be no compensation for lobbyists' fees or lost profits.

Much has been made of these limitations. Counsel for the Pearson Development Corporation has called the bill "an act of confiscation." He stated his position that Pearson Development Corporation "is entitled to damages as a measure of the profit we would have been able to realize if the contract had not been cancelled." Honourable senators, this is plainly ridiculous.

The lobbyists' fees are simply expenses incurred in the hope of getting the deal. If the contracts had not been concluded — as they should not have been — there is no question that they could not have expected to be compensated for those expenses. Any business person knows that those expenses are incurred at your own risk. It would be nice to think you could bid on a contract risk-free and have all expenses reimbursed, but that is not how things work in the real world, and any Canadian knows that.

Honourable senators, we have a bill that is constitutional, and does not violate either the Charter of Rights and Freedoms or the Canadian Bill of Rights. It simply restores everyone to the position they would have been in, had the agreements not been signed. They should not have been signed, and all the parties knew that the incoming government strenuously opposed their signing and was prepared to cancel them if they were signed.

My Conservative colleagues on the Standing Senate Committee on Legal and Constitutional Affairs have now proposed a series of amendments to the bill. Honourable senators, the clear import of these amendments is to prevent the government from fulfilling its election promise, namely to prevent the cancellation of the agreements. All along, my Conservative colleagues have vowed that they were indifferent to the result for the parties to this contract, and their concern was solely with constitutional principles. They accept, they said, that the government has the right to cancel the contracts. Yet the amendments would prevent exactly that cancellation.

They said that all they wanted was an opportunity for the parties to make their claims in court. I saw the Leader of the Opposition stating exactly that on television last night. What they have done is to provide a quasi-legitimacy to the claims of the people who succeeded in pressuring and cajoling a desperate Prime Minister in her last days in office into creating a gravy train the like of which has never been seen in Canada before.

If these amendments pass, as they surely will, because the Progressive Conservative majority in the Senate, as the last vestige of the Progressive Conservative Party in Canada, must try to support those who supported it, Bill C-22 will be literally dead. Instead of cancelling the agreements altogether, the amendments would terminate them as of April 13, 1994, more than six months after the agreements were signed by the Conservative government. This could make the government liable for greatly increased damages, and the Minister of Transport estimated that they could be in the nature of hundreds of million of dollars. We see that the true purpose of these amendments is not, as claimed, to protect the rights of all Canadians, but rather to protect the narrow interests of Pearson Development Corporation and any other parties to the Pearson deal.

Indeed, where the government wanted to state categorically that no one is entitled to compensation from Her Majesty in connection with the coming into force of the act, the amendments would provide an exception for any entitlement to compensation that arose prior to April 13, 1994. In plain language, the amendments would reverse the policy of the Government of Canada and allow the payment of compensation up to April 13, 1994, including lobbying fees and prospective profits.

The government sought to ensure that the matter of the Pearson deal would be concluded once and for all with the passage of the bill and any compensation agreement negotiated soon thereafter. The government wanted to move on to establish and to put in place its own policies on the operation and development of Pearson and the other airports throughout Canada. The amendments would eliminate the clauses that would provide for this finality. The dead hand of the ousted Conservative government is again seeking to clamp down, and ensure that the government is entwined in litigation for years to come, or forced by threat of that legislation to accept a bad deal for Canadians.

Honourable senators, this is yet another example of this chamber being cynically manipulated for partisan politics, to ignore the stated will of the Canadian people and, instead, hold the government hostage to further political ends —

Senator Lynch-Staunton: You never did that during the GST debate, did you?

Senator Stanbury: — not the best interests of Canadians. What an unfortunate message to send Canadians already fed up with high-handed backroom politics.

Senator Lynch-Staunton: Selective memory.

Senator Stanbury: I urge honourable senators to vote against the proposed bill as amended, and in favour of Bill C-22. Bill C-22 implements the will of Canadians. It is constitutionally sound. I invite honourable senators to ensure that the credibility of this chamber is not undermined once again, and that we uphold our proper role in responsible government.

Hon. Donald H. Oliver: Honourable senators, I am pleased to rise today to speak to the constitutional issues arising out of Bill C-22. Before I do so, I wish to note that the Senate in the last two months has acted to fulfil the role originally envisaged for it. For instance, in its actions on Bill C-18, it protected and defended the democratic rights of Canadians, and in Bill C-22 we are attempting to preserve the rights of Canadians to due process of law.

As someone who deeply believes in Senate renewal and the role of the Senate in our parliamentary system, I feel the actions taken by senators on this side in relation to both these bills are in keeping with the strongest and best traditions of the Senate. I was honoured to participate for the last two days as a member of the Standing Senate Committee on Legal and Constitutional Affairs exploring the constitutional issues which lie at the heart of our objections to Bill C-22.

On Monday, July 4, 1994, the Minister of Justice, the Honourable Allan Rock, appeared before the committee and assured us the bill was valid constitutionally. He said, among other things, that it was within the power of the federal government to enact; Parliament is sovereign and can set aside contracts made by previous governments; there is no constitutional right to compensation. He said that there was nothing in Bill C-22 which contravened either the Charter or the Bill of Rights. However, the performance of the minister does not stand up to careful scrutiny.

Senator Jessiman persuasively argued the possible application of the right to a "fair hearing in accordance with the principles of fundamental justice" section of the Bill of Rights. Others, including Senator Lynch-Staunton and Senator Murray, dealt with aspects of what we consider to be the faulty basis upon which the Bill was constructed — the lack of due process in the Nixon inquiry.

However, honourable senators, the most notable deficiency in Mr. Rock's arguments came when he was pressed for a precedent for this bill. Precedents are important for those who practice and study law: like cases are decided alike; like situations are to be dealt with by similar solutions. In order to have certainty, a degree of predictability in our legal system, we rely on precedents.

I asked Minister Rock for the statutory precedent for Bill C-22. What previous statute, either federal or provincial, breaks a contract and then prevents the aggrieved parties from recourse to the courts to establish the level of compensation, if any? After considerable pressing, the minister admitted that there

was, in fact, no Canadian precedent for such action, but he did say that in Great Britain the War Damage Act, 1965 was a satisfactory precedent. I obtained a copy of that act, which is a one-page act, and I have read it. It is easy to distinguish from the facts of Pearson.

• (1300)

The War Damage Act of 1965 resulted because of court action brought by the Burma Oil Company as a result of certain oil fields being destroyed by the British during the Second World War as part of the war on Japan. As the Financial Secretary to the Treasury, Mr. Niall MacDermot, explained in the British House of Commons on February 3, 1965:

> This Bill deals with claims arising from events in Burma in the spring of 1942. At that time, the Japanese armies were advancing through Burma. In the path of the enemy advances and clearly destined to fall into enemy hands in a short time were certain installations and properties of considerable military and economic value to their possessors, including oil installations, whose value to an enemy in war-time I need hardly stress. Under the "scorched earth" policy which was adopted in the retreat, a substantial number of these installations and properties were deliberately destroyed or extensively damaged under the orders of the military commander so as to deny their use and value to the enemy.

Honourable senators, we do not agree that this act is a valid precedent. The War Damage Act is a relatively simple statute. It has but one material clause and I would like to read the relevant part of that clause. It states:

> No person shall be entitled at common law to receive from the Crown, compensation in respect of damage to, or destruction of, property caused (whether before or after the passing of this Act, within or outside the United Kingdom) by acts lawfully done by, or on the authority of, the Crown, during, or in contemplation of the outbreak of, a war in which the Sovereign was, or is, engaged.

This statute is no precedent for Bill C-22 for many reasons. I should like to list but four. First, Bill C-22 deals with vested contract rights. The War Damage Act has absolutely nothing to do with contracts. Indeed, as the Financial Secretary to the Treasury stated in 1965:

> The bill is concerned only with compensation at common law and leaves unaffected other types of war compensation.

Second, the War Damage Act is an act of general application. It applies to everyone, unlike the Pearson bill which applies only to a select few who are singled out to have their rights abridged and denied.

Third, the War Damage Act does not prohibit lawsuits for all matters pertaining to war. It only affects lawful acts. Bill C-22 prohibits access to the courts for all matters arising out of the Pearson airport contracts, subcontracts and any other contracts which might be discovered at some future date relating to Pearson.

Fourth, it deals with a wartime situation where extraordinary measures are routinely taken.

I asked Professor Douglas Schmeiser about the British act yesterday morning. He confirmed that it has no application to the Bill C-22 situation, as Bill C-22 deals with vested contract rights and the British bill exists in a country which does not have the legislative hurdles to overcome, such as our 1960 Diefenbaker Bill of Rights and a constitutionally entrenched Charter of Rights and Freedoms. I say to senators opposite that there has been no precedent cited for the type of action contemplated by Bill C-22.

We have further support because two days ago, honourable senators, the Legal and Constitutional Affairs Committee heard from two legal experts as to the constitutionality of Bill C-22. They were Professor Douglas Schmeiser from Saskatchewan and Professor Dale Gibson from the University of Alberta. Both cast considerable doubt on the constitutionality of Bill C-22.

Professor Schmeiser started his testimony by stating that we no longer exist in a system of parliamentary supremacy, but in one of judicial review. He stated that he doubted Parliament could legislate, as the government would have it do in this particular bill. The professor concentrated his remarks mainly on clauses 7 and 8, as they prohibit access to the courts for redress by the aggrieved parties. He argued that the rule of law as presented in the preamble of the Charter of Rights and Freedoms, the application of which was discussed at length in the Language Rights Reference case in Manitoba, when combined with section 52(1) of the Charter, which establishes the primacy of the Constitution, would render clauses 7 and 8 of Bill C-22 unconstitutional.

He then went to the 1960 Bill of Rights which, through section 2(3), recognizes a right to a fair hearing and fundamental justice. He noted that this section of the Bill of Rights has been construed to be binding both on individual and corporate entities. He stated that on the basis of the reasoning presented in the *Drybones* case in the Supreme Court of Canada in 1970, these clauses of Bill C-22 could be found to be "inoperative."

Our international obligations such as the Universal Declaration of Human Rights and the International Covenant of Political and Civil Rights clearly state that we all have equal access to the courts. Also, property rights are usually protected in international agreements, the professor argued. Based on his study, Professor Schmeiser stated that those in opposition to this bill "have a chance" of success if they were to challenge this bill before the courts on its constitutionality.

Professor Dale Gibson of the University of Alberta was categorical about the chances of setting aside this bill as being unconstitutional. He said in his opening remarks and I quote:

> I think that Bill C-22 is unconstitutional and would be struck down for that reason, probably in its entirety, if challenged by the courts.

He was unequivocal. Professor Gibson felt that Bill C-22 encroached on provincial jurisdiction over property and civil rights in the province as set out in section 92(13) of the Constitution Act, 1867. He argued that Bill C-22 deals primarily with contracts, and only in a minor way with aeronautics. This puts it in the exclusive provincial field of interest.

As well, he felt that an argument could be made under section 8 of the Charter that the actions contemplated by Bill C-22 amount to an unreasonable seizure. Section 8 states that "everyone has the right to be secure against unreasonable search and seizure." Professor Gibson stressed that if the courts found that an unreasonable seizure of property had occurred, then Bill C-22 would not be saved by section 1 of the Charter in that no pressing need has been shown for the legislation.

As well, on the basis of the proportionality test required under the case law to invoke section 1, Bill C-22 fails as there are less Draconian ways to deal with the Pearson airport contracts. The professor suggested that the government did not put forth the solution that would interfere the least once it decided that the Pearson legislation was to save a "pressing and substantial public purpose."

Professor Gibson submitted that Bill C-22 violated section 2(*e*) of the Bill of Rights, which deals with the deprivation of a fair hearing, and argued that it violated section 1(*a*) of the Bill of Rights which protects enjoyment of property. Although the courts have held that section 1(*a*) does not apply to corporations, he cited one of the early Charter decisions in the Supreme Court of Canada, the decision in *The Queen v. Big M. Drug Mart*, in which the constitutionality of the Alberta Lord's Day Act was challenged. The courts held that freedom of religion could apply to a corporation because people were affected by that corporation's right to freedom of religion. He argued that the reasoning in that case would be applicable to section 1(*a*) of the Bill of Rights.

Professor Gibson closed by stating that Bill C-22 violates the rule of law, which is a fundamental tenet of our Constitution, on two grounds: first, clauses 9 and 10 of the bill as presented to us set out a scheme whereby the minister may determine the amount of compensation. As Professor Gibson said:

> The substitution of ministerial whim for any consistent legal provision concerning compensation seems to fly in the face of the rule of law. Besides imposing non-legal criteria on what should be a legal question, this makes the minister a judge in his own cause, which is a grave violation of the rule of law.

As well, Professor Gibson argued that clauses 7 and 8, in that they purport to deny access to the courts, unquestionably contravene the rule of law.

In conclusion, honourable senators, I submit that these are all compelling constitutional arguments against Bill C-22. I submit further that it should be amended so that the rights of Canadians to due process of law, to be protected by the rule of law, be restored. That is the role of the Senate — the protection of minorities against the arbitrary actions of the state.

Hon. John B. Stewart: I should like to ask the Honourable Senator Oliver if he will undertake to deal with a question.

Senator Oliver: Of course.

Senator Stewart: He has just told us that the arguments put forward in the committee by Professor Gibson are compelling constitutional arguments. Are we to understand that Senator Oliver agrees with Professor Gibson that Bill C-22 deals with a matter that falls within subsection 13 of section 92 of the Constitution Act, 1867?

• (1310)

Senator Oliver: One of the arguments that the professor made is that it may be *ultra vires* in that it falls into a provincial rather than a federal area. He did not base his entire presentation upon that. He did make the argument that that is one possibility.

Senator Stewart: I understand that. The honourable senator has stated how he will vote and he has been giving us an explanation of his vote. From what you have just said it seems reasonable to assume that you agree with Professor Gibson that Bill C-22 deals with a matter that falls under "property and civil rights in the province."

Senator Oliver: That is not the essence of what the professor said. As I said, that is only one of the arguments that he made, and that was one of his weakest arguments.

Senator Stewart: The honourable senator implies that he does not rely on that argument. Perhaps you find all the others weak — I do not propose to take you through the entire list. If one of this authority's arguments is weak, all of them may be weak.

Hon. Philippe Deane Gigantès: Honourable senators, let me tell you how the public seems to perceive the Pearson airport deal and the current efforts by the Tory members of the Senate to salvage this deal for those to whom this gift was given by a dying Tory government.

The Pearson airport is the hub of Canada's transportation system. It is, moreover, an airport that makes a good profit for the federal treasury. It was given away to a consortium organized by friends of the former Tory government. Lobbyists who were also friends of the former Tory government played an unusually manic role in putting this deal together.

However, word got out. Public servants who felt manipulated and improperly pressured sounded the alarm. Municipal and provincial authorities in Toronto protested. The press got on to it. The Pearson airport deal became an issue in which public opinion was ahead of the politicians. It was a deal that added to the increasing contempt the public was feeling towards institutions of government before the last election.

The leader of the Liberal Party decided that, if elected, he would look into the Pearson deal and, if necessary, cancel it. He warned the Tory government not to sign the deal before the election. It was one of his acts that induced the public to vote for the Liberals.

Yet, after Jean Chrétien warned that he might cancel the deal if elected, and a mere 18 days before the federal election of October 25, 1993, the Pearson deal was signed by a Tory government that really knew that it was dying. The Tory party surely did not need this last nail in its coffin that the signing of the Pearson deal represented, but the Tory friends and lobbyists who had engineered this deal needed it.

Is it not legitimate to ask why they wanted it signed when they had been warned it would be cancelled, and knew full well that it would be cancelled? We have heard no plausible explanation than the one which follows: If they had a signed deal, then they could tie up the development of the Pearson airport in the courts, filing injunction after injunction. Thus, the Tories who engineered this deal could hope that, to get rid of them and proceed with an orderly, prompt and necessary development of the Pearson airport, the Liberals, who were certain to gain power, would have to pay compensation for cancelling the deal, including compensation for the profits those Tory friends had so looked forward to; and compensation for all those Tory lobbyists who wanted to set aside a little something for all those lean years they expected under the Liberals.

I should like to state unequivocally that I am convinced that Senator Lowell Murray had no part in this calculus. I think him an honest man. Though he was in the cabinet, he was surely too busy bailing an electoral boat that was so inexorably sinking to analyze the motives of those who wanted the deal signed even though they knew it would be cancelled. Nor do I think Senator Lynch-Staunton was aware of how deadly the desperation of the Pearson deal makers was at the thought of losing the goose that they had expected to give them so many golden eggs.

The Liberals, as expected, won the election; had a look at the Pearson deal; listened to all the public servants who had gone through the vexing experience of being pressured to do something they were not sure was in the public interest; and the Liberals concluded that the public had been right all along and that the Pearson deal was not in the public interest.

No one — not even one Tory senator — contests the right of a freshly elected government to cancel a contract it considers bad for the public interest. Of course, there are ways of cancelling and then there are other ways of cancelling. The Liberal government prefers one way; the Tories prefer another way.

The Liberal way, Bill C-22, proceeds from the assumption that the Pearson deal was not in the public interest, that it would deprive the citizens of property they own for no fair return, and that since the transaction was bad it should be cancelled at the minimum possible cost to the public. Those involved in the deal should be compensated for real expenses they incurred preparing their bid, but not for profits they would forgo because the bill was cancelled, nor for their clever lobbyists who engineered the bill. Surely it is improper to pay someone for arranging to deprive citizens of public property that they own, and with no fair return for these citizens.

Bill C-22 declares the deal never to have existed. This was the only formula which would preclude the clever lobbyists and their friends from tying up the prompt and necessary improvement of Pearson airport by clever legal tactics before the courts, where their lawyers would argue that clients had the deal which gave them Pearson airport, and therefore no one else could touch the airport. The airport would be the hostage and the public would be asked to pay a heavy ransom. These are the plain facts as the public understands them, regardless of the legal language.

That is precisely what the Tory amendments are designed to do. They are designed to enable their friends to hold the public to ransom. With these amendments, the Pearson deal is no longer deemed not to have existed but is cancelled as of April 14. The Tory amendments nullify Bill C-22, which is the only formula to preclude improper payments for arranging to deprive citizens of public property they own, and with no fair return for these citizens. This is what we are talking about. These amendments open the way for the hostage incident. Thanks to the Tory amendments, the prompt and necessary improvements of the Pearson airport will be tied up in litigation until the maximum possible payments are secured for those who engineered the deal in the first place.

Tory senators assure us they are interested only in fairness, and not in helping anyone get compensation other than for real costs incurred in negotiating the bill, which is what the government is prepared to pay. Why, then, have the Tories proposed the amendment so precisely aimed at giving those who engineered the deal a tool for extracting the maximum amount of money from the public?

"Ah, yes," say the Tories, "but the amount to be paid by the government will be decided unilaterally by the government, and that is not fair." Why, then, did the Tories not leave the rest of the bill alone, amending only clause 10, assigning the determination of real costs incurred not to the government but to independent arbiters? You did not try that.

Senator Oliver: Because there was no contract.

Senator Gigantès: That is not what you wanted. That would have been fair, but that is not what the Tories did. Their amendments were specifically designed to let those who engineered the Pearson deal use the courts to get at the public purse. One is inevitably led to doubt Tory affirmations that they care only about fairness.

"Ah, yes," say the Tories, still on their fairness theme, "it is not fair, it is not natural justice to deprive people of their right to sue, as Bill C-22 does." I am paraphrasing, but accurately.

Bill C-22 does not deprive anyone of the right to sue. They can go to court claiming that Bill C-22 is against the Diefenbaker Bill of Rights. Had the government really wanted to deny access to the courts, it could have invoked a notwithstanding clause, shielding Bill C-22 from the court challenges. However, the government did not invoke the notwithstanding clause and, therefore, those who want to challenge Bill C-22 in the courts may do so. The lawyers among the Tories know this very well. Not one of them has denied it.

Finally, the Tories charge the government with unfairness for not having held a public inquiry under the Inquiries Act where witnesses can be subpoenaed, interrogated under oath and cross-examined. The Chrétien government did not want another Sinclair Stevens inquiry, drawing the attention of headline writers, every day, to Tory errors of omission or commission. It would be an inquiry into Tory actions, not Liberal actions. However, the government felt it was better to deal with the thing as quickly as possible, rather than prolong the agony and thereby provide a prolonged illumination of events which would only serve to revive the contempt for public institutions which Mr. Chrétien has so successfully reversed.

However, as the Honourable Doug Young said, the government knew full well that the Tories have a majority in the Senate, that the Senate can subpoena witnesses, interrogate them under oath. There is a whole platoon of Tory senators who are Queen's counsel, learned in the law, who could cross-examine any witness under oath to their hearts content. Counsel for those who engineered the Pearson deal would surely provide Tory senators with all the required ammunition for such cross-examination.

The Liberals, too, have Queen's counsel who are learned in the law, and who sit as senators. The government knew the Tories could launch just such an inquiry, and that such an inquiry by a Senate committee would be much, much cheaper than one under the Inquiries Act. One must ask, therefore, why have the Tories not undertaken an inquiry through the mechanisms the Senate provides? Since they have not launched the inquiry, how ingenuous is their request for an inquiry by the government?

Why, then, are intelligent, honest people like Senator Lowell Murray acting the way they are on Bill C-22? The only possible answer seems to be partisanship. Honourable senators might remember that I have often expressed support for partisanship — the inevitable consequence of having parties in a democracy. If we did not have at least two parties, we would be a banana republic or one of those former Soviet socialist republics.

Honourable senators might also remember that I have often expressed the view that an opposition must oppose vigorously. The issues that Parliament deals with are too important for playing patty-cake, patty-cake. Parliamentary democracy demands passionate debate because the issues merit passionate debate.

My only criticism of the Tory stance on this issue, Bill C-22, is that they have chosen the wrong issue. I am sorry, because I prefer them to Reformers. I dread the thought of that bunch of fundamentalists some day replacing you completely, even in this chamber.

My only criticism of the Tory stance is that they have undertaken to defend one of their past mistakes, and to stand for the pecuniary interests of a few businessmen and lobbyists who mind losing a cash cow, against the citizens at large whose interests are ill served by the Pearson deal.

Hon. Consiglio Di Nino: Honourable senators, I am tempted, but perhaps I should stick to a reasonably prepared comment. My temptation is truly to suggest that some of my colleagues opposite seem to be using their standards to judge what is happening here — not my standards; their standards. I would not stoop that low.

Senator Frith and Senator Stanbury both commented about the use of this chamber as a debating place for discussing national issues. Senator Stanbury, as a matter of fact, said that we are abusing the declared will of Canadians. These two senators and their colleagues would have us believe that this chamber has no right to represent the best interests of Canadians.

Senator Stanbury: Not so.

Hon. Royce Frith: I said the exact opposite.

Senator Di Nino: Listen, then. They would have us believe that we should abdicate the constitutional authority of this chamber.

Let me remind them of their conduct, of their behaviour and their practice during most of the time the previous government was in power.

Senator Stanbury: How about the behaviour of the government?

Senator Di Nino: How many times did they and their colleagues oppose, how many times did they amend, and how many times did they delay the legislation of the previous government when the Liberals had a majority in this chamber?

Senator Stanbury: And how many times was anything accepted?

Senator Frith: Never. Not once.

Senator Di Nino: Let me also remind them that they have neither exclusivity nor a God-given right to be the only spokesmen and representatives of Canadians.

Senator Hastings: You are not doing very well.

Senator Di Nino: We on this side do not intend to abdicate our responsibility to represent and safeguard the rights of Canadians. As a matter of fact, we intend to fight for their rights.

Honourable senators, I am impressed by the presentations of my colleagues on this issue. To me, this debate is all about the fundamental principles of a democratic nation.

• (1330)

The foundation of a democracy is surely based on the right to impartial and independent adjudication of a citizen's grievance, commonly referred to as due process.

Before I speak on this critical part of Bill C-22, I will address the suggestion or accusation that the delay of this bill will impact on the operation and administration of Pearson International Airport. In my view, that accusation is baseless.

Transport Canada continues and has continued uninterrupted the responsibility for the operation and administration of the airport. Possession was never relinquished.

Prior to the October 25, 1993 election, Prime Minister Campbell asked the corporation that had won the bid not to take possession on the scheduled date of November 1, 1993, but to defer possession until December 15, 1993, to allow the incoming government an opportunity to review the contracts. Obviously, we are all aware of what has transpired since then.

In my opinion, the operation and administration of Pearson International Airport is in no way affected by any delay of the passage of this bill. Repairs, maintenance, and the operation of the airport continue in the usual manner. The efficient and safe transportation of passengers at Pearson will not be affected by this piece of legislation.

If the suggestion is that delaying this bill will result in the government's inability to proceed with future plans for Pearson International Airport, I have two suggestions:

First, I, and I know my colleagues agree, have no objection to the cancellation of the contract. Therefore, I believe the final disposition of this legislation will not interfere with the government's right, a right we agree with, to cancel the contract. Let the officials begin the background work necessary in preparing for a speedy conclusion to a problem that must be dealt with expeditiously.

Second, if this chamber in its wisdom amends the legislation, I invite the government to recall the other place as soon as possible to deal with the matter. We on this side are ready to sit next week, the week after, or whenever the bill is once again in this chamber. Let us cut the rhetoric, and let us work together to craft a piece of legislation that serves the government's purpose but does not deny Canadians that most important right of a democratic society, our day in court. It is precisely on this point I wish to comment further.

Let me clearly state my position on my objection to Bill C-22. Canadians expect and demand that we as legislators safeguard their fundamental rights and principles. The right to due process under Bill C-22 is being denied to a number of Canadians, not only the major participants in the agreement, but many other lesser players caught by this legislation. The principle of democracy has, as its foundation, the right to one's day in court.

I find clauses 7 and 8 in this bill totally unacceptable and offensive. No government, at least no democratic government, should have the right to deny fundamental justice to its citizens. My objection to this bill is based solely on the fact that it will deny Canadians the right to due process. We grant, and rightly so, this fundamental right to murderers, rapists, child molesters and other such scum, and yet this bill will deny this right to a number of Canadians who are claiming, not only innocence of any wrongdoing, but an opportunity to prove their innocence through an independent, impartial, judicial inquiry.

Senator Stanbury, I believe, said that Bill C-22 threatens no rights. He is wrong.

Minister Rock, in his testimony before the Senate committee studying this legislation, stated that no similar legislation had ever been passed by the Government of Canada. Let me again refresh your memory. A similar law was passed in 1942 under the War Measures Act, when the Canadian government legislatively denied the right to due process to Canadians of Japanese, Italian and other backgrounds. That was for tens of thousands of Canadians a very dark time in their lives.

Senator Stewart: When was it passed?

Senator Di Nino: 1942.

Senator Stewart: I thought it was 1913.

Senator Di Nino: I said under the War Measures Act in 1942.

Not only did the government take these people's rights away from them, it took away their freedom, their dignity and their self-respect. Those Canadians have carried, and will carry, their shame and their pain to their graves.

Denial of fundamental rights was wrong then and it is even more wrong today, because today we cannot blame it on the emotions aroused by a war. Nothing in a democratic society justifies denial of due process.

Honourable colleagues, I care not about the contracts or agreements. I care not about the issues of compensation. What I do care about and will fight for is our fundamental rights, and Bill C-22 offends me and insults all rational thinking Canadians unless amended to restore the right to due process for all Canadians. I urge my colleagues to support the amended bill.

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, during the debate at second reading and at the committee hearings, the opposition's stand on Bill C-22 was presented in great detail by a number of colleagues and myself, and it has been done again today. I trust our position is well enough known by now that I need not go over it at length. My remarks will be, for the most part, general in nature.

The approach taken by the two ministers who appeared before the committee could not have been more different, one from the other. The Minister of Justice pleaded the constitutionality of the bill with forcefulness and displayed a most impressive knowledge of the Constitution, the Charter, and the Bill of Rights. His exchanges with members of the committee were informative and most helpful in assessing the bill.

His colleague the Minister of Transport, on the other hand, took the same approach before the committee as he did in the House. The agreements are flawed, they were put together under suspicious circumstances, there was excessive lobbying, patronage was rampant, et cetera, et cetera, ad nauseam. According to him, a bad contract justifies a bad bill. It is a simple as that, so get on with it.

Honourable senators, it is not as simple as that, as we were told by the two constitutional experts, Douglas Schmeiser and Dale Gibson, who drew attention to the unprecedented nature of this legislation, which is an affront to the supreme law of this country.

Such is our preoccupation with Bill C-22. It is of no interest to us, at this stage, anyway, how the agreements came about. For the sake of argument, however, let us accept all that has been said about them.

Senator Stanbury: You would rather forget about it.

Senator Lynch-Staunton: Let us, for the sake of argument, accept all that had been said about them and even more. Let us accept that they only came about because of the political connections of the principals. Let us allow that lobbyists used excessive influence and pressure in serving their clients, that ministers' political aides interfered on behalf of the promoters, that patronage and political connections were the determining factors in the choice of participants. Yes, let us accept all that and even more.

Then what? Any responsible government, not only suspecting but hinting directly at highly unusual doings and goings-on, would already have ordered and launched an investigation by the Solicitor General or, even better, a public inquiry to get to the bottom of the matter.

Our call for a public inquiry does not originate with us. It does not originate as a result of Bill C-22. It originates with an electoral promise Mr. Chrétien made during the campaign. On October 6, 1993, *The Toronto Star* reports as follows:

> Chrétien said if he forms a government after the election, he will order a full-scale inquiry to investigate the deal.
>
> > If it is a good deal, we will sign it if we form a government. But it is no time to sign a deal of this size three weeks before an election,
>
> the Liberal leader said.

Senator Stanbury: It was irresponsible.

• (1340)

Senator Lynch-Staunton: He said:

> You can't make a deal like that without all the facts. The people have a right to know all the facts before they are stuck with a deal.

Mr. Chrétien was in favour at the time of a full scale public inquiry.

Senator Berntson: What happened?

Senator Lynch-Staunton: What happened? We have the distorted, warped, secretive Nixon report on which this legislation is based. We are just repeating what Mr. Chrétien said during the campaign, "Let's have a full scale, public inquiry."

The government refuses to go in this direction, to provide those it smears with a chance to be heard. They cannot be heard now because they have not even been named — strongly hinted at but not named. Accusations and insinuations are thrown out to fall where they may. Everyone connected with the agreement is under suspicion, both in the public as well as in the private sector. The government, with no consideration for the harm done to the reputations of hundreds of fellow citizens, brings forward unsubstantiated accusations as facts, and concludes that Canadians were shafted by the beneficiaries of a sweetheart deal, so let's shaft them in return.

Anyone in Canada who is charged with an offence, be it criminal or civil, as trivial as watering a lawn outside certain hours or as serious as child molestation, is entitled to a hearing in court. No one involved with the Pearson agreement has been charged with the slightest offence. Nothing surrounding the agreement, which took four years to complete, has been identified as illegal. Yet Bill C-22, which cancels the agreement, a decision with which we have no quarrel as it lies entirely

within the government's right, goes where no other act of the Parliament of Canada has gone before. It declares that not only are the agreements cancelled, they are said never to have existed. No compensation or redress for this unilateral act can be claimed. No access to the courts is available. The Minister of Transport will decide if claims may or may not be honoured in his own way, within his own definition, within his own time limits.

Is distaste of an agreement, no matter how intense, sufficient grounds for denying a basic right to innocent Canadians, a basic right which is available to hardened criminals? Supporters of Bill C-22 plead that yes, this may be an extraordinary provision, but then one must realize that court proceedings would be lengthy and certainly very costly.

How can the government anticipate the ultimate costs, if any, of any court action anyway? The Minister of Transport was not able to give any figure which could result from the application of clause 10. He had no idea what the overall claims might be, although he remembered reading somewhere a figure of about $170 million. Senator Stewart claimed at the committee that that figure could be much higher if court action were initiated. He also admitted that it could be lower. He dismissed the possibility that it could be negligible. The fact is that no one knows, period. The government implies that court claims could lead to settlements running into the hundreds of millions of dollars. How presumptuous, if not disrespectful, of the judiciary to anticipate a judgment even before any action has been filed.

How the government contradicts itself. On the one hand, it says the contract is tainted, riddled with favouritism, obscenely profitable and a reward for political favours, and, on the other hand, such a contract as the result of a court settlement would result in a cost to the taxpayers of hundreds of millions of dollars. Any logic to holding these two arguments simultaneously escapes me completely.

What we do know is that it is immoral and, based on expert testimony, wrong to deny anyone the right to go before an independent body for an independent judgment. The main thrust of the amendment is to restore this right, and to declare the agreement terminated at a certain date.

During the discussion of the amendments, government supporters deplored the fact that claims for lobbyists, lobbyist fees and lost profits could and would be made as if this were improper. They suggested that all claims would be honoured, which is an affront to the judiciary. They took particular exception to lobbyist fees forming part of the claims.

The government has a fixation about lobbying. It treats it as a low-life occupation with its practitioners engaged in sleazy activities. They should be kept at a distance, treated as pariahs. This made for wonderful campaign rhetoric, but when it came time to act, the bluster quickly gave way to pussy-footing. Amendments have been introduced to the Lobbyists Registration Act which, not surprisingly, do not match the promises of the Red Book, wherein one reads:

> ...a Liberal government will implement the unanimous June 1993 report of the House of Commons Standing Committee on Consumer and Corporate Affairs respecting the Lobbyists Registration Act.

Obviously, someone in the government did not read the whole report, or deliberately skipped over some pages, as the amendments proposed do not incorporate a number of key committee recommendations. Why do I elaborate on this? Because, on the one hand, lobbyists are fair game to justify a deplorable bill, yet based on the proposed amendments to the Lobbyists Act, now before a House committee, they will be allowed to operate as before except for the supplying of additional information on their activities. If the government was so concerned with the supposed damage done by lobbyists, why not add a clause to Bill C-22 and declare lobbying not only unworthy of financial compensation but illegal, purely and simply.

This bill may be sponsored by the Minister of Transport but it is the Minister of Justice who will bear the awful responsibility of justifying it, should it ever pass in its original form. He and the government are obviously unhappy with the proposed amendments, but he and his government have certainly not been deaf to the assessment of Bill C-22 by two of Canada's leading constitutional scholars who condemned the clauses denying access to the courts. As the Minister of Justice reflects on the testimony given before the Senate committee and on the debates in this chamber, he will understand that this is our only preoccupation. If he and his colleagues feel that certain claims should be limited, or not even considered, why did he not incorporate such terms into the act? Denial of access to the courts would then not have been necessary. I can assure the government that had the bill before us been drafted to properly incorporate this approach, it is unlikely that we would be in the impasse that we are in now.

I do want to end by repeating here something I said to the committee the day before yesterday: Those who question the Senate's in-depth examination of legislation passed by an elected house must understand that by not doing so the Senate abdicates its responsibilities. Respect for decisions taken by the elected does not imply blind acceptance of them, particularly when government legislation does not meet some fundamental criteria, one of which is to correct injustices. Bill C-22 does the opposite; it creates injustices.

Senator Frith suggests that if there is a question on the constitutionality of Bill C-22, it is not for the Senate, not even for Parliament, to answer, but for affected citizens to plead their own case in court. I want to answer by quoting from one of the most respected members of this chamber whose views continue to be given serious consideration, as they were during his lifetime. In his book, *A Life on the Fringe* Eugene Forsey wrote as follows:

> ...The citizen ought not to be forced to bear all the trouble and expense of going to the courts to prove that what purports to be law is not law at all; and this applies just as much to subordinate as to substantive legislation. If, while a bill is before Parliament, a Member, a committee, or even a witness can convince the House that a particular provision is *ultra vires* and should therefore be struck out, citizens may be saved much toil, trouble, and expense, and perhaps the courts much needless work. If when a regulation is promulgated a parliamentary committee can report that, in the committee's opinion, it is *ultra vires*, the government may be induced to withdraw it, or amend it to remove the offending provisions; and if it does, it should not be overborne by any tenderness for the amour propre of grandeur of the Department of Justice.

• (1350)

Some Hon. Senators: Hear, hear!

Senator Lynch-Staunton: Honourable senators, we have not taken the stand we have with any enthusiasm; far from it. From the moment we started discussing Bill C-22 amongst ourselves, we knew that we would be charged with favouring political supporters, which has been a recurring theme over the last few weeks. Nothing could be further from the truth. However, as a whole smear campaign regarding the Pearson agreements has been so cunningly promoted, it was inevitable we would be caught up in it.

It would probably have been politically wiser to see the bill through as quickly as possible by holding our noses and getting on to other matters. Then what would have happened? As Senator Frith suggested, a court challenge would no doubt have been instituted. As the two experts suggested, the court would probably have struck down at least part of the bill.

How would Canadians have reacted to the revelation that both Houses of Parliament had passed legislation which they knew had every chance of being declared *ultra vires*? Not only should we not consider the possibility, we must make every effort to avoid it.

Honourable senators, we faced a similar situation with Bill C-18. Amendments were made here; the government reflected and agreed to them. We hope the government will also react positively to our concerns and agree that replacing the rule of law by the rule of men and women is not acceptable in this country. It is a constitutional guarantee, which it is a duty of each Canadian to defend and uphold at all times, and no more so than by the members of both Houses of Parliament.

Some Hon. Senators: Hear, hear!

Senator Stewart: Senator Lynch-Staunton mentioned me in the course of his interesting statement; consequently, I should like to ask him a question.

Senator Lynch-Staunton: Certainly.

Senator Stewart: Bill C-22 was introduced in the House of Commons with a Royal Recommendation. In Bill C-22, a certain method is provided for payments to those who will have had losses as a result of the expunging of the contract. The amendments introduce quite a scheme of providing compensation for those persons, a scheme different from the one set forth in the unamended bill.

Hon. Lowell Murray: No, they do not.

Senator Stewart: Well, there is this difference.

Senator Murray: The amendments would return us to the status quo.

Senator Frith: What status quo? That is the question!

Senator Stewart: The amendments introduce a scheme different from the one in the bill.

Senator Murray, do you not agree that the amendments have the effect of setting aside the compensation scheme set forth in clauses 9 and 10 of the original bill?

Senator Murray: No, honourable senators. The amendments proposed by the opposition strike out those clauses which deny access to the courts to Canadian citizens and thereby restore —

Senator Frith: No, they do not. What about the other clauses?

Senator Murray: To anticipate your argument, those amendments make no new charge upon the public treasury. They restore the status quo.

As of today, without this bill the government can cancel the contract and citizens can sue the government.

Senator Frith: Why did you bother with the other clauses?

Senator Gigantès: Will some lawyer on your side explain it to you?

Senator Stewart: The original clause 9 read as follows:

> No one is entitled to any compensation from Her Majesty in connection with the coming into force of this Act.

With the amendment, clause 9 will read as follows:

> No one is entitled to any compensation from Her Majesty by reason of the application of this Act, except any entitlement to compensation that arose before April 13, 1994 in respect of the agreements.

Clearly there is a difference, otherwise there would have been no amendment introduced by the Conservatives.

It is true that no specific figure can be assigned as flowing from the different scheme of compensation. However, there is this difference: Two classes of potential payments by the Crown are brought back in by the amendment; namely, payments to those who have suffered a loss of profit, and those who made payments for the purpose of lobbying. Those were excluded in the original bill.

Hon. Duncan J. Jessiman: They are still there.

Senator Gigantès: You do not understand the bill. As before April 14, they are no longer excluded because of your amendments.

Senator Jessiman: I will speak later. Please finish.

Senator Stewart: If there are claims for losses of profit or claims for fees for the purpose of lobbying that relate to the period before April 13, then they will be eligible to be dealt with under the new clause 9.

Senator Jessiman: I should now like a minute to answer.

Senator Stewart: No, let me finish.

Senator Di Nino: You do not want the answer, senator.

Senator Jessiman: Let me answer, and then you take your turn.

Senator Hastings: Senator Stewart is asking a question. Order!

Senator Jessiman: Will you listen for a moment. We did not delete clause 10.

Senator Molgat: Is Senator Jessiman acting as legal counsel for my honourable friend?

Senator Jessiman: Yes, to some extent, I guess I am.

Senator Gigantès: Thank God someone with legal knowledge is going to speak. We have not heard much legal sense from over there.

Senator Jessiman: I am going to try. Please.

Senator Gigantès: All right.

Senator Jessiman: We did not delete clause 10. If you do not want to proclaim it, it will stay in existence.

Let us suppose an action is brought before the court. The court will have this clause in front of it. The court will see under this clause, which I would suggest you word differently if you are bringing it back, that, even given the way we have amended it, no amount is payable for any loss of profits or any fees to lobbyists. That clause is in front of the court. The act is there. You proclaim it, though, and 30 days later that is gone.

Senator Frith: Senator Jessiman is reading the bill as if the other clauses were not touched. They are connected.

Senator Jessiman: Of course they are connected. You are exactly right. That is why the court would have to look at it.

Senator Frith: Under your amendments, lobbying fees referred before April would be claimable.

Senator Jessiman: Claimable, but not necessarily payable.

Senator Frith: You are only talking about claimable. The whole bill is about claims. That is what your amendments are about.

The Hon. the Speaker: Honourable senators, I apologize for interrupting the discussion taking place without set speeches. The Senate is very lively today. The problem is this: The Hansard reporters are probably dealing pretty well with this by-play, because they are used to it, but the console operator upstairs is trying to give us sound so that we can know what is going on. He must be having immense technical problems. I suggest we try to make way for each other in a more orderly way so that we can all share in the enjoyment of the debate.

Senator Stewart: Clause 10(2) reads as follows:

> No amount is payable under an agreement entered into under this section in relation to
>
> (*a*) any loss of profit, or
>
> (*b*) any fee paid...

However, the effect of the original clause 9 was to say that no one is entitled to any compensation from Her Majesty in connection with the coming into force of this act. The new clause 9 means that claims for any loss of profit or any fee paid for the purposes of lobbying can be sought. There are two new purposes for which claims upon the Crown will be possible under the bill as amended.

• (1400)

That brings us back to the whole question of Royal Recommendations. I leave out all speculation about amounts. We have two purposes excluded by the original bill for which payments may be made under the new clause 9.

I realize that Senator Lynch-Staunton was not here in 1988 when we traversed some of this ground. Let me briefly explain what the situation was at that time.

The Mulroney government brought in the Government Organization Bill, Bill C-103, which set up the Atlantic Canada Opportunities Agency. The Liberal-dominated Senate divided Bill C-103 and sent the part which could be dealt with quickly and without amendment back to the House of Commons. But before that happened, the Conservative senators said, "No, you can't do this because Bill C-103 is a money bill." It got to the point where the Speaker of the Senate, Senator Charbonneau, was asked for a ruling. He ruled that that bill was a money bill,

that it was an appropriation bill, by reason of the fact that it had been introduced in Parliament with a Royal Recommendation. That appears in the *Debates of the Senate* of June 7, 1988, at page 3587. On appeal, the Senate rejected Speaker Charbonneau's ruling.

Consequently, the bill went over to the House of Commons. When Mr. Speaker Fraser dealt with the question, as he did on July 11, 1988, he took the fact that Bill C-103 had been introduced with a Royal Recommendation as conclusive evidence that Bill C-103 was a money bill.

He went on to remind the House of Commons that, according to one of the standing orders of that House:

> ...all aids and supplies granted to the Sovereign by the Parliament of Canada are the sole gift of the House of Commons...

He proceeded to tell the House of Commons that the Liberal-dominated Senate had infringed upon the privileges of the House of Commons. That is at Commons Debates page 17384.

The outcome was that the Liberal-dominated Senate, while denying the position taken by the Tory-dominated Commons, agreed to let Bill C-103 pass without amendment.

It is evident that the position now taken by the Conservative Party in the Senate is quite different from the position taken by Senator Murray, Senator Charbonneau, Mr. Speaker Fraser and the Tory cabinet in 1988. Have they reversed themselves completely so that they now believe that amendments, which make a new charge upon the Treasury, to a bill introduced with a Royal Recommendation, amendments that add two classes of persons to those eligible for compensation, are in order? That is the question I put to Senator Lynch-Staunton.

Senator Lynch-Staunton: I do not have an answer, Senator Stewart. I am certainly not familiar with this whole history of Royal Recommendations and I would hesitate even to pretend to give you an intelligent answer. I would like to defer to my learned friend and counsel, Senator Murray, who is much more experienced than I.

It would be my opinion, however, that if it is felt that we are trespassing on the prerogative of the House, it would be for the Speaker of the House to rule upon. That is the only intelligent remark, if I can call it that, that I can make on your question.

Senator Stewart: I was not asking for a ruling. I was asking what the position of the Progressive Conservative Party of Canada now is. The Conservative Speaker of the Senate spoke in 1988, as did the Speaker of the House of Commons. I do not know that the Prime Minister spoke, but certainly there was lots of noise from members of the Conservative cabinet. Of course, Senator Murray spoke definitively, authoritatively, conclusively, infallibly on the question at that time. They made the Conservative view known to all.

Senator Murray: Honourable senators, I do not think that the association the honourable senator makes between the ACOA bill of 1988 and this bill is at all valid. In the case of the amendments to this bill, as I tried to say in an exchange with Senator Stewart a few moments ago, our amendments have the effect of restoring access to the courts. The access to the courts is there today, without Bill C-22. If the government cancelled the contract, as it could do without legislation, those affected could sue the Crown. That is the situation today. If the bill were to pass unamended, access to the courts is precluded. Our amendments simply restore access to the courts, so we are restoring the status quo, the situation as it is today. This is not, therefore, any new charge on the Treasury.

Senator Frith: Why do you keep ignoring the first three amendments? Have they been withdrawn? These amendments do not only touch 7 and 8.

Senator Murray: My argument applies to those too.

While I am on my feet, I will say two things. First, Senator Stewart's argument is highly hypothetical. He is saying that if we restore access to the courts, some people might go to the courts; if they go to the courts, they might claim damages; if they claim damages, damages might be awarded; if damages were awarded, there would be a charge on the Treasury. In other words — and he used this term himself when dealing with this matter in committee — a "potential" charge upon the Treasury. Well, as he said in a discussion with Mr. du Plessis, the Law Clerk, the other day, it either is or it is not a charge on the Treasury. "Potential" does not count. It is either a charge on the Treasury or it is not, and I say it is not.

The other point I would make, which I think is pertinent, is that a more relevant question was the one put by Senator Stewart the other day in his discussion with Mr. du Plessis, and that is whether Bill C-22 required a Royal Recommendation at all.

I do not know the answer to that question. You would have to put that question to the minister of the Crown or the legal advisors to the Crown who attached the Royal Recommendation. However, I do not see any payment contemplated or envisaged in Bill C-22 that the government could not make without the bill, as governments proceed to make *ex gratia* payments all the time under the Crown Liability Act.

I think that was the more relevant question which Senator Stewart put. As I say, I do not know the answer, but as a layman I would question whether the Royal Recommendation was really necessary for that bill.

Senator Stewart: I do not want to go on too long on this. However, let me say two things: First, I think it is really quite disingenuous for Senator Murray to say that the effect of the amendments will not be to expose the Crown to additional costs, particularly when, as Senator Jessiman said, the whole question

of loss of profit and fees paid for the purpose of lobbying a public officeholder can now be subjects with regard to which claims for compensation can be made. It is rather disingenuous. Second, if a Royal Recommendation was required in the case of Bill C-103 — which was simply setting up an organization — it is difficult to see that one can say that no Royal Recommendation was not required in the case of the present bill.

• (1410)

Over the years I have asked about Royal Recommendations because the presence of a Royal Recommendation starts questions concerning what the Senate can do to a bill, concerning how far the Senate can go by way of amendment. For almost 20 years the practice has been for governments to bring in bills such as Bill C-22 with a Royal Recommendation, as was done in this case.

I suppose Senator Beaudoin will be on his feet in a moment, stating that the use of Royal Recommendations in this way is now a convention of the Constitution. If so, it would seem reasonable to expect the House of Commons to treat Bill C-22 as amended in the same way that House treated Bill C-103 in 1988.

The fact that the Progressive Conservative Party in the Senate today is taking a new position, a position diametrically opposite to the one they took in 1988, is revealing. It shows how rapidly the Constitution is evolving, even in the minds of very conservative persons.

Hon. Gérald-A Beaudoin: Senator Stewart, if I understand you correctly, you want to play the same game again, but the players will be on the other side this time.

I remember very well the case to which you referred, not the first one in June 1988 because I was appointed in September 1988, but I remember the long debate that I had with you in February 1990 on this very fascinating subject of the Royal Recommendation and the conventions of the Constitution. However, I do not want to refer to that for too long. I have not changed my opinion.

As Senator Murray accurately stated, our amendments are aimed at restoring what we call the rule of law. Senator Stewart states that it may be more expensive. Each time the government respects the Constitution it may perhaps be more expensive, more costly, but the fact is that it is not the same thing as in the 1988 case or the 1990 case.

If there is a budget and the opposition in the Senate, as it did in 1990, for example, suggests that we revert to a previous situation and increase the spending of money, that is one thing. I am sure the honourable senator remembers the unemployment insurance case and Bill C-21, where we came to the conclusion that if an amendment increases the spending, then it may go against the convention. This was an appropriation bill; it was a bill dealing with the spending of money. This case is completely different from the 1988 case and the 1990 case.

Senator Thériault: Because it is your side.

Senator Beaudoin: No, no.

Senator Thériault: Yes, of course it is.

Senator Beaudoin: If you do not want to hear the explanation, it is up to you.

Senator Thériault: There is no explanation. There is no logical explanation.

Senator Beaudoin: Perhaps you are the tribunal of logic in this world. To me, it is not the same case at all. We are aiming at correcting what we consider is a flaw in a bill. You say yes, but perhaps it may increase the spending. We just do not know.

In 1988 it was mathematical. Here it is purely hypothetical. That is the only thing I will say at this stage.

MOTION IN AMENDMENT

[*Translation*]

Hon. Marcel Prud'homme: Honourable senators, I must say I am very glad I made the decision yesterday — that a number of senators referred to as a very unpopular decision — to extend the debate.

Those who read our proceedings will see that we in the Senate are capable of discussing these very important issues and providing further clarification, thanks to the various exchanges that have taken place since yesterday.

Senator Thériault: We could have done that yesterday!

Senator Prud'homme: Not at all, because yesterday it was my understanding that only two speakers would take part in this debate.

[*English*]

For the press to understand well, my understanding was that yesterday there would have been two, or a maximum of three, speakers, and that was it.

Senator Molgat: No, no. Never.

Senator Prud'homme: Everything is debatable. However, I am still pleased that I made that decision. I will not prolong the debate. I will keep most of the other arguments — I have 27 points — for the debate, because now it seems evident that this bill will return to the Senate. As I said, I will be very brief — we must not be shy to learn on our feet — prompted by the speech of the Honourable Senator Lynch-Staunton.

Senator Corbin: He has just left.

Senator Prud'homme: I am still prompted by what he said. The more he keeps talking, the more he could convince some senators of some of the good points raised in his last speech. I will revert back to what he said yesterday or Monday during the committee where, after having refused to consider inviting Mr. Nixon to appear in front of the Standing Senate Committee on Legal and Constitutional Affairs, he proposed that, if the Senate wishes to have him as a witness, it is best he appear before the Standing Senate Committee on Transport and Communications.

Therefore, listening to good advice, I have the honour to move:

> That Bill C-22 be not now read a third time but that it be referred back to the Standing Senate Committee on Transport and Communications, and that the Committee be instructed to invite Mr. Robert Nixon, the author of the *Pearson Airport Review* of November 29, 1993 to appear before the Committee to answer the questions that have been raised in the Committee regarding his report.

The Hon. the Speaker: Honourable senators, may I ask if there is a seconder?

• (1420)

Hon. Lowell Murray: Honourable senators, I will second the honourable senator's motion, but I hope that he will not take this as a precedent.

MOTION IN AMENDMENT NEGATIVED

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

Some Hon. Senators: No.

The Hon. the Speaker: Will those honourable senators in favour of the motion in amendment, please say "yea"?

Hon. Marcel Prud'homme: Yea.

The Hon. the Speaker: Will those honourable senators against the motion in amendment, please say "nay"?

Some Hon. Senators: Nay.

The Hon. the Speaker: In my opinion, the "nays" have it.

POINT OF ORDER

Hon. Marcel Prud'homme: Honourable senators, I rise on a point of order. As I said, it is always good for new senators to learn about the rules. I fit into that category.

I thought that Your Honour did not have to ask for the vote right away since we have an order of the Senate to terminate the debate by approximatley 3:15 p.m. At that time a vote will be taken on anything, including the motion for third reading, as well as any amendments. To be frank, I do not see the necessity in Your Honour's calling for the vote right away.

In my humble submission to Your Honour, the discussion should now be on the amendment. At 3:15 p.m., or before, if the debate is terminated, the Speaker will have to call for all votes in one grouping.

That is my understanding. I so submit in order that I will know how to react in the future. I am still quite convinced that that is the way we should have proceeded. I have no objection, otherwise. I want to learn and I am sure others will learn with me.

The Hon. the Speaker: Senator Prud'homme, perhaps I did act in a hasty fashion, considering that I knew the clock was running, and running out of time. Obviously, there is no objection to the honourable senator referring to the substance of his motion in the remarks that he is now making to the Senate. The last thing I would want to do to any honourable senator is to deprive him or her of the right to speak.

Hon. P. Michael Pitfield: Honourable senators, to begin, I should like to apologize for not having my usual voluminous text. I had not planned to intervene in this debate, but I am being pressed to explain the point of view that I tried to sum up in my remarks this morning. Perhaps I can take a few minutes to adumbrate it now.

In entering upon the topic I must say that I am troubled by the way in which the debate has, on occasion, seized upon aspects of constitutional law and custom in an emotional, and it seems to me irrational, way — an example being the talk, which I think is loose talk, of "respecting the Constitution." I am not sure what section of the law we are talking about when "we are respecting the Constitution."

More particularly, I question sincerely that it is the business of this house to interpret the Constitution. It is for the courts, not for this house, to enforce the Constitution.

I said earlier that I felt the interests of party had led to a particularly unfortunate definition of the problem in this bill. What I mean by that is that it seems to me that there is a theme of scandal or immorality which lies under the surface of Bill C-22 which has enabled the issue of the bill to be rephrased into a game of "chicken." "Let us have a full inquiry," some say, the implicit argument in that being, if we have such an inquiry, "Your horse will be gored as badly as mine"; so that in fact we will not have an inquiry at all.

The question which is then raised is this: Is this an issue to be dealt with by an inquiry? Inquiries are most imperfect instruments. A judicial inquiry is a particularly imperfect instrument, as anyone who has been associated with one would know.

Surely, now is not a time in the affairs of this country to be launching ourselves loosely on inquiries into the practice of politics. To do that and then to go on and try to deal with the

Constitution, which we will have to deal with later in the year, and to deal with the economy, which we will have to do later in the year, I think is to burden our country with something that would best be first considered very carefully. If we are to have an inquiry, let us reflect on how to do it.

In any event, I put it to honourable senators that the issue here does not have to be cast in those terms and that it is not useful for it to be cast in those terms. The issue here is the problem of what a government should be allowed to do after it has issued a writ and before that writ has been returned.

Many of you who have been in governments, who have been in this house or in the other house for periods of time, will know of numbers of issues that have arisen during the last days of an election when contracts are rushed through. The question that arises is: Should the state be bound to a contract under those circumstances, especially as in this case, where the leader of a major party with every reason to expect a real possibility of coming to office has said that his party is opposed to that contract?

We have seen this happen many times. It is a real problem. It is a difficult problem, because it is in an area of interface between politics and law that the courts, if I may say so, treat very conservatively. The courts do not want to get into this area of defining political practice, some would say "convention." It is understandable, first, given the facts of the situation, that an emerging government would say, "We do not want anything to do with this contract"; second, having been elected, that they would seek to avoid a contract because they gave notice that it was unacceptable to them. That wish should have been respected in this case, unless there were clear causes of urgency as to why it should not be. As far as I know, honourable senators, no one has argued that there was urgency.

• (1430)

It is unfortunate that the present government chose to proceed the way they have proceeded, bringing in a bill that specifically deprives access to the court in a particular case only. It will surprise and, perhaps, disappoint some of you to hear me say that exactly the same effect could have been quite properly achieved another way. That may well be remembered by many honourable senators who recall the old Crown proceedings acts where, in issues of political sensitivity — and this was practised until the advent of the Financial Administration Act, and so on — the courts were sometimes ousted from an area by a rough and ready justice such as Bill C-22 represents.

There should be in our law a capacity for an incoming government, under certain conditions — one of which, for example, might be that they had said that they were opposed to the contract and that there was no cause of urgency — to rescind a contract. That would not be difficult to draft. That would be proper. Anyone who remembers such promises and their consequences in other elections will remember instances where we should have had such a section available to us.

That is what I was trying to get at this morning. There is an issue here. It is an important issue. It is an issue on which I sympathize with the present government, for I have seen contracts settled by successor governments for monstrous amounts of money, clear waste in order to bring a court proceeding to an end. Therefore, honourable senators, I agree that it would be irresponsible to let that sort of thing happen in this case.

Yes, there should be a power to resiliate; yes, it should be a power which avoids ordinary damages, because ordinary damages are not to be called for where the political process has clearly indicated that you go into this contract at your own risk. You cannot defend people having their expenses paid for lobbyists and whatever else by the very government that has announced itself as being opposed to their being there in the first place. The proceeding should be an ordinary and general procedure and the clauses enacting it should be clauses of law and general application; not a bill that is brought in simply for one case.

Contracts nowadays are so big, so long-term and so complex that the procedures that we had in a simpler day no longer have their proper application. We need a proceeding that enables us to come to grips with multimillion-dollar contracts, that go on past the life of one government, perhaps into the lives of two or three Parliaments. That is what I would recommend.

The Hon. the Speaker: Honourable senators, it was moved by the Honourable Senator Stanbury, seconded by the Honourable Senator Gigantès, that the bill, as amended, be read the third time now. Is it your pleasure, honourable senators —

Hon. Royce Frith: What did you say?

Senator Rivest: Very good, Senator Gigantès!

The Hon. the Speaker: It seems to be a straightforward motion. Is it your pleasure, honourable senators, to adopt the motion?

Some. Hon. Senators: Agreed.

Senator Frith: No. What is the motion? Is it that the bill be read the third time, as amended?

The Hon. the Speaker: I will repeat the motion: It is moved by the Honourable Senator Stanbury, seconded by the Honourable Senator Gigantès, that this bill, as amended, be read the third time now.

Senator Frith: No. I think, Your Honour, that it has been moved by Senator Stanbury and seconded by Senator Gigantès that the bill be read a third time; and, in amendment, moved by Senator Lynch-Staunton that the bill be not read a third time but be read as amended. Therefore the proposition should be: Shall the bill, as amended, be read the third time? The votes can then be clear.

The Hon. the Speaker: I am told that, because we adopted the report, we have, in fact, amended the bill. I am somewhat left in your hands but I believe that the procedure which I have been advised to follow is the right one.

Senator Frith: I also discussed this matter with the learned gentleman to your left earlier. Because the report was adopted by the majority in the Senate, the bill now is an amended bill; therefore, the bill should be put in its amended form. "Shall the bill as amended be read the third time?"

Senator Berntson: That is what I thought he said.

Senator Frith: No, he did not. He said "it has been moved by." That is the difference.

The Hon. the Speaker: If I may repeat again, this is what I read: Shall this bill as amended be read the third time now?

Is that agreeable, honourable senators?

Some Hon. Senators: Yes.

Some Hon. Senators: No.

The Hon. the Speaker: Will those honourable senators in favour of the motion please say "yea."?

Some Hon. Senators: Yea.

The Hon. the Speaker: Will those honourable senators opposed to the motion please say "nay"?

Some Hon. Senators: Nay.

The Hon. the Speaker: In my opinion, by sound, the "yeas" have it.

Some Hon. Senators: On division.

Motion agreed to and bill, as amended, read third time and passed, on division.

ROYAL ASSENT

NOTICE

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

RIDEAU HALL

July 7, 1994

Mr. Speaker,

I have the honour to inform you that the Honourable Peter deC. Cory, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 7th day of June, 1994, at 2:50 p.m., for the purpose of giving Royal Assent to certain bills.

Yours sincerely,

Judith A. LaRocque
Secretary to the Governor General

The Honourable
The Speaker of the Senate
Ottawa

QUESTION PERIOD

DELAYED ANSWERS

Leave having been given to revert to Question Period:

Hon. Richard J. Stanbury (Acting Deputy Leader of the Government): Honourable senators, I have a number of delayed answers to questions which I should like to distribute now; otherwise, it will be some time before they are available.

CITIZENSHIP AND IMMIGRATION

REVIEW OF REFUGEE STATUS CLAIMANTS— GOVERNMENT POSITION

(Response to question raised by Hon. Richard J. Doyle on May 25, 1994)

As the Honourable Senator is aware, in the Red Book document - *Creating Opportunity: The Liberal Plan for Canada*, the government outlined its key commitments in the field of immigration and refugee policy. This included changes to the Immigration and Refugee Board and a better definition of the rights, responsibilities and limitations affecting the role of the Minister in admitting applicants on "humanitarian and compassionate" grounds.

To this end, the Minister of Citizenship and Immigration commissioned two highly qualified and experienced individuals in the non-governmental sector, Ms Susan Davis and Mr. Lorne Waldman, to study the review mechanisms available to failed refugee claimants. Any recommended changes were to be fair, efficient and cost neutral.

On May 20, the Minister announced interim changes to the management of the current risk assessment for unsuccessful claimants, including modifications to the interpretation of the test being applied, and a role for non-governmental organizations in reviewing previous decisions.

These changes respond to the concerns expressed by Ms Davis and Mr. Waldman on the current post-refugee claim review procedures. Among their recommendations for interim action was a proposal to review all claims refused under the current risk assessment, according to a broader interpretation, and to separate the review process from the enforcement side of the Department. Since the people affected were otherwise required to leave Canada, or face deportation, an immediate response was warranted.

It is estimated that some 10,000 claimants were refused under the previous interpretation of the Regulations. Taking into account that some have already left Canada and that some others were successful in their applications for humanitarian and compassionate review, it is anticipated that only about 3,000 cases will need to be reviewed under these interim criteria. Dangerous criminals and security risks will not be eligible.

There was no intention to deprive members of this Chamber nor of any other Chamber of the opportunity to respond to this study. Nor does the Government wish to avoid listening to Canadians. Rather, it was the calls of Canadians for immediate response to the report that prompted early action. The commitment to reflect, to consult, and to listen to Canadians cannot be used as an excuse for not governing.

The report also calls for more substantive changes to the refugee status determination system. The Minister has said that he is in general agreement with the underlying principles upon which the report's recommendations are based. In evaluating those recommendations, however, the results of the current consultations on a ten-year framework for immigration policy will inform the decisions of the Government.

TRANSPORT

PROPOSED STUDY OF ATLANTIC CANADA FREIGHT RATES—GOVERNMENT POSITION

(Response to question raised by Hon. J. Michael Forrestall on June 2, 1994)

The Budget called for the Minister to discuss with Provinces and stakeholders the potential for redirecting spending to improve surface transport efficiency. All freight subsidies are therefore under review, including in addition to the Atlantic region freight subsidies the subsidies for western grain transportation, uneconomic rail branchlines, the St. Lawrence Seaway, and ports and harbours.

Preparation of factual data on the Atlantic freight subsidies and their effects is in progress in Transport Canada. Prior to any decision, the information will be shared fully with the main stakeholders, the shippers and carriers in the region, as well as the provincial governments, and their advice will be sought on its interpretation.

INTERNATIONAL RELATIONS

HUMAN RIGHTS—GOVERNMENT POLICY

(Response to question raised by Hon. A. Raynell Andreychuk on June 8, 1994)

The longstanding prominence of human rights in Canadian foreign policy reflects three equally significant basic factors. First, it is a reflection of Canadian values. As Minister Ouellet said in his May 31, 1994 speech to the Canadian Institute for International Affairs, one of the basic objectives of this government is to ensure that Canadian values are reflected in public policy decisions.

Second, the pursuit of human rights in our foreign policy also reflects Canadian interests. Respect for human rights is a key to international peace, prosperity and stability (and recognized as such in Article 55 of the UN Charter), and is crucial to an environment where Canadians can best pursue their interests in the world.

Third, it is a matter of international law. The human rights obligations of all governments find their origins in the UN Charter, which obliges all UN members to promote universal respect for human rights, and in the 1948 Universal Declaration of Human Rights, whose principles Canada regards as entrenched in customary international law binding on all governments. In 1993 the World Conference on Human Rights reaffirmed the principles of the Universal Declaration and asserted "the duty of all states, regardless of their political, economic and cultural systems, to promote and protect all human rights and fundamental freedoms." For its part, Canada regularly submits its human rights record to review by UN monitoring bodies and, in so doing, strengthens its reputation as a guarantor of its citizens' rights and enhances its credentials to urge others to respect international standards.

AGRICULTURE

CROW RATE—COSTS OF TRANSPORTING GRAIN—GOVERNMENT POSITION

(Response to question raised by Hon. Leonard J. Gustafson on June 16 1994)

Information on the volumes of grain that have been hauled to Thunder Bay simply to qualify for the Western Grain Transportation Act (WGTA) subsidy and then backtracked from Thunder Bay to Winnipeg or Fort Frances for export to the United States is currently being prepared

by the railways at Transport Canada's request. The movement of grain from Thunder Bay to Winnipeg or Fort Frances is a commercial movement and, therefore, the volumes are only available from railway records. Backtracking from Thunder Bay has been going on since the late 1980s but the issue gained prominence this year because of the shortage of railcars experienced this crop year and the increased volume of grain moving to the United States market. The backhaul of grain to Winnipeg or Fort Frances is a commercial movement and the cost is paid by the grain shipper. This system has continued because the combination of the WGTA rate to Thunder Bay plus the commercial rate to the U.S. was cheaper than the commercial rate from point of origin on the Prairies to U.S. market. But this practice is, however, an inefficient use of our rolling stock and will not be allowed to continue.

On June 8, 1994, the government announced that it intends to end the system of backhauling U.S.-bound grain from Thunder Bay. The legislative changes required to end this practice will be introduced by the government in the fall.

POST-SECONDARY EDUCATION

CANADA STUDENT LOANS PROGRAM—IMPACT ON FEDERAL FUNDING—GOVERNMENT POSITION

(Response to question raised by Hon. Ethel Cochrane on June 8, 1994)

The government recognizes the critical importance of post-secondary education to the future of the country and individual Canadians.

As part of its youth employment and learning strategy, the government is reforming its Student Assistance Program to meet the needs of students in the 1990s and beyond. On May 9, 1994, the Honourable Lloyd Axworthy, Minister of Human Resources Development, tabled the Canada Student Financial Assistance Act (Bill C-28). This bill is designed to improve access to, and result in, post-secondary learning and ensure greater value for money in program spending. Under this bill, loan limits would be increased by 57%, special opportunity grants would be established for students with disabilities, high-need part-time students and women in certain fields of study at the doctoral level. Deferred grants would also be established to reduce indebtedness.

One of the provisions of the bill would allow the government to test out Income Contingent Repayment (ICR) loans for education and training, through the development of pilot projects with interested provinces in consultation with interest groups. Such pilot projects would be designed to provide the government with data on which to base future policy decisions. Although recently introduced in several countries, including Australia and New Zealand, information is limited on the impacts of ICR on accessibility, repayment and costs. These pilot projects would not displace the other student aid measures which are being introduced.

As well, the federal government has long provided funding for post-secondary education to further the achievement of a wide range of economic, social and cultural objectives. In 1994-95, federal support for post-secondary education under the Established Programs Financing (EPF) tax and cash transfers is expected to reach $6.15 billion. This is the highest the transfers have ever been and, as announced in the February budget, total EPF transfers in respect of post-secondary education are projected to grow during the next two fiscal years.

On the subject of tuition fees, it should be noted that the regulation of fees falls under provincial jurisdiction. Average university tuition in 1994-95 is approximately $2,300. Over the last five years, the average annual rate of growth in university tuition has been approximately 12%. Indications are that tuition fees will continue to increase.

The government's social security reform process will provide an opportunity to examine the issue of access to post-secondary education and how the federal government can best tailor its assistance to meet this objective. Therefore, it is premature to speculate on the impact of future directions on post-secondary enrolments.

CHINA

HUMAN RIGHTS AND COMMERCIAL RELATIONS—GOVERNMENT POSITION

(Response to question raised by Hon. Noël A. Kinsella on June 8, 1994.)

Since 1988, the Department of Foreign Affairs has provided a three-day intensive training course on human rights policy for its foreign service officers in all streams: political, trade, aid and immigration. The course includes sessions on human rights in aid policy, human rights in trade policy and human rights in immigration policy, as well as sessions on international human rights legal instruments and human rights protection mechanisms and the role of non-governmental organizations in international human rights.

All Canadian staff serving at our Missions abroad are required to give priority to comprehensive, objective, timely reporting and analysis on human rights situations on a regular, on-going basis throughout the year.

The quality and timeliness of reporting to headquarters on all issues of concern to Canada, including human rights, is a key factor on which performance of departmental officers is assessed.

TRANSPORT

SEARCH AND RESCUE—REPLACEMENT OF SEA KING HELICOPTER FLEET—GOVERNMENT POSITION

(Response to question raised by Hon. Gerry St. Germain on June 8, 1994)

There are currently no ongoing negotiations for the purchase of off-the-shelf equipment or with private sector helicopter firms. Our Labrador and Sea King helicopters are expected to be in service and airworthy until 2001 and 2000 respectively. After completion of the Defence Policy Review, the Government, with the Department of National Defence, will determine how or whether these helicopters will be replaced.

TRANSPORT

RELIABILITY OF LABRADOR HELICOPTERS ON SEARCH AND RESCUE MISSIONS—GOVERNMENT POSITION

(Response to question raised by Hon. C. William Doody on June 8, 1994)

The CH113 Labrador has been in service for over 30 years. The airworthiness of the fleet is assured during an annual review by the Airworthiness Review Board and maintenance/operations in accordance with published technical orders.

Reliability of the fleet has shown a slight increase since 1990 as a result of a vigorous maintenance program and minimal system improvements. With over 500 Labrador type aircraft flying world-wide, supportability is not a major concern for the immediate future.

Therefore, the Labrador is considered an airworthy, reliable and supportable fleet.

SENATOR'S STATEMENT

PRIVILEGE

NOTICE OF MOTION PURSUANT TO RULE 44

Hon. Anne C. Cools: Honourable senators, I rise to give notice that, pursuant to rule 44, I shall raise a question of privilege at the next sitting of the Senate. It is my intention to give written notice, pursuant to rule 44(3), of this question of privilege to the Clerk of the Senate three hours in advance of the next sitting of the Senate.

ROUTINE PROCEEDINGS

ADJOURNMENT

Hon. Richard J. Stanbury (Acting Deputy Leader of the Government): Honourable senators, with leave of the Senate, and notwithstanding rule 59(1)(*h*), I move:

That when the Senate adjourns today, it do stand adjourned until Tuesday, September 27, 1994, at two o'clock in the afternoon.

The Hon. the Speaker: Honourable senators, is leave granted?

Hon. Senators: Agreed.

Motion agreed to.

BUSINESS OF THE SENATE

Hon. Richard J. Stanbury (Acting Deputy Leader of the Government): Honourable senators, I have one other duty to perform. Since my experience as Acting Deputy Leader of the Government is now ending, joyfully —

Hon. Senators: Hear, hear!

Senator Frith: Let the record show that the applause is not for the ending.

Senator Stanbury: — may I thank Senator Molgat for the opportunity to fill in for him in his absence. This experience taught me the extent of our indebtedness to Senator Molgat for the very active role he plays for us day in and day out, in cooperation with Senator Berntson, in keeping the business of the chamber running smoothly.

May I also thank Senator Berntson for his cooperation, my leader for her forbearance, the Senate officials and staff, and each of my colleagues on all sides of this house for their unfailing kindness and generosity to me in my acting capacity.

Hon. Eric Arthur Berntson (Deputy Leader of the Opposition): Honourable senators, I want to join with my colleague and counterpart in the government benches to thank all the staff and support people in the whole of the Senate for the good support and the good work that has been done during the session.

THE SENATE

MR. DOUGLAS LAURIAULT— RESIGNATION AS PAGE—BEST WISHES

Hon. Eric Arthur Berntson (Deputy Leader of the Opposition): Honourable senators, I understand that another of our Pages is leaving us today. You will recall that the Chief Page Bryn Jedlic, from my own province of Saskatchewan, left us last April and Andrea Baldwin of Ottawa left us last January. I understand that when we come back, we will be missing Mr. Douglas Lauriault. His last day is today. I want to wish him the best of luck, and thank him for all of his efforts in the past.

• (1450)

BUSINESS OF THE SENATE

Hon. Eric Arthur Berntson (Deputy Leader of the Opposition): Honourable senators, on a personal note, I also wish to say thank you to the tag team that I have worked with since I was elevated to this lofty position. Both Senator Molgat and Senator Stanbury have been a pleasure to work with, and it seems to be the method by which we can indeed make this place function in a relatively efficient and harmonious manner when this kind of relationship exists. I, for one, appreciate it very much.

I also want to thank my leader for his confidence in me in putting me in this position. Thank you very much, and have a good summer.

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, I do not want to delay the proceedings, but I cannot have the session finish without expressing my thanks to Senator Stanbury for his willingness to replace me during my absence. It was very important for me to be away at that time, and I thank him very much for replacing me. I want to assure him that I have not been sitting behind him for the past two days with bated breath, waiting to take the post. It simply seemed to be much more reasonable for him to carry on and finish the session. I thank him very much for that whole month, which I know was a very busy one.

The Hon. the Speaker: There are still a fair number of senators left in the Chamber, and I invite you, after the Royal Assent, to come and test the quality of the air conditioning improvements which, thanks to my predecessor, have made the Speaker's offices quite a lot more tolerable. I would hope that you might also want to finish the rather hurried lunch that you had during our rather busy morning.

The Senate adjourned during pleasure.

ROYAL ASSENT

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

> An Act to approve, give effect to and declare valid land claims agreements entered into between Her Majesty the Queen in right of Canada, the Government of the Yukon Territory and certain first nations in the Yukon Territory, to provide for approving, giving effect to and declaring valid other land claims agreements entered into after this Act comes into force, and to make consequential amendments to other Acts (Bill C-33, *Chapter 34, 1994*)
>
> An Act respecting self-government for first nations in the Yukon Territory (Bill C-34, *Chapter 35, 1994*)

The House of Commons withdrew.

The Honourable the Deputy of his Excellency the Governor General was pleased to retire.

The sitting of the Senate was resumed.

The Senate adjourned until Tuesday, September 27, 1994, at 2 p.m.

THE SENATE

Tuesday, October 4, 1994

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

Prayers.

ROUTINE PROCEEDINGS

BANKING, TRADE AND COMMERCE

COMMITTEE AUTHORIZED TO MEET DURING SITTINGS OF THE SENATE

Leave having been given to proceed to Notices of Motions:

Hon. Michael Kirby, with leave of the Senate and nothwitstanding rule 59(1)*(a)*, moved:

> That the Standing Senate Committee on Banking, Trade and Commerce have power to sit at two thirty o'clock today, Tuesday, October 4, 1994, two thirty o'clock tomorrow, Wednesday, October 5, 1994, and at two o'clock Wednesday, October 26, 1994, even though the Senate may then be sitting, and that rule 96(4) be suspended in relation thereto.

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

Hon. Senators: Agreed.

Motion agreed to.

NEW SENATORS

The Hon. the Speaker: Honourable senators, I have the honour to inform the Senate that the Clerk has received certificates from the Registrar General of Canada showing that the following persons, respectively, have been summoned to the Senate:

Jean-Louis Roux

Lise Bacon

Sharon Carstairs

INTRODUCTION

The Hon. the Speaker having informed the Senate that there were senators without, waiting to be introduced:

The following honourable senators were introduced; presented Her Majesty's writ of summons; took the oath prescribed by law, which was administered by the Clerk; and were seated:

Hon. Jean-Louis Roux, of Montreal, Quebec, introduced between the Honourable Senators Fairbairn and Hébert.

Hon. Lise Bacon, of Laval, Quebec, introduced between the Honourable Senators Fairbairn and Rizzuto.

Hon. Sharon Carstairs, of Winnipeg, Manitoba, introduced between the Honourable Senators Fairbairn and Molgat.

The Hon. the Speaker informed the Senate that the honourable senators named above had made and subscribed the declaration of qualification required by the Constitution Act, 1867, in the presence of the Clerk of the Senate, the Commissioner appointed to receive and witness the said declaration.

• (1410)

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, it is with great pleasure today that I welcome our three new senators to this chamber: Jean-Louis Roux and Lise Bacon from Quebec, and Sharon Carstairs from Manitoba. I have a few words that I wish to say about our newcomers.

Senator Roux is a well-respected cultural figure throughout Canada, and particularly in Quebec. He is known for his wide ranging experience in a lifetime of roles in radio, on stage and on television, particularly as a member of the beloved Plouffe family. He was co-founder of the Théâtre du Nouveau Monde and Director General of the National Theatre School of Canada. He adds a strong voice of national pride to this chamber.

Senator Bacon has been an outstanding figure in the public life of Quebec since her first election to the National Assembly in 1973. She has held a great number of posts in successive Quebec governments: that of Minister of State for Social Affairs, Minister for Consumers, Cooperatives and Financial Institutions, Minister of Immigration, Minister of Cultural Affairs, Minister responsible for the Application of the Charter of the French Language, Minister of the Environment, Minister of Energy and Resources, and Minister responsible for Regional Development. Finally, for the last eight years, Lise Bacon has served as Deputy Premier in the government of former premier Robert Bourassa. She is a highly respected voice in Quebec, and will bring valuable wisdom and experience to the deliberations of this chamber.

Senator Carstairs, a teacher, is a native of Nova Scotia who, after several active years in Calgary, Alberta, moved east and was elected leader of the Manitoba Liberal Party in 1984. After winning her riding of River Heights in 1986, she became Leader of the Opposition in Manitoba from 1988 to 1990, serving with distinction as the first woman to hold that position.

Prior to her entrance into public life, Senator Carstairs was a teacher and political activist in both Alberta and Manitoba. She carries with her a proud history in this chamber, where her father, Harold Connolly, served as a senator for Nova Scotia for 24 years.

We welcome all three new senators. We look forward to working with you, learning from you and having you take part in the debates on the serious and important issues which face this

chamber, the government, and indeed our country, in the months ahead.

• (1420)

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, this is a special day for our friends across the chamber, since it is the first time in over 10 years they have been able to add to their ranks.

Senator Perrault: Too long!

Senator Lynch-Staunton: On occasions such as this, we are reminded what a "draught" is. We welcome the new senators. We certainly welcome having new faces to look at in the chamber. We also welcome them as colleagues rather than as partisans of another stripe for, regardless of one's political affiliation, one is chosen to come here as a result of contributions made to the nation, to the community, to politics, to professions, or to any of the spectrum of services and endeavors that thrive where governments cannot.

It is a great honour to be summoned to this place and a most special one, even a moving one, when a new senator follows in the footsteps of a direct relative. Several senators here can make such a proud claim. Senator Carstairs is the latest to join their ranks. Her father, Senator Connolly, represented the Atlantic region, in particular Nova Scotia, his home province. He did not hesitate to speak against his government and party whenever he felt they were engaged in some activity which would be detrimental to his region.

One would not expect the new senator from Manitoba to go that far when one remembers certain firm, and even rigid, positions she adopted during the lengthy and, at times, acrimonious debates surrounding the Meech Lake accord. On the other hand, her immediate predecessor, Douglas Everett, entered the Senate as a Liberal, and not long thereafter declared himself to be an Independent-Liberal. He then sat as an Independent until his retirement. I have always suspected that, given a little more time, this gradual conversion would have ended up with him in our caucus.

Senator Molgat: No such luck.

Senator Lynch-Staunton: Only time will tell if this sort of political metamorphosis will rub off on his successor.

Senator Perrault: Do not bet on it.

[*Translation*]

Senator Lynch-Staunton: Together with my colleagues on this side, I am delighted that the Quebec caucus in the Senate now has two new members with a distinguished record in all their fields of endeavour. Senator Bacon was one of those militant politicians we find so seldom today: fiercely independent but always faithful to her party and her leader. I am thinking especially of Jean Lesage, Gérard D. Lévesque, Claude Ryan and Robert Bourassa. This is not surprising when we recall that she comes from a family whose roots are not only deeply Liberal but established in the less than hospitable environment of Trois-Rivières, the private fief of Premier Maurice Duplessis.

It may be an exaggeration to say that the senator's father was the only provincial Liberal in the region who prided himself so openly on his political affiliation, but they were few and far between. Her fighting spirit, which is one of her characteristic traits, will stand her in good stead in these precincts, especially within her new caucus.

Of course we all know Senator Roux, one of the giants of Canadian theatre, whose reputation has spread well beyond our borders. In addition to his prodigious talent as an actor, he has, over the years, directed many excellent productions, especially at the Théâtre du Nouveau Monde, where he was the company's director for many years. He was so demanding that occasionally his patience gave way to some memorable rages. However, he was always quick to apologize, sending a small note and even flowers, and people forgave him easily because they realized that although he demanded much of others, he demanded even more of himself.

As Senator Fairbairn mentioned, his other activities included a stint as director of the National Theatre School, and he was always quick to say that, to him, national meant Canadian.

[*English*]

Welcome to the Senate. May you feel at home among us and reassured that this institution presents its members unique opportunities to serve this country of ours. We all look forward to your participation.

Hon. Senators: Hear, hear!

THE HONOURABLE SENATOR ROYCE FRITH

TRIBUTES ON RESIGNATION FROM THE SENATE AND APPOINTMENT AS HIGH COMMISSIONER FOR CANADA TO THE UNITED KINGDOM

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, as we welcome newcomers today, it is certainly with mixed emotions that I pay tribute and wish a fond farewell to our former colleague, my predecessor in this position, Royce Frith. With his departure, we are not only saying goodbye to a good friend, we are also saying goodbye to someone who I am sure all of us in this house would agree was one of our most articulate, engaging and committed members.

All of us are sad to see him leave the Senate, but we are absolutely delighted that the skill and expertise that he acquired over the years in Canada will be put to good use on behalf of his country in London, as he serves as Canada's High Commissioner to the United Kingdom.

When thinking about Royce the other day, I reflected that I first met him back in the early 1960s when I was a parliamentary news reporter here in the press gallery. He was associated with a Windsor radio station and was making representations to the Board of Broadcast Governors, the precursor of today's CRTC. Those hearings were pretty dry, but Senator Frith added a certain amount of zip to the proceedings. He also knew very well how to get his points across to the media. This reporter remembers him with delight on those occasions. He relished the challenge of arguing his case.

In this chamber, we all know that Senator Frith loved a good debate. He never missed an opportunity, however small or large, to jump into the thick of things on a moment's notice. I am sure that goes back to his early training, back to his student days, when he was Speaker of the Vic Debating Parliament at the University of Toronto.

Following his graduation from Osgoode Hall Law School, Royce Frith was admitted to the Ontario bar in 1949. He was a member of the Law Society of Upper Canada, and he also studied at the University of Ottawa, where he received a Diplôme d'études supérieures en droit. Along the way he became completely at ease in both our official languages.

One of his first excursions into the political world was as a member of York City Council. But municipal politics soon gave way to a larger arena. He served not only as the national treasurer of the Young Liberals in Ontario, — and I am sure Senator Davey will remember this — but eventually he also ran as a provincial Liberal candidate in the early 1950s. Despite not winning a seat in the legislature at that time, Senator Frith remained a very active member of the party. He worked tirelessly behind the scenes, primarily on rebuilding the federal Liberal Party under Mr. Pearson, following the Diefenbaker sweep of 1958.

During 1961-1962 Senator Frith served as President of the Ontario Liberal Association, and he was a key member of the organizing team behind Mr. Pearson's successful campaign of 1963.

In that year Senator Frith's career took a different course. His knowledge of the country and his sensitivity to the needs of both linguistic groups earned him a spot as Commissioner on the Royal Commission on Bilingualism and Biculturalism. He worked in that role for seven years, studying the issues that divide us and the issues that unite us. He also served as Legal Advisor to the Commissioner of Official Languages.

His work on the B&B Commission and with the Commissioner of Official Languages was a defining period for Royce, because what remained with him, and does to this day, is an abiding faith in the people of this country and a dedication to the ideal of a strong, united and independent Canada.

I am sure he will spare no effort in ensuring that the government of the United Kingdom is kept well informed of events here, particularly over the next year or so. In fact, his concern for the unity of this country was the main topic of his first speech following his appointment to this chamber in 1977.

As many senators will know, Senator Frith has been active on a number of committees throughout the years, and indeed right up to the time that he left the Senate. He served on such Senate committees as the Legal and Constitutional Affairs Committee, the Foreign Affairs Committee, the Standing Committee on Privileges, Standing Rules and Orders and the committee studying the northern pipeline.

In recent years, however, he offered great strength and enthusiasm in a leadership role in this house. He served with my colleague Senator Olson as Deputy Leader of the Government from 1980 to 1984. He then served as Deputy Leader of the Opposition with Senator MacEachen from 1984 to 1991, and as Leader of the Opposition from 1991 to 1993. During that time, he has been at the centre of action in everything from the Constitution to the GST.

Royce Frith has had an abiding interest and dedication in any area that touched on culture and the arts in this country. As we all know, apart from this chamber, that was his "other" life as an actor, musician and author. We remember him fondly as a terrific Henry Higgins in *My Fair Lady*. He also trod the boards in *The Mikado*; he was Fagan in *Oliver Twist*, the prosecutor in *Beyond Reasonable Doubt*, and more than once, he was the narrator of Charles Dickens' *A Christmas Carol*.

Senator Frith also found time to write two books of commentary on the political life of this country: *Hoods on the Hill*, a rollicking recollection of experiences during the GST, and, with Leonard Kuchar, *The Show Must Not Go On*.

None of that activity detracted from his work and commitment to this institution, to the province he has represented, and to his beloved community of Perth, which was his base for so long. He has done so with skill, humour and grace.

Honourable senators, as he leaves us, we should remember that Royce Frith has been an unabashed advocate of the worth of the Senate. He loved this place, and he defended it fiercely and proudly. He has never believed in looking backwards, but his seventeen and a half years here will no doubt be locked away in very special memories.

Some years ago, in an interview, Royce said, "The country doesn't owe me anything. I owe it." That is his philosophy as he leaves on this new assignment. He will be greatly missed by his colleagues on this side, and also by his friends on the other side of the chamber. We send him on his way with our gratitude, our affection and our best wishes.

In the parlance of the theatre, break a leg, Royce, in London!

• (1440)

Hon. John Lynch-Staunton (Leader of the Opposition): I would first congratulate and thank Senator Frith's predecessor, Mr. Frederick Eaton, for the excellence of his performance in the service of his country for nearly three years in London. Mr. Eaton's nomination was one of many made to senior positions by Prime Minister Mulroney from outside the professional corp. The calibre of these appointments emphasized the importance his government gave to these sensitive postings. I am thinking in particular of Mr. Lewis and Mr. Fortier of the United Nations, General de Chastelain in Washington, and, closer to the subject at hand, Donald Macdonald in London.

It is not unusual for the high commissioner to be chosen from outside the Department of Foreign Affairs. Other than Macdonald and Eaton, one is reminded of Drew, Chevrier, Martin, Wadds, Jamieson and McMurtry amongst others, all active in the public life of their country and all distinguished representatives.

As the second senator to go to London, Senator Frith will certainly leave his own mark, as did his predecessor colleague, but unlikely in the same way. Only Paul Martin, at an official representation in London where the Queen was present, could ask in a loud voice, as was his habit on any occasion when a large crowd gathered, "Anybody here from Windsor?" A startled Her Majesty still managed to reply, "I am." Paul, Senior, apparently not recognizing the voice, said: "Wonderful. Please give me your name, your address, and the number of your polling station."

We should all feel complimented that a member of this chamber has been so honoured as has Royce Frith. He certainly leaves behind many lasting memories. He is the only one who could alert us to a stranger in the house. He could be insulting in both official languages. His fund of familiar quotations is part of his innards. He was a master at giving confusing interpretations of the rules, both new and old. He could speak on any topic with impressive eloquence at the drop of a hat. The only time he fell into unusual silence was when new senators were being sworn in.

Like Vincent Massey before him, he believes that all the world is a stage, and humbly answers significant casting calls. I wonder if Edgar Allen Poe was thinking of a Royce Frith when he wrote in *The Theatrical Profession*:

> The actor of talent is poor at heart, indeed, if he does not look with contempt upon the mediocrity of a king.

Only time will tell.

For the moment, he has all our best wishes as he assumes his new responsibilities. In the language of the theatre he loves so much, as the opening night curtain is about to rise, I echo Senator Fairbairn: Break a leg, Royce.

[*Translation*]

Hon. Jacques Hébert: Honourable senators, I seldom rise in this house to pay tribute to a colleague who is about to leave the Senate. Usually, everything I intended to say has already been said by other senators, often with far more eloquence than I could muster. I am afraid that may again be the case today.

I simply want to say that Royce Frith made a tremendous impression on me from the very first day — I will never forget — I set foot in this venerable institution. To me he was the ideal, the model senator, always in perfect command of his subject and capable of defending his position with passion or logic, in French or in English.

However, his life was certainly not limited to the precincts of this house. A Renaissance man, he was a man of great culture with a special talent for the theatre, music and the arts generally. Finally, and for me this is the ultimate compliment, Royce Frith is a perfect gentleman who will represent us with distinction at the Court of St. James.

[*English*]

Hon. Finlay MacDonald: Honourable senators, today we welcome a most distinguished Canadian actor, John Louis Roux, and express our farewell tributes to another, Senator Royce Frith, a.k.a. the High Commissioner to the United Kingdom.

Royce Frith should know that, on or about August 30, in Saskatoon, this Conservative caucus had a meeting. It was then that we first heard of the appointment of Royce Frith. To my amazement, the news of the announcement was greeted with widespread approval and, indeed, enthusiasm. This surprised me because, usually, when important patronage appointments are made by a party of which you are not a member, you may hear some rumblings but, in this instance, I dismissed this reaction as being unworthy of our colleagues. I heard none.

I have observed that having a sense of the theatre can be a very formidable asset for a politician. One must give the devil his due: Royce Frith is to the manner born. Put him in striped trousers and give him a morning suit and you can take him anywhere. You might even go so far as to call him a Renaissance man, a skilled debater, an impressive speaker, a talented actor, a gifted singer, and a very able lawyer. This was proven in this chamber on many occasions when he made particularly persuasive arguments, considering the absolute impoverishment of the material he was working with.

It is a long way from Perth, Ontario, to Grosvenor Square, but this valley boy has made it. We wish him every success. Last week it was the Tay River; next week it will be the Thames. Whatever he does, he will do with style and panache. He will be equally at home in the ancestral homes of England as he will be in the Old Vic or even the Palladium.

I, too, Senator Fairbairn, saw Royce when he played Professor 'enry 'iggins. Possibly, this most eligible bachelor may somehow find his Eliza Doolittle.

Hon. Anne C. Cools: Honourable senators, I should like to join with other senators in welcoming our new senators. We are happy to receive them. I also join with all honourable senators to celebrate Senator Frith's new appointment.

Senator Frith is truly a part of us. We know him as a lawyer; we know him as a politician; we know him as a Liberal; and we know him as a senator. Most recently, we have come to know him as an author. Now we will come to know him as a diplomat. I sincerely believe that Senator Frith's appointment to London is a fitting crown to what has been a stupendous career.

For many of us, the Senate of Canada without Royce Frith seems unimaginable. As a matter of fact, at one point in time I could not imagine the Senate of Canada without Senator Jacques Flynn and Royce Frith together, in concert. His largesse, his great intelligence and his procedural mastery were a part of all of us.

Senator Frith loved the arts. He loved music. He loved beauty. He loved theatre. We have all mentioned how, as an amateur dramatist, he did a marvellous job of portraying Bernard Shaw's Henry Higgins. He was the finest Henry Higgins I ever saw.

In his personal life, he knew and understood profound sorrow when he so sadly lost his son. In his political life, he exhibited enormous endurance when, in 1979, as Ontario chairman of the general election for the Liberals, he fought hard as we Liberals were being defeated. As a candidate in that federal election, I can tell you that Senator Frith's commitment and endurance made it all very worthwhile.

I wish Senator Frith well in his new career. As we celebrate his many accomplishments and send him off, I should like to repeat a remark made by the oldest member of our caucus, Senator David Croll, on the occasion when we, as members of this chamber, were saying goodbye to Mr. Trudeau. Senator David Croll, as the oldest member of the caucus, was called upon to do the job. Senator Croll rose and said, "Mr. Trudeau, 'good-bye' is not the proper word. We Jews have a better word." He said, "Shalom, Mr. Trudeau."

Shalom, Royce Frith.

• (1450)

Hon. Richard J. Stanbury: Honourable senators, Senator Fairbairn has delineated the long and illustrious career of Senator Frith. We in the Senate have been the beneficiaries of much of that period, particularly the recent part of that story. Some of us have been fortunate to share some of the less official activities of his life. However, although they were less official, they were certainly not less important.

As Senator Fairbairn has said, Senator Frith was one of the key figures in the restoration to power of the Liberal Party under Mike Pearson in 1963. The tragedy suffered by the Liberals at the hands of John Diefenbaker in 1958 was only surpassed by the disaster which befell the Conservative Party at the hands of Jean Chrétien in 1993.

Senator Frith was one of a small group of young Liberals who dedicated themselves to rebuilding the party in Ontario. Royce Frith became the president of the Ontario party, which in those days had both federal and provincial responsibilities. He did such an excellent job that the federal Liberals were returned to office in 1963.

During that time, in addition to his organizational and administrative roles, he played an essential role in establishing a new optimism among the militants of the party. He spoke, he sang, he staged shows, he recruited choirs — he was literally a one-man band in the morale department.

Since then, as has been mentioned, Royce Frith has made a whole series of contributions to public life. We thought those would be crowned by his colourful and erudite performance in the Senate, but now the Prime Minister has shown the good judgment to appoint him as our senior diplomatic personage in London. It would be hard to imagine a more appropriate representative of Canada to the United Kingdom.

Senator Frith, with his experience in the political life of Canada, his mastery of the cultural and linguistic realities of Canada, his personal qualities of integrity, fluency, social grace and presence, will do us proud.

I thought perhaps I should warn him that we are all packing our bags. We may have to restrain ourselves to keep from getting there before he does!

All the best to you, Senator Frith.

Hon. Senators: Hear, hear!

Hon. Peter Bosa: Honourable senators, I wish to associate myself with those senators who preceded me in their tributes to our former colleague Senator Royce Frith.

Senator Frith, whom I have known since the early 1960s, was inducted into the Senate at the same time I was, along with Senators Olson and Adams. For some six months we shared the same desk. For the last 14 years our offices were adjacent to one another.

During this period I came to know and appreciate Senator Frith's many qualities. He rose quickly to positions of prominence in the Senate. He served as Deputy Leader of the Government for five years, and as Deputy Leader of the Opposition for nine years. In the latter part of the Thirty-fourth Parliament, he reached the pinnacle of his career in the Senate as Leader of the Opposition.

Senator Frith served for five years on the Royal Commission on Bilingualism and Biculturalism. Fluent in both official languages, Royce Frith was one of the most able debaters in the Senate. He could rise impromptu, and eloquently take part in debate on a variety of subjects.

Senator Frith was a great defender of authors' rights and a promoter of cultural institutions. A well-read man with a good memory, he often quoted at will excerpts from English literature to reinforce his arguments. He used his tools of expression with precision.

Outside of politics, Senator Frith, a man of culture and sports, engages in a variety of activities and pastimes. He is known to enjoy singing and acting. He plays golf and tennis. He also has a keen interest in the game of chess. Over the years we played a number of games as partners against an electronic set known as the "chess challenger". Occasionally, we were victorious.

Senator Frith has made a significant contribution in the Senate. Members of the red chamber and members of the Liberal caucus will miss his valuable input and advice. Personally, I will miss him as a good friend. His broad experience in many fields of endeavour has prepared him very well for the responsibilities he is about to assume as Canada's High Commissioner to the United Kingdon. I join his family, his colleagues and friends in expressing my best wishes to him in his new career.

Hon. Senators: Hear, hear!

Hon. Peter A. Stollery: Honourable senators, first, I should like to welcome our three distinguished new senators.

Second, I rise because I read about the appointment of Royce Frith as High Commissioner to the United Kingdom with a genuine feeling that the Senate is losing not only one of its most prominent senators but one its most distinguished senators. Royce is an original. The Senate has many facets about which we always speak, but there is no doubt that it is a chamber where an original like Royce was able to play an important role.

I did not know Senator Frith in his theatrical life. The only theatre I knew him in was this one, right here.

For years, I have admired Senator Frith's outrage at injustice. He is an individualist and he believes in individualism. He is also a great federalist, something I admire and appreciate in him.

I remind honourable senators that his new job in London is not just a job where one can walk around, have drinks and look like a good fellow. It is a real job; an important job. He will represent Canada in one of the world's great capital cities. I know he will represent the kinds of Canadian attitudes and views in which I believe, and that he will do that job very well.

Hon. Senators: Hear, hear!

Hon. Jerahmiel S. Grafstein: I, too, honourable senators, should like to add my comments on the resignation of the Honourable Royce Frith.

"Royce Frith" — what a graceful name to match such a graceful man. Royce Frith — barrister, solicitor, Queen's Counsel, senator, actor, author, athlete, orator, singer, musicologist, broadcaster, bibliophile, linguist, raconteur par excellence, strategist, Beau Brummel, connoisseur of rules and protocol, gourmet, chess player — indeed, a man of many excellent parts. Now, he has become a diplomat, and soon to be statesman.

Royce is a Renaissance man. He would have been a star in any career he chose for himself. Royce chose politics because politics was his passion. I first met Royce in 1960 in Toronto, where he was a leading political activist. I was immediately struck by the timbre of his voice, his energy, his elegance, his eloquence, his wit, his scintillating repartee and his engaging personality. We became friends, and I became an admirer and remain so to this day. I was amazed to discover back then that his Yiddish expressions, all with the appropriate local dialect, rivalled my own.

When I was appointed to the Senate, I asked Royce to act as one of the two customary sponsors to usher me into this chamber. He not only ushered me in but acted as a guide to help me navigate through the tortuous rules and unwritten customs of this place.

If there is one characteristic, to my mind, that illuminates Royce, it is his loyalty — loyalty to his convictions, loyalty to his friends, loyalty to his colleagues and, above all, loyalty to his country.

Royce revelled in the Senate. He obviously adored this place, and so the Senate suffers a deep and wide loss in his leaving. We can only be consoled by the fact that our loss is Canada's gain. He will be a superb representative of Canada's interests in the United Kingdom and beyond.

Truly, Royce is a man for all seasons, and now our man goes to the United Kingdom for all the right reasons. We can only wish him God speed.

Hon. Senators: Hear, hear!

Hon. Keith Davey: Honourable senators, I had prepared a list of factual information about Senator Frith, and just about everyone here has touched all the bases, but there are one or two remaining.

First, Senator Frith was a graduate of Parkdale Collegiate, with classmates such as Charles B. Templeton, Tim Reid, Phil Gibbons, Goody Rosen, and M.T. Kelly, who has recently won several Governor General's awards. He is a also a graduate of Victoria College, University of Toronto, where he appeared traditionally at the annual college music gala, the Vic Bob, with singing partners such as Norman Jewison and Don Harron. Doug Fisher was our classmate, but he did not make the cut.

The only other base we have not touched upon is actually a "base". Senator Frith is a baseball freak who marks box scores in detail at almost all games.

I wish to say a word about Senator Frith as a politician, because we have not dealt with that aspect of his career. One of Senator Royce Frith's greatest speeches was made 25 years ago at a Liberal Party executive meeting. Approximately 40 people were at that meeting. I asked Royce Frith to conclude with a comment about Mike Pearson, who was not yet Prime Minister. With drama, he paused and said:

> If this man, Mike Pearson, cannot become Prime Minister of Canada, then I, for one, will leave public life forever.

You could have heard a pin drop.

Honourable senators, to prove that Senator Frith was not perfect, I go back to the 1978 election. I was the national chairman and Royce Frith was the Ontario chairman. He gave a confidential, private story to *The Toronto Star*. He said:

> The three Liberal candidates, Roberts, Danson, and O'Connell, cannot possibly be re-elected.

Of course, the story leaked. It appeared on the front pages of *The Toronto Star* the following morning at 5:30. I woke up at six o'clock and saw the story. I phoned Senator Frith at six o'clock, and he answered the phone. He knew it was me; he said, "I know exactly what has occurred. It will not happen again." Of course it did not, because we lost all three seats.

[*Translation*]

NEW SENATORS

FELICITATIONS

Hon. Marcel Prud'homme: Honourable senators, we are pleased to welcome three new colleagues today. Following the order in which they were introduced, I will start by addressing Senator Roux. I want him to know that we need him in this place. I, for one, firmly believe that the Senate should embody civility, and who better than you to exemplify this quality. The arts community applauds your appointment. Highly cultivated individuals who continue to value excellence are delighted to see you take a seat in the Senate of Canada. I am personally delighted. I told the Prime Minister so, and I repeat it to you today. We need you in the Senate and in Canada.

Senator Bacon is an old friend of mine. She will not mind if I recall some fond memories, for I have known her since we were both young Liberals. Senator Bacon has a strong personality and is not afraid to tell the truth as she sees it. At this time when Canada has come under attack, I am sorry that some do not hear these words of wisdom. We will need your experience, senator. You will know just how to explain the situation of Quebec within Canada. Similarly, you have the strength of character and ability to go out and tell the people of Quebec what Canada is about.

[*English*]

• (1500)

I want to be on the record as wishing Mrs. Carstairs all the best. Not many people know how many years I have had the honour of knowing her.

When I was a young member of the House of Commons in 1968, Mrs. Carstairs was a teacher in Alberta. She met me at a Liberal convention. I do not know if she liked what I was saying, or was pleased with the enthusiasm I showed for Canada, but she invited me to speak to her class. I spontaneously said, "Of course, with great pleasure."

I had the same experience in 1964, when my great friend Senator Perrault invited me to speak to the Liberal Party in British Columbia. I again accepted in a spontaneous fashion. I was then told what I should not be talking about, and they were difficult issues, such as the monarchy, and French Canada. I was puzzled as to what I could speak about.

I went to Mrs. Carstairs' classroom. I am sure she remembers. I immediately touched upon all the points I was asked kindly not to touch upon. To the surprise of many, I have kept in close touch with most of these people.

I repeat again in English, to be clearly understood by my new friend face to face, Senator Roux, that I said here, "Canada is under attack." I am not afraid to repeat that, in English or in French. We need civility and understanding in this country.

Madam Carstairs —

[*Translation*]

— I welcome you. This will come as a surprise to many, but will not surprise you. I remain hopeful that people like you and me will go together to Quebec to express the nuances and the differences of this country.

[*English*]

People who prefer exclusion do not understand the process of building a country.

[*Translation*]

I sincerely hope that our new senators, at a time when the country's need is so great, will accept my personal offer to work with them, an offer I have extended to all other senators belonging to the two officially recognized parties. I hope the Senate prefers to forget party affiliations when we are talking about Canada, and that we could form in groups. I am a French Canadian, and today we welcome two distinguished French Canadians in our midst. I do not think the adjective bothers them. It reflects a reality that has made this country possibly the envy of the entire world in that it is able to reconcile, some would say the Carstairs and the Prud'hommes, why not, and in her case and mine it would be very easy.

I repeat, honourable senators, the next few months will not be easy. I say this very seriously. I get the impression that people do not realize what is happening. Some people think everything has been settled, everything is okay, but that is not true. I prefer to be an alarmist and win than be too sure of myself and lose. Canada deserves a chance to change for the better, to be an example to and a glimmer of hope for a troubled world, where solutions can be found, and it is not as difficult as all that.

Senator Bacon, this is indeed a great pleasure, and I must say I have always had the warmest affection and friendship for you as a woman of great courage who is not afraid to tell the truth, however unpalatable it may be to the listener. I wish you a cordial welcome, and I am sure that, like me, the whip is very pleased to see the arrival of these three distinguished additions to our Senate. We must get to work now because time is of the essence, and I hope that we, Senators Cohen, Ghitter, Spivak and the others, can work for Canada, not for political parties. Together we will experience some exalting moments and some difficult ones, but we can prove, beyond a doubt, that this country is worth living in and deserves structures that are more harmonious and allow for existing nuances and differences —

[*English*]

— in respecting the nuance and the difference in understanding the role of the Indian and the Inuit in this country; in respecting the role of French Canadians in this country.

When we explain the history of Canada, the trouble is that it seems that no one understands the meaning of "Canada" and how our country came to be. That is our role, honourable senators. I ask Mrs. Carstairs to join with me in this new pilgrimage, because I already have the assurance of the other two new senators that I know better.

Welcome again.

The Hon. the Speaker: Honourable senators, while I do not make formal speeches, I should like to welcome and congratulate our new colleagues, and in particular I welcome their guests, who have come to witness this event.

[*Translation*]

Honourable senators, I would like to welcome and congratulate my colleagues. I would also like to invite all senators and their guests to a reception in my quarters after the Senate adjourns.

SENATOR ROBERT MUIR

BEST WISHES ON RECOVERY

The Hon. the Speaker: With your further permission, honourable senators, I wish to mark the return to the chamber of Senator Robert Muir, after a long absence. He has our best wishes.

Hon. Senators: Hear, hear!

BUSINESS OF THE SENATE

The Hon. the Speaker: Honourable senators, we would normally have had some festivities to say farewell to Senator Frith, but he and I had a conversation some days ago, and we both realized that the date of the return of the Senate and his departure for London made this impossible. However, we agreed that on his first visit back to Canada, if he gives us notice, we would have a proper meeting of the minds and spirits, at which gathering we will say a fond farewell to him as a member of our institution.

• (1510)

QUESTION OF PRIVILEGE

Hon. Anne C. Cools: Honourable senators, at the last sitting of the Senate, I indicated that it was my intention to raise a question of privilege today. I have given the required notice to the Clerk of the Senate pursuant to rule 44(3).

The purpose of my statement is to indicate that I will be speaking tomorrow because today the air is expectant with celebration, and we should allow our incoming and outgoing senators to enjoy their new experience.

THE HONOURABLE JACK MARSHALL

TRIBUTES ON PAPAL CITATION OF SPECIAL RECOGNITION

Hon. M. Lorne Bonnell: Honourable senators, I want to welcome the new senators and to congratulate my good friend Royce Frith on his new appointment, and wish him well. I concur with everything my colleagues have said about him.

However, I stand in my place today for another reason. One of our colleagues, who will soon leave us, received a citation of special recognition from His Holiness, Pope John Paul II. The citation reads as follows:

> His Holiness, Pope John Paul II, cordially imparts his Apostolic Blessing to the Hon. Senator Col. Jack Marshall C.D. in recognition of his untiring work on behalf of Canadian Veterans invoking an abundance of heavenly favours.

Not being a Roman Catholic, and Senator Marshall not being a Christian, I felt that this was an extremely high honour to be bestowed upon a senator, a person of another faith, especially when it comes from the head of the Roman Catholic Church. We should all be proud of Senator Jack Marshall.

Hon. Senators: Hear, hear!

Hon. Jack Marshall: Honourable senators, when I left the Victoria Building for the Senate today, I looked out of the window of the bus towards the Peace Tower. White smoke was rising, and I wondered why. I thought perhaps the Prime Minister had invited His Holiness to bless our three new senators today. However, I later found out that, as Senator Bonnell has explained, I was being honoured. Honourable senators, I am indeed honoured and privileged.

Senator Bonnell, I will watch over you when I retire.

ROUTINE PROCEEDINGS

PEARSON INTERNATIONAL AIRPORT AGREEMENTS BILL

MESSAGE FROM COMMONS

The Hon. the Speaker: Honourable senators, I have the honour to inform the Senate that a message has been received from the House of Commons, which reads as follows:

Friday, September 30, 1994

Ordered,—

That a Message be sent to the Senate to acquaint Their Honours that this House disagrees with the amendments made by the Senate to Bill C-22, An Act respecting certain agreements concerning the redevelopment and operation of Terminals 1 and 2 at Lester B. Pearson International Airport.

ATTEST

ROBERT D. MARLEAU
Clerk of the House of Commons

PRIVACY COMMISSIONER

ANNUAL REPORT TABLED

The Hon. the Speaker: Honourable senators, I have the honour to table the annual report of the Privacy Commissioner for the period 1993-94.

PEARSON INTERNATIONAL AIRPORT AGREEMENTS BILL

NOTICE OF MOTION TO CONCUR WITH MESSAGE FROM COMMONS

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I give notice that tomorrow, Wednesday, October 5, 1994, I will move:

> That the Senate do not insist on its amendments to the Bill C-22, An Act respecting certain agreements concerning the redevelopment and operation of Terminals 1 and 2 at Lester B. Pearson International Airport, to which the House of Commons has disagreed; and
>
> That a Message be sent to the House of Commons to acquaint that House accordingly.

[*Translation*]

BUSINESS OF THE SENATE

ADJOURNMENT

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, with leave of the Senate and notwithstanding rule 59(1)(*h*), I move:

> That when the Senate adjourns today, it do stand adjourned until Wednesday, October 5, 1994, at 1:30 p.m.

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

Hon. Senators: Agreed.

Senator Molgat: Honourable senators, I discussed this with the Honourable Leader of the Opposition. We agreed that we could sit at 1:30 p.m. tomorrow so that the committees could sit shortly after three o'clock.

Motion agreed to.

[*English*]

CANADA PETROLEUM RESOURCES ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-25, to amend the Canada Petroleum Resources Act.

Bill read first time.

• (1520)

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

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, I have had a discussion on this matter with the Leader of the Opposition. This is a non-controversial bill, and we have agreed that we would proceed at once to second reading and then send the bill on to committee, which I understand will be meeting tomorrow in any case. The committee could then deal with the bill at that time.

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

Hon. Senators: Agreed.

SECOND READING

Hon. Colin Kenny: Honourable senators, I move second reading of this bill.

Hon. John Lynch-Staunton (Leader of the Opposition): Can we dispose of Routine Proceedings first, and then deal with this bill?

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, Senator Lynch-Staunton has indicated that it might be preferable to deal with the routine business and then revert to the bill. The problem is that Senator Kenny is a member of a joint committee that is sitting this afternoon, so perhaps we could proceed now. I believe his speech will be short. If the debate on the opposition side is also short, then we can dispose of the matter quickly. If that procedure is not acceptable, we will do it later.

Senator Lynch-Staunton: We shall be accommodating, particularly on this first day, for our new members. We would not want them to feel that there was any misunderstanding between the two sides on any issue. However, we must not fall into the trap of having committees determine our schedule.

Senator Molgat: We have had that discussion many times before. The honourable senator knows my feelings on that matter completely. The problem is that some of the joint committees are trying to conclude their business. I should hope that, in future, we will not have such conflicts between the Senate and committees. I appreciate the spirit of cooperation that the Leader of the Opposition is demonstrating today. I trust that it will continue until the end of the session.

Senator Lynch-Staunton: It will be only at times when you have new recruits.

Senator Kenny: Honourable senators, I rise today to address Bill C-25, to amend the Canada Petroleum Resources Act. The proposed amendment is a small one. What is not small is the impact this legislation will have on northern communities, northern aboriginal people and, ultimately, on all Canadians.

Bill C-25 proposes a minor administrative change to the Canada Petroleum Resources Act that is inconsequential to the application of the act in any other region of Canada. The change continues to exempt the Norman Wells oil field and extends its boundaries. Essentially, this means that production from the Norman Wells oil field in the central Mackenzie Valley will continue under existing arrangements for as long as the field is commercially producible.

When the original Norman Wells Agreement was adopted in 1944, it was predicted that the field would be productive until, at most, the year 2008. However, because of technological developments over the past 50 years, we now know that the productive life of the field will be much longer. In fact, it is expected to remain productive until at least the year 2020.

Technology has taught us even more. It has been discovered that the Norman Wells field extends beyond the proven area. Fringe areas have been discovered outside the original boundaries. The current practice under the act normally involves a competitive bidding process, but the newly discovered fringe areas of the field lying outside the area of agreement are unlikely to be developed if removed from the context of the entire field. There is a risk, therefore, that if current policy is adhered to, sound management of the field will be compromised since the outlying reserves would be left in the ground and maximum recovery of the field would never be achieved.

It is important to realize that these are not just the claims of the operating company, Imperial Oil. The National Energy Board has conducted an independent assessment which substantiates the claim that the boundary of the field should be extended and that the field has a longer productive life than originally thought. The real impact of the proposed legislative change will be economic.

The primary beneficiary will be the community of Norman Wells. In 1993, expenditures on Norman Wells production activities totalled $36 million, over half of which was spent in the north. Each year the oil field, which is the fourth largest in Canada, produces about $3.7 million in wages to northern workers. In addition, more than 30 companies in Norman Wells and over 20 companies in other northern communities owe a large part of their annual business to the oil project.

The community of Norman Wells will not be the only winner here. Other northern communities, governments and taxpayers will also gain as millions of dollars of corporate and personal tax revenues, royalties and other income will be generated. For example, in 1992 alone, the Norman Wells oil field generated more than $50 million in revenues to the government.

The recent settlement of a number of comprehensive aboriginal land claims in the north will also pave the way for renewed investment in the north as more lands are being opened to private interests. From this standpoint, the extension of the Norman Wells project could not be more opportune. It will focus attention on the great resource potential of these northern areas at a time when lands are becoming available for exploration and development. This will result in additional drilling and service contracts for northern firms which will, in turn, generate more business opportunities.

It is important to point out that it is the aboriginal people in the area who will benefit from this extension. The Gwich'in, the Sahtu Dene and the Métis under their land claim agreements are entitled to a share of royalties from Norman Wells. This extension will give them a guaranteed revenue flow beyond 2008 and perhaps to the year 2020.

Honourable senators, proclamation of this legislation can have an immediate, positive economic impact. As a result of the $30-million drilling program to be undertaken by Imperial Oil and the extension of the field's producing life, short-term employment in the Norman Wells field will increase and long-term employment will be stabilized. An estimated 25 person years of indirect employment will also be created in the north. The Norman Wells extension project will not only keep some Canadians working, it will contribute directly and indirectly to the creation of many new jobs in the north and in Alberta.

It is a positive initiative that has the support of all the key players — aboriginal and nonaboriginal people of the Northwest Territories, the Canadian Association of Petroleum producers, the petroleum industry, and the Government of Canada. I ask the Senate to support this bill.

Hon. Ron Ghitter: Honourable senators, I rise in support of Bill C-25. The history leading up to the bill and the substance of the bill have been fully explained by my colleague Senator Kenny, and to that explanation I would add only a few brief comments.

The continuation of the development of the Norman Wells field to its maximum potential is an obvious goal that will prove advantageous to Canadians by the payment to the government of royalties, to the native population by way of jobs and their share of royalties, to Imperial Oil by allowing it to continue the work it commenced in Canada in 1944, and also to the province of Alberta where a considerable amount of drilling program moneys will be spent. It is a "win-win" situation for all parties involved.

It also stands as testimony to the new and advanced technologies which are being developed in the oil and gas industry in Canada and under Canadian leadership and technology. These new technologies, which are being used by many companies in Canada, involve advances in industry extraction techniques such as those used by Imperial Oil in the Norman Wells field.

• (1530)

For example, at Norman Wells, because much of the reserves lie below the Mackenzie River, directional, and now horizontal, drilling has been developed. That technology is now being used all over the world. By using this technology in Alberta, they are now able to extract millions of barrels of oil which previously lay in the ground. Many small oil companies in Alberta are prospering from the use of this new technology involving horizontal drilling.

The technology, developed in Canada, has made this country a world exporter of petroleum production technology and has allowed us to increase our recoverable reserves in Canada's conventional oil fields by an estimated 15 per cent, thereby preventing the long-predicted decline in conventional oil production.

More specifically, with respect to the legislation before the Senate today, the expansion of the existing proven area of the Norman Wells field by approximately 320 hectares, out of the original field of 3,000 hectares, will extend the life of the field from the year 2008 to at least 2020, a full 12 years longer than originally anticipated. This will ensure continued stability in the community of Norman Wells by way of jobs and many benefits to the local people. The Minister of Indian Affairs and Northern Development predicted that at least one-third of the on-site jobs generated by the drilling program will be guaranteed to local residents and that indirect employment is estimated to be — as the Honourable Senator Kenny stated — an additional 25 person years in the north.

The aboriginal peoples' royalties from Norman Wells and this extension will give them a guaranteed revenue flow for an additional number of years. In addition, Sahtu Drilling, which is jointly owned by the Dene, Métis and Imperial Oil, holds a $6-million drilling contract which is conditional on this project moving forward.

It should also be noted that Norman Wells is currently the fourth largest oil-producing field in Canada. It yields about 33,000 barrels of oil a day, and generated more than $50 million of revenues to the Government of Canada in 1992.

One of the questions that was forthcoming at the time this legislation was presented, and one which I expressed to departmental officials, concerned the lack of a competitive bidding process in this case. Under the Canada Petroleum Resources Act, it is the current practice to issue production rights only through a competitive bidding process. However, it is unlikely that these fringe areas — fields lying outside the area of proven yield — will be developed if removed from the context of the entire field.

I have inquired of knowledgeable members of the oil and gas industry as to whether there was concern over the fact that a competitive bidding process was not carried out in this case. The response I received from the industry was that it would not be economical nor would it make any sense for an outside bidder to come forward and endeavour to obtain the rights for this additional 340 hectares.

Imperial Oil has been in the field since 1944. It has the technology and the knowledge with respect to this particular field, and it would be highly unlikely that any third party would find it appealing to come forward and enter a competitive bidding process, if one had been undertaken by the department.

What is important in this legislation is that full commercial production of the reserves in this field are achieved in a manner consistent with all federal-provincial oil and gas legislation and environmental assessments. This is being done.

This is good legislation. It is legislation that deserves the support of all members of the Senate. It is legislation which uniquely has no losers, only winners. It has no negatives. It is a bill we can all enthusiastically support.

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 Kenny, bill referred to the Standing Senate Committee on Energy, the Environment and Natural Resources.

BOOK ENTITLED "ABOVE THE LAW"

NOTICE OF INQUIRY

Hon. William M. Kelly: Honourable senators, I give notice that on Thursday next, October 6, 1994, I will call the attention of the Senate to the book entitled *Above the Law.*

QUESTION PERIOD

NATIONAL FORUM ON HEALTH

REQUEST FOR INFORMATION

Hon. Norman K. Atkins: Honourable senators, I have a question for the Leader of the Government in the Senate.

On Friday, September 30, at John Hopkins University in Baltimore, Maryland, the Minister of Health once again alluded to a process that will act as a vehicle through which Canadians can focus their priorities and plan the future of Canadian medicare. She called this process "The National Forum on Health".

It is no secret that Canadians are concerned about the future of their health care. Is the date of the forum a secret? When will the National Forum on Health take place, and where?

Hon. Joyce Fairbairn (Leader of the Government): Thank you for the question, Senator Atkins. The membership to the National Forum on Health will be announced very shortly. As far as I am aware, the forum will hold discussions across the country.

Regarding the date of its commencement, obviously that will have some bearing on when the announcement of its membership is made. I will attempt to get an indication from the minister on how soon we can expect that to begin.

THE ENVIRONMENT

STUDY OF LOW-LEVEL MILITARY FLIGHTS IN LABRADOR—GOVERNMENT RESPONSE TO CRITICISM OF PROCESS

Hon. Mira Spivak: Honourable senators, the Environmental Assessment Review Panel on low-level flights by military aircraft over Labrador has been deemed by its critics as unable to fulfil its mandate in a fair and impartial manner because four of the seven technical experts commissioned by the review panel identified major deficiencies in the study presented by the Department of National Defence.

Experts who examined the study on behalf of the Inuit Nation identified 130 such deficiencies. The panel has failed to require DND to comply with its 1987 guidelines by providing additional information on the project's impact on aboriginal rights, including negotiation and settlement of land claims.

The panel has been so blatantly insensitive to aboriginal culture that it has set time limits on elders, refused to guarantee full translation, and slated the hearings for a time when many of the Inuit people most affected are trying to make their livelihood through hunting.

The hearings under way are understandably viewed as so biased that they are being boycotted by the Inuit Nations of Labrador and Quebec, by eight chiefs of the North Shore region, by Physicians for Global Survival, the Sierra Club of Canada and the Canadian Voice of Women for Peace.

Is the government aware that one technical expert was asked to go beyond the scientific realm and speculate on the merits of the proposal? That is the DND proposal.

Will the Leader of the Government in the Senate inquire of her colleague the Minister of the Environment what action will be taken by the government to ensure that this review proceeds on a rational, impartial basis, adhering to the 1987 guidelines?

Hon. Joyce Fairbairn (Leader of the Government): I thank Senator Spivak for drawing some of this information to my attention.

Honourable senators, I will indeed talk with the minister. As Senator Spivak may know, the minister herself has been in conversation in recent days with representatives of the Inuit Association of Canada. She has given them assurances, and she spoke about those assurances in the House of Commons on September 29. She listened to their representations and their concerns, and she assured them that if there is one shred of evidence that the panel is biased, she would be the first to act to replace panel members.

She also has spoken, and will continue to speak, with that particular group which has been vocal about the difficulties it has experienced to date with timing and some other issues.

• (1540)

Because of the importance of their views and concerns being heard in an open and fair way at these hearings, the minister will continue to speak with them in an effort to facilitate a return of that group to the table.

Senator Spivak: I thank the honourable leader for agreeing to pass this question on for me. A major problem is that the 1987 guidelines are not being followed by the panel. My concern involves this particular question, as well as the matter of an expert who has been asked to go beyond the scientific realm. I should particularly like those two questions to be answered.

Senator Fairbairn: I will bring them to the minister's attention. I acknowledge the concern of my colleague in relation to the guidelines, and I will try to provide her with information in that regard.

[*Translation*]

GOODS AND SERVICES TAX

APPLICATION ON READING MATERIALS

Hon. Pierre Claude Nolin: My question is for the Leader of the Government in the Senate. Honourable senator, when you were in opposition in the Senate, you opposed the application of the GST to reading materials. Since then, you have joined the government and within cabinet you have maintained that position.

In view of the report from the other House on the GST and of the document and positions your government made known to the various provincial finance ministers, do you believe, first, that books should be exempted from the GST? Do you believe, second, that the exemption on eyeglasses should be maintained?

[*English*]

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I agree with Senator Nolin that I was definitely outspoken on this issue some time ago.

The House of Commons Finance Committee brought out its report in June, and the government has considered that report. It suggested a variety of options. The government is now pursuing its discussions with the provinces. The key objective is to try to achieve harmonization on this question with the federal and provincial orders of government.

Last June the Minister of Finance met with his provincial colleagues, who had some ideas. They had mixed reviews. He continues to discuss other ways of handling this question with them. Other proposals have been put on the table, including the one from the province of Ontario.

Concerning the tax on books, the whole issue of the GST is under intensive review and will be addressed in the months ahead, as promised by the government in the election. In that review, the whole question of taxation on books will be discussed.

My personal opinion has not changed. The discussion will be a broad and intensive one, and I will be a vigorous participant in that discussion.

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, I have a subsequent question. That issue was supported not only by Senator Fairbairn but also by the entire Liberal caucus at the time. It also received the support of the then Leader of the Opposition, Mr. Chrétien, and, I assume, the caucus of the House of Commons. It is not only Senator Fairbairn who is being asked the question.

Is the Liberal Party, which before the election was adamantly opposed to GST on reading material, still supporting that stand?

Senator Fairbairn: As I expressed to Senator Nolin, the whole question of the GST, in all of its manifestations, is under intensive and continuing discussion between the Minister of Finance and the provinces to try to work out a framework — that is, a proper system to make this tax more fair, simpler and much easier for consumers and businesses alike in Canada to manage. It would be premature for me to speculate on what the outcome will be. The point is well taken by members of the opposition. The discussions will continue, and I look forward to them.

Senator Lynch-Staunton: I have a second supplementary question. May we assume that, as the Leader of the Government has just told us, the government no longer has the intention of replacing the tax — although this was their promise during the election — but, rather, of modifying it? She has also mentioned that they have modified their whole approach, including retaining the tax on reading material.

Senator Fairbairn: That assumption is not one that my friend can make, in either instance.

DELAYED ANSWERS TO ORAL QUESTIONS

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, I have several delayed answers to oral questions. One such question was asked on April 21 by Honourable Senator Jean-Maurice Simard, regarding the Financing of Professional Sports Infrastructure; another was asked on April 26 by Honourable Senator Ghitter, regarding the Effect on Employment Renovations to Athletic Facilities in Edmonton and Calgary; the Honourable Senator Tkachuk asked a question on April 26, regarding the Cut-back in Government Spending — Effect on Employment; another question was asked by the Honourable Senator Nolin on May 10, regarding the Installation of Telephone Communications Network; another question was asked on May 31 by the Honourable Senator Lavoie-Roux on the National Forum on Health; and on June 14 a question was put by the Honourable Senator Lynch-Staunton regarding Military Intervention in Burma. The last answer that I have is to a question asked by the Honourable Senator Cochrane on June 16, regarding the Reduction in Post-Secondary Education Financing.

INFRASTRUCTURE PROGRAM

FINANCING OF PROFESSIONAL SPORTS INFRASTRUCTURE— GOVERNMENT POSITION

(Response to question raised by Hon. Jean-Maurice Simard on April 21, 1994)

The federal/provincial agreements indicate that projects are eligible for consideration if they are to invest in physical capital which will be instrumental in the provision of public services.

Certain privately owned facilities, including some sports, tourist and cultural facilities, will qualify under this heading. These are estimated to be a small percentage of the total program.

Key sports, tourism and cultural facilities can be extremely important for the ability of communities to attract other investments. They are also very significant generators of jobs both in the short and long-term.

In the case of a sports facility, the Infrastructure Works Program will not be available for private areas, such as luxury boxes.

GOVERNMENT SPENDING—EFFECT ON EMPLOYMENT RENOVATIONS TO ATHLETIC FACILITIES IN EDMONTON AND CALGARY

(Response to question raised by Hon. Ron Ghitter on April 26, 1994)

This is not just a job creation program, but a program that is making long term investments in Canada's future by building confidence in the economy.

As of September 26, 1994, 6,662 infrastructure projects have resulted in the creation of 71,015 direct jobs distributed throughout the provinces, territories and First Nations.

Federal government approval respecting the upgrading of public areas in Calgary's Olympic Saddledome and Edmonton's Northlands Coliseum has been granted based on the terms of the Canada/Alberta Infrastructure Works agreement.

CUT-BACK IN GOVERNMENT SPENDING— EFFECT ON EMPLOYMENT—GOVERNMENT POSITION

(Response to question raised by Hon. David Tkachuk on April 26, 1994)

The Infrastructure Program is not just a job creation program, but a program that is making important long-term investments in Canada's future.

The February Budget announced over $15 billion in spending cuts over the next three years and about $2.5 billion in new spending initiatives financed from these cuts. Of this, $2 billion was for new spending on the infrastructure initiative, to be tripled by the addition of provincial and local shares to create a total program of $6 billion.

The major purpose of the Budget was to make a major step towards putting the government's fiscal house in order and to build the confidence so necessary for a vigorous economic recovery.

Thus the cuts were a key part of the strategy to get Canadians back to work.

At the same time, Canadians wanted to see tangible evidence that the government was addressing the jobs issue directly. The Infrastructure Program has tremendous visibility and public support. It is expected to create over 90,000 direct jobs and its visibility will help build confidence that the economy is improving.

The strategy is working. Consumer confidence is up and the prospects for economic growth and job creation have improved substantially.

HUMAN RESOURCES DEVELOPMENT

INSTALLATION OF TELEPHONE COMMUNICATIONS NETWORK

(Response to question raised by Hon. Pierre Claude Nolin on May 10, 1994)

It is important to clarify that this contract, in the amount of $110 million, was awarded to a Canadian firm — EDS Canada Ltd. and a consortium of Canadian companies. It is for the income security programs redesign project which will provide a new client service delivery network across the country. The total cost of the project, including 2 previous phases will be $289.5 million.

Equally important — senior Canadians will not have to deal with the Department of Human Resources Development through a voice mail box. Seniors, as well as all other clients, will always have the option of speaking to someone personally, and many issues will be dealt with on the spot. A number of focus groups will be held with seniors across Canada to help determine exactly how to design telephone systems that are sensitive and responsive to their needs and concerns.

The contract with EDS Canada Ltd. was let through a rigorous competitive process. In May 1991, letters of interest were sent to 1,843 Canadian firms. In February 1992, ten requests for proposal went out and from those, three proposals were received from major Canadian firms. Proposals from EDS Canada Ltd. and Systemhouse Ltd. were selected in June 1993 for development and implementation. After a lengthy cross-disciplinary evaluation by some 170 Crown employees, it was announced in July, 1993 that EDS Canada Ltd. was the successful firm.

The project work is being carried out by Canadian staff and Canadian management, involving a team of Canadian firms who are working with EDS Canada Ltd.

NATIONAL FORUM ON HEALTH

CONFUSION AND DELAY WITHIN GOVERNMENT

(Response to a question raised by the Hon. Thérèse Lavoie-Roux on May 31, 1994)

On June 29, 1994 Minister Marleau announced the mandate of the National Forum on Health. At that time, she also indicated she would continue discussions with the provinces about their participation in the Forum. Discussions have occurred at the political level and among officials and I fully expect the provinces to be active participants in the Forum's dialogue on the future of the health system.

The Prime Minister has confirmed his intention, as stated in *Creating Opportunities* to chair the forum, and the federal Health Minister will be the vice chair.

The first meeting of the National Forum on Health will be held in the very near future -before the end of October.

The mandate of the Forum is to:

— develop a new vision for Canada's health system for the 21st century;

— promote a dialogue with Canadians about their health system in order that renewal processes will maintain and improve the health system and lead to better health while respecting the principles on which the system was built;

— identify priorities for the future and develop greater consensus for change.

The Forum does have a four year mandate. However, the Forum will produce reports and recommendations on a regular basis — not only at the end of its mandate. There are many important issues on which the Forum's ideas and advice will be helpful and we can look forward to benefitting from the Forum's work on a continuing basis.

The sum of 12.0 million dollars has been allocated to the forum for its work. The Forum does not have, and will not have an open-ended budget. With the Prime Minister as Chair, the federal Health Minister as vice chair of the Forum and the Deputy Minister of Health as secretary of the Forum, we will ensure that the Forum does not exceed its budget. $12.0 million should be sufficient for the costs of the small secretariat responsible for Forum operations, for its meetings, and for its various activities intended to engage Canadians in a dialogue about the future of their health system.

As far as Health Ministers in the provinces and territories are concerned, the regular conferences of federal-provincial -territorial Health Ministers will remain as the most important inter-governmental decision-making mechanism for health issues. We will ensure that the deliberations of the Forum and the positive suggestions it brings forward for renewal of Canada's health system are made known to all Health Ministers.

I am confident the National Forum on Health under the leadership of the Prime Minister will make a very substantial contribution to the important decisions that must be taken on the future of our health system.

FOREIGN AFFAIRS

MILITARY INTERVENTION IN HAITI AND IN BURMA— GOVERNMENT POLICY

(Response to question raised by Hon. John Lynch-Staunton on June 14, 1994)

Canada has frequently made its concern about Burma's human rights record known both bilaterally and in the appropriate UN bodies.

With respect to trade Canada does not support Canadian business involvement in Burma and maintains a unilateral embargo on military exports to Burma.

However, the Canadian Government considers that international economic and trade sanctions are effective in situations where the countries involved have significant trading relationships, where the sanctioned country is susceptible to moral suasion or when both major and minor trading partners agree in a multilateral forum to the vigorous enforcement of such measures. In the case of Burma none of these situations exist. China, the most important trade partner of Burma, would likely veto efforts in the UN Security Council to impose a trade embargo. The Association of South East Asia Nations ("ASEAN") countries, for their own interest, do not want to isolate Burma. They believe that, by a continuous dialogue and an improvement in the economic situation, changes will take place within Burma.

Canada will cooperate with the ASEAN countries, who may have an influence on the State of Law and Order Restoration Council ("SLORC"), and will support any productive avenue. However Canada will also continue to express in public its displeasure with the Burmese regime and will vigorously pursue any initiative to influence its behaviour. Canada concurs with the idea of establishing benchmarks to monitor progress made by the SLORC in meeting the concerns of the international community.

NATIONAL FINANCE

REDUCTION IN POST-SECONDARY EDUCATION FINANCING

(Response to question raised by the Hon. Ethel Cochrane on June 16, 1994)

It is true that the revised estimates for established programs financing (EPF) cash payments for post-secondary education are $2,228 million for 1994-95, compared with actual payments of $2,378 million for 1993-94, representing a decline of $150 million.

Federal transfers to the provinces for post-secondary education are composed of both cash and tax points.

Since the tax portion of EPF is growing faster than the total transfer, the cash portion of EPF, which is the difference between the two, is declining.

The sum of cash and tax transfers for post-secondary education under the EPF arrangements is expected to reach $6.15 billion in 1994-95.

This represents an increase of $77 million over 1993-94, and brings federal funding for post-secondary education to a record level.

ANSWERS TO ORDER PAPER QUESTIONS TABLED

PRINCE EDWARD ISLAND—TRANSFER OF NORTHUMBERLAND STRAIT BRIDGE OFFICE TO CHARLOTTETOWN

Hon. Gildas L. Molgat (Deputy Leader of the Government) tabled the answer to Question No. 33 on the Order Paper—by Senator Macquarrie.

PRINCE EDWARD ISLAND—UPGRADING OF CHARLOTTETOWN HARBOUR FACILITIES

Hon. Gildas L. Molgat (Deputy Leader of the Government) tabled the answer to Question No. 50 on the Order Paper—by Senator Macquarrie.

ATLANTIC CANADA OPPORTUNITIES AGENCY—REPORT OF PROFESSOR SAVOIE

Hon. Gildas L. Molgat (Deputy Leader of the Government) tabled the answer to Question No. 46 on the Order Paper—by Senator Atkins.

VETERANS AFFAIRS—PARTICULARS OF STAFFING

Hon. Gildas L. Molgat (Deputy Leader of the Government) tabled the answer to Question No. 48 on the Order Paper—by Senator Marshall.

ORDER-IN-COUNCIL APPOINTMENTS TO GOVERNMENT BOARDS AND TRIBUNALS

Hon. Gildas L. Molgat (Deputy Leader of the Government) tabled the answer to Question No. 38 on the Order Paper—by Senator Oliver.

NATIONAL DEFENCE—COSTS OF CANCELLING HELICOPTER PROGRAM

Hon. Gildas L. Molgat (Deputy Leader of the Government) tabled the answer to Question No. 17 on the Order Paper—by Senator Marshall.

COMPOSITION OF ADVISORY BOARD OF CANADIAN BROADCASTING CORPORATION

Hon. Gildas L. Molgat (Deputy Leader of the Government) tabled the answer to Question No. 18 on the Order Paper—by Senator Marshall.

NATIONAL DEFENCE—PRESENT STRUCTURE AND FACILITIES OF CANADIAN FORCES TRAINING SYSTEM

Hon. Gildas L. Molgat (Deputy Leader of the Government) tabled the answer to Question No. 28 on the Order Paper—by Senator Marshall.

VETERANS AFFAIRS—RECIPIENTS OF DISABILITY PENSIONS

Hon. Gildas L. Molgat (Deputy Leader of the Government) tabled the answer to Question No. 30 on the Order Paper—by Senator Marshall.

VETERANS AFFAIRS—RESPONSIBILITY FOR ADMINISTERING THE PENSION ACT

Hon. Gildas L. Molgat (Deputy Leader of the Government) tabled the answer to Question No. 31 on the Order Paper—by Senator Marshall.

VETERANS AFFAIRS—DISABILITY PENSION APPLICATIONS TO CANADIAN PENSION COMMISSION

Hon. Gildas L. Molgat (Deputy Leader of the Government) tabled the answer to Question No. 35 on the Order Paper—by Senator Marshall.

VETERANS AFFAIRS—STATUS OF CANADA TRAINING REGULATIONS

Hon. Gildas L. Molgat (Deputy Leader of the Government) tabled the answer to Question No. 36 on the Order Paper—by Senator Marshall.

NATIONAL DEFENCE—TESTING OF LSVW VEHICLES

Hon. Gildas L. Molgat (Deputy Leader of the Government) tabled the answer to Question No. 39 on the Order Paper—by Senator Marshall.

VETERANS AFFAIRS—PARTICULARS OF CANADIAN FORCES PERSONNEL DEPLOYED IN SOUTH EAST ASIA

Hon. Gildas L. Molgat (Deputy Leader of the Government) tabled the answer to Question No. 40 on the Order Paper—by Senator Marshall.

VETERANS AFFAIRS—BREAKDOWN OF PENSIONABLE DISABILITIES

Hon. Gildas L. Molgat (Deputy Leader of the Government) tabled the answer to Question No. 42 on the Order Paper—by Senator Marshall.

COASTAL FISHERIES PROTECTION ACT— PROTECTION AND MANAGEMENT OF STRADDLING STOCKS

Hon. Gildas L. Molgat (Deputy Leader of the Government) tabled the answer to Question No. 43 on the Order Paper—by Senator Marshall.

VETERANS AFFAIRS— FINANCIAL SUPPORT TO VETERANS ASSOCIATIONS

Hon. Gildas L. Molgat (Deputy Leader of the Government) tabled the answer to Question No. 44 on the Order Paper—by Senator Marshall.

CANADA 125—BREAKDOWN OF DISTRIBUTION OF MEDALS

Hon. Gildas L. Molgat (Deputy Leader of the Government) tabled the answer to Question No. 45 on the Order Paper—by Senator Marshall.

VETERANS LAND ADMINISTRATION— STATUS OF ACTIVITIES UNDER VETERANS LAND ACT

Hon. Gildas L. Molgat (Deputy Leader of the Government) tabled the answer to Question No. 49 on the Order Paper—by Senator Marshall.

VETERANS AFFAIRS— ENTITLEMENT UNDER WAR VETERANS ALLOWANCE

Hon. Gildas L. Molgat (Deputy Leader of the Government) tabled the answer to Question No. 51 on the Order Paper—by Senator Marshall.

ETHICS COUNSELLOR—DETAILS OF TERMS OF REFERENCE

Hon. Gildas L. Molgat (Deputy Leader of the Government) tabled the answer to Question No. 52 on the Order Paper—by Senator Marshall.

Senator Molgat: I am very pleased we were able to respond to Senator Marshall's questions, particularly in view of the fact that he will not be with us very much longer. We are attempting to clear up all of the backlog.

The Senate adjourned until Wednesday, October 5, 1994, at 1:30 p.m.

THE SENATE

Wednesday, October 5, 1994

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

Prayers.

[*Translation*]

SENATORS' STATEMENTS

ALBERT CAMUS

ACCEPTED PRONUNCIATION OF FAMILY NAME

Hon. Maurice Riel: Honourable senators, on June 15, I addressed the Senate about the pronunciation of the name of the French author and Nobel prizewinner Albert Camus.

I had advised Senator Grafstein to pronounce the "s" in Camus, instead of Camu, as the final "u" sound poses a problem to anglophones. It sounded like a reasonable piece of advice to give him, since that is the way I have pronounced the name all my life.

It was not such a great idea after all, because some honourable senators made fun of him. I then had to accept responsibility for the piece of advice I had given him and explain where this pronunciation came from. In the face of protest from certain honourable senators, mostly from the other side I must say, I decided to refer to Mr. Maurice Druon, the permanent secretary of the Académie française, with whom I am in contact.

Here is how our correspondence on the subject read. In all, three short letters were exchanged, and the first one read as follows:

> Dear Master and Friend:
>
> I am sending you this brief note to request our help in a matter relating to the French language.
>
> How is the family name of Albert Camus to be pronounced?
>
> I have always pronounced Camus, hissing the final "s" like in Marius and Fabius. Had this not been the intention, the name would have been written like Raimu. In addition, no one has ever corrected me or commented on my pronunciation, be it in Paris or in Montreal.
>
> The same way, I have always sounded the "s" in the name of your fellow Academy member Cabanis, as I recently heard it done in the case of Baudis, the mayor of Toulouse. We do not pronounce the final "s" in either name.
>
> My reasoning is that, in the South of France, the last syllable of proper nouns or any word for that matter is sounded. Since Albert Camus was born and raised in Algeria, I concluded that he came from two souths. QED.
>
> But perhaps I am mistaken! In any case, I find that pronouncing the final "s" in Camus is more euphonious than leaving it out, especially for English people who pronounce the French "u" like "ou", as if the name were Camou! They say Malthus.
>
> Some people objected to me that the "s" in Camus cognac is not pronounced, and I said that I did not know that. I rarely drink it and rarely say it. But I added that it is a product of Charentes, which is different; it is not the South of France. Leaving the "s" off the name of the cognac is no doubt a local or regional pronunciation. Perhaps there is freedom of choice. For example, with the name Montaigne, some say Montagne and others Montaigne. Take the name Schneider. Society people pronounce it Schnèdre, and in French history, the name of Louis XVI's minister Necker was pronounced Nècre, I learned in school.
>
> The reality I am faced with is that I advised an English-language colleague to pronounce the "s" in Camus. He did so in a speech in the Senate and received comments, not to say jeers, from some Quebec senators. Maybe they had other reasons to jeer him!
>
> I must accept responsibility for this serious piece of advice and state the way I pronounce it myself, and why.
>
> In the *Debates of the Senate* of June 15, 1994, page 653, which you will find enclosed, Senator Guy Charbonneau pointed out after I spoke that there was no set rule governing the pronunciation of proper names in French. As you can see, the Canadian Senate cares about the French language.
>
> Am I wrong, or am I right? I would appreciate your comments on this point. I will read and table your reply at the sitting of the Senate following its reception and have it printed in the *Debates of the Senate*, as my colleagues asked me to.
>
> Thank you in advance for your help. Yours sincerely,
>
> P.S.
>
> My bookstore in Montreal notified me this morning that it had just received your latest book, *Lettre aux Français sur leur langue et leur âme*. As you know, this is something we are keenly interested in. Your dedication to the French language and its proper usage is admirable. We see you as our leader in your crusade and you, in turn, can count on our support as foot soldiers!

I received a reply from Maurice Druon, secretary for life to the Académie française, dated July 28, 1994.

Dear Senator and friend,

Please accept my apologies for not answering your letter dated the end of June until today. Unfortunately, due to a number of trips abroad, including one trip strictly for pleasure to your country, I have been late in answering my mail.

Perhaps I may start by commending the Canadian Senate for being so attentive to the French language and the vagaries of its pronunciation. There is certainly nothing futile or inconsequential about concerns that reflect an abiding interest in that which constitutes the most permanent and manifest aspect of our identity.

The Académie has long and often impassioned debates on similar problems or uncertainties that sometimes trip up the unsuspecting.

This is for you Senator Kolber, who asked me what an academician does in the Académie!

I see there are like-minded individuals in Canada as well.

That being said, I am afraid that in this particular case, I cannot agree with your position.

Although there is some logic in the syntax of a language, there is none as far as its pronunciation is concerned, which is all a matter of common usage.

In France, it is customary not to pronounce the *"s"* in Camus, not in the adjectival form (*un nez camus*) nor as a proper noun (*Albert Camus*), the latter, I suppose, because of the former. In *abus*, *obus*, *obtus*, *refus*, the *"s"* is not sounded. The Académie française — in volume I of its dictionary, ninth edition, 1992 —q lists the words ending in *us* in which the final consonant is to be sounded, such as campus, borrowed from the Latin via Anglo-American English; in all other cases, the final *"s"* is silent, as usual.

The same rule — Latin or foreign origin — applies when we sound the *"s"* in Marius, Fabius or Balthus, the painter.

Now the clincher: Camus himself pronounced his name without sounding the *"s"*; "Albert Camus speaking —" and he would have been rather taken aback if anyone said: "Hello, Camusse".

However, it is quite possible that in the south of France, where final consonants are sounded with great gusto, you may have heard this strictly local, although not customary, pronunciation.

I am truly sorry to have to refute your theory but I am also delighted that you gave me this opportunity to applaud your dedication to the defence of our common language and to ask you to transmit my warmest feelings of respect and friendship to your colleagues in the Canadian Senate.

Yours sincerely —

[Senator Riel]

I wrote back to thank him.

Thank you for your letter dated July 28 (I note that it is from Faise — his summer residence — and I can only conclude that you never stop working!).

You provided me with an excellent answer and even though I was wrong regarding the pronunciation of Albert Camus' last name, we will all (I certainly will) have a better understanding of the linguistic problem which I submitted to your attention.

I notice two things in your letter. On page one, in the second last paragraph, you write: "There is a logic regarding French-language syntax, but there is not any regarding pronunciation. Everything is a matter of usage". At the beginning of the next paragraph you add that "According to usage in France, the letter "s" in the name Camus is not pronounced —".

You then point out, in the third paragraph of page 2: "However, you may have heard this strictly local pronunciation in the south of France, where there is a strong tendency to pronounce the last vowel".

I conclude that the pronunciation of family names in French is subjected to usage but can also be influenced by the local accent, depending on the region or the pronunciation of the user himself.

I guess you could say that we are discussing the vagaries of the language.

I am reminded of baron de Charlus (Palamède!) in "Recherche". Am I not right in thinking that, according to usage, the right pronunciation is Charlusse, wherever we may be, and that the pronunciation Charlu would undoubtedly have hurt the sensitive person who invented the "petite phrase de Vinteuil"?

Also, at the Lardanchet bookstore, 100 rue du Faubourg-Saint-Honoré, where I have been going for almost 40 years, the manager was, for a long time, a mademoiselle Pralus (pronounced Pralusse). As I recall, that lady came from Lyon. I suppose the pronunciation of her name was influenced by the Lyon accent.

In Canada (Quebec, Acadia and the Prairies), we commonly double the last letter in family names so that the last syllable can be heard. For example, Pouliot becomes Pouliotte, Monet, Monette and Turcot, Turcotte. Some, however, object to that practice. A lawyer friend of mine is offended when he is called Poulyo. Another friend takes offense when I say Turcotte instead of Turcô. This could be due to the fact that although common, this usage is not standardized. In Acadia, Léger often becomes Légère. As for Riel, Canadian history has standardized the common pronunciation of the name right across the country, with one single final consonant.

But as the late Shakespeare said "A rose is a rose by any other name".

I congratulate you on the letter you wrote to the president of the constitutional council to protest its decision, which limited dramatically the impact of the Toubon legislation. You can count on the support of Private Riel who, through your kindness, has become Colonel Riel.

I will inform the Canadian Senate of your reply when it reconvenes, on September 27. It will be added to the parliamentary documents of our house and will enlighten present and future generations of Canadians.

I thank you once again for so kindly taking time out from your very busy schedule to reply to my letter. I especially want to thank you for the attention you paid to local colour by including such Canadianisms as "niaiseux" and "enfarger".

Cordially yours.

As George Bernard Shaw said in *My Fair Lady*, the French are less preoccupied with what they say than with the way they pronounce the words they use. It might be a trifle exaggerated, but not all that much. On this note, I will conclude my remarks.

The Hon. the Speaker: Honourable senators, I am sorry I did not interrupt Senator Riel when his three minutes were up, but when the Académie française is being quoted, it would be quite a risk to take.

In any event, I am sure our colleagues have understood the lesson. I must serve notice that next time, even if I were as wise as a past Speaker, I will have to interrupt the senator to at least ask for the consent of our colleagues for him to continue. This being said, I believe that this lesson has been extremely useful.

[*English*]

QUESTION OF PRIVILEGE

Hon. Anne C. Cools: Honourable senators, on July 7 of this year, I indicated to the Senate that it was my intention to raise certain questions of privilege at the next sitting, which was yesterday. Yesterday I gave written notice pursuant to rule 44(3), and indicated here in the chamber that I would be speaking to the question today.

I now give oral notice pursuant to rule 44(7), and state that I would be prepared to proceed later today. I shall ask His Honour to rule on the facts as I shall briefly outline them, and to support my contention that I have a *prima facie* case of privilege. I am prepared to move the necessary motion.

THE SENATE

REMARKS BY MINISTER OF TRANSPORT

Hon. Erminie J. Cohen: Honourable senators, I rise to direct my remarks to all my colleagues in this chamber on a matter that affects all parliamentarians — the issue of respect for parliamentarians, for our institutions and for the principles on which this country was founded. Honourable senators, I am referring to remarks made by Mr. Douglas Young, Minister of Transport, to a group of North American airport administrators, in which he referred to all members of this institution with disrespect and, at times, contempt.

I do not need to tell honourable senators that Canadians are becoming increasingly disillusioned. They perceive widespread inefficiency within government at all levels, and the erosion of confidence in politicians and the bureaucracy. The underlying causes for this disillusionment are many, and remarks made by politicians themselves, primarily for partisan reasons, is but one.

However, if history has taught us anything, it has taught us that when politicians ridicule each other, it demeans parliamentarians specifically, and our institutions generally. The Speaker of the House of Commons, Mr. Parent, recently confirmed this by stating that an attack on a colleague in the other place can also be an insult to the Senate as an institution. I hope Mr. Young, a minister of the Crown, does not speak for the government when he mocks the members of this institution, and I hope the Leader of the Government will voice her opposition to such remarks at the next cabinet meeting.

THE HONOURABLE PETER BOSA

TRIBUTES ON RECEIVING SPANISH ORDER

Hon. M. Lorne Bonnell: Honourable senators, although some people may be disillusioned with the work done by members of the Senate, yesterday we were apprised of the recognition of the excellent work of one of our senators by His Holiness Pope John Paul II.

Today, I should like to tell you of another honourable senator who was honoured by the King of Spain. King Juan Carlos of Spain, in recognition of Senator Bosa's work done over the years on the Interparliamentary Union, has named the Honourable Peter Bosa *Encomienda* — or Commander — of the Order of Isabel la Catolica.

Hon. Senators: Hear, hear!

Senator Bonnell: You will remember that Queen Isabel financed Christopher Columbus in his voyage of discovery of Newfoundland and America. Now, thanks to King Juan Carlos of Spain, Queen Isabel's name has honoured another of our Italian friends, this one from Toronto, with an honour similar to that bestowed upon Christopher Columbus, that great Giovanni Caboto. It is worthy of note that Senator Peter Bosa has, as well, brought honour to the Senate from abroad.

Hon. Senators: Hear, hear!

ROUTINE PROCEEDINGS

CRIMINAL LAW AMENDMENT BILL, 1994

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-42, to amend the Criminal Code and other Acts (miscellaneous matters).

Bill read first time.

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

On motion of Senator Molgat, bill placed on the Orders of the Day for second reading on Tuesday, October 11, 1994.

[*Translation*]

PARLIAMENTARY DELEGATION TO POLAND

REPORT OF DELEGATION PRESENTED

Hon. Jacques Hébert: Honourable senators, the Parliamentary delegation which was invited by the Senate of the Republic of Poland to Warsaw, from May 26 to June 1, 1994, has the honour to present its report.

I would like to remind my colleagues that the delegation was made up of the following persons: Honourable Senator Lowell Murray, Honourable Senator William Petten, Honourable Senator David Tkachuk and finally Mr. Jean-Michel Roy, who acted as secretary to the delegation. I had the honour to lead in the absence of our chairman, Senator LeBlanc, who had to decline the invitation on medical grounds.

[*English*]

VETERANS AFFAIRS

ROYAL CANADIAN LEGION—NOTICE OF INQUIRY

Hon. John M. Macdonald: Honourable senators, I give notice that on Tuesday, October 18, 1994, I will call the attention of the Senate to certain matters relating to the Royal Canadian Legion.

[*Translation*]

QUESTION PERIOD

HUMAN RESOURCES

REVIEW OF SOCIAL PROGRAMS

Hon. Jean-Maurice Simard: Honourable senators will recall that in the first budget tabled by the federal government, the first budget of the Chrétien government, the people in New Brunswick and throughout Atlantic Canada were hard hit.

[*English*]

The military bases will be closed. Ten per cent of the money saved by the UI cuts came out of the pockets of workers in my province, which has only 3 per cent of the population. Programs to encourage investment in Atlantic Canada were chopped, and tax credits to facilitate investment in Atlantic Canada were gutted.

[The Hon. the Speaker]

Honourable senators, people in Atlantic Canada are prepared to do their fair share, but they should not be singled out, as they were in the last budget, to do more than their fair share.

My question comes in the light of documents being tabled today by the government which generally refer to the UI program and so-called "reforms" proposed by the Honourable Lloyd Axworthy. There is no doubt as to what the financial impact of this reform package will be.

I would refer honourable senators to an article in the *Ottawa Sun* today entitled, "Martin, Copps split" in which we have two cabinet ministers reported as saying two different things. Copps says that the changes to the UI program and the reform package are reforms which will make the system work better; while we know from what has been said by Mr. Martin that a very important side effect of these measures will be to save money and reduce the deficit.

In view of that background, and since the government has already started preparing its budget, would the minister give me his assurance that, whether we are talking about the reform package or about next year's budget, the people in Atlantic Canada will not be asked to pay as big a share — a share that is out of proportion with the overall population of Canada?

• (1400)

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I thank Senator Simard for his question. The document to which he refers on the social policy review will be tabled later this afternoon. They will be made available to all members of Parliament in the House of Commons and in the Senate.

With regard to his specific questions, I should emphasize that this paper is not a paper of government policy. It is a discussion paper containing a variety of options which the minister is hoping will generate a very intense, lively and productive discussion across the country, in the hope that he will have maximum assistance in setting forth government policy early in the new year.

Therefore, at this time there is no firm policy on which I can respond precisely to my friend. I invite him to look at the documents, as we all will, when they come out. It may be that when we return, it would be useful to have a day or so of debate on these issues here in the Senate, as the House of Commons intends to do.

GOODS AND SERVICES TAX

APPLICATION ON READING MATERIALS AND EYE GLASSES—POSITION OF GOVERNMENT LEADER

Hon. Jean-Maurice Simard: In opposition, the Honourable Leader of the Government in the Senate argued strongly and unequivocally that books and other reading materials should be exempt from the GST. Last fall, shortly after the election, she said she would continue to push in cabinet for an exemption for books. Now we hear that not only has the exemption for books not been granted, but that the government is preparing to tax the eyeglasses which Canadians use to read them.

First of all, will the minister please advise us whether or not she still believes that books should be exempt from the sales tax and, second, whether she believes that eyeglasses should remain exempt?

Hon. Joyce Fairbairn (Leader of the Government): Yesterday, Senator Simard, two of your colleagues were questioning me on these same issues. This is all part and parcel of the discussion, study and review process currently under way on the whole issue of the GST, and the overriding issue of tax reform in that context.

I certainly agree that the question of the tax on books will be part of that discussion. I have vigorous views on this issue. I retain those views, and I will participate vigorously in future discussions.

In precise terms, the Minister of Finance is conducting ongoing negotiations with his colleagues in the provinces. Those negotiations started last June, with discussions on options for the harmonization of the GST with provincial sales taxes. As I said yesterday, there were mixed reviews at that time.

However, several other options are being considered. The Government of Ontario introduced a suggestion a week or so ago. All of these matters are under very active review at the Finance Ministers' level, and I will be a vigorous part of those discussions when the talks reach that point.

ORDERS OF THE DAY

PEARSON INTERNATIONAL AIRPORT AGREEMENTS BILL

MOTION TO CONCUR WITH MESSAGE FROM COMMONS

Hon. Joyce Fairbairn (Leader of the Government), pursuant to notice of Tuesday, October 4, 1994, moved:

> That the Senate do not insist on its amendments to the Bill C-22, An Act respecting certain agreements concerning the redevelopment and operation of Terminals 1 and 2 at Lester B. Pearson International Airport, to which the House of Commons has disagreed; and
>
> That a Message be sent to the House of Commons to acquaint that House accordingly.

She said: Honourable senators, the motion which I just moved is part of a legislative process that had its beginnings many months ago. As all senators are aware, Bill C-22 was introduced in the other place on April 13, 1994, and flowed from a series of events that began well prior to the last election.

The legislation was debated in the other place. It was examined in committee, adopted, and then sent to the Senate on June 16, 1994, for consideration by the members of this chamber. Here it followed the same process, but obviously with very different results.

In July 1994, following examination in our Senate committee on Legal and Constitutional Affairs, the opposition majority in the Senate passed Bill C-22 with amendments, and we so informed the other place. The government considered those amendments, as it recognized that it was part of the Senate's job to make such amendments, and concluded that the legislation should be maintained as it was originally introduced.

That decision was reflected in the motion that was introduced by the government in the other place last week. After a relatively short debate, in which only members of the three officially recognized parties — the Liberals, the Bloc Québécois and the Reform — chose to participate, the motion was adopted on division last Friday in the other place. For whatever reason, the opposition declined to ask for a recorded vote on the motion.

That is the legislative process which has been followed. It is a process that we have witnessed on a number of occasions in the past. This is one of the routes by which Parliament carries out its responsibilities to the electorate. I urge colleagues today to adopt the motion before us, with the full realization of the strongly held views on both sides of this house.

Senators on this side support the measure because it is the result of a strong and public commitment made during the election campaign. We believe that Bill C-22, as originally introduced, resolves the Pearson airport issue in a manner that best takes into consideration the public interest. We believe that the bill complies fully with legal and constitutional requirements.

As I understand it, senators opposite do not dispute the right of the government to legislate an end to the Pearson contract. However, they are in strong disagreement with the sections of Bill C-22 which prevent the parties to the agreement from seeking certain monetary damages in the courts. The opposition has concentrated on the legal and constitutional issues. It is for that reason that the Standing Senate Committee on Legal and Constitutional Affairs was charged with examining the bill.

• (1410)

Given the divergent views on both sides of this question, this has been a lively, interesting and, at some times, acrimonious debate. This, too, is part of parliamentary life. Occasions inevitably arise when different parties have sharply opposing views, and express those views with vigour and determination. This has happened on this bill in the House, in the Senate and in committees with, sometimes, considerable heat and vivid rhetoric.

However, eventually there must be a conclusion, particularly on issues which are an important part of the program of the government of the day. With the start of today's debate, I hope we may be approaching that moment.

As I have said, my colleagues opposite do not dispute the right of the government to legislate an end to the Pearson airport agreements. They have made it clear repeatedly that the government has a political mandate to proceed. I want to spend a few moments discussing how that political mandate came into being, in order to explain why Bill C-22 represents what the government believes to be the only reasonable and realistic option for carrying out that mandate.

Debate and discussions about the future of Pearson airport go back a number of years. That history is already on the record in

both Houses of Parliament. I will not go back over those details today. Those discussions and debate culminated in an announcement on August 30, 1993, that an agreement had been reached to turn over control of Terminals 1 and 2 to a private consortium for a period of 57 years. That announcement was made by the former government just nine days before it dissolved Parliament and called a general election.

The decision to privatize Terminals 1 and 2 became a matter of intense public debate during the ensuing election campaign. Anyone who participated in that campaign, in particular in Toronto, could not fail to hear and to feel the controversy, the dismay and, in some quarters, the outrage that even the prospect of that decision generated.

I was in Toronto during the course of these events, and I certainly felt that outrage. Municipal politicians, provincial cabinet ministers, editorial writers and private citizens all urged the former government to pull back, to withdraw or, at the very least, to postpone a final decision until after the electorate had had an opportunity to pass judgment on polling day. Early into the campaign, it had become clear that this was the kind of issue which could, and should, wait until after voting day before being signed, sealed and delivered.

Mr. Chrétien, the current Prime Minister, asked publicly, nationally, and with great conviction, that the signing be postponed. It was his view that the controversy and concern warranted a postponement, so that the entire proposal could be reviewed after the political heat of the campaign had diminished.

Although the former government was no longer in a position to seek the confidence of the House of Commons, and with the continued confidence of the Canadian people at some doubt, it nevertheless pushed ahead. When it appeared that a final signing of contracts was imminent, Mr. Chrétien felt it was his duty, as one leader of a major party contesting the election, to make it clear to Canadians, and to all those involved in the contract, that should he become Prime Minister, the Pearson airport agreement would be reviewed and, if necessary, cancelled.

On October 6, 1993, he said, "I am warning everyone involved, if we become the government it will be reviewed, and if legislation is needed, we will pass the legislation." Once again, he urged the parties not to proceed.

The next day, on October 7, 1993, less than three weeks before polling day, the chief federal negotiator received written instructions from Prime Minister Kim Campbell to conclude the transaction immediately. It was signed that afternoon. That was an action which generated considerable anxiety. Mr. Chrétien repeated his pledge to review the contract if the Liberals formed the government after the election.

Senator Lynch-Staunton: And to have an inquiry.

Senator Fairbairn: On October 28, 1993, shortly after Mr. Chrétien was elected Prime Minister, he appointed Robert Nixon, a respected individual with long experience in public life, to conduct a review of the agreement.

Senator Lynch-Staunton: I could not have written it better.

Senator Fairbairn: On November 29, 1993, Mr. Nixon presented his findings to the Prime Minister. His conclusion was, "It is my opinion that this agreement simply does not serve the public interest." Mr. Nixon recommended that the agreement be cancelled.

On December 3, 1993, the Prime Minister announced that the Government of Canada would be cancelling the contract.

To this point, as I understand the speeches of my honourable friends, they profoundly disagree with the decision of the government to cancel the contract. However, they accept that there exists a political mandate to do so. In the case of Metropolitan Toronto and Ontario, that mandate is overwhelming.

Clearly, what my colleagues on the other side have difficulty with is the manner in which the government has chosen to exercise that mandate. What, however, were the options?

The former government did not put a cancellation clause into the contract. If the government had declared that it was repudiating the agreement, there was no provision in that contract for determining the amount of damages that the government would be obligated to pay. Court action would have been inevitable. In court, the developers could have sued for monetary damages, or for an order that the government carry out its obligations under the contract by turning over possession of Terminals 1 and 2. If successful in the latter case, the result would have been in keeping with the objectives of the former administration, but completely contrary to the policies of the current government and contrary to the expectations of the overwhelming majority of Canadians as conveyed in the election results. The political mandate that my friends opposite acknowledge as existing would have been rendered absolutely meaningless. Therefore, in the view of the government, the only recourse left to them was legislation.

• (1420)

I would remind honourable colleagues that on October 6, 1993, Mr. Chrétien again warned the parties not to proceed. He specifically stated that, if a review determined that the contract was not in the public interest, his government would introduce legislation to cancel it. Bill C-22 is the legislation to which he referred. Bill C-22 cancels the contract. It prohibits the parties from seeking damage in the courts, and it provides for the reimbursement of reasonable expenses incurred in the ordinary course of business.

It does not, as my friends opposite maintain, deny the parties access to the courts. For instance, clause 10 of Bill C-22 permits the Minister of Transport to approve the payment of compensation to the parties for expenses incurred in the ordinary course of business. When the Minister of Justice and the Attorney General of Canada, Mr. Allan Rock, was before the Standing Senate Committee on Legal and Constitutional Affairs, he explained:

> There is nothing in the statute that by its terms prohibits a participant in that process from going to court and seeking, for example, judicial review of the minister's decision on the question of compensation.

Although the payments are within the discretion of the Minister of Transport, it is not an unfettered discretion. The parties retain the right to seek judicial review in the courts if they believe the minister exercised his discretion unfairly or improperly.

The parties also retain the right to challenge the constitutionality of Bill C-22 in the courts. The *Financial Post*, of September 29, 1994, reported that Mr. Ronald Slaught, a lawyer for the Pearson Development Consortium, said he intends to ask the court to rule the legislation unconstitutional. Apparently Mr. Slaught takes the view that Bill C-22 will not prevent his clients from access to the courts, notwithstanding the contention of some of my friends opposite. He intends to march into court as soon as this bill is passed, and he has said so publicly. This legislation does not deny access to the courts, although it does limit it.

The fundamental objective of the bill is to put all parties back into the position they were in immediately prior to the signing of the contract on October 7, 1993, hence the proposal for the reimbursement of reasonable expenses. Without these provisions, normal contract law would apply, and the courts, to the best of their abilities, would place the parties back into the positions they occupied immediately preceding the breach or cancellation.

In the case of the Pearson airport contract, the developers have argued in their statement of claim that the breach occurred on December 3, 1993, when the federal government announced it was cancelling the contract. Under contract law, the parties are suing, not only for reimbursement of expenses, but also for all profits they anticipated making for the 57-year lifespan of the contract, notwithstanding the fact that the contract would have had an effective life of only 57 days, from October 7 to December 3, 1993.

I ask honourable senators: Is this really justice? Is this a result that could be described as "in the national interest"? What would be the total value of such lawsuits and, thus, the potential liability of the federal government and Canadian taxpayers? The answer was provided by the Minister of Transport, Mr. Doug Young, in his remarks of last week in the other place. The answer was "$445 million".

In their statement of claim to the Ontario Court, General Division, dated September 16, 1994, the developers, identified as T1T2 Limited Partnership and 2922797 Canada Incorporated, are asking not only for their own damages, but also for —

> A declaration that the defendant shall save the plaintiffs harmless from and against all claims, demands, losses, costs, damages, actions, suits or proceedings brought against the plaintiffs by third parties...

In other words, they are demanding indemnification or reimbursement from the government for all third party claims. They are not merely asking for their own damages.

It is interesting to note that some of these third party claims are actually claims based on stated contracts that the individual partners claim they have with the partnership. As we know, the government invited all parties — not just a few, but all parties — who wish to be reimbursed for their legitimate business expenditures, excluding lobbyist fees and claims for lost profits, to submit their claims to Robert Wright for evaluation and, after passage of Bill C-22, for payment. Today, Mr. Wright has received claims totalling $445 million from the developers and various third parties, and he was only asking for their reasonable business expense claims. One can only imagine what the final bill might be during the course of a protracted court action.

That is the figure we know of — $445 million.

If Bill C-22 does not pass in the form in which it was originally introduced, the amount that the developers will be seeking in the courts, according to their own statements in the media, is $172 million for their own damages, and an order for indemnification and costs could add another $273 million, if not more, to the bill.

My friends opposite want to focus all the attention on their defence of legal principles, which is fine, but there is also a very harsh dollars-and-cents financial reality at play in this debate. That reality is that Canadian taxpayers will be asked to accept liability for almost one-half of $1 billion for a group of developers in return for a contract which, by their own admission in court documents, had a life span of 57 days.

This, honourable senators, is at a time when the government is under daily pressure from all sides and all parties to reduce the deficit.

• (1430)

Today the government is asking all Canadians to participate in a discussion about social policy. The economy, though improving, continues to leave far too many Canadians existing on the margins of our national life. We are under an obligation to individual Canadians to share our resources with them as fairly and as carefully as we possibly can.

In these circumstances, how can the government of Canada be indifferent in the face of claims of a group of companies which are seeking nearly $.5 billion from taxpayers on the basis of an agreement which was, itself, at substantial risk of cancellation?

The government has a fundamental responsibility to protect the interests of taxpayers and to govern in the national interest. The amendments advanced by the opposition, in our view, would have it do neither. Bill C-22, in its original form, places the parties back into the positions they occupied immediately prior to the signing of the contract, at the very time, again, that Mr. Chrétien warned that they were proceeding at their own risk.

Bill C-22, as amended, places the parties back into the positions they occupied on April 13, 1994 when the legislation was originally tabled. The amendments would confirm the existence of the contract and, I repeat, would allow the parties to sue all Canadian taxpayers through the federal government for almost $.5 billion in damages. It could completely negate Mr. Chrétien's warning of October 6, 1993, that the parties were proceeding at their own risk, as well as the political mandate that flowed from that statement and the subsequent election results.

Honourable senators, there is no doubt that Bill C-22 is an unusual piece of legislation; but, equally, there can be no doubt that the events leading to its introduction were even more unusual. A government having dissolved Parliament, facing

diminishing prospects for re-election, handed control of the country's largest airport over to a private group of developers. This decision was taken notwithstanding the vehement opposition of the community involved in the largest city in Canada, and the clear warning from the man who was the main contender for the position of Prime Minister in another party in an election to be concluded in a mere 18 days.

We must remember that we are not just dealing with any old airport when we discuss this legislation. Pearson International Airport is the largest airport in Canada. Every year approximately 21 million people pass through its doors. It provides jobs, both directly and indirectly, to 57,000 people. The direct economic impact on the economy of Ontario is more than $4 billion annually. It is nothing less — and I think this is recognized by other senators — than an airport at the heart of our country's air transportation system; and it needs a lot of work.

This is the context within which this debate is taking place. This is what is at stake for the people of Canada and, of course, for the group of developers involved.

When Mr. Rock appeared before our Senate committee on July 4, 1994, he had no hesitation in admitting that the bill was unusual. He described it as "...an extraordinary statute in an unusual case." However, although a piece of legislation is extraordinary or unusual and, as some would argue, with no direct precedent, it does not follow that that piece of legislation is necessarily invalid.

It has been repeatedly made clear by senators on the other side, including Senators Beaudoin, Murray and Lynch-Staunton, that the strength and the depth of their opposition lies in the legality and the constitutionality of those clauses of the bill which deal with compensation. They have argued that those provisions do not conform with the Charter, the Bill of Rights, and the rule of law.

When Mr. Rock appeared before our committee, he explained how these considerations were taken into account before the legislation was introduced. As Minister of Justice and Attorney General of Canada, he satisfied himself "of the statutory requirements that the bill is valid in terms of constitutional requirements", and he so advised the government. He also explained what led him to conclude and certify that the bill did not conflict with the Canadian Bill of Rights.

Mr. Rock stated, without equivocation, that, in his opinion and in the opinion of his department, Bill C-22 met all statutory and constitutional requirements and that it was within the competence of Parliament to legislate in this manner.

In his opening remarks to the committee, Minister Rock said:

> From all of those perspectives, from the point of view of the power of the federal Parliament, of Parliament in relation to government, of Parliament in light of the Charter and the Bill of Rights, we concluded that Bill C-22 was constitutional and valid, and I have no hesitation in affirming that legal conclusion before this committee today.

Later, in response to a question from Senator Nolin, he said:

[Senator Fairbairn]

[*Translation*]

I do not have any doubts as to the legality of this bill.

[*English*]

There may be strong differences of opinion on the legal issues. I do not know, but members opposite may dislike and disagree with the decision, and with the bill. However, once again, the Minister of Justice has the fundamental responsibility to ensure that all legislation put forward by the government complies with the laws of Canada, and those laws, of course, include the Constitution. He, like his predecessors, is required to sign personally that each piece of legislation conforms to the Charter. He has available to him the advice of the Department of Justice which does have a recognized track record of reliability.

As Senator Stanbury described in his remarks during the third reading debate on Bill C-22, between 1982 and the end of 1993, 604 pieces of legislation received a Charter certificate. Only three were overturned by the Supreme Court. This represents a 99.5-per-cent success rate by not just the Department of Justice but successive ministers of justice. This is the record that my friends opposite may question but the facts speak for themselves, as set out by the courts.

• (1440)

During that same third reading debate, Senator Oliver argued that "the most notable deficiency in Mr. Rock's arguments" was the lack of a legislative precedent for Bill C-22. Where is the legislative precedent for the Senate's refusal to pass a piece of legislation on the grounds that there are constitutional questions, when those questions have been met with clear and unequivocal assurances of a Minister of Justice and an Attorney General of Canada?

Furthermore, where is the political precedent for Parliament refusing to allow a government to proceed with a piece of legislation that is a clear part of its election campaign commitments, particularly when there are high public expectations that the promise will be kept? The amendments made to Bill C-22 prevent the government from carrying out those commitments.

The government introduced Bill C-22 because it believed the legislation represented the best method of putting the Pearson airport agreement behind us, keeping foremost in mind the public interest and that commitment during the election. Today, more than five months later, the government still retains that view. In fact, the recent information about the potential costs to taxpayers if this bill does not pass only strengthens our conviction that Bill C-22 is necessary.

While I stress the public interest component of this discussion, I wish to leave no doubt whatsoever that the government has been very cognizant of the legal implications. This is an unusual piece of legislation, and because it is unusual it was subjected to rigorous examination before the Minister of Justice certified that it did conform to the Charter and the Bill of Rights. He was very clear. He told the committee that, in his view, the lawfulness or validity of the legislation is beyond challenge.

If, however, that is not the view of the developers, they will have an opportunity to test the legality of Bill C-22 in the courts,

where such questions are normally decided. They will not have been denied access to the courts. In fact, as I have already explained, they have declared to the world that to the courts they will go if Bill C-22 is passed into law.

The issue before us is not access to the courts. Access has been limited; it has not been denied. The issue before us is not the constitutionality of Bill C-22. The courts, particularly the Supreme Court of Canada, have far more experience in applying the Charter. The issue before us is straightforward: Should the Pearson contract, surrounded by the difficulties that I have indicated, signed in the dying days of an election campaign by an administration in serious difficulty of losing its mandate, be cancelled? If the answer to that question is "yes", should it be cancelled in such a way as to prevent the parties from demanding that Canadian taxpayers pay almost half a billion dollars, when there is a perfectly legal way to do so, or do we remain indifferent to the taxpayers of Canada?

Our position is absolutely straightforward: In our view, Bill C-22 is legal. Bill C-22 is constitutional. It is in the public interest, and it flows out of a clear political mandate. If there are legal and constitutional questions which the parties wish to have addressed, let those questions be raised in the ordinary way — in the courts. The Senate of Canada is a legislative body, and not a court which performs judicial review. As legislators, we cannot act as judges, having clearly established our credentials, on both sides of this chamber, as advocates in the matter before us. Let us not transform the Senate, a political and legislative body, into a sort of final court of appeal for the individuals behind T1T2 Limited Partnership. Let them seek their day in court if that is their wish.

In conclusion, I urge this house to rethink its position carefully, and to lift the shadow which hangs over the future development of a first-class airport that serves Canada, Canadians and the world.

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, anyone who followed this debate closely will realize, after hearing the government leader's plea, that it is really only a laundered version of what we have heard repeatedly from the Minister of Transport. Canadians can only be appalled at the government's complete disinterest in responding to the many serious and thoughtful arguments brought out by senators and witnesses, questioning the constitutionality of Bill C-22 during debate on the bill in this chamber and at hearings before the Standing Senate Committee on Legal and Constitutional Affairs.

Simply put, the denial of access to the courts, the declaration that contracts are not only cancelled but have never even existed, and the absolute discretion given to the minister to determine what, if any, damages caused by the cancellation are owed to the aggrieved party, are provisions which no legislator has ever dared put before the Parliament of Canada. They go against one of the most fundamental principles on which this country was founded, a principle eloquently reconfirmed in the preamble to the Canadian Charter of Rights and Freedoms, which reads:

> Whereas Canada is founded upon principles that recognize the supremacy of God and the rule of law...

The Senate sent Bill C-22, with much needed amendments, back to the House of Commons on the July 7. Three months later, it is as if nothing had happened. In his speech to the House of Commons on September 28, the Minister of Transport, and the government leader today, completely ignored the preoccupations of the majority in this place, except for very vague allusions.

Regrettably, the minister's argument against the Senate's position is particularly tortured with innuendo, distortions and fabricated impediments. Consider this statement, for instance. The minister said that these arrangements were entered into, as everyone knows, during the dying days of the last government. That is absolute nonsense.

The negotiations took three years to complete, and were given tacit approval in August 1993, with agreement by both sides to have formal ratification in October, following verification of the complex wording of the myriad legal texts.

If that formality is so reprehensible a few days before the election, why has the formality of another signature, by the same government, on the same day, confirming the P.E.I. fixed link contract, not been subject to the same belligerent bluster?

The minister also said that the agreements did not contain a cancellation clause. For once the minister is absolutely right, but alas, for the wrong reasons, as is the Leader of the Government today. By saying that, both are insinuating that this was a deliberate omission to allow the developers greater damages than would have been permitted by a cancellation clause.

• (1450)

The actual fact is that the Department of Transport does not require cancellation clauses in its ground leases. There is no cancellation clause in the Terminal 3 ground lease; there is no cancellation clause in the Vancouver Local Airport Authority ground lease; and there is no cancellation clause in the Vista Terminals Cargo ground lease at Pearson. Is it possible that his officials have not informed the minister of this practice of the Ministry of Transport not to have ground leases in its contracts? No doubt other departments are in the same position, or is the minister one of those who does not want to be confused with the facts, as he has already made up his mind?

The minister went on to say:

> This transaction is riddled with interference by lobbyists, favouritism, behind-the-scenes wheeling and dealing, manipulation of legitimate private interests and disregard for public service impartiality.

These are serious charges. They suggest improper, if not illegal, activities.

Yet, neither Robert Nixon, who was charged with assessing the agreements by the then Prime Minister Designate, nor the Minister of Transport, who gleefully embellishes on the Nixon report, offers one iota of proof for their claims. They are satisfied with doing irreparable harm to the reputation of hundreds of Canadians, not only in the private sector but in the public sector, who were actively involved in the negotiations and came from a number of departments, such as the Departments of Finance,

Treasury Board and, not the least, Transport. They are under a cloak of silence because of the complete disregard for the harm that irresponsible and unsubstantiated allegations can do. How his officials must enjoy their own minister dragging them down along with so many others wounded by political opportunists in the hope of distracting Canadians from the true impact of Bill C-22! The government owes these individuals at least an opportunity to state their case.

Surely, if the agreements came about as described by the Minister of Transport, then this is a matter for judgment by the courts or the cleansing scrutiny of a public inquiry. But the government refuses to support its charges. Why?

Can anyone in this chamber, in the other place, or anywhere else for that matter, find one shred of evidence that the Senate's stand on Bill C-22 is prompted by the financial interests of the parties prejudiced by it? How many times must I state that we have no interest in the outcome of the claims, any claims? How many times must I say that we do not support or condemn them; that we are unaware of and indifferent to their validity; and that we have no stake, either personal or political, in how any claim is assessed? Only an unbiased hearing before a third party can determine fairly what, if anything, is owed following cancellation of the agreements.

We do, however, respect the right of any Canadian to go to a third party in the case of failure of mutual agreement. We allow petty thieves their day in court; we allow child abusers their day in court; we allow serial murderers their day in court. All these people are allowed their day in court, even when the verdict may be obvious from the beginning.

Under the NAFTA, which the Liberal government signed without one comma being changed, it is provided that a citizen whose property is subject to expropriation by a country other than his own is entitled to the resolution of compensation claims by a court. The Liberals want to deny Canadians what they allow Americans and Mexicans. Why?

Honourable senators, the Minister of Transport said:

> I have to ask all colleagues in the House and Canadians if they think the Conservative majority in the other place is being responsible when it says it is not concerned about the consequences of its action as far as money goes...
>
> The bill for their defeat of Bill C-22 will be $445 million.
>
> They want $445 million on this last trip to their trough for their friends.

Honourable senators, whatever side they are on, are used to members of the House of Commons hurtling insults this way. My quoting these statements should in no way upset anyone who knows who is their author.

What does upset me, and what should upset all of us, is that here we have a minister of the Crown assuming that the judicial system is so flawed, its members so compliant and incompetent, that any claim brought to the courts would be awarded blindly and without question.

The minister shows near contempt for the courts when he says that if the Senate amendments are accepted, "...then it would be a matter for the courts to decide on legal interpretations and on argument how much the bill would be for Canadian taxpayers. I am not prepared to run that risk."

"I am not prepared to run that risk," says the minister of the Crown. Not only is Bill C-22 unprecedented, we now have a minister of the Crown, a colleague of the Minister of Justice, giving a vote of non-confidence to the Canadian court system. He does not want to run the risk of having the highly respected, independent Canadian judiciary resolve a dispute in which the Government of Canada is involved. Why?

He does not give an adequate explanation for this extraordinary position, so one is left to make his own suppositions.

Perhaps the government realizes that it may have no case after all. Perhaps it has realized that the agreements may not be so flawed after all. Perhaps it realizes that the taxpayers would actually benefit from them, particularly as the private sector was ready to risk over $700 million for a much needed development and improvement of a public asset.

By a refusal to entrust the matter to the courts, or by the repeated refusal to hold a public inquiry, what other conclusion can one bring forward? The minister is guilty of blatant contradictions. He tells us that the agreements are flawed, riddled with favouritism and against the public good, but that he does not trust the courts or anyone else except the Liberal caucus to rule on the validity of his assertions.

For some inexplicable reason, the government refuses to substantiate a serious allegation. It refuses a public inquiry. It refuses access to the courts. Why? It wants to be above the law.

• (1500)

There is an expression for this sort of attitude, honourable senators, "abuse of power". In 1979, the Law Society of Upper Canada presented a series of special lectures entitled "The Abuse of Power and the Role of an Independent Judicial System in its Regulation and Control". The then Honourable Mr. Justice Kenneth C. Mackay gave a lecture entitled "The Abuse of Power by a Political Majority". After listing many abuses at the federal and provincial levels, he concluded as follows:

> I have tried to show that an independent unfettered judiciary is one sure foundation upon which to erect the defences against executive and administrative abuses. The majority — the electorate — must somehow be made aware of this and so see to it that their representatives in Parliament reverse the trend towards depriving the courts of their power to prevent abuses which, if allowed to continue and multiply, will in the end destroy the human rights and fundamental freedoms of those who must bear the ultimate responsibility for them — the majority.

It would be very tempting for us at this stage to simply accept the message and get on with it, or even vote it down and put an end to it. To do the first would go against everything we have been saying since Bill C-22 was introduced in this place in June. To vote against it is premature, since there is no urgency to the bill, as we feel the government should be given at least one more

opportunity to explain its constitutional position, which is in direct opposition to the convincing positions taken against Bill C-22 here and elsewhere.

When the Minister of Justice appeared before the Standing Senate Committee on Legal and Constitutional Affairs, he admitted, as has been said by the government leader, that no Canadian precedent for the bill existed. He tried to justify it by citing the War Damage Act, 1965, passed by the British Parliament. This was quickly found by Senator Oliver, for one, to have little if any relevancy to Bill C-22.

The arguments supporting the Senate amendments were never discussed in the House by government supporters. The message before us confirms this. They were not deemed worthy of even a passing reference. Contrast this with a lack of agreement in 1987 between the Senate and the House when the Patent Act was being debated, ironically also identified as Bill C-22. The messages from the House included explanations for its stand in opposition to that of the Senate. The Senate today is not even given the courtesy of that explanation.

We have been told by the Liberal side that the bill should become law and then any interested citizen can challenge it in court. That suggestion prompts two comments. First, can Parliament justify knowingly approving a bill the constitutionality of which has been put in such serious doubt? Surely the least Parliament can expect is a constitutional defence of Bill C-22 which, to date, has been disturbingly lacking. We urge the government to appear before the Standing Senate Committee on Legal and Constitutional Affairs and do exactly that. Second, clause 10(3) of Bill C-22 provides that if the minister's offer of compensation is not accepted within 30 days, then, simply put, that is the end of the process. The clause reads:

> No agreement may be entered into under this section after one month after the coming into force of this act.

In other words, the government is keen to have the bill passed, unchanged, knowing full well that it will be impossible to test its constitutional validity prior to the 30-day cut-off date.

This alone is a strong argument in favour of establishing the validity of the legislation even prior to its coming into force. There are precedents, by the way, for acts not coming into force until court proceedings regarding their validity have been completed. I believe clause 10(3) alone is reason enough to urge this course of action regarding Bill C-22.

In addition, as the government leader has reminded us, T1T2 Limited Partnership appeared in the General Division of the Ontario Court last month to ask for the appointment of an arbitration tribunal to assess the partnership's claims. The court has agreed to hear both sides, the partnership and the government, towards the end of November. The court action is the result of Bill C-22, so that the court, in effect, will be making a ruling which could have a serious impact on this bill.

While some have urged that Mr. Nixon be called before a Senate committee to shed some light on the confusion surrounding his report, we do not feel this is the appropriate time for the Senate to go down this road. Quite properly, people mentioned either directly or indirectly by Mr. Nixon would also want to be heard, and the committee would soon find itself in a full inquiry on the Pearson agreements. There is still time for the Senate to do this if it wishes, but not now. We do not want anything to distract us from our sole preoccupation, which is with the government's determination to trample on some fundamental right that Canadians have never had questioned before in such a crude way.

Allow me to repeat something I said here on July 7. I said:

> If he...

By "he", I was referring to the Minister of Justice —

> ...and his colleagues feel that certain claims should be limited, or not even considered, why did he not incorporate such terms in the Act? Denial of access to the courts would then not have been necessary. I can assure the government that had the bill before us been drafted to properly incorporate this approach, it is unlikely that we would be in the impasse that we are in now.

The government leader has suggested, as well, that a judicial review can take place after the fact. The point is that we want to take away the minister's discretion in establishing claims and have a judicial review at the beginning of the process, not at the end.

The Senate, as has been repeatedly stated over the years, does not exist to obstruct and delay indefinitely. It must be conscious at all times of the will of the elected representatives. This is particularly true of government policy supported by a majority of commoners. In this case, however, it is not the policy that we challenge — cancellation of the Pearson agreements — but the principle which is being violated — denial of access to the courts. It is as simple as that.

The message should therefore be referred to the Standing Senate Committee on Legal and Constitutional Affairs in order to allow it to consider, amongst other things, whether it is necessary to propose further amendments to assure access to the courts and respect for due process. In addition, the committee should consider the ramifications of judicial proceedings which are scheduled for next month which, depending on their outcome, could enhance or diminish the urgency of the amendments to Bill C-22 which were passed in the Senate in July. Finally, but no less important, the committee should seek additional views on the constitutionality of Bill C-22 from those who do not agree with our position.

MOTION IN AMENDMENT—ADOPTED ON DIVISION

Hon. John Lynch-Staunton (Leader of the Opposition): This being said, I would move, if it is appropriate at this stage, an amendment to the leader's motion to accept the message as follows:

> That the question, together with the Message from the House of Commons on the same subject, dated September 30, 1994 be referred to the Standing Senate Committee on Legal and Constitutional Affairs for consideration and report.

The Hon. the Speaker: In amendment, it is moved by Senator Lynch-Staunton, seconded by Senator Buchanan:

> That the question, together with the Message from the House of Commons on the same subject, dated September 30, 1994 be referred to the Standing Senate Committee on Legal and Constitutional Affairs for consideration and report.

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

Some Hon. Senators: Yes.

Some Hon. Senators: No.

[*Translation*]

Hon. Marcel Prud'homme: Honourable senators, I would like to talk about the amendment proposed by the Honourable Senator Lynch-Staunton to the motion of the Honourable Leader of the Government in the Senate.

I would not want to repeat the speech I delivered, competently I hope, on July 7. My views are well known and they are printed in the Hansard. On that day I attempted, in every possible way, to convince my colleagues to call witnesses. Why?

First, because I did not think it was wise to have a royal commission or a huge commission of inquiry which, as we very well know, would cost a fortune and would only postpone a decision which has to be made.

I must, once more, thank Senator Murray who was kind enough to second my two amendments. The first one asked that the whole thing be referred to the Committee on Legal and Constitutional Affairs who would then invite Mr. Nixon. Having reread our proceedings and listened carefully to Senator Lynch-Staunton, I proposed the following day that instead of referring the bill to the Committee on Legal and Constitutional Affairs, it be referred to the Committee on Transport and Communications. This is what happened.

Since then, I have received a number of letters. I was very active in this debate, but you know that when you take the floor in the house you invite comments. People phone you or write to you, to voice their agreement or their disagreement. This is what happened over the summer.

Now that time has passed, I think I should repeat, for the record, what is Pearson airport? This will answer the questions of those who asked: Who are these wealthy patrons who are willing to risk $700 million to develop Pearson airport? You are right, it is extraordinary that people would be willing to risk $700 million. Let us look, if you will, at Pearson airport with Canadian or North American eyes.

It is the main air transport facility in Canada, and the main gateway linking our country to the rest of the world. We are aware of all the bickering between Montreal and Toronto. We are now forced to recognize that we Quebecers are the only ones to blame for not having welcomed, during the post-war era, enough immigrants who are responsible for the economic "boom" which occurred in Toronto and made it the biggest airport in the country.

A third of all air passenger traffic in Canada, or 20 million passengers, and 40 per cent of the air cargo traffic in Canada, go through this airport every year. These figures are very impressive, honourable senators, especially when you think about those rich people who want to invest $700 million!

There are 325,000 aircraft movements at this airport every year. I can tell you that the people in Montreal really appreciate this! If we could only have half of these movements at Mirabel, we would be quite pleased!

It is used by more than 60 airlines providing connections with almost 300 locations in 60 foreign countries. I wish Toronto senators would speak so warmly of their own airport! This is great progress! Toronto airport is huge!

As a Canadian and as a Montrealer, I am proud to sing the praises of this airport, which is also the main hub for domestic airlines. In 1991-92, it was the fourth largest entry point in North America. This is no small airport! Those who want to risk $700 million may do it in this 57-year contract of the century!

Pearson airport and all its related industries generate — listen to this — more than $1.9 billion a year in salaries and wages, honourable senators. They generate $4 billion in direct revenues for local businesses. Close to 34,000 direct jobs are created by the public businesses and agencies located at the airport or related to it. Of this number, 15,000 are at the airport location itself.

Therefore, I tried to look at the issue, as an independent, as we are supposed to do in the Senate. I do not know how long things will stay this way, but I think that it is our role as senators. I am not accountable to the House of Commons. I respect the members of the other place. They have done their job, and now we have to do ours. We have to examine very carefully the bills that the House of Commons would like us to study as quickly as possible. That is the role of the Senate. We have to take all the time we need to make a thorough analysis of the matters before us and to determine what is in the best interests of Canadians.

It is a difficult task. Sometimes it looks like I am on the government side and sometimes it looks like I am criticizing the government. That is inevitable when dealing with such an important bill. Some of the things it contains are excellent while others are less so.

Since a number of senators had questioned Mr. Nixon's integrity, I suggested in July that my colleagues read the report, which I distributed last summer, and which is only about 20 pages long. It is on that basis that caustic criticisms have been levelled at him, saying that he had been almost dishonest in what he had done, said or implied.

I could not believe that man was dishonest. I know him, as I said earlier, to be an honest man. Besides, his daughter, I think, chairs the caucus of the Liberal Party of Canada, of which I am no longer a member. She is very capable. We cannot attack people like that! He did his duty. The Prime Minister had asked him to write a report on that matter. This is a 19- or 20-page paper. I distributed many copies of it this summer.

When we want to have an intelligent debate, we have to have a starting point, so we start with the papers. I read and reread the

report. I was so disturbed that I felt we had to hear that man. I suggested that the Senate not proceed immediately but refer the matter to our Standing Committee on Legal and Constitutional Affairs, intelligently chaired by Senator Beaudoin. My suggestion was turned down.

I made the suggestion on the following day, after I held up my colleagues for 24 hours. I apologize once more. I may do it again in the future, but not very often, believe me. I asked that the matter be referred to the Standing Committee on Legal and Constitutional Affairs. I was told that it should be referred instead to the Standing Committee on Transport and Communications.

That was an opportunity not to be missed. I am not so proud as to think everything I say is the definitive truth. I spent the night thinking it over, and concluded that it made sense to refer our work to the Committee on Transport and Communications. But it did not work.

The Senate then took its responsibilities. Amendments were passed, and the bill sent back to the House of Commons. The House did not see fit to accept our amendments, but that is their problem.

What shall we do now? I still think the motion of the Honourable Leader of the Opposition comes close to my way of thinking. It does not mean I support it, but it does come close, because I want to know more about the whole issue. This is not inconsistent with my voting, previously, with the government. At that time I was voting on final amendments and now I want to know more about this issue.

If the Senate concurs with the motion of the Honourable Leader of the Opposition, I think there will be a debate. I will then have another opportunity to ask that Mr. Nixon be heard. Each time, we learn something more! This time, I would also ask that Mr. Wright be called as a witness. If we really want to have more information, then these two witnesses should appear.

I would wish for the latter, that is Mr. Wright, to be called first. And the last shall be first. Perhaps we will not have to call Mr. Nixon.

I am in the delicate position where I almost have to say that I want the debate to continue. I will not be intimidated by the House of Commons. I respect them. They did their job. But whether they have the majority or not, they should not expect me to be a rubber stamp.

[*English*]

• (1520)

We are not here to rubber-stamp proposed legislation; we are here to do a job. Our job is to scrutinize all relevant documents. I see a new senator here in the chamber who, formerly, was an elected official. Before being called to the Senate, such people were very busy trying to ensure that they were elected and re-elected, by attending all-day functions at the behest of the electorate, and performing a multiplicity of other tasks that they would sometimes prefer not to attend to, but which they felt obliged to do because they were seeking to be elected.

Senators do not have that obligation, although I still perform such duties. Our job is to study and reflect on proposed legislation.

My consent to support this motion would be in the spirit that, although I believe Mr. Wright and Mr. Nixon should be called before our committee, I cannot dictate who should be the witnesses.

Why would this bill be sent back to the committee? Is it so that witnesses can have another opportunity to speak to the legality of this measure, the constitutionality of it, as if the other issues do not exist? I do not think that would be fair. The government must resolve this matter. The people of Toronto need to know what will happen to this airport.

I read the contract. It is not something you like to do on a weekend, I will tell you. I read not only the Nixon report, I read the contract.

[*Translation*]

Senator Nolin: It is more than 20 pages!

Senator Prud'homme: As my friend, Senator Nolin, said, it is more than 20 pages! You know, it is tedious to see who will get the restaurants, and so on! It is our job.

[*English*]

That is our duty. That is exactly why some of us are sent here.

I was troubled by what I read in some of the documents. I will not repeat what I said in July. I know that the government and the people of Toronto are eager to proceed with the last big project of the century in this country, and that is what we must be most concerned about. It would be the greatest and the last mega-project; the richest contract; and there exists the possibility of many people becoming rich.

If some people can make money from it, honestly, directly, up front, why not? Somebody in our society, if they work, if they use their brains and intelligence, might make some money on this. Someone is trying to build the future. Torontonians want to go ahead. We cannot start by saying we should have a national inquiry into this matter because I do not believe that would be in the interests of Canadians, and it would certainly not be in the interests of Torontonians first, Ontarians second, and of all Canadians third.

Senator Lynch-Staunton made a speech to which I listened carefully today, as I always do. I must admit to the honourable gentleman, "I would be very concerned".

[*Translation*]

— What we, in Quebec, call "retroactive laws". What some "real liberals" call immoral, retroactive laws.

Senators Roux, Hébert and others at the time, and myself, recall that Mr. Maurice Duplessis had passed retroactive legislation against a labour leader. I must say that passing legislation today to make illegal something that happened yesterday is very disturbing. We cannot accept that in our society. However, it is an argument that I have heard often.

There were some warnings. I was not a candidate for the first time in 30 years, but I still participated from a distance, and I looked at what was going on. There were solemn warnings by the government that if you sign this bill, the answer will be "no".

[*English*]

I suggest that if you cannot take my word for it, you should read the testimony of a very fine gentleman in the Senate, like me an independent, the Honourable Senator Pitfield. Senator Pitfield may not be speaking as loudly as I speak, but any time he does, if I am absent, I read what he had to say because I know of his experience. He was very involved in public administration.

I suggest that senators and others who wish to be enlightened should read Senator Pitfield's comments which were made in July, and which are recorded at page 832 in the *Debates of the Senate*. In Senator Pitfield's long-time experience with prime ministers, especially Prime Minister Trudeau, many contracts are awarded at the last minute.

I know our Speaker is about to indicate that my time is up, and I will not abuse the house by asking for permission to continue. The question to send this bill back to committee must eventually be registered.

If I were to vote in favour of this motion, it is because I would expect and hope — and I will participate even though I am not a member of the committee — that a supplementary witness will be called. Mr. Wright should be the first witness. His name has been mentioned today, so he is now directly involved. He became involved after Mr. Nixon had prepared his report. If the committee sees fit, Mr. Wright should be called as a witness.

If that motion is carried, the debate will continue and we may come to know more. If the government feels that we were in error, they can always prorogue this Thirty-fifth Parliament, and start a new session. Then the bill will die on the Order Paper, and they can present a new bill which will take into consideration all the preoccupations of the honourable senators on this side, and the intentions of the honourable senators on the other side.

Hon. Donald H. Oliver: Honourable senators, with leave of the Senate and notwithstanding rule 96(4), I move that the Standing Senate Committee on Transport and Communications be permitted to meet today while the Senate is sitting.

As honourable senators know, the committee meeting was called for three o'clock or, alternatively, when the Senate rose. Some members of the committee have other meetings which they must attend at 3:30, so we will shortly lose our quorum, and there are a number of items on the agenda which we wished to pursue.

The Hon. the Speaker: Honourable senators, is leave granted?

The Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, we would agree with Senator Oliver's request, but we should treat it as a request, and not a motion. A question on a motion is already before the house and we cannot entertain another one at this time.

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

Hon. Senators: Agreed.

The Hon. the Speaker: Then, on the topic before the house, if there are no further speakers, I will put the question on the motion in amendment as moved by Senator Lynch-Staunton.

It is moved in amendment by the Honourable Senator Lynch-Staunton, seconded by the Honourable Senator Buchanan:

> That the question, together with the Message from the House of Commons on the same subject, dated September 30, 1994, be referred to the Standing Senate Committee on Legal and Constitutional Affairs for consideration and report.

Honourable senators, is it your pleasure to adopt the motion in amendment?

Some Hon. Senators: No.

Some Hon. Senators: Yes.

The Hon. the Speaker: I hear some rather strong voices. Will those honourable senators in favour of the motion in amendment please say "yea"?

Some Hon. Senators: Yea.

• (1530)

The Hon. the Speaker: Will all those honourable senators who are opposed to the motion please say "nay".

Some Hon. Senators: Nay.

The Hon. the Speaker: In my opinion, the "nays" have it.

Senator Molgat: Honourable senators, can we agree to do this on division? We would be prepared to do that. I can count, too.

Senator Lynch-Staunton: It is important to have a strong membership, not a strong voice.

Senator Fairbairn: We are trying.

The Hon. the Speaker: Senators, is it agreed that the motion in amendment be adopted on division?

Hon. Senators: Agreed.

Motion in amendment of Senator Lynch-Staunton adopted, on division.

BUSINESS OF THE SENATE.

ADJOURNMENT

Leave having been given to revert to Government Notices of Motion:

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, now that we know what the disposition of Bill C-22 will be, I should like to acquaint the house with my proposed course of action for the next period of time.

As honourable senators know, the House of Commons will not be sitting next week, that being the parliamentary recess. It is my hope that, in future, we can always follow that schedule; that is, that we do not sit during the weeks that the House of Commons is not sitting. In this case we can follow that schedule, so the Senate will not sit next week.

After that, we expect to receive a number of bills. Today we received Bill C-42, and there is every possibility that, in the week after the recess, we will receive Bills C-49 and C-51 from the House of Commons. On that basis, we could come back on the Tuesday, October 25, and have some business to deal with.

I would however request, and I think I have the agreement of my colleague across the way, that committees sit during that week. In other words, I would, once again, ask that the week of October 17 be "Committee Week". We tried to do that once before and it worked out very well. It gave committees an opportunity to do their work without having to ask the Senate for permission to sit while the Senate is sitting.

With the understanding that all committees will attempt to work during the week of October 17, I believe we can agree to adjourn until October 25. In particular, if the committee to which Bill C-22 will be referred could start its work on October 18, our side would have witnesses ready at that time.

If that is agreeable to honourable senators, with leave of the Senate and notwithstanding rule 59(1)(*h*), I move:

> That when the Senate adjourns today, it do stand adjourned until Tuesday, October 25, 1994, at two o'clock in the afternoon.

There will be, of course, the ever-present proviso that, if things change, we may be called back.

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

Hon. Senators: Agreed.

Motion agreed to.

QUESTION OF PRIVILEGE

Hon. Anne C. Cools: Honourable senators, I graciously thank you for your indulgence.

I rise to speak on a question of privilege upon which I will be asking His Honour, the Speaker of the Senate, to rule on a *prima facie* case of privilege. If His Honour finds a *prima facie* breach, I am prepared to move that the matter be referred to the appropriate Senate committee for consideration and report.

I believe that the corporate and collective privileges of the Senate have been breached in my circumstances and that, if left unchallenged, could compromise parliamentary activity and all members of Parliament by deflecting any member of Parliament from fulfilling parliamentary duties and functions.

The breaches occurred in the conduct of two lawsuits in civil proceedings and motion hearings in which I am the plaintiff. These breaches may broadly be classified in two areas.

The first area of breach is the compulsion by the Ontario Court General Division of a senator's attendance in court on Senate sitting days, including during actual Senate sittings. These forced attendances were both as a witness in cross-examination and as a self-representing litigant.

The second area of breach is the compulsion by the Ontario Court General Division of service, by facsimile transmission, of any court documents and processes that require personal service in the precincts of Parliament without leave of the Speaker of the Senate of Canada.

The parliamentary privileges held by senators and members of Parliament are conferred by section 18 of the Constitution Act, 1867. That these privileges are a part of the general and public law of the country is conferred by sections 4 and 5 of the Parliament of Canada Act.

The court has repeatedly and systematically insisted on my attendance at court on Senate sitting days, and even during actual Senate sittings. The honourable justice previously having set down, by mutual agreement, a motion hearing date for Monday, June 13, 1994, a non-Senate sitting day, the honourable justice unilaterally cancelled that date. No reasons were given. He unilaterally set a new court date of Tuesday, June 14, 1994, a Senate sitting day, ignoring my request that the date to be set not be a Senate sitting day.

On Tuesday, June 14, 1994, when I appeared before the honourable justice, I attempted to raise the issue of parliamentary privilege and a senator's right to attend the Senate, where I was scheduled to speak to an item on the Order Paper that very afternoon. The honourable justice refused to hear my submissions on parliamentary privilege. He proceeded with the hearing.

Again, I asked the honourable justice to adjourn the hearing because that day, Tuesday, June 14, 1994, was a Senate sitting day and my presence was required in the Senate. The honourable justice refused the adjournment, continued the hearing, and thus caused me to miss the Senate sitting that afternoon. During the hearing, I repeatedly rose and reminded the honourable justice that my presence before him that day was not proper.

Honourable senators, it is a time-tested and centuries-old privilege that Parliament cannot function without the attendance of its members. The right of the Senate to its members' attendance and service, and the right of a member to attend the Senate sittings, is well known and uncontroverted. The absolute privilege of attendance at Parliament is the first and oldest privilege, and an immunity of Parliament.

• (1540)

The second area of breach is in the privilege of the prohibition of service of court process within the precincts of Parliament. I

have been forced by the court to accept personal service by fax in the precincts of Parliament, in my Senate office.

Honourable senators, there are now three courts orders permitting service by defendant counsel in the precincts of the Senate, and one court order permitting defendant counsel to schedule court matters on Senate sitting days. These several court orders were all made and written by the same honourable justice. That honourable justice is the same one who caused me to attend before him on a Senate sitting day, June 14, 1994. Though the Senate may be in recess for numerous days and weeks, in every instance the court demanded my attendance on Senate sitting days.

I have raised what I believe to be clear, serious and continuing breaches of parliamentary privilege, continuing by virtue of the honourable justice's court orders. There have been a number of other incidents of breach which I have not described, but I will do so later. The two areas I have raised are the most serious and the most blatant.

The history of these matters is long. The details are numerous and complex. It is my intention to raise this history and details at the appropriate time in the process, as it is my intention to cite the legal, constitutional and historical precedents at the appropriate time in the process.

Today, I wish to request that these incidents and actions of the court and of the honourable justice be examined and considered by the Senate of Canada. Honourable senators, I ask for your support, and I ask that the honourable Senate confirm its own most honourable privileges.

Furthermore, I ask that His Honour, the Speaker of the Senate of Canada, rule on a *prima facie* case of breach of privilege. I am prepared to move the necessary motion referring the matter to the appropriate committee of the Senate for consideration and report.

The Hon. the Speaker: Honourable senators, not being acquainted with the law, nor being a complete master of our rules and our interpretation of our rules, it would be useful if I were given some time to consult and reflect, to try to bring what would be a reasonable response to the honourable senator's request.

If that is agreed to by honourable senators, that is the route I intend to follow.

Hon. Stanley Haidasz: Honourable senators, before we adjourn today, and before a decision is made on Senator Cools' question of privilege, I should like to add my words of support to the senator's stated request by quoting from the usual ceremony in the Senate as new senators are sworn in here being summoned by Her Majesty Queen Elizabeth II who, in her greetings to us in the Senate, states in part that:

> AND WE do command you that all difficulties and excuses whatsoever laying aside, you be and appear, for the purposes aforesaid, in the Senate of Canada at all times whensoever and wheresoever our Parliament may be in Canada convoked and holden, and this you are in no wise to omit.

This is proof that, when the Senate is sitting, we are commanded to be present. This takes precedence over any request or command by any judge anywhere in Canada.

BUSINESS OF THE SENATE

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, we agreed to a "short day" today in order that committees could sit. A number of committees have been scheduled to sit at 3:15 p.m. Is there agreement that all other matters stand?

Hon. Senators: Agreed.

The Senate adjourned until Tuesday, October 25, 1994, at 2 p.m.

THE SENATE

Tuesday, October 25, 1994

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

Prayers.

EUTHANASIA AND ASSISTED SUICIDE

COMMITTEE AUTHORIZED TO MEET DURING SITTING OF THE SENATE

Leave having been given to proceed to Notices of Motions:

Hon. Joan Neiman, with leave of the Senate and notwithstanding rule 59(1)*(a)*, moved:

> That the Special Committee on Euthanasia and Assisted Suicide have power to sit at 2:15 p.m. today, Tuesday, October 25, 1994, even though the Senate may then be sitting, and that rule 96(4) be suspended in relation thereto.

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

Hon. Senators: Agreed.

Motion agreed to.

NEW SENATOR

The Hon. the Speaker: Honourable senators, I have the honour to inform the Senate that the Clerk has received a certificate from the Registrar General of Canada showing that Landon Pearson has been summoned to the Senate:

INTRODUCTION

The Hon. the Speaker having informed the Senate that there was a senator without, waiting to be introduced:

The following honourable senator was introduced; presented Her Majesty's writ of summons; took the oath prescribed by law, which was administered by the Clerk; and was seated:

Hon. Landon Pearson, of Ottawa, Ontario, introduced between the Honourable Joyce Fairbairn and the Honourable Allan J. MacEachen.

The Hon. the Speaker informed the Senate that the honourable senator named above had made and subscribed the declaration of qualification required by the Constitution Act, 1867, in the presence of the Clerk of the Senate, the Commissioner appointed to receive and witness the said declaration.

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, on behalf of this side of the house, I am delighted and proud to welcome Senator Landon Pearson to this chamber.

In addition to being a citizen of our country, Senator Pearson has always been a citizen of the world and brings an extensive background of varied experience to our deliberations.

• (1410)

Senator Pearson also has a rich background in the field of children's rights. She has been for many years a tireless advocate for the rights of children and child development. In 1979 she served as vice-chairperson of the Canadian Commission for the International Year of the Child. Between 1984 and 1990, she was the president and chairperson of the Canadian Council on Children and Youth.

Senator Pearson has also worked with children's groups around the world, including France, Mexico, and India. She is the author of "Children of Glasnost", a report on the schooling system in the former Soviet Union. She brings to this chamber a strong perspective on a very important issue.

Senator Pearson, I congratulate you on your appointment. All of us sincerely look forward to working with you.

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, on behalf of colleagues on this side of the chamber, I am pleased to join with the Leader of the Government in the Senate and her colleagues in welcoming Senator Pearson among us.

I should like to congratulate the government for having convinced Senator Pearson to sit in this place and share with us her special expertise, knowledge and skills in an area which is of more than passing interest to all of us and of which, because of her presence, we will become more aware.

In the foreword to her book, Senator Pearson made a number of acknowledgements. She ended by thanking her husband, who put up with the "...prolonged disruption of our domestic environment with humour, and always made me feel that I was engaged in a true endeavour." I want to assure the senator and her family that any future disruption of their domestic environment will certainly not be caused by this side of the house. Rather, I trust our deliberations will be such that she will soon find herself engaged in another true endeavour.

[*Translation*]

Hon. Marcel Prud'homme: Honourable senators, briefly, I do not want to miss this opportunity to welcome Mrs. Pearson to the Senate warmly and heartily. I absolutely want to join with Senator Fairbairn and Senator Lynch-Staunton to personally welcome you most cordially. As you know, I was associated for a long time with your father-in-law's family, and I had the honour to assist him as the young chairman of the student association, back in 1958, when he ran for the Liberal leadership. I met you later.

[*English*]

I strongly believe that the Senate is getting closer and closer to what I have always thought it should be; that is, a chamber composed of people who are independent minded and ready to serve Canada. I think you will serve this country extremely well. I am honoured to be one of your colleagues.

Welcome, Senator Pearson.

[*Translation*]

SENATORS' STATEMENTS

COURT CHALLENGES PROGRAM

REINSTATEMENT—CONGRATULATIONS TO THE GOVERNMENT

Hon. Jean-Maurice Simard: Honourable senators, in November 1992, I urged certain ministers of the government of the day to maintain the Court Challenges Program. On the first of December of the same year, I gave notice to the Senate that I would raise the issue of the problems that would be created if that program were to be dropped. On December 10, speaking to the Leader of the Government in the Senate, I urged him to re-establish at least the linguistic part of the Court Challenges Program. The reinstatement of the Court Challenges Program was made public yesterday by the Chrétien government. As much as I happen to criticize the government for its bad decisions or its inaction, I wish today to congratulate the government for a judicious and necessary decision. On behalf of the minorities concerned with the program, I thank the government.

[*English*]

FORUM FOR YOUNG CANADIANS

APPOINTMENT OF MARK AUDCENT AS CHAIR OF THE BOARD

Hon. John B. Stewart: Honourable senators, I expect that most of you are familiar with the work of the Forum for Young Canadians. That forum is sponsored by a foundation named the Foundation for the Study of Processes of Government in Canada.

The honourary chairs of the foundation are the Honourable Roméo LeBlanc, Speaker of the Senate, and the Honourable Gilbert Parent, Speaker of the House of Commons.

Earlier this month, on October 1, another connection was established between the Senate of Canada and the Forum for Young Canadians. That was the appointment of Mr. Mark Audcent — barrister, solicitor, Assistant Law Clerk and Parliamentary Counsel to the Senate — as the chair of the board of the foundation.

I am a trustee of this organization, representing the province of Nova Scotia. One of the high points of my year is when we meet to examine the nominations of those students from high schools in Nova Scotia who wish to participate in the work of the forum.

Four groups of high school students are selected in each province annually. They come to Ottawa and participate in a well-organized program, a program which has the cooperation of this house, the other place, and all the departments of the executive government of Canada. It is a wonderful operation. The students come back glowing with what they have learned about Canada, and with a very much improved impression of what goes on here in Ottawa.

Mr. Audcent's appointment as the chair of the board comes in recognition, I expect, of his prolonged and dedicated participation in the work of the forum. It is an appointment that the Senate should applaud. The fact that the contribution of one of those who serves this house has been recognized in this way is a source of pleasure to all senators.

PARLIAMENTARY SPOUSES ASSOCIATION

ANNUAL CHILDREN'S BOOK SHOW

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I should like to draw to your attention an activity that occurs every year on Parliament Hill, and yet receives little recognition. I refer to the efforts of the Parliamentary Spouses Association to organize an annual book show for young children to promote reading and literacy.

The Parliamentary Spouses Association has held this event for eight years now. They spend a day with young school children from the Ottawa area — some 130 to 150 of them, from both English and French classes. They meet in Room 200 of the West Block, and the parliamentary spouses supply entertainment, including readings for the children. Everyone goes home with a book. The children visit Parliament Hill and see where we work.

A week ago I was privileged to participate in this annual event, and I simply want to express on the record my appreciation for the Parliamentary Spouses Association and the work they do in this regard.

TRANSPORT

PORT OF SAINT JOHN—IMPORTANCE OF RAIL INFRASTRUCTURE

Hon. Erminie Cohen: Honourable senators, the business and traffic of the Port of Saint John in my city has been extremely busy of late. The port set a record last year for total port throughput by dealing with just under 20 million tonnes of cargo over a 12-month period. As well, total traffic is up 11 per cent over the same period from last year.

• (1420)

Last week a Canadian Press story from Halifax referred to a statement by a senior official from CP Rail that the city and Port of Saint John would be negatively affected by his company's bid to take over the operation of the Atlantic section of the CN rail line.

At a time when the Port of Saint John is very active, we must not lose our rail infrastructure. Many businesses and hundreds of jobs depend upon it. I urge the Honourable Leader of the Government in the Senate to ensure that the rail links to and from the Port of Saint John are a priority in any discussions that the government might have with CP Rail in this regard.

[*Translation*]

PIERRE ELLIOTT TRUDEAU

CONGRATULATIONS ON THE OCCASION OF HIS 75TH BIRTHDAY

Hon. Marcel Prud'homme: Honourable senators, while we were away, a very important event for Canadians, and especially for us parliamentarians, took place.

I would not want to forgo this opportunity to mention that very recently, a former prime minister of Canada — whom I knew as leader of the Liberal Party for 19 years — celebrated his 75th birthday, as you know.

I am talking about the Right Honourable Pierre Elliott Trudeau who turned 75 a few days ago. Even as an independent senator, I had to mention this event.

[*English*]

ROUTINE PROCEEDINGS

CANADA'S FOREIGN POLICY

MESSAGE FROM COMMONS—EXTENSION OF DATE FOR FINAL REPORT OF SPECIAL JOINT COMMITTEE

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons informing the Senate that the date for the final report of the Special Joint Committee Reviewing Canada's Foreign Policy has been extended to November 15, 1994.

CANADA PETROLEUM RESOURCES ACT

BILL TO AMEND—REPORT OF COMMITTEE

Hon. Colin Kenny, Deputy Chairman of the Standing Senate Committee on Energy, the Environment and Natural Resources, presented the following report:

Tuesday, October 25, 1994

The Standing Senate Committee on Energy, the Environment and Natural Resources has the honour to present its

SIXTH REPORT

Your Committee, to which was referred the Bill C-25, An Act to amend the Canada Petroleum Resources Act, has, in obedience to the Order of Reference of Tuesday, October 4, 1994, examined the said Bill and has agreed to report the same without amendment.

Respectfully submitted,

COLIN KENNY
Deputy Chairman

THIRD READING

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

Senator Kenny: Honourable senators, with leave of the Senate and notwithstanding rule 59(1)(*b*), I move that this bill be read the third time now.

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

Hon. Senators: Agreed.

Motion agreed to and bill read third time and passed.

ADJOURNMENT

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, with leave of the Senate and notwithstanding rule 59(1)(*h*), I move:

> That when the Senate adjourns today, it do stand adjourned until tomorrow, Wednesday, October 26, 1994, at 1:30 p.m. in the afternoon.

The Hon. the Speaker: Honourable senators, is leave granted?

Hon. Senators: Agreed.

Motion agreed to.

CANADA'S FOREIGN POLICY

NOTICE OF MOTION TO EXTEND DATE OF PRESENTATION OF FINAL REPORT OF SPECIAL JOINT COMMITTEE

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, I give notice that tomorrow, Wednesday, 26th October 26, 1994, I will move:

> That notwithstanding the Order of the Senate adopted on Wednesday, March 23, 1994, the date for the final report of the Special Joint Committee on Reviewing Canada's Foreign Policy be extended to Tuesday, November 15, 1994; and
>
> That a Message be sent to the House of Commons to acquaint that House thereof.

DEPARTMENT OF AGRICULTURE ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-49, to amend the Department of Agriculture Act and to amend or repeal certain other acts.

Bill read first time.

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

On motion of Senator Molgat, bill placed on Orders of the Day for second reading on Thursday, October 27, 1994.

INTER-PARLIAMENTARY UNION

NINETY-SECOND CONFERENCE, COPENHAGEN, DENMARK—REPORT TABLED

Hon. Peter Bosa: Honourable senators, I have the honour to table the report of the Ninety-second Inter-Parliamentary Union Conference held in Copenhagen, Denmark from September 12 to 17, 1994 in both official languages.

• (1430)

TRANSPORT AND COMMUNICATIONS

NOTICE OF MOTION TO AUTHORIZE COMMITTEE TO CONTINUE SPECIAL STUDY OF NATIONAL TRANSPORTATION ACT REVIEW COMMISSION

Hon. Donald H. Oliver: Honourable senators, I give notice that on Wednesday next, October 26, 1994, I will move:

> That notwithstanding its order of reference of March 17, 1994, the Standing Senate Committee on Transport and Communications be authorized to continue its special study on the report of the National Transportation Act Review Commission, entitled *Competition in Transportation, Policy and Legislation in Review*, tabled in the Senate on March 23, 1993 (Sessional Paper No. 323-912), and other matters relating to transportation; and
>
> That the Committee present its report no later than June 30, 1995.

ABORIGINAL PEOPLES

COMMITTEE AUTHORIZED TO MEET DURING SITTING OF THE SENATE

Hon. Raynell Andreychuk, with leave of the Senate and notwithstanding rule 59(1)*(a)*, moved:

> That the Standing Senate Committee on Aboriginal Peoples have power to sit at four o'clock in the afternoon today, even though the Senate may then be sitting, and that rule 96(4) be suspended in relation thereto.

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, might I ask why it is that this committee needs to sit at four o'clock today while the Senate is sitting? We set all of last week aside so that committees could sit during that time. Now the Senate is being asked to grant permission for a committee to sit while the Senate is sitting. I would like to know why that is necessary.

Senator Andreychuk: In June, we had hoped to have an understanding of how we might proceed with the aboriginal issues contained in the order of reference currently before our committee. However, at that time there was a question as to whether or not the process was acceptable to all members, and it became necessary to regroup when the Senate was called back. We did agree to a process, but felt that we needed to give fair opportunity to the witnesses, representatives of the aboriginal peoples who will be attending to testify before us. Today was the earliest possible date when that could happen.

I might point out to honourable senators that there is very little time on the agenda for our committee. This is a compromise which accommodates the concerns of certain members of my committee, which is fair to those aboriginal peoples who will be appearing before us, and which moves the agenda along as quickly as possible. Thus, we are asking leave of the Senate to hold this meeting of the committee.

Senator Molgat: Honourable senators, it has normally been the practice in the Senate to agree to give leave if there are witnesses appearing before a committee. We are aware that if you schedule witnesses from out of town, it does become awkward, but today we are being asked to give permission purely to accommodate the business of the committee. Frankly, I have great reservations about doing that.

In view of the hour, and in view of the business that is before us on the Order Paper, it is my guess that we will probably be finished by four o'clock, and the question will become academic. However, I raise the point because it is not a good practice for committees to organize meetings while the Senate is sitting merely to conduct the business of the committee. If they are hearing witnesses and there is a problem, then that is different. If it is purely to conduct the business of the committee, they should organize themselves to do their work when the Senate is not sitting, and when they have time available.

Senator Andreychuk: I am sure that admonition is for all committees and not just mine, and I will accept it in that spirit.

I am asking for leave today, after having looked at the agenda of this committee and having tried to find some other time. As you are aware, the hours available for sittings of committees are compressed into a few days. I have stated very strenuously that I would be prepared to sit at other times. Unfortunately, however, it is difficult to get a quorum.

The senators who are members of our committee are people who must travel great distances. Our clerk advised me that some of the members could be available today. A compromise was reached due to the lightness of the Senate's agenda today. It was not intended to be a precedent-setting event.

Senator Molgat: My comments are not aimed at the Standing Senate Committee on Aboriginal Peoples. In fact, I had the same sort of discussion this morning with one of my colleagues on this side of the house with regard to another committee. My comments are not addressed to one committee, but are in the interests of the Senate itself.

Hon. Eric Arthur Berntson (Deputy Leader of the Opposition): Honourable senators, how many times must this sort of thing happen before it becomes a tradition? I would not like to see this practice become a tradition.

I understand there are informal discussions under way with respect to committee reform, and some streamlining of the committee structure. It is important that those discussions continue, and that we make the changes necessary so that the committee work is handled in a more efficient manner than is now the case. Presently, we seem to have a great deal of difficulty finding time slots for all the various committees, and I

do not understand why that is. We have not had a great deal of work referred to us from the House of Commons, and most of what has come over just moved right through, because it was Tory-drafted legislation.

Why can we not have committee meetings scheduled for a time when the Senate is not sitting? I am not directing my comments to any particular committee. I am speaking of committees chaired by members of both sides of this chamber. In the last year, we have had more requests for leave for committees to sit than in my long four years here.

The Hon. the Speaker: It is moved by the Honourable Senator Andreychuk, seconded by the Honourable Senator Stratton, with leave of the Senate and notwithstanding rule 59(1)*(a)*:

> That the Standing Senate Committee on Aboriginal Peoples have power to sit at four o'clock in the afternoon today, even though the Senate may then be sitting, and that rule 96(4) be suspended in relation thereto.

Is leave granted, honourable senators?

Hon. Senators: Agreed.

Motion agreed to.

INTER-PARLIAMENTARY UNION

NINETY-SECOND CONFERENCE, COPENHAGEN, DENMARK—NOTICE OF INQUIRY

Hon. Peter Bosa: Honourable senators, I give notice that on Thursday, October 27, 1994, I will draw the attention of the Senate to the Ninety-second Inter-Parliamentary Union Conference held in Copenhagen from September 12 to 17, 1994.

PROPOSALS FOR SOCIAL REFORM

NOTICE OF INQUIRY

Hon. Donald H. Oliver: Honourable senators, I give notice that on Thursday next, October 27, 1994, I will call the attention of the Senate to the efficiency in the Honourable Lloyd Axworthy's recent Proposals for Social Reform.

HEALTH

PROTECTION OF CONSCIENCE IN MEDICAL PROCEDURES—PRESENTATION OF PETITION

Hon. Stanley Haidasz: Honourable senators, I place in the hands of the Clerk a petition expressing pleas identical to those first raised in this chamber by myself on March 17 last, that Parliament protect health care workers with regard to freedom of conscience in the workplace.

This list of petitioners contains the signatures of 628 persons from Barry's Bay, Ontario, and other places in Ontario.

HAZARDOUS PRODUCTS ACT

PRESENTATION OF PETITION

Hon. Mira Spivak: Honourable senators, I have the honour to present a petition from 26 petitioners, which petitioners humbly pray that this honourable house be pleased to remove the exemption for tobacco under the Hazardous Products Act. This petition is in addition to several others that I have tabled in this house.

QUESTION PERIOD

FORESTRY

CLAYOQUOT SOUND—GRANT BY CIDA TO PROTEST GROUP

Hon. Gerry St. Germain: Honourable senators, my question is for the Leader of the Government in the Senate. An article in today's *Vancouver Sun* states that the Canadian International Development Agency, CIDA, has granted $300,000 to an organization that is leading a campaign against clear-cut logging in Clayoquot Sound, both at home and abroad. Is the Leader of the Government in the Senate aware of this grant?

Hon. Joyce Fairbairn (Leader of the Government): No, I am not, Senator St. Germain. Perhaps you would let me have a copy of the story to which you refer, and I will look into the matter as quickly as I can.

• (1440)

Senator St. Germain: Honourable senators, these organizations are undermining the entire industry. At the present time the province of British Columbia is working aggressively on a forestry package which deals with the environment, the industry, the jobs and with the markets abroad.

While I have never been a great supporter of the present government in British Columbia, honourable senators, I feel it is important that we not use federal funding to work against provincial initiatives. The granting of these funds flies in the face of attempts to improve relations between the federal and provincial governments.

Thus, will the Leader of the Government in the Senate determine exactly what is happening in this regard as quickly as possible, and report back to the Senate?

Senator Fairbairn: Honourable senators, I shall look into the matter as quickly as possible.

THE SENATE

REMARKS BY MINISTER OF TRANSPORT—REQUEST FOR CLARIFICATION

Hon. Erminie J. Cohen: Honourable senators, I rise to direct a question to the Leader of the Government in the Senate. As senators are aware, I raised the issue of respect on October 5 of this year; specifically, respect for parliamentarians, respect for our institutions and respect for the principles on which this country was founded.

I ask the Honourable Leader of the Government in the Senate whether, in fact, she has raised this issue in cabinet, and if so, will she inform this chamber of the result of those discussions?

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I thank my friend for her question. Obviously, I am not at liberty to indicate any discussions which go on in cabinet.

However, I can tell my honourable friends that, as far as the Prime Minister and my colleagues are concerned, they hold this chamber in the highest respect, as do I. I hope that we can continue the relationships we have enjoyed in the past year, not just with each other but also with the other place. I shall dedicate myself to continuing in that vein to the very best of my ability.

FINANCE

FISCAL PROGRAM UPDATE—POSSIBILITY OF TAX INCREASES—GOVERNMENT POSITION

Hon. Jean-Maurice Simard: Honourable senators, in my opinion, there is something fishy about the recent fiscal update from the Minister of Finance.

[*Translation*]

The minister says that our gross domestic product will be more than $5 billion next year, unlike what he forecast last February. He also says that revenues will drop by $200 million. This does not make sense to me.

We are also told that another 100,000 workers will contribute to the Unemployment Insurance Fund, so I think we could expect the fund to accumulate additional revenue. No, honourable senators, the amount remains the same.

[*English*]

Perhaps the Honourable Leader of the Government in the Senate would explain how this year's larger tax base will result in less revenue? Can she assure us that Canadians are not being set up for tax hikes in the next budget?

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I thank the Honourable Senator Simard for his question. I believe senators on both sides of the house are having difficulty with the sound system today. Although I did not hear the beginning of the honourable senator's question, I did hear the end of it.

As my colleague knows, given his background, I cannot forecast what may or may not be included in the budget to be brought forward in February. I can only indicate to him that both the Minister of Finance and the Prime Minister have stated on a number of occasions that, in order to get the finances of this country in shape, they will look at reducing expenditures rather than deal with an increase in taxes.

As my friend will know, the Minister of Finance began last week what is an almost unprecedented exercise in opening up the budget process by putting forward a framework within which to ask people from across the country, as well as parliamentarians, to help the government with ideas on fashioning its programs. The purpose of the exercise is to meet the objective of reducing the deficit to 3 per cent of GDP by 1997.

There has been discussion in some quarters that that is a very modest plan or objective. I can assure my honourable friends that it will be a difficult objective to reach. Any assistance that my honourable friends can give to the process, which is now on track, would be very much appreciated.

Senator Simard: Honourable senators, in light of the minister's remarks, perhaps she would verify the transcript of last week's fiscal update by the Minister of Finance, and then obtain from him some answers to my questions.

While she is doing that, perhaps she can verify the rumours we are hearing about a possible gas tax, a possible tax on CBC services, and others. Keep in mind that last year, in an interview with the *Financial Post*, Mr. Martin said that this country cannot afford any new taxes. If that sentiment was right a year ago, why is it wrong today?

DUPLICATION OF PROGRAMS WITH PROVINCES—GOVERNMENT POSITION

Hon. Jean-Maurice Simard: Honourable senators, before I resume my seat, the minister has referred to this great exercise of asking the Canadian people about how to do this and that, how to reform social programs, and whether they want new taxes. Can she tell us whether work has started with the provincial governments with a view to reducing the duplication in programs by two or three levels of government? Surely there are savings there.

Based on her knowledge and experience of the attitude of Canadians with respect to taxation, that they never want to be taxed, that they want others to make the sacrifices while they keep all of the services and programs, can the Leader of the Government tell me that she really expects much from this exercise?

[*Translation*]

The government should make up its mind and tell us what it plans to do. It should not ask Canadians to wait another year for the government to cut duplication and overlap. In the final analysis, the government should make certain choices and not introduce new taxes or raise existing ones.

[*English*]

• (1450)

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I thank the honourable senator for his questions and note that he has a great deal more experience in this regard than I. However, once again he will appreciate that I am not in a position to forecast what may be in Mr. Martin's next budget. Even if I knew, I would not tell him.

Part of the exercise now in place is to obtain information, opinions and views to help guide Mr. Martin in picking measures to set forth in the next budget.

My honourable friend speaks of savings by reducing duplication between levels of government. I can tell him that at the moment a program review is being conducted, very

energetically, by my colleague Marcel Massé. He is reviewing government programs in all departments and looking for the kind of duplication to which my friend has referred. That is also part of an exercise that ended in June with an agreement among the provinces and the federal government on internal trade barriers. Part of that exercise was to reduce the kinds of things that increase costs to Canadians.

I agree with my honourable friend when he says there is money to be saved. At the heart of the efforts by Mr. Massé and Mr. Martin is the desire to find areas where those savings can be achieved, to talk to their colleagues in the provinces and to work out the best possible method for providing efficient and affordable services to Canadians.

PARKS CANADA

USER FEES—GOVERNMENT POSITION

Hon. David Tkachuk: Honourable senators, my question is for the Leader of the Government in the Senate. On August 3, the Minister of Canadian Heritage announced that Parks Canada would be undertaking a comprehensive consultation exercise on the matter of user fees in national parks and national historic sites.

The minister goes on in a press release to list Jasper, Waterton and Lake Louise in Alberta; Field, B.C.; Waskesiu, Saskatchewan and Wasagaming, which is part of Riding Mountain in Manitoba, as the places where these consultations will take place.

On October 5, in the House of Commons, in response to a question by Glen McKinnon of Brandon, the Minister of Heritage stated:

> I am expecting to receive recommendations regarding user fees in national parks and historic sites by the end of October.

Knowing how the government carries out consultations, I took it upon myself to visit Lake Louise and Banff and to talk to the people in Waterton and Waskesiu. How can recommendations be made at the end of October when there have been no consultations, or at least none in Jasper, Lake Louise, Field, or Waterton?

I talked to the owner of the ski hill in Lake Louise and to the Banff tourist bureau. They have heard rumours of these fees but have not been involved in any consultations whatsoever.

How can the recommendations be made at the end of October when there has been no consultation there, and only cursory consultations in Waskesiu and Wasagaming?

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, in my honourable friend's earnest pursuit of information on this issue, he has travelled some of the most beautiful parts of this country.

Senator Tkachuk: I am proud of it.

Senator Fairbairn: I am sure he enjoyed every minute of it.

I shall take the honourable senator's questions to my colleague Mr. Dupuy, and get back to him with an answer.

Senator Tkachuk: Honourable senators, it is unfortunate that I did not have the time to go to Pacific Rim National Park, Yoho National Park and Glacier National Park, because I am sure I would have received the same information. I am a big fan of Canada's national parks, which is why I am interested in this issue.

With regard to town sites, the minister also said on October 5 that the discussions and consultations will continue, and that final decisions are expected around next April.

It is rather confusing as to when these recommendations will be announced. Park officials in Waskesiu tell us that the new user fees will be announced in November, which I assume will be as a result of the recommendations from the consultations that never took place at the end of October.

When does the government expect to announce the user fees? Does the government expect to do so in October or in April?

Senator Fairbairn: Honourable senators, I will endeavour to obtain an answer for my friend.

[*Translation*]

NATIONAL SECURITY

PROPOSAL TO STRIKE A SPECIAL COMMITTEE—GOVERNMENT POSITION

Hon. Marcel Prud'homme: I have a very important question for the Leader of the Government, and in the months to come, my question will be an important one for all Canadians.

I would like to know whether the Leader of the Government in the Senate could recommend that the Senate — which is, after all, according to some members of the other place, a very tranquil place and according to me, the chamber of sober second thought — appoint a special committee of the Senate to examine all matters of security in Canada.

I want to make it clear that I did not wait for the Bloc Québécois to raise the matter in the House of Commons. When the Canadian Security Intelligence Service was formed in 1984, I was violently opposed. I refused to vote on that bill. My caucus colleagues will recall some memorable discussions I had on the subject with the Solicitor General at the time, and some very long talks with the Prime Minister at the time. I was against the idea. I still have the same reservations. I thought that, at the time, it was necessary to update the security apparatus within the RCMP, since all other Western countries had this necessary evil referred to as security.

I want to make it quite clear that I do not question a country's right to ensure that its domestic and international security is protected and taken seriously. However, it is another thing altogether to establish institutions that become totally uncontrollable.

The Canadian people have the right to know, at a time when we are talking about financial cut-backs. We are talking about $250 million for three security instruments: the RCMP, the

Canadian Security Intelligence Service and now a third institution, the Communications Security Establishment.

Honourable senators, the world has changed. The collapse of the Soviet Union as a world power is well known. It seems that some people have not realized this. It undermines the credibility of parliamentarians who, in the House of Commons and in the Senate, are trying to defend the federal system against attacks by members in the other place who are trying to make this an entirely personal issue in which they feel they have been singled out. Honourable senators, I can tell you that there are people in the Senate with a lot of experience who could tell you they were not singled out. This goes back a long time.

Today, my question is directed to the Leader of the Government and concerns national security. This is an initial attempt I am making today. As you know, I am a patient man. I decided long ago I had an interest in this subject, and I am going to take my time. I would like to hear from the Leader of the Government whether she would consider setting up a Senate committee to examine all these security questions and renew the confidence of all Canadians who should not have to believe that security has become uncontrollable in this country.

[*English*]

• (1500)

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I thank my friend for his question. However, I would not agree with his premise that security systems in Canada are uncontrollable.

A few years ago the Senate struck the Special Senate Committee on Terrorism and Public Safety. Some of us were members — Senator MacDonald, Senator Kelly, Senator Hays, myself and a number of others. That committee conducted its hearings, reported its findings, and later, for special reasons, carried out further hearings and made further recommendations. Security is not, therefore, a subject that is new to this place.

Along with the creation of CSIS came the creation of the Independent Review Committee, which is the watchdog committee over that particular group. These issues are very much in the public domain. Some of these subjects will become part of considerations of other committees in the other place.

However, I will take the honourable senator's representations seriously. I can make no promises, but I am sure that people in this house will want to discuss those issues.

Senator Prud'homme: Honourable senators, I thank the minister for her answer. I would not normally refer to the comments that the Minister of National Defence made yesterday in the House of Commons, but he said — and I quote Mr. Gilles Gauthier, an excellent reporter from *La Presse*:

[*Translation*]

> Mr. Collenette declared that Mr. Chrétien would probably be willing to accept suggestions from members...

Of course, he is now in the House of Commons and has forgotten the senators —

> ...regarding the means that could be used to give Canadians the assurance that the CSE, that is the Communications Security Establishment, acts in a proper way.

All I am saying, in answer to a minister of the Crown — one of your colleagues with whom you are sitting and will be sitting this week — is first off, that Parliament is made up of MPs and senators. Until you can prove to me that that is not so, I will continue to voice my opposition strongly. A short while ago I took part in radio and television programs in Winnipeg, and after three hours I had done quite well. I was in Hamilton during the recess and I also did very well when the Senate was attacked. We should not be afraid to defend an existing institution. We exist. When the minister asks for suggestions from members of Parliament, I think he should also listen to senators.

Ever since all these enquiries that you mentioned were carried out, the world has indeed changed. We cannot let Canadians believe that security services are no longer manageable. I am not saying they are, but the Canadian people are starting to believe it. We do not know how much they cost ,or exactly what they do. We only know that they exist. Apparently, one of them by itself costs $250 to $300 million and the other one costs $250 million, while we already have, at the national level, the RCMP, whom I have always supported. God knows that I have much to say about security, because it does exist. I could make a lot of comments about the RCPM, but it is at least a necessary evil.

However, we have three such services. What exactly does each of them do? We do not know any more. How much do they cost? We do not know any more. Honourable senators, we like Senator Fairbairn a lot, since she is so nice and she always answers our questions with such charm, but we want to be sure that she will put the Senate to work.

I want to take this opportunity to remind senators that if committee members cannot take part in their committee hearings, other senators could be willing to take their place. This is clear, and I will repeat it until it is understood. Any senator who agrees to sit on a committee should not postpone his or her work only because the Senate is not sitting. He or she must work. We must work.

Honourable senators, that was my first speech. I will probably put a question about this on the Order Paper so that we can discuss it further. I am only laying the foundations of a subject.

[*English*]

No one likes to talk about such a subject. However, I am old enough not to be troubled by it, although it troubles a great many people. It is an important subject for some people.

Please be wary of the demagogues, those who want to destroy our country. Canada is under attack by some people in the other chamber, whose counterparts are situated in Quebec. These people want to create disturbances, to plant doubt in the minds of Canadians, especially those who live in Quebec. I do not say Quebecers, I say Canadians who live in Quebec. It is our duty to dispel any such doubts immediately.

I hope the Leader of the Government in the Senate will understand that I chose to address that difficult subject because I take it extremely seriously. I know that she will also take her functions seriously and will use the resources at her disposal — and she is much better equipped than I, an independent senator — to explore what can be done to assure Canadians that tax dollars are being well spent to ensure that civil liberties do not come under attack.

Senator Fairbairn: Honourable senators, I take the questions of my honourable friend quite seriously. This is a serious subject. It was for that reason that some years ago this chamber made a sizeable effort to delve into these issues, produce a report and make recommendations, which were also taken seriously.

I should also like to mention to my honourable friend that the Minister of National Defence — and I will certainly discuss my friend's question with him — made the point in the House of Commons yesterday that CSE falls within his responsibilities, just as the RCMP falls within the responsibilities of the Solicitor General. The budgets of these organizations form part of the Estimates. The Minister of National Defence said in the other place that he was prepared to answer questions concerning the security establishment as it affected him.

There are different avenues of opportunity within both chambers.

• (1510)

My friend's suggestions are important to the issue. I will take them in the spirit in which they are offered, and discuss them with my colleagues.

ROUTINE PROCEEDINGS

INTER-PARLIAMENTARY DELEGATION TO AUSTRALIA

REPORT TABLED

Leave having been given to revert to Tabling of Reports from Inter-Parliamentary Delegations:

Hon. Lorne Bonnell: Honourable senators, I have the honour to table the report of the Canadian parliamentary delegation which visited Australia from June 26 to July 4, 1994, at the invitation of the Honourable Michael Beahan, President of the Senate, and the Honourable Steven Martin MP, Speaker of the House of Representatives.

BUSINESS OF THE SENATE

Hon. John Lynch-Staunton (Leader of the Opposition): I should like to ask a question of the Deputy Leader of the government with respect to delayed answers. Some questions that we asked orally have remained unanswered since April. Can the Deputy Leader of the Government assure us that we will receive answers to such questions?

Two or three of the questions come to mind. One in particular is with respect to certain changes going on right now in the Senate precincts. Last April or May, Senator Doyle asked whether Senate approval would be requested, and whether work would be done without the approval of this chamber, or what the procedure was. Certain work is now taking place. The Senate's facilities are being affected and, as far as I know, the Senate chamber has not been apprised or consulted. Usually we are at least informed of what is happening.

Hon. Gildas L. Molgat (Deputy Leader of the Government): I thank the Honourable Leader of the Opposition for his remarks. I will check immediately to see what questions are outstanding. It was my understanding that we had answered almost all the outstanding questions at the last sitting of the Senate.

QUESTION OF PRIVILEGE

The Hon. the Speaker: I wish to inform the Senate that the ruling on the question of privilege raised by Senator Cools will be delayed. Senator Cools informed me that she would be absent today. I will await her return before giving my ruling.

ORDERS OF THE DAY

SECOND WORLD WAR

PARTICIPATION OF CANADIAN TROOPS IN ITALIAN CAMPAIGN

On the Order:

> Resuming the debate on the inquiry of the Honourable Senator Corbin, calling the attention of the Senate to the heroic and essential contribution made by Canadian troops to the Italian campaign in 1943 and 1944, and the pilgrimage that he and other Canadian parliamentarians, including the Secretary of State for Veterans' Affairs, had the privilege of going on in Sicily and Italy in the company of 50 veterans of all provinces of Canada, from May 2, to May 20, 1994. — (*Honourable Senator Corbin*)

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, Senator Corbin has indicated that he has no desire to say anything further on this inquiry. Unless any other senator wishes to speak, the enquiry could be considered debated and, thus, dropped from the Order Paper.

The Hon. the Speaker: Honourable senators, if no other honourable senator wishes to speak, this inquiry is considered debated.

VETERANS AFFAIRS

ROYAL CANADIAN LEGION—DEBATE AJOURNED

Hon. John M. Macdonald rose pursuant to notice of Wednesday, October 5, 1994:

> That he will call the attention of the Senate to certain matters relating to the Royal Canadian Legion.

He said: Not long ago, there was a great deal of criticism of the Royal Canadian Legion. It became known that a local branch of the Legion had a policy which prohibited the wearing of head-dresses in its lounge. As a result of this policy, certain persons were denied admission; persons whose religion requires them to wear a certain type of head-dress at all times.

This policy caused a great deal of criticism of the Legion. This criticism was intensified and more widespread when it became known that many other branches had the same policy. Legion members were called racist, bigots, hypocrites, and other unpleasant names. Little if any investigation was made into why so many branches had this policy.

Thus, honourable senators, I want to put on record my belief as to why what began as a custom became a policy, and then a strongly established tradition.

I am not speaking on behalf of the Legion or any of its branches, but simply as an ordinary member. My opinion on this matter is influenced by the fact that I have been a member of my local Legion branch for the past 49 years, a fact of which I am proud.

Honourable senators, to understand this policy it is necessary to have some knowledge and understanding of one of the great objective of the Royal Canadian Legion. That objective is to remember those who died participating in Canada's wars. Indeed, this head-dress policy is a consequence of this objective.

The Legion regards this objective as being of such importance that it is stated in the general bylaws:

> ...that those who died in the service of the nation shall always be remembered.

The first item in the statement of principle upon which the legion is founded is as follows:

> A solemn remembrance of Canadians who gave their lives so our nation might be free.

We remember not only those who died in the war, or as a result of war services, but also those who suffered physical or mental disability as a result of their war service.

It may be asked why the Legion places such emphasis on remembrance. The short answer is that in our society and culture, it is recognized that the greatest tribute we can pay to our dead is to remember them. I believe this is obvious. That tribute of remembrance is shown by the monuments we erect to the people who died, or who have given special service to our nation. It is reflected in the names given to public buildings, hospitals, universities, libraries and the like. Such monuments appear in every cemetery.

• (1520)

Over the years, when a person joined the legion, he or she assumed a solemn obligation to remember our war dead. Let me assure honourable senators that this is not an emotional or sentimental matter but a realistic, reasonable obligation. The Legion offers ways by which this can be and is done.

I like to think that it is done in three major ways. It participates in the Remembrance Day program in Ottawa on November 11; and it holds Remembrance Day services in a great many places in Canada.

The second way is by means of an internal matter. At every meeting of every Legion branch, as part of the opening ritual, the presiding officer must state, and I quote in part:

> Before we proceed to the consideration of the business which has brought us together, let us pause for a few moments to think reverently of those of our comrades who by sea, by land and in the air, laid down their lives for their country.

Again, as part of the opening ritual, there is an act of remembrance, and the presiding officer must proclaim:

> They shall grow not old, as we that are left grow old;
>
> Age shall not weary them nor the years condemn.
>
> At the going down of the sun, and in the morning, we will remember them.

The members reply, which is really an affirmation of their obligation and commitment:

> We will remember them.

Let me assure you, honourable senators, that this response is not merely a mechanical or automatic reply to a familiar ritual.

I knew many of the men from my small town who lost their lives in World War II. There were 68 of them. When I look around at that point in the meetings, I recognize many present are remembering someone close to them who did not survive. I, like others, may recall the first casualties from our town. They were two bright young men, one a university student and the other an employee of the coal company. They joined the Air Force early in the war. One became the pilot and the other the wireless operator in the same plane. That plane was lost over the English Channel — they both died.

We may recall the third early casualty, another bright young man, one who was well known and highly respected. He was unemployed. He joined the Merchant Marine. After several voyages his ship was sunk by enemy action. He died.

Honourable senators, I assure you that these words of remembrance are not an empty gesture but a genuine act of recollection.

I have mentioned two ways by which tribute and honour is paid to our war dead by remembrance. These might be classified as formal or partly formal. Therefore, it was only natural that a more informal and local procedure would be found and adopted to remember the local war dead — those whom the members of the local branches knew. Thus, the custom began for members to remove their head-dress in legion lounges, canteens and at certain functions.

Originally, I suppose, it was the application of a then general custom of men removing their hats when a funeral was passing by as a general mark of respect for the dead. In any event, this is

a practical, dignified way in which to show respect to our war dead and to pay tribute to them.

I do not know exactly when or where the custom started. In any event, it became widespread. The custom became a policy, and the policy developed into a strong tradition. It is this tradition which has been the subject of so much criticism. It seems to me that most of this criticism has been ill-informed, misinformed or not informed at all.

It should be remembered that this policy is not one which has been forced upon the branches but one which has been developed by the local branches and is kept in force by those branches which want to have it. It is a mark of respect as well as remembrance toward the dead. This precedent is strong among veterans.

Many veterans who came through the war unharmed felt an obligation, though they perhaps would not admit it, to those who were not so fortunate. Of course, these groups are becoming smaller every year. However, when they joined the legion they took seriously an obligation to honour the war dead, especially the war dead of their community, by remembering them. The removal of head-dress was a method employed to fulfil the obligation. They feel it should not be tampered with at this late date.

Honourable senators, I want to make it clear that the members of the Legion have nothing but goodwill toward those who cannot join or, indeed, visit legion branches because of this head-dress policy. To the contrary, they are respected for their adherence to their religious practices. Legion members understand their position. They well understand also why these men would want to participate in Legion activities. If they became members, undoubtedly they would be good ones.

While Legion members understand and appreciate their position, however, they feel these people do not understand ours. Perhaps they do not wholly understand that the practice of not wearing a head-dress became an act of remembrance and, as such, has become a strong tradition over the years. It is especially important to the veterans of World War II, whose numbers are diminishing every year. I do not think it is well understood that after the war these were young men who were determined that our war dead would always be remembered and honoured. To the best of their ability, they have fulfilled their obligations over the years.

The policy of not wearing a head-dress became, as I mentioned, a proper, effective and public act of remembrance, one not to be done away with at this late date in the life of the Legion and in the lives of war veterans.

Men have tried for many years to fulfil the obligations to honour our war dead by remembering them. The prohibiting of wearing a head-dress in Legion lounges and canteens is one of the methods, an accustomed method, by which this is done.

We would like our critics to understand that we are not racist, bigots or hypocrites, but only a group of veterans of World War II who, for many years, have tried to honour our war dead by remembering them in a certain way. I believe that if this is understood, much of the adverse criticism to which the Legion has been subject will not continue. I hope this will come to pass.

On motion of Senator Berntson, debate adjourned.

The Senate adjourned until Wednesday, October 26, 1994, at 1:30 p.m.

THE SENATE

Wednesday, October 26, 1994

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

Prayers.

SENATOR'S STATEMENT

TRANSPORT

PEARSON AIRPORT AGREEMENTS— POSSIBLE GOVERNMENT INQUIRY

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, it is reported that the Minister of Transport is ready to have a judicial inquiry into the Pearson airport agreements if Bill C-22, which is now before the Standing Senate Committee on Legal and Constitutional Affairs, is not passed before Christmas.

Since early summer, my colleagues and I have repeatedly called upon the government to hold such an inquiry. The issues should be examined, if for no other reason than to salvage the reputations of hundreds of Canadians, both in the public sector and the private sector, Liberals and Conservatives, who have been wounded by the malicious and reprehensible statements made by the Minister of Transport; statements which he refuses to support with even the most meagre evidence. Only a public inquiry can deal with the minister's allegations.

If the only way to initiate such an inquiry is to delay the bill indefinitely, then this side is quite prepared to do just that. If there is agreement all round, then we could instruct the committee to postpone its hearings, which are scheduled to begin tomorrow.

Until now, we have been unusually restrained in the face of the minister's provocative innuendoes and smears. Enough is enough! The only issue that the Senate is defending is the right of citizens to have their day in court, and to resolve grievances.

The government has every right to cancel the contracts involved. It also has the responsibility to explain publicly its reasons for so doing.

Some Hon. Senators: Hear, hear!

ROUTINE PROCEEDINGS

CLERK'S ACCOUNTS

STATEMENT TABLED

The Hon. the Speaker: Honourable senators, I wish to inform the Senate that, pursuant to rule 134, the Clerk of the Senate has laid on the Table a detailed statement of the Clerk's receipts and disbursements for the fiscal year 1993-94.

REFERRED TO COMMITTEE

Hon. Gildas L. Molgat (Deputy Leader of the Government) moved:

> That the Clerk's Accounts be referred to the Standing Committee on Internal Economy, Budgets and Administration.

Motion agreed to.

CANADA-FRANCE INTER-PARLIAMENTARY ASSOCIATION

TWENTY-FIFTH ANNUAL MEETING— REPORT OF CANADIAN DELEGATION TABLED

Hon. Gérald-A. Beaudoin: Honourable senators, I have the honour to table the report of the Canadian Section of the Canada-France Inter-Parliamentary Association, respecting its participation at the Twenty-fifth annual meeting held in Montreal, Charlevoix and Iqaluit, from July 16 to 24, 1994.

VETERANS AFFAIRS

CANADIAN VIETNAM VETERANS' MEMORIAL— PRESENTATION OF PETITION

Hon. Jack Marshall: Honourable senators, I have the honour to present petitions signed by 7,348 individuals showing support for a Canadian Vietnam veterans' national memorial; a memorial which will be a fitting tribute to those courageous Canadian men and women who sacrificed their lives serving as members of the United States armed forces in Southeast Asia.

The total number of signatures we have collected to date on this matter is 11,139.

CANADA-CHINA RELATIONS

REPRESENTATIONS ON HUMAN RIGHTS ABUSES IN CHINA AND TIBET—PRESENTATION OF PETITION

Hon. Consiglio Di Nino: Honourable senators, I have the honour to present a petition signed by 510 concerned Canadians from the provinces of British Columbia, Alberta, Quebec and Ontario who want to draw to the attention of the Senate the widespread human rights abuses in Tibet under the government of the People's Republic of China. They point out that, according to a Washington-based human rights monitoring group, Asia Watch, some 80 per cent of China's political prisoners are Tibetan; yet Tibetans make up only 1 per cent of China's population.

The petitioners request the Senate to urge Prime Minister Jean Chrétien and those members of Parliament visiting the People's

Republic of China in November 1994, during their meetings with representatives of the government of China, to raise the issue of human rights in China and, in particular, the human rights abuses in Tibet.

They also ask the Senate to urge the Prime Minister to request that the Chinese government meet with representatives of His Holiness the Dalai Lama and the Tibetan government in exile to discuss, without preconditions, the future of Tibet.

QUESTION PERIOD

NATIONAL SECURITY

PROPOSAL TO STRIKE SPECIAL COMMITTEE— CLARIFICATION OF GOVERNMENT POSITION

Hon. Marcel Prud'homme: Honourable senators, having asked many questions yesterday, I should like to clear up what may be a misunderstanding. I stated:

> The Canadian people have the right to know, at a time when we are talking about financial cut-backs. We are talking about $250 million for three security instruments...

Later on in my question, honourable senators can see that it is clear that I meant to say more than that. If one puts together rumour and fact, one can make it look as if $250 million is being advanced for CSIS alone. Some people have talked about $250 million to $300 million for the Communications Security Establishment. Naturally, the same amount must be spent by the RCMP.

Again, I believe in security for our country. I believe that we must have an establishment to look after security. However, as I said yesterday, the world has changed. Any institution must go through an era of modernization.

There is nothing wrong with my question of yesterday; far from it. I have received many communications since my remarks yesterday, and I can see that I have opened up a can of worms — something that I did not expect to happen, but should, perhaps, have expected. I will not say which it is.

• (1340)

Upon reflection, I wish to again repeat my question to the distinguished Leader of the Government in the Senate, in view of the fact that the Liberals held their national caucus meeting this morning. I did not attend that meeting, but someone must be worried about this matter. I see some friends here indicating that they are not. However, in my opinion it is a mistake not to follow the current activity regarding this matter. Public opinion is now based on all kinds of diverse facts, and that is wrong. No one knows exactly what security means any more, or how much it costs. I wish to tell the Leader of the Government in the Senate and all honourable senators that some ministers of the Crown of the previous government were not aware of the existence of the Communications Security Establishment — as indeed is the case with the present government.

Yesterday, the Leader of the Government in the Senate directed me to a report that I suggest other honourable senators might read, namely the report of the Special Senate Committee on Terrorism and Public Safety. I thank those who wrote the report for these copies. I also have a CSIS committee report from 1984. However, little has been said in these reports concerning the Communications Security Establishment. For some, it was a revelation that something like that should exist.

I will be blunt. After the reunification of Germany, it was discovered that the East German STASI, or secret police, that so-called monster, had files on practically everyone. We now discover that a master file exists on Canadians in the Communications Security Establishment. I will repeat publicly what I have said privately: If I were still president of the students' union at the University of Ottawa, at Carleton University or president of the Student Universities of Canada, I would organize a march. I would not get inside the building that houses the Communications Security Establishment, but I would destroy this monster machine unless I were given satisfactory answers.

Is it true that there are lists of tens of thousands of Canadians who may have disagreed with the government in the past? These were good, solid, loyal Canadians whose names may have been tarnished forever. Some people are asked for references before they are promoted. Often, references are made to security lists, or security checks, or security files. People whose names appear on such lists are never given the chance to confront anyone, but are denied all kinds of promotions. Is that the kind of country we want? Is that the kind of country we are proud of?

The world states that there is no better country than Canada. We must ensure that we will be attentive to civil liberties, not civil disobedience. We must retain the right of people to disagree.

I want to ensure that the minister will give me some information today, tomorrow or next week with respect to the possibility of the Senate looking into the matter of security in Canada. In this respect, we have three major items in the budget. We have ministers who do not even know that such establishments exist, and the budget is hidden under other titles in various different departments. This is strange. Surely the Senate has a role to play in this instance. I am prepared for any answer that the Honourable Leader of the Government may give, but I am not in a hurry. I am a patient man; that is why I accepted an appointment to the Senate.

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, as I indicated to my honourable friend yesterday, I will convey all his comments and concerns on this issue to my colleague the Minister for National Defence.

Members of this chamber realize that this is, indeed, a serious subject. I do not have answers for the honourable senator today. However, I reiterate that the Minister of National Defence and the Solicitor General have responsibilities in the area of the security agencies to which he refers. They are available for discussion through their Estimates at parliamentary committees on both sides of this building.

Far from not being involved in these issues, the Senate has been very involved over the years. We discussed the report that my friend has on his desk from the Special Senate Committee on Terrorism and Public Safety and the work that the Senate was

specifically mandated to do in the whole process leading up to the formation of CSIS, as a change from how the operation had existed previously. The Senate has had a major role to play in that process, and has been relied upon in these circumstances.

In the last several months we have been very much a part of discussions concerning the future of our defence policy, our foreign affairs policy, and as members of joint committees in this Parliament. The Senate has not been isolated from these issues; it has been very much engaged.

My honourable friend is aware of the sensitivity of these issues. I will ensure that my colleagues, including the Minister of National Defence, are aware of the honourable senator's concerns and suggestions, and I will respond as and when I am able to do so.

Senator Prud'homme: I am not an enemy of the Bloc Québécois or an enemy of Péquistes in Quebec. I do not share their opinions about Quebec becoming a country, but I become extremely annoyed when I see the mileage that they are gaining at a crucial time in our country by making people believe that they have been the sole target here. I see no answer forthcoming, nor do I see any action. In the overall area of security matters, this is a small drop in the bucket, but we are waiting to hear something concrete.

I am doing my best to deal with this situation, but it is difficult for me. All over the province of Quebec there is a feeling of extreme sensitivity concerning this issue. Night after night the Premier of Quebec, who is a fine gentleman and a great scholar — although I do not share his opinions regarding the future of Quebec in Canada — is voicing concerns and getting mileage out of his stance in relation to this matter. A distinguished new minister, Madame Beaudoin, who is an efficient person, is also seen on television. This is creating a lot of confusion.

I am not attacking anyone today. I am a positive person. I am merely drawing your attention to some difficult points. I was ready to proceed on the question of paying our share of the referendum. We waited and waited, and what happened? We paid after the damage was done.

I believe in damage control. I do not need an answer today, but I want the Leader of the Government in the Senate to realize that I will be persistent. I am very persistent when I have an opinion. I ask honourable senators to accept my comments as a positive gesture, and to take the matter seriously.

Honourable senators, I warn those of you who may not have a chance to scrutinize every television news program, particularly those in French but also those in English, to be alert. There is a red bell clanging and a smoke alarm going off, and we had better do something about it.

FORESTRY

CLAYOQUOT SOUND—GRANT BY CIDA TO PROTEST GROUP AGAINST LOGGING

Hon. Gerry St. Germain: Honourable senators, since I posed a question to the Leader of the Government in the Senate yesterday in regard to CIDA's funding, I have been in touch with various sectors of the forest industry in British Columbia, and I have learned that there is a major concern regarding funding activities that are destroying our markets abroad. As I pointed out yesterday, such activities fly in the face of good federal-provincial relations.

Will the Leader of the Government in the Senate tell us how she intends to proceed with this question, and how quickly we can expect an answer? There is an urgency in British Columbia.

Hon. Joyce Fairbairn (Leader of the Government): I thank my honourable friend, and I regret I do not have an answer for him today. However, I have forwarded his concerns and the materials that he sent me to my colleagues. I am assembling the background to his questions as quickly as I can, and I will advise him as soon as I have all of the material.

BUSINESS OF THE SENATE

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, yesterday the Leader of the Opposition brought to our attention the fact that there were some outstanding oral questions, and I promised to look into the matter at once. I now have a reply for him.

As far as I can determine, there are three outstanding questions, and two of them are from Senator Doyle. I expect that I will have replies by next Tuesday. That is my present expectation.

Insofar as the question with respect to peace-keeping, that information comes from the Department of National Defence. It has not come in as yet, but we are pressing them to provide the information.

TRANSPORT

SEARCH AND RESCUE—REPLACEMENT OF SEA KING HELICOPTER FLEET— GOVERNMENT POSITION—REQUEST FOR ANSWER

Hon. C. William Doody: Honourable senators, quite some time ago, shortly after we began this new session, I asked about the replacement of helicopters. I asked what the policy of government was, and what we could look forward to. That question may have been answered. If it was, it has escaped me. This is a matter of great concern in my part of the country, and I wonder if the deputy leader would look into it for me.

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, I shall certainly check immediately and find out where the question stands. If it has not been answered, I shall press for an answer.

ORDERS OF THE DAY

CRIMINAL LAW AMENDMENT BILL, 1994

SECOND READING

Hon. P. Derek Lewis moved the second reading of Bill C-42, to amend the Criminal Code and other Acts (miscellaneous matters).

He said: Honourable senators, I am pleased to speak on the motion for second reading of Bill C-42.

At the outset, I remind honourable senators that Bill C-42 was considered very quickly by the other place. It was acknowledged that the bill was important, largely nonpartisan and long overdue. It is now before us for our consideration.

The bill is to be known as the Criminal Law Amendment Act, 1994. It provides for many amendments to the Criminal Code, but it also contains some amendments to the Canada Evidence Act, the Contraventions Act, the Mutual Legal Assistance in Criminal Matters Act, and the Supreme Court Act. Many of the proposed amendments are minor or technical. However, quite a few are more significant. Taken altogether, they provide for significant improvements to our criminal justice system.

The source of most of the amendments is the Uniform Law Conference of Canada. Every year, the criminal law section of the conference adopts a number of resolutions, usually proposing remedial legislation for particular problems. The criminal law section is made up of delegations from all the provinces and territories, as well as a federal delegation. Most of the delegates are experienced in the criminal law as prosecutors, defence counsel, or senior officials in justice ministries. Other amendments in the bill originate from suggestions by the former Law Reform Commission of Canada, various judges, members of the bar, and federal and provincial departments and officials.

These amendments are aimed at solving particular problems. It is understandable that, even in the best of circumstances, problems in an area as important as criminal law are liable to surface in significant numbers. The stakes are high, and we have large numbers of competent counsel acting on behalf of people accused of a crime and on behalf of the state. The practices and procedures in place to operate the system are under constant scrutiny and are subject to vigorous testing.

However, the circumstances of the last 10 years have not been ideal. The criminal justice system has been under enormous strain, in part because of increasing crime and because of crimes which, in the past, may have been ignored or gone unreported but which now are regularly dealt with by the system. The areas of sexual assault and domestic violence are good examples.

The system is also strained because of the increasing complexity of criminal proceedings. It now takes longer and costs more to do business in the courts. Consider as an example the fundamental changes in what is happening in our criminal courts because of the Charter of Rights and Freedoms. In order to vindicate some rights enshrined in the Charter, many criminal matters explored in detail the way in which an accused person was apprehended, the way in which the evidence was gathered, and the way the accused was treated by the police or other services of the law. This adds a level of complexity to a procedural system which was not designed in the first place to handle such matters. The justice system must adapt, and new solutions to new evolving problems must be found.

Strain also results because the system is being asked to handle the increased volume and increased complexity with no increase in resources, or even with decreased resources. Provincial and territorial governments responsible for the administration of justice have to be prudent when considering resources for this purpose. Like other social programs, the objective is to provide the service Canadians want and are entitled to in as effective and efficient a manner as possible. These governments expect the federal government to do its share and to make improvements in areas of the law which add needless cost to the administration of justice.

This bill is aimed at reducing some of the strain resulting from increased court congestion, lengthier and more complicated court procedures, and shrinking resources. The bill does not provide for a major revamping of our criminal procedure system. It does solve a number of problems, many of them small, but taken together it will be easier for police, prosecutors, defence counsel, judges, and court administrators to do their jobs.

I should like to give a few examples from among the more than 100 clauses in this bill. Certainly I will not review each and every clause, but I hope that the examples illustrate how this bill will relieve some of the strain in our criminal courts.

Clause 3 of the bill proposes a minor change to subsection 4(6) of the Criminal Code to make it possible to prove by affidavit that a notice has been given or sent rather than by the oral testimony in court of the police officer or other official who gave the notice. Many notices must be given in relation to a number of situations identified in the Criminal Code. This is a small matter, but this change will help keep police on the street preventing crime, rather than in the courthouse standing around waiting to give routine evidence. Court time will be saved as well.

• (1400)

Clause 53 proposes a change to section 537 of the Criminal Code, which eliminates the requirement to have accused persons appear in court every week for the sole purpose of a further adjournment while awaiting the start of a preliminary inquiry. This is referred to by many as the eight-day remand rule. Section 537 currently limits adjournments to eight days, unless the accused and the prosecutor consent. Invariably, accused persons in custody do not consent.

These routine eight-day remands use up valuable court time. Considerable resources are required to transport and to guard detained accused persons between detention centres and courthouses. By eliminating the mandatory requirement for this often purposeless procedure, some of the strain can be eased, particularly in crowded, big city courtrooms.

The bill also proposes changes aimed at permitting the increased use of technology for certain matters. For instance, another change to section 537, proposed in clause 53 of the bill, would permit the use of closed-circuit television in certain circumstances.

Clause 44 proposes a change to section 515 of the code, to permit a justice to deal with bail matters by telephone on consent. This should save time and resources in some remote areas where an accused detained in custody must be flown into the nearest place where there is a justice. There are also other changes which would permit the use of the so-called "fax" machine for certain purposes.

We can appreciate that much of this bill is focused on procedural and technical matters, and that it will, if enacted, make significant improvements to the administration of criminal justice. It is certainly a laudable objective to make the criminal justice system more effective. Like much of contemporary society, all institutions must be modernized and adapted to changing times.

However, there is more to modernization than adaptation, increasing efficiency and maximizing the benefit from shrinking resources. Modernization and adaptation must be considered in a more substantive context. Some thought must be given to removing obsolete and anachronistic provisions, and to filling in gaps created by changes in society and in the law as it is evolving in society. The needs of victims of crime, witnesses and also accused persons must also be considered.

In my view, Bill C-42 contains some useful proposals which do just that. I wish to mention several. There are proposals repealing provisions which may have been relevant once, but which no longer have a contemporary purpose. Clause 9 repeals section 166 of the Criminal Code, which presently seeks to protect the public from the publishing of shocking judicial proceedings. The Supreme Court of Canada found a similar provision in a provincial statute, contrary to the guarantee of the freedom of expression provided by section 2 of the Charter of Rights and Freedoms. It should be out of the Criminal Code as well.

Clause 52 would repeal section 529, a provision providing for the issuance of an arrest warrant by a coroner, something which is no longer of value. Similarly, clause 604 provides for rights of disclosure in charges of treason. Legal historians see this provision as providing for special treatment of the peerage, as treason cases most often involve peers of the realm. Now, thanks to our Charter of Rights and Freedoms, the disclosure material provided for in section 604 is less than what is presently required for all indictable offences. This provision is but a historical footnote.

While the public may no longer need protection from scandals and salacious reports of legal proceedings, the public, witnesses and the accused might need protection from publicizing information concerning the ending of court proceedings, and information given to the defence to assist in a fair trial. Clause 62 proposes an amendment to prevent publicity with respect to certain pretrial proceedings to help ensure a fair trial for the accused.

Clause 61 proposes a new section 604, which restricts the use of material provided by the prosecution to the defence in order to avoid needless embarrassment to victims and other witnesses. The courts have made it clear that the defence is entitled to full disclosure of information held by the prosecution. This information may be highly sensitive and, if made publicly available, may needlessly infringe the privacy of witnesses. It might also generate excessive publicity, which could prejudice the right to a fair trial or lead to a change of venue.

This bill also contains measures aimed at better protecting victims of violence. There are changes to the peacebond provisions in the Criminal Code which are aimed at preventing crime. It is certainly better to stop a violent act from occurring than to bring someone to trial for committing such an act.

However, the reality is that, human nature being what it is, violent crime will continue. This bill has a number of measures which will make dealing with it a little more effective. For instance, a strong signal will be sent to judges by indicating that even minor instances of certain assault offences can be punished by up to 18 months' imprisonment when prosecuted on summary conviction, rather than the present six months maximum.

Clauses 44 and 48 will give authority to justices and judges who order pretrial detention for accused persons to also direct that they not communicate with witnesses. This will prevent telephone harassment and intimidation of victims. Experience has shown that in some jurisdictions accused persons can abuse their victims, even from behind bars.

There are also proposed changes to the arrest and interim release scheme in the code. These changes are aimed at better protecting victims and minimizing the inconvenience to persons detained in custody until they appear before a justice, only to be released after consenting to adhere to certain conditions.

Presently, the options available to police are limited to releasing unconditionally, or detaining in custody to permit a justice to order release subject to conditions often agreed to by the accused. The changes would permit an accused who was prepared to abide by one or more specified conditions to be released immediately. The conditions could include not communicating with the witness or the victim, or not going to a specified place which, of course, could be the residence of the victim.

Honourable senators, I mentioned that this bill contains changes of benefit to the accused. I noted already the objective of promoting a fair trial by prohibiting the premature publication of information about certain pretrial proceedings. I also mentioned the changes which reduce the amount of time some accused might have to spend in custody before release is authorized, subject to conditions. All these changes seek to benefit accused persons.

There are other examples. Time in custody could be reduced significantly for accused persons in isolated areas by making it possible to deal with bail matters by telephone. This change is contained in clause 44(1).

In some circumstances, it may be possible for accused persons to appear by counsel instead of having to sit in court while the lawyers and judges deal with procedural and evidentiary issues. The amendments provided for in clauses 53 and 63 will allow for this.

Honourable senators, this is an important bill which focuses on more than procedural matters. It contains provisions which will enhance the public confidence in our criminal justice system by ensuring greater fairness to the participants. It also gets rid of several obsolete provisions, and fills gaps created by other changes in the law. This bill is very much about bringing our criminal law up to date. More could be done in this regard, and more will be done. The government already has introduced several other bills directed at different aspects of the criminal justice system.

• (1410)

Last winter, the Minister of Justice issued a discussion paper about reforms to the preliminary inquiry procedure. Recently, a comprehensive document about the use of DNA technology was released. Obviously, more changes are in the works.

The bill clears the decks on a lot of miscellaneous matters and I hope to see it in force as soon as possible. It contains very little which will excite public interest or controversy, but contains much which will be of benefit to the public, particularly the public that comes into contact with the criminal justice system. Police officers, lawyers, court officials, judges, witnesses, victims in particular, and even accused persons will be affected.

The bill is long overdue and contains provisions which should be put in place as soon as possible. I very much hope that, as was the case in the other place, it can be treated in a nonpartisan manner and that it will be considered by the committee carefully but quickly.

Many matters to which I have alluded may require much detailed study. This will provide considerable material for discussion in committee. I recommend support for the bill.

Hon. Jean Noël Desmarais: Honourable colleagues, I am pleased to speak today to Bill C-42, an omnibus bill which intends, as the Minister of Justice said in his press release:

> ...to modernize the law and improve the administration of justice in keeping with the needs of society and advances in technology.

That is, of course, a laudable goal.

This bill is the result of work dating back a number of years. Some proposals date as far back as 1982.

[*Translation*]

However, the bill mainly reflects proposals that were formulated between 1987 and 1993 by the criminal law section of the Uniform Law Conference of Canada. In addition to technical amendments, it also contains significant amendments aimed at improving, in short order, the fairness and efficiency of the justice system. According to the minister, these amendments will result in a more cost-effective system of criminal justice and will help peace officers intervene more effectively.

[*English*]

Although I support the thinking behind these changes, I am concerned with the absence of monitoring, the lack of any type of quality control or outcome study which could tell us whether these changes do work in the public interest. That may be something for the Uniform Law Conference to keep in mind.

A former law professor recently told me that to fully comprehend the relationships of each of these amendments and their effects on everyday Canadian life, one would have to spend the necessary time behind stacks of related statutes, the Criminal Code in one hand and this bill in the other, and one would still lack a key ingredient for judging whether these amendments are in the public interest. That is from one with years of experience with the criminal justice system.

I am impressed by the manner in which proposals find their way to the Department of Justice, vetted by various professional organizations and based on real situations.

Additionally, the professor related to me a story of an unnamed judge who, because of an inadequacy in the system, made suggestions that were seen to be useful and which have found their way into these amendments. Of course, I was not surprised to learn later that such wisdom originated in the sunny and beautiful city of Sudbury. Making the system more just and efficient is important, and deserves our support.

[*Translation*]

Since Canadians want to see specific measures to deal with duplication and overlap between various levels of government, it is only fair to expect our criminal law system to produce recommendations based on the principles of efficiency and effectiveness, while at the same time guaranteeing that justice is done in the public interest. In this respect, I was pleased to hear that the provinces approve of the amendments proposed in this bill.

[*English*]

While workloads between court levels will be affected, the objective of one of the proposals is to make it easier for the Supreme Court to manage its workload and to remand cases to lower courts for further proceedings when that would be just in the circumstances. This, I understand, is long overdue.

Other proposed changes aim at increasing the use of technology, such as permitting the use of fax machines in certain procedural matters and allowing people to appear by closed-circuit television at certain portions of preliminary hearings.

I was quite interested in these technological proposals. In my own field, "telemedicine" is becoming a way for physicians to offer health care services to rural areas. Telemedicine allows interactive video consulting and transmission of x-rays to areas which lack services. There are some relevant parallels between what we are discussing and what is happening in the field of telemedicine.

Although this bill is not to be seen as a cost-cutting proposal alone, one can only assume that changes such as that proposed for section 528 of the act dealing with copies of affidavits or warrants — officers of the court no longer will have to travel long distances to present someone with a warrant for his or her arrest — will save the justice system time and expense.

While there is an amendment which would provide for conducting some pretrial procedures by video communications, I am hopeful that the government will see fit to include expert witness testimony and the like in its next set of amendments, some of which will also aim to modernize the Criminal Code.

There are numerous other examples of common sense amendments, such as that which will permit statements to be videotaped. The present law says that first a written transcript must be made. That only results in more time and money spent at taxpayers' expense.

Moving from technology to the human factor, on the matter of making certain crimes of violence dual procedural offences, I am told that various women's groups are unhappy with giving the Crown prosecutor the option of dealing with certain crimes of violence either as an indictable offence or as a summary conviction. I can understand their apprehension and trust that officials will continue to work closely with concerned groups to monitor the effects of the proposed changes.

With victims in mind, I wish to add my support to the argument that a national registry of DNA samples taken from persons convicted of a criminal offence be developed here in Canada. It would be a practical tool which could serve both as a means to apprehend and convict, and to defend. Computer databases with DNA profiles could certainly be used in crimes without suspects, or even for unsolved earlier offences. The government should seek to move on this matter, as it is clear other nations have.

I have read the comments of the Parliamentary Secretary to the Minister of Justice on this question during debate in the other place. He explained that the reason a DNA registry was not included is that there is a discussion paper now circulating on DNA. The Minister of Justice promised to give until November 20 for submissions on this discussion paper.

• (1420)

Dealing with the matter of a registry and other questions on DNA, the parliamentary secretary then added:

> The minister is undertaking that new legislation will be brought forward, if not by the end of the year, then early in the New Year.

As many Canadians are concerned with the means by which the justice system can resolve some of its inadequacies, I expect that that system will be looking to the various professional organizations and to the government for support in developing such a registry.

The fact of not having a provision for DNA evidence demands serious attention, as it could prove to be an embarrassment to the Canadian justice system.

[*Translation*]

According to a very interesting article I read last week, John Edwards of Correctional Service Canada announced that the population of this country's 41 penitentiaries would increase 7 per cent this year, and another 5 per cent annually in the next two years, although until now, the annual increase had been around 3 per cent. That is a substantial increase. Mr. Edwards attributed this to strong public pressure on judges to be more severe in cases of violent crime, and he pointed out that many judges had been criticized for being too lenient.

He added that in the United States, the number of persons incarcerated had soared, increasing from around 300,000 ten years ago to nearly one million today. Despite this increase among our neighbours to the south, many studies conducted by the Justice Committee have shown that putting more people in prison has done nothing to stem the tide of violent crime in the United States. I intend to watch very closely to see whether the number of people incarcerated will go up or down as a result of the proposed amendments we are discussing here today.

[*English*]

I have been informed that, from a purely economic point of view, the outcome of a number of criminal pursuits hardly justifies the time and money spent by the courts in administering justice. It is to be hoped that these changes will enable the courts to avoid unnecessary time, stress and expense.

In the other place, there was much debate on the issue of raising the monetary limit for theft and other property offences to $5,000 from $1,000 in order to keep more common offences in the provincial court system. The problem does not lie in whether or not there is something wrong symbolically in raising the limit. The reality is that theft under $5,000 is best dealt with in the provincial court, while anything over is best dealt with at the federal court level.

One question we should be asking is this: In terms of actual cases, what is the appropriate range of sanction? Of course, this is for another debate. Taking away the judge's ability to sentence by legislating ranges and relative minimums is the American way. We know what studies say about putting more people in prison: It has not solved America's violent crime problem.

Succinctly put, our system is not geared to lock up petty criminals. Whether that is right or wrong may be the basis for another discussion. What is important is that the laws that govern how the system works are in line with what is actually happening. I am of the opinion that these changes move in the right direction.

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, I wish to make a brief observation.

As has been mentioned, this bill did not receive in-depth study in the other place. It went through the House in one day, where it was dealt with in Committee of the Whole. I hope that because of the actions over there, our committee will not hesitate to give it a full study and obtain whatever witnesses we need to appear before us. It is the kind of work that the Senate and its committees can do particularly well.

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 Lewis, bill referred to the Standing Senate Committee on Legal and Constitutional Affairs.

CANADA'S FOREIGN POLICY

SPECIAL JOINT COMMITTEE AUTHORIZED TO EXTEND DATE FOR PRESENTATION OF FINAL REPORT

Hon. Gildas L. Molgat (Deputy Leader of the Government), pursuant to notice of October 25, 1994, moved:

> That notwithstanding the Order of the Senate adopted on Wednesday, March 23, 1994, the date for the final report of the Special Joint Committee on Reviewing Canada's Foreign Policy be extended to Tuesday, November 15, 1994; and
>
> That a Message be sent to the House of Commons to acquaint that house thereof.

He said: Honourable senators will know that we received a message from the House of Commons advising that that House had extended the deadline for this report to November 15. My motion simply puts us on the same footing as the other place.

This is a request for a two-week extension. I do not think it will change much. The committee felt that it needed the additional time to complete its report.

Motion agreed to.

• (1430)

TRANSPORT AND COMMUNICATIONS

COMMITTEE AUTHORIZED TO CONTINUE SPECIAL STUDY OF NATIONAL TRANSPORTATION ACT REVIEW COMMISSION

Hon. Donald H. Oliver, pursuant to notice of October 25, 1994, moved:

> That notwithstanding its order of reference of March 17, 1994, the Standing Senate Committee on Transport and Communications be authorized to continue its special study on the report of the National Transportation Act Review Commission, entitled *Competition in Transportation, Policy and Legislation in Review,* tabled in the Senate on March 23, 1993 (Sessional Paper No. 323-912), and other matters relating to transportation; and
>
> That the Committee present its report no later than June 30, 1995.

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, I have a question for Senator Oliver. I have no problem with the first part of the motion, since it is simply to continue the study that has already been started on the National Transportation Act Review Commission.

However, it seems to me that the final words of the first paragraph in the motion create a rather broad situation, where it says "and other matters relating to transportation."

Senator Doody: That covers the waterfront.

Senator Molgat: That really covers the waterfront, as Senator Doody says. I have no problem with the first part of the motion. However, in my opinion it is expecting too much for the Senate to agree to the type of opening that is included in the second part of the motion.

Would Senator Oliver be prepared to remove those five words? If he needs further instruction or authority to go into other areas, he could come back to the Senate at that time. However, unless we are prepared to change our rules or our past practice, it is just not good practice for the Senate to give that type of broad authority to a committee.

Senator Oliver: Honourable senators, the language in this motion tracks the language of the original order of reference granted by the Senate last year. At that time, it included the language "and other matters relating to...". In other words, the language is identical.

The purpose of this motion is to extend the time for the report, which expires at the end of this month. This motion is merely asking for an extension of the original order of reference, in the precise language in which it was initially accepted by the Senate.

Senator Molgat: I must have missed it the first time around, if I were present at the time. However, if we missed it then, that does not necessarily mean that we should agree to it now, because it does present a problem for the Senate.

Perhaps Senator Oliver could tell us what he has in mind in terms of "other matters relating to transportation".

Senator Doody: This may take quite a while.

Senator Oliver: Honourable senators, we had the former chief negotiator, Mr. Molgat, appear before our committee, both last year and this year.

Senator Lynch-Staunton: That is a related matter!

Senator Oliver: The former chief negotiator, Mr. Molgat, provided some enlightenment into the bilateral negotiations that were underway. We intend to continue reviewing that subject.

As the honourable senator will know, the transportation committee in the other place is currently undertaking a similar

study. There has been some discussion as to whether some of the studies could perhaps be conducted concurrently, but that matter is still up in the air. The Standing Senate Committee on Transport and Communications will be meeting when the Senate rises today to discuss the further business of the committee, and that will be one of the matters discussed at that time.

Senator Molgat: I assure Senator Oliver that referring to my eminent and intelligent brother does not change my view as to broadening the scope of his inquiry.

Senator Doody: Nepotism notwithstanding.

Senator Molgat: If Senator Oliver should decide to go into other areas of transportation, would he advise the Senate so that we will know what the committee is doing?

Senator Oliver: I would be delighted to do so.

The Hon. the Speaker: Honourable senators, is it your pleasure to adopt the motion?

Hon. Senators: Agreed.

Motion agreed to.

The Senate adjourned until tomorrow at 2:00 p.m.

THE SENATE

Thursday, October 27, 1994

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

Prayers.

THE HONOURABLE ROBERT MUIR

TRIBUTES ON RETIREMENT

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, once again we are called on to say farewell to a colleague who is leaving us on November 10, the day of his mandatory retirement. I am speaking, of course, of our colleague Senator Bob Muir, who brought to parliament in 1957 a great deal of practical experience, allowing him to represent the concerns of his generation with very special knowledge and understanding.

Senator Muir came to Canada with his family from Scotland at the age of two. They settled near Sydney, at Sydney Mines. At 15, in the midst of the depression, he had to leave school, and he found himself a job in the coal mines for $1.00 a day. At the age of 20, he was severely burned in a mine fire, and a few months later he was taken to the hospital following a rock-slide in the mine, which left him with his spine broken in two places and a number of broken ribs. Many other men would have been discouraged and depressed by such an experience, but not Senator Muir. He decided to start a new career above ground, and so he did.

Senator Muir got involved in community affairs. He was also involved in the labour movement and in hospitals. For ten years he was a town councillor in Sydney Mines. Finally, he was persuaded to run as a Conservative candidate in Cape Breton. He ran in 1957, and was re-elected in 1958, 1962, 1963, 1965, 1968, 1972 and 1974. In 1979, Prime Minister Trudeau, in one of his more judicious and inspired appointments, sent him to the Senate.

Senator Muir's approach to politics has always been constant. It was best described by him in an interview he gave to the Halifax *Chronicle-Herald* in May 1965, when he said:

> My number one duty is to the constituency that sent me here... I have no aspirations to make a name for myself on the national scene... I have no desire to take on positions that would distract me from my constituency work... I like the work and am prepared to stay here and do it as long as the people want me.

Senator Muir never failed to take up causes in Cape Breton, including ticking off the CBC for restricting or reducing Gaelic programming. At one time, he even raked over the coals a minister of the Crown whose name I will not mention. This minister called Cape Breton coal miners lazy. Senator Muir said that this particular minister had his "tongue in high gear when what little brain he's got is in park."

He even took on Senator Olson — who was then Minister of State for Economic Development — over the replacement of a Cape Breton coal-fired heating plant with oil burning units. I will not repeat here how he categorized that decision.

Senator Muir was not even afraid to take on his own government when vacancies on the Devco board were not being filled. Senator Murray quickly took care of that problem.

At a testimonial dinner in 1979, Bob Muir was recognized as a man of the people and a people's man. He was when he came to this house, he was before going into public life, and he remains so now. This is the same man we salute today.

Honourable senators, on behalf of Senator Muir's colleagues on this side, I want to wish him many years of well-earned retirement from the Parliament of Canada. Our loss is a great one, but we are delighted that Cape Breton is getting him back full time.

Hon. Senators: Hear, hear!

Hon. Joyce Fairbairn, (Leader of the Government): Honourable senators, I should like to add my own words of congratulations and tribute to our colleague Senator Bob Muir on the occasion of his retirement from the Senate in a week or so. We are saying farewell today to a true gentlemen and — may I say from a background of many years — a good friend and a very kind and generous spirit.

Senator Lynch-Staunton has indicated that Senator Muir was born in Edinburgh, Scotland, and came to Canada at a very early age. That is true, but I do not believe it was so early that the blood of the determined Scot was not flowing fiercely through his veins.

Senator Muir has had a long and very distinguished political career, serving first as a member of Sydney Mines town council for ten years, before being elected to Parliament in 1957 as the member for Cape Breton North and Victoria, which later became Cape Breton—The Sydneys. He was re-elected in every general election up to and including 1974. In that period and since, Senator Muir has been synonymous with public service in one of the truly fine and beautiful places of this country, a place that is also very dear to my heart.

In his work as a member of both houses of Parliament, Senator Muir has been known as a true constituency man, in the finest sense of the word. He has pursued a number of issues with great vigour, championing the causes of many of our society's less fortunate. He has become known and respected for his efforts to improve the conditions facing Cape Breton steel workers and miners, to address the chronic problem of unemployment in his region, and to advocate the rights of aboriginal people, the disabled and the pensioners in this country.

In 1979 — and my friend Senator Lynch-Staunton referred to it as an inspired choice — Prime Minister Trudeau knew a good man when he saw one. He appointed Bob Muir to the Senate.

• (1410)

His arrival in this chamber certainly met with great praise in his home province. According to an editorial in the Halifax *Chronicle-Herald* at that time, Senator Muir —

> ...has the qualities that befit a Canadian senator: dedication to the task, a deep understanding of the political system, and an oft-demonstrated willingness and ability to speak with firmness and fairness for the rights of the "little man".

Senator Muir has indeed fulfilled those expectations, and has done so here and in the other place with refreshing candour, with humour, and with much common sense. In one of his earliest interventions in this chamber, Senator Muir said:

> I believe the first concern of a concerned government should be the relief of those in need.

He has lived by those words, and no matter the political stripe of the government of the day, he constantly urged it to remember and to act on the plight of those in need.

In the Senate, he has worked conscientiously on a number of challenging committees, including Internal Economy, Budgets and Administration — always a demanding one; Foreign Affairs; Transport and Communications; Aboriginal Affairs; and Standing Rules and Orders. He also served from 1980 to 1983 on the Special Joint Committee on the Constitution.

As has been noted, throughout his life Senator Muir has been a real fighter. He survived and overcame injuries sustained in a coal mine fire and later a cave-in, and he has recently battled illness.

We have been very glad to have you back here, Senator Muir. We very much hope your restored health will pave a pathway to a very full and active retirement. We know you will never lessen your concern for, nor your pride in, the people of Cape Breton, the people of your province of Nova Scotia, the people of Canada. You have made all of them proud in your contribution here on Parliament Hill.

I speak on behalf of all of my colleagues today in wishing you many happy years ahead with your family on the island that you love.

Hon. Senators: Hear, hear!

Hon. John M. Macdonald: Honourable senators, I have known Bob Muir perhaps longer than anyone else in this chamber. As I remember, it was in a provincial election in Nova Scotia, way back in 1937 when Bob first became active in a small 'way in political life — and may I say it was at my instigation. His real political career began in 1957 when he became a member of the House of Commons. It is a fine tribute to the esteem in which he is held that he was re-elected in 1958, in 1962, in 1963, in 1965, in 1968, in 1972, and again in 1974. I guess he would still be a member of the House of Commons if he had not been summoned to the Senate in 1979. In other words, honourable senators, his remarkable political career, which began in 1957 and is now ending in 1994, spans a period of some 37 years.

Honourable senators, it is not my intention today to speak of Senator Muir's activities as a member of the House of Commons or as a member of the Senate. Others may do that. I want to speak of him as a person, and as a close political and personal friend.

'Way back in 1965, Linden MacIntyre, the parliamentary reporter for the Halifax *Chronicle-Herald*, wrote a profile on Senator Muir. In part, he said:

> Bob Muir is a man who had to struggle for every inch of ground he has gained in life.
>
> He grew into young manhood just in time to get the full brunt of the hungry '30s.
>
> At the age of 15, he had to quit school to work in the coal pits.

The coal mines where Bob Muir first held employment were small. The work was very difficult and was done under extremely adverse conditions. Hard work and low pay were customary. When a new mine was opened in that vicinity, a modern, mechanized mine where working conditions were good, Bob obtained employment there.

It was the irony of fate that, while working in this modern mine, he had two serious accidents. In the first, he was caught in a flash fire and was severely burned. In the second, he was caught under a fall of stone and suffered a fractured spine, which ended his coal mining days and almost ended his life. Bob was in hospital for many months, and was told he would always have to use a wheelchair. However, a successful operation done in Montreal, known as a spinal fusion, enabled him to walk again, after another long hospital stay.

Honourable senators, when Bob Muir worked in the coal mines, he was active in union matters. He became a member of the executive of the local United Mine Workers. Indeed, several times he was a delegate to the international convention of that union.

It was while in hospital that Bob became a student and took various courses which were then available. He became so well read that he was able to make up for his lack of university education. His long hospital stay also gave him a lifelong interest in hospital care and medical care. He later became interested as well in municipal politics as a member of the town council of Sydney Mines, where he served for many years.

Honourable senators, Bob Muir has had to overcome many physical misfortunes in order to lead a normal life. He did, and in so doing earned the respect and, indeed, the admiration of all who have known him.

After Bob Muir became a member of Parliament, he gave new meaning, as it were, to the "duties" of that office. However, I should like to describe him as I know him and as I have known him. Senator Bob Muir is a man of high character: hard working, honest, upright in all his dealings, a good man in every way who has served his people well over the years. I do not know just what his plans are for the future. I do know he will keep busy. The fact that he has rented office space in his home town of Sydney Mines leads me to believe that he is about to start another career.

However, I would be giving Bob too much credit if I did not mention how much he owes to his wife, Mary. She was the one who was always there to give him hope when he needed it. She gave him encouragement when he needed encouragement. She is the one who still deserves a great deal of credit for Bob's distinguished career.

Honourable senators, I am glad to be able to pay this small tribute to my old friend Bob Muir and to his wife, Mary.

Hon. Senators: Hear, hear!

Hon. H. A. Olson: Honourable senators, Senator Muir and I were elected to the Parliament of Canada on the same day, June 10, 1957. More important, we came to the first session, which began in October of that year, and together we went through the whole learning process here. Perhaps he learned faster than I did, but we attended the same classes.

• (1420)

I wish to associate myself with all the things that have been said about Bob Muir. I completely agree with them. On a personal note, after almost — but not quite — 38 years here, I wish him well.

Hon. John Buchanan: Honourable senators, I wish to say a few words in tribute to Senator Muir. It bears repeating that he has had a long and distinguished career here in Parliament: for 22 years as a member of the House of Commons and for 15 years as a member of the Senate. There is no doubt in my mind that had Bob Muir not come to the Senate but had continued to run in elections after 1979, he would still be over in the other place as a member of Parliament. I believe that "Allan J.," as he is affectionately known in Cape Breton, and my good friend Senator Graham agree in their hearts that what I have just said is absolutely correct. Is that not true?

Senator MacEachen: Yes, absolutely!

Senator Buchanan: As you get older, you get wiser.

Bob Muir has had a long and distinguished career. He is the epitome of what one would call the grass roots politician. We always hear that term "grass roots". It means that he is a populist — that is, a people person. The words "people" and "politics" are synonymous to him. That is what made the people in Cape Breton vote for Bob Muir in every election — not only for political reasons but also for many other reasons and problems that they had. They knew that they could go to Bob Muir and he would do the best job he could for them. He could go anywhere in Cape Breton and be accepted. Whether it was a Legion meeting, church meetings, lodge meetings, or political meetings, it did not matter; he was accepted.

I am sorry to see him leave the Senate, but when he goes back to Cape Breton, as John M. said, Bob will take up something else right away.

I am a Scot, but maybe he is a better Scot. I was born in Cape Breton and he was born right on the old sod, in Edinburgh. Years ago, at one of the various meetings I had attended in Cape Breton, Bob asked me, "What does the 'M' stand for in your initials?" I said, "Well, Bob, my father's mother was a MacLeod from North River and my mother's mother was a MacLennan." His reply was very typical of Bob Muir. He said, "There are many parts of Cape Breton where there are more MacLeods than people of any other name. You should be John MacLeod Buchanan there, and when in MacLennan territory, you should be John MacLennan Buchanan." This fellow is a smart and cagey politician.

Bob Muir has been a political colleague of mine for over 30 years. More important to me, though, is that he has been a personal friend of mine for over 30 years. I wish to conclude this tribute to him by saying:

May the road rise up to meet you.

May the wind be always at your back.

May the gentle rains fall upon your fields.

May the sun shine brightly upon your countenance.

May the Lord hold you, Mary, Robert, Gary and Ruth, in the palm of his hand forever. And this I extend to you: best wishes for a long and happy retirement.

Hon. Allan J. MacEachen: Honourable senators, Senator Muir entered the House of Commons in 1957, as has been mentioned, having defeated the sitting Liberal member, Dr. Bill Buchanan.

Senator Buchanan: That was my cousin!

Senator MacEachen: Also entering the House of Commons from Cape Breton in that election was Donald MacInnis. He defeated the late Clary Gillis, who was the coal mining representative from Cape Breton for a great number of years. Mr. Gillis had established a reputation across Canada as a spokesman for the working people, and at one time he was the only CCF member in the House of Commons east of the prairies. He was joined for a period by the late Mr. Noseworthy who, as I remember, sat in a seat representing Toronto.

I was elected in 1953. I clearly remember the impact that both Bob Muir and Donald MacInnis made in the House of Commons when they came there. The Conservative Party was on the rise, and was poised to form a government, which it did in the election of 1958, temporarily interrupting my career in the House of Commons.

What impressed me about Bob Muir and Donald MacInnis was that, as persons in the true coal mining tradition with experience in coal mining communities, they could speak with a credibility that few had in the House of Commons. Those days were acrimonious days of political controversy because the two major parties were vying for office. None succeeded in holding a majority status in the House of Commons for a long time. Mr. Diefenbaker had a majority in 1958 which disappeared four years later, and Mr. Pearson failed to gain a majority during his five years as Prime Minister. The result was that both Bob and I had to fight three additional federal elections because of the successive minority situations that prevailed at that time. I still resent that outcome which forced us into these elections so frequently.

Bob Muir made an impression. It was a time in the House of Commons when real debate occurred, when members of Parliament made an impression, when they stood for something, and when they did not disappear into the anonymous mass of backbenchers. That was a wonderful period in the history of the House of Commons.

The time then came for a change, and as Senator Fairbairn put it, the Prime Minister knew a good man when he saw one. All I can say is that the Prime Minister's eyesight was assisted by his deskmate in the House of Commons at that time!

• (1430)

I remember the circumstances clearly; the natural discussions that would occur about the appointment of a Conservative to the Senate by a Liberal Prime Minister, and in particular who that choice would be. Of course, a secondary consideration was whether it was necessary or useful to appoint Mr. Muir, because we would defeat him anyway in the next election. The charitable point of view prevailed. Senator Muir was called to the Senate, and he has had a good career since then.

Honourable senators, Senator Muir and I spent many years together in the House of Commons, and 10 years together in the Senate. His departure will be a break in the continuity, not only of our political relationship, but of his representation of the Island of Cape Breton.

As I said earlier, there were acrimonious and politically charged moments in the House of Commons in those early years because of the political struggles that were fought, won and then lost by each party. Despite those struggles, I do not think the Leader of the Government will find on the record any criticisms made by me about Bob Muir in the House of Commons. I also doubt if she will find any that Senator Muir made about me, because while we maintained an acrimony, there was also mutual respect and admiration, which has continued on my part until this day.

[Senator MacEachen]

[*Translation*]

Hon. Marcel Prud'homme: Honourable senators, you will not be surprised if I pay tribute to my friend, not only as an independent senator —

[*English*]

He will not be surprised either. I hope he will forgive me if I relate a personal anecdote. Senator MacEachen was kind enough to tell us about some discussions that took place in the House of Commons relating to his seatmate.

I should like to relate a story which happened in my career, since three witnesses to it are present. I was travelling with a good friend who taught me much about the Maritimes, Nova Scotia and, in particular, Cape Breton. His name was Mr. Muir. We were both active in certain parliamentary associations. I always wanted to know about the "others," that is, those who do not speak my first language.

We were travelling together in China. A colleague whom we found embarrassing was assigned to my car. At that time in China, everything was extremely disciplined. If you were assigned to a car for 10 days, then you had to travel in that particular car for 10 days. The person who was assigned to share that car with me was not the best character with whom to travel. I insisted of my Chinese host that I have as my companion Mr. Muir, but to no avail. If you did not travel in the car to which you were assigned, then the caravan would come to a complete standstill. After much persistence on my part, Mr. Muir and I were finally assigned to the same car.

Honourable senators will know that, since my appointment to this place, I have always performed my constitutional duties as a senator. However, in my other life I used to do my Liberal duty. In talking about the future with Mr. Muir, I said, "It's too bad that in the Senate there are not more representatives of the various types of people who live in Canada. For instance, Mr. Muir, you represent the worker. You have always stood up in the House of Commons for the rights of miners. You would be a perfect choice for an appointment to the Senate someday." He replied, "Are you kidding? I'm a miner. Nobody would ever appoint me to the Senate."

He then gave me some supplementary information. He said, "You know, my seat is not a Conservative seat; it is a Liberal seat." That was enough for me. I made a rapid phone call. I still have my bill for that call because, in the old days, it was quite expensive to call from China to Canada. I reported, as I have always done, faithfully to the people involved, my conversation with an esteemed friend who I thought would be a good addition to the Senate.

Mr. Muir represents to me what I think the Senate should be; that is, representative of the people of Canada who come from every walk of life. Although he is leaving the Senate, my communication with him will not end. He has always tutored me about many aspects of Canada. He exemplifies how Canadians should live together, that is, by trying to know and understand each other better.

Senator Watt has also been my tutor. Both he and Senator Marchand have taught me much about our aboriginal peoples and, as a result, my attitude and perceptions have changed.

I am sorry to see Senator Muir leave. I say only "au revoir," and not "good-bye." I am grateful to have had him as a good friend over the years.

Hon. B. Alasdair Graham: Honourable senators, while Senator MacEachen was the seatmate of the then Prime Minister Trudeau, Senator MacEachen being the Deputy Prime Minister of the country, I was one of Senator Muir's constituents. I was also president of one of the major political parties in the country interested in the future of the area.

As I listen to my colleagues speak of Senator Muir, particularly those with roots in that particular part of the country, I am reminded of the view held by some Cape Bretoners that there are really two kinds of Cape Bretoners: those who were born there, and those who wish they had been born there. Some even regard their birth on Cape Breton Island as a personal accomplishment rather than a biological accident.

In our part of the world, Dr. Jimmy Tompkins, one of the founders of the St. Francis Xavier University Extension Department, was famous for saying that when a man gets up on his hind legs, no one can walk on him. Dr. Jimmy did not just say it, he worked at it. He worked at it daily by giving little people the inspiration to stand up straight and tall, with pride in their own humanity, and with a belief that no man or woman is better than any other. As a friend and admirer, I can honestly say that Senator Bob Muir has spent most of his life not only thinking and believing but, most important, practising that philosophy.

As has already been mentioned, Bob was a coal miner himself. He learned from practical experience that little people really are Canada. It is in their hearts and minds where the real meaning of "Canada" is defined daily. It is in the coal mines, the steel mills, the aboriginal communities, the offshore places, the northern places, the farms, the forests and the factories. It is in all the ordinary places that the real Canada is born, revitalized and reborn daily.

The real Canada is found in all its ordinary places. The real leaders, those who really count in this country, are those who recognize and give testimony to this simple truth.

• (1440)

Therefore, to be the quintessential constituency person, as Senator Muir has always been, is a simple recognition that our people are our tapestry, and that no man or woman achieves greatness without a regular communion with them. For it is the little people who have had the conviction that something better than the status quo could be built here, from the Atlantic to the Pacific. It is those of great hearts, such as Senator Muir, who have ensured that absolutely no one could walk over them, simply by giving them the daily inspiration to stand up straight and tall.

Alfred Lord Tennyson once wrote, "I am a part of all that I have met." He wrote that without ego. It was a simple recognition of his humanity. Many of us can live long lives without recognizing or acknowledging that basic truth; not so Senator Muir.

Indeed, it is the greatest tribute I can pay you to say to you, Honourable Senator Bob, that you have been part of all you have met, and that the lives touched by you on a daily basis have been made immeasurably richer by your presence. I extend to you, to your wife, Mary, and to all the members of your family an expression of gratitude for your great work, and your wonderful friendship. Best wishes for good health and happiness in your retirement.

Hon. Len Marchand: Honourable senators, I will not be long. The tributes thus far have mentioned much of what should be said about Senator Muir.

I served with Senator Muir on the other side, in particular on the Indian Affairs Committee, as it was called in those days. His friendship and work did not go unnoticed. I appreciated very much the work that he did.

Senator Muir, I have always appreciated your friendliness, your attitude toward our people, and the knowledge you have about them. I wish you well in your retirement. I wish you and your family all the happiness as you start the rest of your life.

Hon. M. Lorne Bonnell: Honourable senators, as I listened to all the good things being said about Senator Bob Muir today, the thought came to me that it would be apropos to join in and agree with those compliments.

Senator Muir was just a little Scot from Cape Breton when I began my political career six years before him. I saw this little Scot elected in Cape Breton during the Diefenbaker sweep, when my fellow Canadians turned towards the blue. My friend Senator Phillips from Prince Edward Island rode that tide. At one point I thought that it may be the beginning of the end for me, but I am still on the go, and still in this place with Bob Muir.

I did not get to know Senator Muir personally until he was appointed to the Senate, not by his own party but by the good old Liberal government of Pierre Trudeau. The Liberals of the day realized that Bob Muir had, in the bottom of his heart, a liberal philosophy to help the poor, the underdog and the underprivileged. He did not stand for big business or big companies; he stood for the little people. That is why the Liberal government said that this man should represent the people of Cape Breton until he reached 75 years of age.

Bob Muir is a people's man. He spends a lot of time and a lot of money supporting crippled children with bone deformities and burns. He contributes to that cause each year.

Senator Muir and I have an old friend we call Hiram with whom we have travelled at different times. In fact, Senator Muir and I travelled to South Africa together. We fought to bring an end to apartheid. We dined with many coloured leaders in South Africa to hear their firsthand view of how we could help to bring an end to apartheid. Senator Muir will remember the interesting conversations we had with the leaders of the black communities of South Africa. During that time, I got to know Senator Muir and his wife, Mary, on a personal basis, and we became very close friends.

When Bob Muir leaves the Senate to go home to bigger and better things, I will be losing a good friend, a good companion, a good parliamentarian, and a good Liberal. I know that in the last year Senator Muir has had difficulty with his health. He is getting over that now, and getting ready to start his new career. I hope that he and Mary and his family will have many years of good health and happiness together and the opportunity to look after more of those crippled and burned children in the future.

Hon. Orville H. Phillips: Honourable senators, I feel I must say a few words about the Honourable Senator Muir, though I find it difficult to refer to him. We were both members of the kindergarten class of 1957, which came in with the Diefenbaker sweep.

I recently travelled by plane with a Liberal from Cape Breton who said that Bob Muir is regarded as a god there. I had never thought of him in that way. We had many discussions and many disagreements on various viewpoints, but in Cape Breton he is, as the Liberal MP said, considered a god.

I will remember Bob Muir as a friend with whom I could discuss a multitude of issues. I could agree or disagree with him, but we were always friends.

As we approach a certain age, we think of people retiring and of them having a "golden" future.

Senator Muir and his good wife, Mary, as a result of a car accident, have encountered a number of physical problems. Senator Muir was admitted to the National Defence Medical Centre with aortic and then cardiac problems. Fortunately, he has recovered from all of those problems and is now considered by the National Defence Medical Centre to be in good health. It is my sincere hope and wish that he and his wife, Mary, make a complete recovery from all of their physical problems and that they enjoy the days ahead.

May he also continue to enjoy the attitude of those Cape Bretoners who regard him to be somewhat of a god. I know of his Presbyterian background and of his wife's Seventh Day Adventist background. Somewhere in between, they will find a Buddha-like atmosphere of peace. It is my hope, my honourable friend, that you will become the "Buddha of Cape Breton".

Hon. Robert Muir: Honourable senators, to respond immediately to my dear friend and colleague Senator Phillips, I say, "*Dominus vobiscum.*"

To the uninitiated and to those people who have recently been appointed to this chamber, this is the only place I know of where you can listen to your own eulogy. That is kind of nice because, when you are stretched out in that oak box, or whatever it is made of, you will not hear it then. You will know nothing about it. It is much better to hear it in this chamber.

To all of you, thank you so very much. I have been away for a period of time dealing with the problems that have been outlined. I would wish our new Clerk, who was appointed during my absence, all the best.

To our new Speaker with whom I served in the other place, I convey my best regards. Before he became a member, our Speaker worked with the Right Honourable Lester Pearson, a great man.

The Honourable Senator MacEachen will remember the problems we had with the steel mill. Hawker Siddeley announced, "You are through," and, in an instant, four thousand people were unemployed. The Speaker came to my office, sat down with me and talked it over, as did Senator MacEachen. Those kindnesses you do not forget.

I remember the Honourable Senator Graham's involvement with the Cape Breton Development Corporation. If I needed help to solve a problem a coal miner might have with, say, his pension, I would talk it over with him. He did not care if I was a Conservative or whatever. He tried to help in whatever way he could.

The new Leader of the Government in the Senate will have little recollection of these events because she was too young. I can remember when she was a member of the press gallery.

Senator Fairbairn: I remember.

Senator Muir: She worked her way up through the Prime Minister's office and did a remarkable job. She is still doing a good job today.

I thank the people at the table here who have always been so good to me. I would also thank all of you who have spoken.

Our own leader, Senator Lynch-Staunton, excelled today. I do not know where he got his information, but he sure managed to dig up a lot of details that I did not think people knew about. Senator John Macdonald was my campaign manager and my treasurer. As he jokes about it, when we ran elections we did not have charts on the wall; committees for this and committees for that. Only four or five of us did all the work. In those days, the only difference was, as John M. says, you always knew you would be able to win elections. Now that we have all this organization, we cannot win elections. He laughs about that. He is a great and wonderful man.

Senator Macdonald spoke about how early I became involved in politics. I looked after two polls for his dad in 1937 when I was only a kid. I thought it was a big job. We got cards, five bucks apiece and a tankful of gas. Some of you may ask, "Well, how old is he?" I want you to know I ran for town council when I was ten years old. I am not so very old.

The Honourable Senator Bud Olson and I tossed our arguments back and forth in the other place. As I look around and think about the "class of 1957," I see that there are few of us left. I see the Honourable Senator MacEachen, the Honourable Orville Phillips, and myself. The Honourable Heath Macquarrie retired just a few weeks ago.

I always resented that so-called "sweep" of 1957 because, in Cape Breton — or Cap-Breton, whichever you prefer — some people could not pronounce "Diefenbaker." Ours was a minority government, so those of us who were elected in 1957 felt we had done quite a bit on our own, although I did win by only 380 votes over a man who had received between 4,000 and 5,000 votes in 1953.

Senator Allan MacEachen was first elected in 1953 and re-elected in 1957. He did not run for office for a short period.

As usual, Senator Buchanan excelled in his speech today. Of course I only believe half of the lies he tells. Senator Prud'homme did himself proud. Senator Graham's remarks also were excellent. I would thank Senator Bonnell and all of you for your kind remarks.

Why should I not say these things? You have been saying nice things about me, of all people.

Those of you who are new here, please remember this place is comprised of men and women of great knowledge. They are continually criticized by those who could not qualify to become dog catchers. I served in the other place for 22 years and in this place for 15 years and 6 months. When I look around me and I see all of you fine people, I forget those "holy willies" who say, "We must get rid of that place." I look around me and I see people who have served their provinces and their country in every facet of life, in politics and in business. You have done your best to help your people. You deserve so much credit.

What a privilege it is to live in a country where you can start out in a coal mine at 15 years of age and go on to become a senator of Canada. The Honourable Senator Allan MacEachen knows what this is about. His dad was a coal miner who reared a family who went on to become professors at various famous universities.

As Senator MacEachen, Senator Graham and Senator Bonnell have said, there were times when I really did not know what my political philosophy was. There were those in my own caucus who, on the odd occasion, would say, "Bob, you should be CCF," as it was then, or "Bob, you should be NDP," or "You should be Liberal." I would say, "No, I am for the problem that we have. Let us straighten it out." I did not know a lot. You see, I had not been a banker or anything like that. I mean no disrespect toward bankers; I need them. As the late Honourable George Nowlan used to say, "When the last day comes, I will have six of them carry me to my resting place, because they have been carrying me all my life."

• (1500)

I wish to congratulate Senator Carstairs, since I was not able to do so earlier. I sent a picture to her the other day. I was in a wheelchair and was cutting a ribbon to open a wing of a hospital of which I was chairman. The gentleman standing alongside of me in the picture was her dad, the Minister of Health in Nova Scotia.

I spoke also with Senator Pearson the other day. I used to make it a habit — perhaps a lot of you do not approve of it, but I do not care — on a prime minister's birthday, of sending him a gift of some sort, wrapped in Cape Breton tartan paper. The gifts might not have been worth a lot, but I still did it. I had some swordfish swords, given to me by fishermen from my area. Having come from the area that you hail from, Your Honour, you will know what they do with those swords.

In any event, this was a swordfish sword with a beautifully carved handle. I said to one of my girls, "Let's wrap that. We will put tartan paper on it and send it to Prime Minister Pearson for his birthday." It was done. Later, while I was in the washroom — and everyone goes there once in a while — someone rushed in and said, "The Prime Minister wants you on the phone." I went to the phone and he said, "Bob, I am sitting behind my desk with my claymore in my hand. Won't I have fun with my grandchildren with that?"

Years later, I attended a dinner in Delhi, India. A lovely lady was sitting beside me — and I love lovely ladies — and I looked at her card, which read "Pearson." I said, "You would not be related to 'the' Mr. Pearson, would you?" She said, "He is my father-in-law." She then said, "Muir? You are the man who gave him the swordfish sword." Here we were in India, comparing notes like that.

As Senator MacEachen has said, we debated and debated over in the House of Commons. We also got cross at each other. I used to get really upset back then. However, even though we had disagreements, it would be all over afterwards.

I want to thank Senator Keon, who fixed my heart up. I can still get a little cross once in a while.

I remember speaking to the county council of Victoria County, Nova Scotia. They invited me to dinner afterwards. I was relating something to them and then I said, "Allan and I went to dinner." An old gentleman nearby straightened up in his chair and said, "What was that you said about Allan?" I said, "Well, nothing." — they thought he was God too, you see — "Allan and I then went to dinner". He replied, "Don't tell me you eat with those fellows, too!" I mistook him, he was actually a strong Conservative. Politics is a strange business.

I will always remember those who have helped me over the years; for example, Senator Davey; Senator Riel, who is not here but who comforted me in the hospital when I had heart problems; and Senator Kenny, who was also helpful to me.

I also extend a welcome to Senator Roux. Congratulations are also in order for Senators Bacon, Carstairs and Pearson.

I wish to thank my seatmate, the Honourable Jack Marshall, who has done so much for the veterans of this country and many other people.

Please forgive me if I have forgotten anyone.

I wish you all a good, long life. Enjoy it while you can and work hard. Senator Stewart and I used to scrap with each other but he never held it against me.

The Cape Breton Development Act came about as a result of the efforts of the Honourable Allan MacEachen. Where in this country is there another act that looks after coal miners the way that legislation has done, through all these years, in Cape Breton? I am sure that former premier — now Senator — Buchanan would agree with that. He was the mastermind behind it all. Senator Ike Smith, who was here in the Senate when Senator Buchanan was premier, took over the steel mill when everyone else said, "Do not touch it. Stay away from it." He kept things going.

I am rambling now, but I wish I could be with you all a lot longer. I am not sad at leaving. I am sad because I am getting old. That is what is wrong with me.

I almost forget Senator Lowell Murray because he is so quiet all the time. I worked on his campaign in 1956. Despite all my efforts, he was defeated. In 1957, when I ran, he wrote my acceptance speech because, as he said, "I cannot depend on you. You will get too wild and you will say things that will lose you votes."

Honourable senators, after I sit down I will probably ask myself, "Why did I not say this or that?" In any event, God bless all of you. I just wish I was 30 years younger and could keep working away here. Thank you all so very much for your help.

Hon. Senators: Here, here!

SENATORS' STATEMENTS

COLLÈGE MILITAIRE ROYAL DE ST-JEAN

FORTY-SECOND ANNIVERSARY OF VISIT BY THE RT. HON. VINCENT MASSEY

Hon. Richard J. Doyle: Honourable senators, it is not as common today as it once was to quote the Right Honourable Vincent Massey as an authority on the values that bind us together in this fractious country. It is my purpose to do that today, to call this chamber's attention to the forty-second anniversary on November 13 of Massey's visit to the Collège Militaire Royal de St-Jean.

In these times when we are being asked to accept compromises to the preservation of traces of the national function of this historic institution, it is particularly useful to have handy the words of a great Liberal defender of the "noble tradition" that we have abandoned. Perhaps in earlier, simpler times it was possible to see more clearly and rejoice more openly in the challenges of public service.

• (1510)

Governor General Massey said:

> ... in this historic area, on this ancient site, men of our three services and of our two cultures come together for a common task. For this task you, the students, receive here not just training, but education. The defence of our way of life is more than a technique. It is a calling. One cannot defend unfamiliar ground. You come here to know what you have to defend as well as how to defend it. Undoubtedly you learn here military science along with the new techniques, the new methods and devices that scientific advances have made possible, but you are also directed to the understanding of values which are permanent. They are not old because they are always renewing themselves. And in learning how to understand and to defend these values you receive here certain virtues which may be somewhat neglected elsewhere; the classic virtues of duty, discipline, and of good manners.
>
> May I say one thing more. I have to offer you a very special and personal piece of advise. You are here together — French- and English-speaking Canadians, with every obligation and every opportunity to learn to know and to understand each other's language, culture and character. Do not neglect this precious opportunity, which comes to you just at the age when you are in a position to profit from it to the full. Your minds are open and your judgment is generous. Learn to speak and think and feel together. Do not forget what is your own, but develop the understanding and sympathy that comes from speaking another's language, not only with the tongue, but with the mind and with the heart.
>
> You have a great and noble tradition behind you and a great and worthy task before you. May you be inspired by both to go forward to your work with energy and enthusiasm. Remember always that you are to defend not only the soil of your country but the life of your civilization, and remember that your civilization has this great quality: it can be defended only by those who understand it with their minds and who adorn it by their conduct.

REMEMBRANCE DAY

Hon. Stanley Haidasz: Honourable senators, we will be away from this chamber on November 11 next, the anniversary of Armistice Day, November 11, 1918. We will be at our homes and constituencies, joining with our fellow Canadian citizens in remembering our fallen Canadian citizens who died during the various wars in which Canada participated.

Each day as we assemble in this chamber, we are reminded of World War I by the tableaus on both walls of this chamber. These tableaus depict Canadian soldiers who took part in World War I, and were donated to us by an imminent Canadian citizen. I pay special tribute to these fallen valiant Canadians, members of the Canadian Armed Forces, as well as to all the other veterans, soldiers, seamen and airmen, who died during World War I, World War II and the Korean War, and especially those who fought alongside the Canadian Armed Forces under Canadian generals.

Before I conclude my remarks, I would also thank our colleagues who played a significant role in the celebrations commemorating the fiftieth anniversary of D-day, two of whom I should like to mention this afternoon who are colonels of Canadian regiments: our colleagues Senator Molgat and Senator Marshall. I would also thank our colleagues and members of this chamber who went with them to Normandy to represent us. Today we recall those beautiful ceremonies. Those of us who were not able to be present were able to watch them on television. We are all proud of the role they played. I thank them today for their sacrifice.

ROUTINE PROCEEDINGS

EXCISE ACT
CUSTOMS ACT
TOBACCO SALES TO YOUNG PERSONS ACT

BILL TO AMEND—REPORT OF COMMITTEE PRESENTED

Hon. John Sylvain, Deputy Chairman of the Standing Senate Committee on Banking, Trade and Commerce, presented the following report:

Thursday, October 27, 1994

The Standing Senate Committee on Banking, Trade and Commerce has the honour to present its

TWELFTH REPORT

Your Committee, to which was referred Bill C-11, an Act to amend the Excise Act, the Customs Act and the Tobacco Sales to Young Persons Act, has examined the said Bill in obedience to its Order of Reference dated Thursday, June 16, 1994, and now reports the same without amendment.

Respectfully submitted,

JOHN SYLVAIN
Deputy Chairman

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

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

SOCIAL AFFAIRS, SCIENCE AND TECHNOLOGY

REPORT OF COMMITTEE UPON THE FUTURE DEVELOPMENT OF THE DEPARTMENT OF VETERANS AFFAIRS TABLED—DEBATE ADJOURNED

Hon. B. Alasdair Graham: Honourable senators, I have the honour to table the Fifth Report of the Standing Senate Committee on Social Affairs, Science and Technology entitled "Keeping Faith: Into the Future".

With leave of the Senate, and notwithstanding rule 98(3), I move that the report be taken into consideration now in order to enable me to say a few words.

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

Hon. Senators: Agreed.

Senator Graham: Honourable senators, I begin by acknowledging and paying tribute to all honourable senators who served on the committee and to all the very devoted staff members, some of whom I see seated in the gallery this afternoon.

It is not my intention to deal specifically with the report and its 53 recommendations. I will leave that to the chairman of the subcommittee, Senator Marshall, who will address the subject more directly in a few moments. However, I would like to say something about Senator Marshall, who is submitting his final report on behalf of veterans, since, sadly, he is due to retire from this place on November 26 of this year.

Senator Marshall's distinguished career in the service of Canada has been remarkable by any standards. Some of Winston Churchill's memorable words may help us to better understand the significance of his contribution. On the occasion of his 80th birthday, Churchill was heard to say, and I quote:

> I have never accepted what many people had kindly said, namely, that I had inspired the nation. It was the nation and the race dwelling all around the globe that had the lion's heart. I had been called upon to give the roar.

Since first being elected to Parliament in 1968, Senator Marshall has championed persistently the cause of veterans, challenging successive governments on their behalf. If any constituency in Canada possesses a lion's heart, it is our veterans. If any one person has ever been called upon to give the lion's roar on behalf of veterans, it has been the Honourable Jack Marshall.

Born in Glace Bay, he enlisted in the Canadian Army in 1942 as a private. He was one of that generation of Canadians who hit the beaches of Normandy on D-day, with courage as their sustenance and freedom as their guide. Senator Marshall's New Brunswick regiment was part of one of the infantry divisions which were the solid core of a multinational effort to free Nazi-occupied Europe.

On June 6, 1944, their sacrifice breathed new life into the struggle across the continent. The inscription on the memorial of an unidentified soldier who died at Normandy told their story. It reads as follows:

> He loved the simple things
> He hated war
> But when his call came
> He gave his all.

Each of them gave their all for all of us. General Crerar, in his VE-day message to the First Canadian Army on May 7, 1945, pointed out that "Each for all" has been the guiding principle of the Canadian Army in battle. He said at the time that that same principle is the essential one to which we must adhere if we are to assure the life and the growth of democratic government in the world, the community system which has been so eloquently described by Abraham Lincoln as, "Government of the people, for the people, and by the people."

As the soldiers of Canada have worked to it in war, the citizens of Canada can do no less in peace — and so they have, each of them for all of us.

As time has passed, the values of this earlier period, values such as duty, justice and virtue, have been sometimes bypassed and ignored by later generations. The lion's roar, the voice of Senator Jack Marshall, bore witness to the agenda of the veterans. He, with his customary dogged determination, put that agenda squarely in front of the many Canadians who had lost sight of the importance of our past.

Today, we struggle here in Canada with the problem of defining a common loyalty to the well-being of the whole country. As we look around us, it is clear that some of our greatest enemies are fear and discouragement. We must keep the faith as we plunge ahead into the future. In fact, that is the title of this fourth major report prepared by the Subcommittee on Veterans Affairs under the chairmanship of Senator Marshall. Throughout his twenty-six and a half years as a parliamentarian, he has been a tenacious defender of this very special constituency of Canadians. Because of his efforts, the Subcommittee on Veterans Affairs was formed in 1985 and has since been a part of the Standing Senate Committee on Social Affairs, Science and Technology, which today I have the honour to chair.

During his 17-year Senate career, Senator Marshall has used every opportunity that the rules of the chamber would allow to defend and press the cause of veterans. His private office in the Senate became a veritable shrine of hope for thousands of veterans from within Canada and, indeed, from many parts of the globe.

It must be remembered that Senator Marshall's lengthy career with the Armed Forces, which culminated in his appointment as District Commander of the Militia for Newfoundland, gave him a unique understanding of, and a lifelong commitment to, the welfare of veterans.

Throughout his productive career, Senator Marshall has brought the values of his generation back to Canada. This was the generation of the lion's heart.

Canadian veterans believe that each of them served in the interests of all of us. In the declining years of the twentieth century, such a simple truth has been and has become a moral imperative in the struggle for the beaches of the future.

It will be difficult, if not impossible, to provide an adequate replacement for Senator Marshall. Veterans everywhere should be assured that we remaining members of this chamber will do our utmost to ensure that their concerns and their best interests will remain high on the Senate agenda and, indeed, on the agenda of the Government of Canada.

Hon. Senators: Hear, hear!

Hon. Jack Marshall: Honourable senators, there are not too many Canadians, let alone Canadian senators, who could be worthy of the overwhelming and generous words of praise that Senator Graham has bestowed upon me. While I am sure that I am not worthy of the esteem in which the famous and revered Winston Churchill was held, with the exception of his roar — and my staff and my wife will attest to that — I will be forever grateful. Furthermore, I will read the printed words in the *Debates of the Senate* of October 27 each and every morning from this day forward. I thank you, Senator Graham.

Honourable senators, if I can find the steadiness to continue, I thank Senator Graham in his capacity as chairman of the Standing Senate Committee on Social Affairs, Science and Technology for allowing me to address the report he has tabled today. I thank him, too, for his support and counsel during the mandate of the Subcommittee on Veterans Affairs to examine and report upon the future direction of the Department of Veterans Affairs.

As well, I pay respect to the members of the subcommittee, and I refer, of course, first, to Deputy Chairman Bonnell, who was chairman when the main committee drafted its first report in 1981, entitled, "They Served, We Care." Six of the seven recommendations in that report were implemented by the government of the day.

I thank, too, Senator Phillips, an RCAF Bomber Command veteran, who was a prominent player in our foray into the series of films, *The Valour and the Horror*, not to mention his involvement in our current mandate.

I thank, too, Senator Jessiman, another D-day veteran, who had exemplary service in the Royal Canadian Navy flotillas, and who is a new and welcome devoted member of the committee.

I thank as well Senator Cools, who is a new and enthusiastic recruit for the subcommittee, and who found her place very well in our deliberations.

All members of the committee devoted much of their summer recess to our deliberations with loyalty and keen interest as we heard the issues as expressed by the many veterans who appeared and gave evidence.

I should like now to take a moment to acknowledge my staff, who worked tirelessly, without complaint — without even the lion's roar — for extended hours and weekends to meet the many deadlines that occurred at each phase of this report.

From my office, there is Mr. André Lemieux, and here I must credit myself with one aspect of the report — that is, in finding a man of his calibre. He is a former Chief Pensions Advocate in the Department of Veterans Affairs and was special advisor to me and the subcommittee. He brought invaluable advice from his many years of experience and his vast knowledge in dealing with the pension process, something which is taxing all veterans today.

I should like to acknowledge Ms Janelle Feldstein, my capable research assistant, who contributed greatly to the content and compilation of all aspects of the report.

Ms Laura Fox, my administrative assistant, gave valuable input as a result of her knowledge of the workings of the department and matters of priority to veterans.

I should also like to mention Tina Faouaz, a young student, who volunteered and then became part of my staff. She contributed wherever needed in support of our efforts.

In acknowledging the staff of the subcommittee, I would like to extend my appreciation to Mr. Patrick Savoie, clerk of the subcommittee, whose exemplary organizational skills kept our committee on track and running smoothly. Mr. Peter Phelan, the administrative assistant to the subcommittee, acted as liaison between my office, the clerk's office and the members of the subcommittee.

Another member of the staff whom I should like to acknowledge is Mrs. Françoise Crepin, administrative assistant to the clerk, who worked tirelessly in preparation of the report and who maintained close communication with the translators in keeping up with daily changes, which sometimes aggravated members of the committee to no end.

Finally, I thank Mr. Grant Purves, a research officer from the Library of Parliament, who has served with the subcommittee on all its previous reports and whose wealth of knowledge of our mandate was most helpful in the production of the report.

Honourable senators, in addressing the report, if I make some criticism in my comments or observations, I do not direct that criticism to any particular government, past or present. The Veterans' Charter is a product of successive governments established many decades ago. The present legislation and the regulations making up the charter have been created over many painstaking years by many government leaders. Today, it is considered to be one of the most generous in the world, a fact that is acknowledged in like veterans' administrations of many nations with whom we interact, as well as by a majority of veterans.

While we can be proud of Canada's record of generosity to our veterans, we must not lose sight of the price they paid to preserve our freedom, particularly as we commemorate the fiftieth anniversary of the end of World War II, and as we exclaim loud and clear about the sacrifice of our veterans. Nor should we lose sight of their loyalty to their country and their contribution to the birth of our nation.

Not too many words have been uttered yet about the reality that too many of those now aging veterans are still denied certain benefits because of outmoded and outdated legislation, as brought to the attention of the subcommittee by a veterans' organization which represents a majority of some 500,000 veterans in Canada. To emphasize this reality, we had a message which resounded loud and clear when a 91-year old veteran, Gerry La Grave, who is president of the Ferry Command Association, took the trouble to drive from Montreal to Ottawa to appeal to the committee, not on his own behalf, but for his comrades, for recognition of their service. The subcommittee certainly took notice.

I should like to mention as well a 76-year old widow, Frances Crummer, who spent six years fighting for her recently deceased husband's claim for a pension which was denied because of the refusal of the medical staff to recognize the consequential effects of what it deemed a superficial wound. Something is missing in terms of our generosity. Despite her long fight to no avail, she praised the Bureau of Pensions Advocates for their counsel in representing her case. Indeed, she has become a proficient advocate of the cumbersome pension process. She should be applauded.

The report tabled today is entitled, "Keeping Faith: Into the Future". It is appropriately titled because it represents Canada's commitment to its veterans made by the then Prime Minister, Sir Robert Borden, in 1917, just before the Canadian youth of that day went into the battle of Vimy Ridge and achieved a victory that no other nation could achieve. We still refer to that victorious day as the day our nation was born. As well, that was the day that gave birth to this government commitment which I will repeat, as I have time and time again. Sir Robert Borden said to the Canadian troops:

> You can go into action assured of this, and as head of the government, I give you this assurance; that you need to have no fear that the government and the country will fail to show just appreciation of your service to the country in what you are about to do and what you have already done. The government and the country will consider it their first duty to...prove to the returned men its just and due appreciation of the inestimable value of the services rendered to the country and empire; and that no man, whether he goes back or whether he remains in Flanders, will have just cause to reproach the government for having broken faith with the men who won and the men who died.

He also said:

> What does the country owe to those who, forsaking everything, offered their lives in its defence — to try and compensate for the time that was lost and the opportunities that were missed?

Honourable senators, the second part of the report's title, "Into the Future", should remind us as well of the new role established by our leaders of government, the so-called peacekeeping and peacemaking role, which challenges Canada to restate Sir Robert Borden's commitment to a new generation of veterans — the young men and women of the Canadian forces — whom we commit to previously unpredicted danger areas in the world and which, as well, create new effects of warfare, such as post-traumatic stress syndrome and Gulf War syndrome, which came to the attention of the subcommittee with some prominence. These disorders require immediate, indeed priority attention, as do the psychological and physiological scars which show up many years after the war. These matters were brought to the subcommittee's attention by some prominent witnesses.

Let me state some of the warnings expressed to the subcommittee by these experts. Dr. Lynne Beal, who appeared before the committee a second time concerning prisoners of war, said:

> The department has taken no leadership in assisting veterans in getting psychological help through diagnosis and treatment.

Professor Terry Copp said:

> Canadian servicemen and women who have served in situations of great tension like Bosnia, Rwanda, Somalia, et cetera will come forward sometimes years after they have left the Armed Forces and expect help in dealing with the symptoms of PTSS and compensation for the degree it has disabled them.

Colonel Jamieson of the Department of National Defence acknowledged that there was a problem with the follow-up support, particularly with respect to reserve force members who have been called up to serve for a specific mission, and that the Department of National Defence did not have a legal obligation to offer reserve force members treatment after their contracts have expired.

Dr. Lynne Beal said as well that department officials showed no interest in the findings she presented to the subcommittee back in 1990.

In the second part of the report, one of the most persistent concerns brought to the attention of the subcommittee had to do with major proposed changes to the pension and adjudication process relating to restructuring. These changes were proposed by the Department of Veterans Affairs and supported by the government to answer veterans' demands to reduce the backlog of cases. There are some 10,000 to 12,000 cases spread across the system. Veterans want the turnaround time for processing claims shortened as the aging process takes its toll.

In essence, the recommendations of the subcommittee as contained in the report should be in line with the legislative amendments to the Pension Act that the government intends to introduce soon, as a result of an extensive evaluation study carried out by outside experts. In its report, the subcommittee cautions us to ensure that the amendments protect the enshrined solicitor-client relationship. The solicitor would be the pensions advocate who represents the veteran.

• (1540)

The committee further supports the proposed merging of the Canadian Pension Commission and the Veterans Appeal Board to become a single board with two divisions of appeal. Finally, the committee agrees with the proposal of the department that the Bureau of Pensions Advocates, an agency which represents the veteran in the preparation and presentation of his claim, join the department for administrative efficiency but continue to maintain its professional independence.

The recommendations made by the committee with respect to the process are conceived to simplify the process and to reinforce statutory requirements in the spirit of cooperation in order to reduce the turnaround times that are damaging the credibility of the system for veterans. It is hoped, with some positive assurance, that the turnaround time for the adjudication process will be cut by half with the end objective that veterans will support the department's motto of "speed, courtesy and fairness."

The report lists some 53 recommendations that are too numerous to address in the short time provided, but I recommend the report to all senators and encourage them to examine those sections of the report and an executive summary in which they may be interested which are well defined and self-explanatory. Every senator contributed to the betterment of veterans and the success of their claims, bearing in mind that they are getting older.

I will conclude by referring to Part I of the report and specifically to the section entitled, "Unfinished Business" and to some themes and issues that are illustrative examples of the continuing and longstanding concerns of veterans which are revisited in the report.

Under the heading, "Unfinished Business," the committee dealt with the future direction of commemorative ceremonies and honours and awards; omissions in PoW compensation; the War Veterans Allowance Act; the equality of status of service between male and female veterans; survivor benefits; concerns relating to hospital and treatment care; the extension of eligibility for benefits under the War Veterans Allowance Act as they relate to Korean Veterans; and omissions in Bill C-84 as it relates to Merchant Navy Veterans, which group were the subject of great concern to the subcommittee in the report, "It's Almost Too Late."

Concern has been expressed about the future of the Department of Veterans Affairs and the effects of the threat of cuts in that government department. I note with continuous relief that the Minister of Intergovernmental Affairs, who is responsible for public service renewal, assured an audience in Charlottetown on August 30 that the Department of Veterans Affairs may not be one of the departments affected by government reform because its services are so well defined and it will likely come under far less attack as Ottawa prepares for downsizing. He offered assurances that DVA headquarters will remain in Charlottetown. This should be of comfort to the employees in that headquarters who are now working assiduously and patriotically in the cause of veterans. The minister reinforced his words by adding that: "There is nothing to indicate that the question will even be asked."

For all those who seem to find and dispel rumours, the most important department in the government's stable of departments, the Department of Veterans Affairs, seems assured of a long future.

Finally, the committee is proud to table its report in the chamber today. We are convinced that the recommendations we make will address the serious concerns of veterans for years to come, because we still have confidence in the department. It will ensure the protection of their rights by keeping faith into the future.

On motion of Senator Haidasz, debate adjourned.

BUSINESS OF THE SENATE

ADJOURNMENT

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, this may be a good time to review the proposed sitting program with my colleagues. Yesterday I had discussions with my honourable friend opposite in this regard.

I had originally thought that we would sit next week and then not sit the week when the house was in recess or the following week. However, my honourable friend's suggestion was that we should consider not sitting next week and the week that the house is in recess, but return immediately thereafter.

I considered the legislation that is likely to be sent here and its urgency. Although we will receive some bills, those on the immediate scene do not require our urgent attention. Therefore, my friend's proposition seemed like a reasonable one, and I would recommend that when we adjourn today, we stand adjourned to Tuesday, November 15 at two o'clock in the afternoon. That means we would sit neither next week nor the week the House of Commons is on its parliamentary break, but that we would return immediately after the house has had its break. I expect that at that time a number of bills will be ready for second reading here.

Honourable senators, with leave of the Senate and notwithstanding rule 59(1)(*h*), I move:

> That when the Senate adjourns today, it do stand adjourned until Tuesday, November 15, 1994, at two o'clock in the afternoon.

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

Hon. Senators: Agreed.

Motion agreed to.

NOVA SCOTIA

RESEARCH REPORTS ON BLACK COMMUNITY—NOTICE OF INQUIRY

Hon. Donald H. Oliver: Honourable senators, I give notice that on Tuesday next, November 15, 1994, I will call the attention of the Senate to a report entitled, "Role Model Program Report: Blacks in Nova Scotia" dated 1991, and a follow-up report entitled, "The Nova Scotia Black Community and Diaspora: Models of Upward Mobility" dated August 1994.

HEALTH

PROTECTION OF CONSCIENCE IN MEDICAL PROCEDURES—PRESENTATION OF PETITIONS

Hon. Stanley Haidasz: Honourable senators, I am pleased to again place in the hands of the Clerk petitions expressing pleas identical to those which I read in the chamber on March 17, 1994. These petitions pray that this chamber protect health care workers with regard to freedom of conscience in the workplace.

These petitions contain signatures of 827 persons of whom 245 reside in Metro Toronto; 359 in North Bay, including Callander and Powassan, Ontario; 94 in London and Strathroy, Ontario; 65 in New Hazelton and Abbotsford, British Columbia; and 64 names of persons from Regina, Saskatchewan.

QUESTION PERIOD

TRANSPORT

PEARSON AIRPORT AGREEMENTS—REQUEST FOR PUBLIC INQUIRY—GOVERNMENT POSITION

Hon. Finlay MacDonald: Honourable senators, I have a question for the Leader of the Government in the Senate. In searching through the Hansard and proceedings of committee hearings in the other place on Bill C-22, my findings indicate there were no less than 44 calls by opposition parties for a public inquiry into the Pearson airport transaction. The Reform Party called for investigation by a house or joint committee. The Bloc called for a royal commission. Mr. Don Matthews of Paxport, one of the Pearson Development Corporation Group, also asked the house committee for a public inquiry, if only to clear his name.

Here in the Senate, Senators Lynch-Staunton, Murray, Balfour, Andreychuk and Di Nino also called for a public inquiry.

I am not counting newspaper editorials, which sometimes consider the Senate position spurious but which still call for a public inquiry.

Did I say 44? Make that 45. Yesterday the Minister of Transport, Mr. Young, said he was losing patience with the Senate's handling of Bill C-22 and, if this did not improve, he would get to the bottom of the matter by way of a public inquiry. Admittedly, it was somewhat of a threat but it was one which the Leader of the Opposition, Senator Lynch-Staunton, welcomed.

Senator Olson: What is your question?

Senator MacDonald: This is a preamble.

Senator Olson: If Senator Kelly were here, he would insist on reminding Senator MacDonald that long preambles are not permitted.

Senator MacDonald: Honourable senators, I am simply emulating Senator Olson.

The Deputy Prime Minister, Mrs. Copps — she who, like General Alexander Haig, is always in control when the boss is away — flatly rejected setting up such an inquiry.

I would ask the Leader of the Government in the Senate a question which some might consider rhetorical: Why did the Deputy Prime Minister so abruptly repudiate the assertion made by the Minister of Transport?

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I thank Senator MacDonald for his question. The Deputy Prime Minister was stating yesterday what would certainly be my fervent hope and, I believe, the hope of the Minister of Transport. It is our hope that the bill, a very important bill and a very difficult one, will be permitted to go through the legislative process which it is now in, in this chamber.

This chamber is part of the Parliament of Canada. We have an obligation, a duty, to carry out our responsibility in this legislative process. The bill was returned to us and it was referred to committee. Witnesses gave evidence today and others will give evidence at a later date.

It is our hope, as was reflected by the comments of the Deputy Prime Minister, that the bill will proceed and it will pass. That is the position of the government.

Senator MacDonald: Honourable senators, that is not an answer to my question. Perhaps this whole topic is taking on a new dimension.

Is it the policy of this government to stonewall any further calls for a judicial inquiry? Since it is not a constitutional matter, it would not take three years to complete. Why can we not just set up an old-fashioned judicial inquiry? What is the government afraid of?

Senator Fairbairn: Honourable senators, we are afraid of nothing on this particular issue. Our position has been clear, and it has been clear for over a year now. Our position was publicly clear during an election campaign. The promises made to the Canadian people, and in particular to the people of Toronto, during that campaign have been carried forward since the last election.

Obviously, the desire of the Prime Minister and the government is to have the legislative solution proceed. That is the job of the Senate today. As the House of Commons has done its job, so the Senate has a job to do. That is the position of the government on this matter. Quite frankly, that is the proper role for this chamber to be playing.

Senator MacDonald: We accept the fact that the Minister of Transport does not speak for the government, and that the honourable senator's apparently futile attempts to bring civility to this place, in answer to Senator Cohen, have fallen on deaf ears.

Senator Fairbairn: Honourable senators, Senator MacDonald's characterization of my attempts as "futile" is not in keeping with his optimistic character. My attempts in this regard, over the year, have been fairly fruitful.

I admit a great deal of frustration surrounds this issue. There is frustration on the part of the Minister of Transport who, more than anyone, would like to see a legislated solution to this issue. He sometimes speaks in colourful terms. However, I share his desire for a legislative conclusion to this issue. This matter should proceed with dispatch and with civility. As I said to Senator Cohen the other day, I know that friends on both sides sincerely want to accomplish the business of this house.

Parliament Hill, as a political place, is where, from time to time, members and senators will get into heated arguments. However, in this instance we are moving forward on our legislative program and on our legislative agenda. The hope expressed yesterday by the Deputy Prime Minister is also the hope, sometimes veiled beneath heated comments, of the Minister of Transport. It is also my hope, and I am confident we will succeed.

• (1600)

Hon. Marcel Prud'homme: Honourable senators, I rise on the same point. After having attended the four-hour deliberations of the Standing Senate Committee on Legal and Constitutional Affairs on Bill C-22 this morning, I am wondering why we are jumping the gun by asking for a royal commission of inquiry. I grant that that may be the ultimate thing to do, but why is it that neither the majority nor the minority in the Senate want to call Mr. Nixon as a witness? The entire debate surrounds the report written by Mr. Nixon regarding the Pearson airport agreements. Before asking for the ultimate, you should start building your case leading to that ultimate goal, the inquiry.

Perhaps the minister in the Senate could suggest to the Liberal members on the committee that they at least look into the possibility of calling Mr. Nixon and Mr. Wright before the committee? I am not a member of the committee, and I have not received any answers. The chairman of the committee says that we want only to talk about the constitutional matters. Perhaps the evidence of Mr. Wright and Mr. Nixon could shed some light that would lead us all to change our opinions and ask for an inquiry.

Senator Fairbairn: I thank my honourable friend for his question. The committees of the Senate are masters of their own agenda. That is the case for the Committee on Legal and Constitutional Affairs, as it would be for any committee.

I know that there has been great interest in having this subject explored by that committee. The members on that committee are outstanding members from both sides of this chamber. I know that they will conduct the business of the committee with great dedication.

I consider the honourable senator's further questions to be hypothetical, because I believe that there will be a legislated solution to this issue, the same as with all legislation in this place. That is what we are working toward, and that is what members of the committee are engaged in right now. The choice of witnesses surely is up to them.

METROPOLITAN TORONTO

PROPOSALS FOR SOCIAL REFORM—LACK OF REPRESENTATION ON WORKING GROUP—GOVERNMENT POSITION

Hon. Richard J. Doyle: My question is directed to the Leader of the Government in the Senate, and has to do with what Steve Lowden, the President of the Board the Trade of Metropolitan Toronto, calls "the-hole-in-the-doughnut syndrome."

My good friend Keith Davey will be aware of the phenomenon which Mr. Lowden describes as the metamorphosis of Metro Toronto into "the hollow and increasingly dysfunctional core of an otherwise reasonably healthy urban region."

As Senator Davey will have noted, a good many reasons and excuses — ranging from local tax policy to ill-concealed hatred of Toronto the good — have been advanced for this sorry state of affairs.

I would hope, therefore, that the two following questions will be taken very seriously.

My first question is: Considering that Metro Toronto lost 200,000 jobs in the years of recession, and that it lags in the rehiring halls, why was there no representative of the city or the region named to the working group appointed last week by the Minister of Human Resources to study seasonal work and the reform of unemployment insurance? Indeed, the only person from Ontario named to this group was an Ottawa economics consultant.

NATIONAL FORUM ON HEALTH—LACK OF REPRESENTATION OF REGION—GOVERNMENT POSITION

Hon. Richard Doyle: My second question is: Considering that there are some 44 hospitals in the Metro Toronto area, and that these hospitals, and especially the city's great teaching institutions, serve patients from all parts of Ontario, and all parts of the country for that matter, why was there no representative of the three million residents of the region named by the Prime Minister to the National Forum on Health?

That $12-million forum, we are told by the Minister of Health, is an important vehicle for building consensus on approaches to the challenges facing the health of Canadians in Canada's health care system.

Those of us who live in Toronto were delighted to see that in his search for what was called "a good cross-section of regional, professional, volunteer and consumer concerns," the Prime Minister was able to find four Montrealers ready to serve among the 22 appointees. We were also delighted to see representatives from Ottawa and Kingston, although those cities might demur if it were suggested that they should represent the Toronto region.

Storms of controversy over provincial participation are still to be dealt with by the forum. Should the needs of the city of Banting and Best be left up in the air as well?

Hon. Joyce Fairbairn (Leader of the Government): I thank you for your questions, Senator Doyle. Certainly I, and indeed the government, would never belittle the strength of Metropolitan Toronto and its importance to the economic and social life of this country. It is one of the finest cities in this land, and is known as such throughout the world. I shall seek specific direction from the ministers on these matters.

The seasonal and cyclical employment issue is something with which the Minister of Human Resources Development is seized. He is getting a tremendous amount of assistance in this matter from members of Parliament in the Toronto area.

I will take those two questions to my colleagues and see what explanation I can get for my friend.

Senator Doyle: It is reassuring to know that Toronto is not being punished for its performance in the recent federal election.

Senator Fairbairn: It is definitely not.

• (1610)

NATIONAL SECURITY

PROPOSAL TO STRIKE SPECIAL COMMITTEE—GOVERNMENT POSITION

Hon. Marcel Prud'homme: Honourable senators, we will now be leaving for a few days. I personally will be staying around the Hill. I hope the government is still considering the request I made on Tuesday and Wednesday pertaining to having a study made by the Senate, the chamber of patience and second thought, with respect to security in general. There is a great deal of confusion. No one knows exactly who is doing what or how much it is costing. When you ask questions, you are referred back to reports that do not mention the new so-called security department.

Is the minister actively considering my request?

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, as I have indicated to Senator Prud'homme, I will discuss this matter with my colleagues. However, I would point out to the honourable senator that there are several avenues within the context of government and Parliament where ministers are available. Indeed, members from the very establishment that is concerning the honourable the most, the Communications Security Establishment, have in the past appeared before parliamentary committees.

I will certainly take your representation seriously, but I again emphasize that both this house and the other house have been seized of these issues in the past. As you know, the security establishments within government are obliged to obey the laws of Canada, including the Charter of Rights, the privacy laws, and the Criminal Code. Some of the confusion with respect to all these issues is being exacerbated on the other side for certain political reasons. To a large degree, the confusion exists there rather than in the reality of the situation. Our security systems in Canada are not out of control. I shall pursue the honourable senator's questions during our break, and we will talk again.

Senator Prud'homme: Honourable senators, that is a wonderful answer. However, for nine years I was chairman of the Foreign Affairs and National Defence committees in the House of Commons, and I was known to check every line of the budget and every minute of the Estimates. One has to know what to ask. If you cannot find evidence of the existence of an institution in the Estimates, how can you ask questions about it? This is a game that is played here in this institution called Parliament. People say that bureaucrats never make mistakes. If people are not asked the proper questions, they cannot be accused of not having answered them. One has to know what to ask.

It was never agreed that such an institution would be formed. One can look in the Estimates for the Department of National Defence, and you could not find one line on it, because its budget was put under other items so that one would not know of its existence. It is difficult for someone who wants to be dutiful to the Canadian taxpayers to question someone on something that does not exist in the accounts.

Now we know. The honourable senator may tell me that the next time we review the Estimates, we can question the Minister of National Defence. As I read what the minister said in the house, he has asked for suggestions. I am making a suggestion for the time being. I will be tougher in the days and weeks to come, but I will not change my style. It is not those who yell the most, as Mr. Trudeau used to say, who are the most efficient.

The world has changed since Senator Kelly produced his report on terrorism. In any event, there were very few, if any, references to the existence of this Communications Security Establishment in that report. I have read the report, and I am no further ahead. You told me it exists. I have gone back to the Pitfield report of 1983, and I am still no further ahead. This is not an argument I wish to have with the government, but I do wish to emphasize that the world has changed since the fall of the Soviet empire.

This is a good subject for senators or members of the Privy Council to look into, because security is an issue that is bothering people. Canadians need to be satisfied that everything is under control. We have to be able to say, "I checked, and everything is all right."

I am not satisfied with the answer I received from the minister yesterday and the day before. I gather she will reflect further on this matter?

Senator Fairbairn: I have assured my honourable friend that I will.

ORDERS OF THE DAY

DEPARTMENT OF AGRICULTURE ACT

BILL TO AMEND—SECOND READING

Hon. H.A. Olson moved the second reading of Bill C-49, to amend the Department of Agriculture Act and to amend or repeal certain other acts.

He said: Honourable senators, I had a brief speech attempting to explain Bill C-49, but in view of the hour and the number of commitments that senators have made, it will be shortened even more.

The main purpose of amending the Department of Agriculture Act is to give effect to the June 1993 government reorganization which signalled a change in the name of the department and transferred new responsibilities to the department. It is important for me to point that out at the beginning. Ordinarily, I would be suspicious of any bill brought to Parliament by a Conservative government, and I would pick out any weaknesses I could find. I have looked the bill over, and there are some weaknesses in it. However, I am sponsoring it because the government of the day believes that we should carry through and pass the bill, since the transfer and, indeed, the use of the name have already begun. The name will be changed from the Department of Agriculture to the Department of Agriculture and Agri-Food.

These amendments are the first in a series of amendments to departmental acts to implement the previous reorganization. The changes were originally included in a non-controversial omnibus bill, but that was broken up into departmental bills for purposes of simplicity.

The change to the name of the department involves making consequential amendments to a number of other acts. The first group of provisions outlined in this bill are those necessary to change the name of the department and to assume the responsibilities transferred in June 1993.

• (1620)

The second group of provisions are changes which better reflect the activities being carried on by the department. Overall, the existing powers of the minister are generally preserved. The amendments in the first group change the name of the department and the title of the minister and the deputy minister from "Agriculture" to "Agriculture and Agri-Food" within the existing act. That is contained in clauses 1 to 4.

Several consequential amendments to other acts are necessary, primarily with respect to the change in the name of the department. You can find these amendments in clauses 11 and 12, 14 to 17, and 20 to 26.

The power to designate inspectors is provided to the Minister of Agriculture and Agri-Food. While this power exists in many other acts administered by the department, the proposed power is required for the minister to carry out the responsibilities under the Food and Drugs Act transferred from the Department of Consumer and Corporate Affairs, which, as many honourable senators will know, has been terminated or phased out. The Food and Drugs Act itself is also changed to reflect the transfer of duties from the Department of Consumer and Corporate Affairs. These changes are contained in clauses 6, 18 and 19 of the bill.

An authority will be granted under this statute when it is passed to the minister to designate inspectors to enforce the Food and Drugs Act. The minister has had that authority before.

There is no provision in this bill for a Canadian citizen to line up a defence against an inspector who is given an enormous amount of authority. I am particularly interested in this matter. There should be a way for people to redress problems when they feel they have been unjustly dealt with by a government inspector. The only redress possible — it is not unique to this bill, but it is being extended in this bill — is to go to civil court. It is a very serious undertaking to seek redress through the court system with respect to the action of a government employee, in this case an inspector. We do not need a system where all the power and authority will be on one side of a dispute.

The transition clauses regarding employees, financial appropriation and legal instruments are clauses 8 to 10.

The department's mandate is clarified to include not only primary agriculture, but also "products derived from agriculture". This recognizes that the department has responsibilities beyond the farm gate, and that the health of this primary sector depends to a great extent on the health of all sectors that use agricultural products. That can be found in clause 5.

Honourable senators, the bill also recognizes that a number of acts already contain definitions of an "agricultural product" that are very broad, including, in many cases, products derived from an animal or a plant. The acts I am referring to are the following: the Agricultural Products Board Act, the Agricultural Products Marketing Act, the Canadian Agricultural Products Act, and the Farm Income Protection Act. We are merely bringing the existing Department of Agriculture up to date with some of this other legislation. That is also contained in clause 5.

Ministerial responsibilities are more precisely defined in the area of research by changing the reference to "experimental farm stations" to "research related to agriculture and products derived from agriculture, including the operation of experimental farm stations". These phrases are taken directly from the statutory provisions in Bill C-49.

Honourable senators, the bill provides for the repeal of three pieces of departmental legislation. These acts are no longer needed, and the opportunity was taken to get rid of some legislative "clutter". Those provisions are contained in clauses 27 to 29.

Bill C-49 also removes the requirement for the Department of Agriculture and Agri-Food to file an annual report. Some people will question why that requirement is removed. The reason, honourable senators, is that it is a duplication. Dropping the requirement to produce an annual report recognizes that this information and more is provided to Members of Parliament in Part III of the Main Estimates. In this house, Estimates are usually referred to the Standing Senate Committee on National Finance. It is not always the vote relating to the Department of Agriculture that is the subject of a long inquiry in that committee. However, it is up to the members of the committee to decide how they will handle this matter when the Blue Book of Estimates is referred to that committee. Individual members decide whether they conduct an in-depth review of any item in the Department of Agriculture, the Department of Fisheries and Oceans or any other department or departments. Therefore, a special reference is not required to give the committee authority to look into a particular department.

The clarification of the mandate of the department will be beneficial to the whole agri-food sector. The bill recognizes that the department has responsibilities beyond the farm gate, and that policies must be developed and delivered in a cohesive, consistent manner which will enhance the competitiveness, self-reliance and sustainability of the entire agricultural sector.

Honourable senators, I could say more about this bill, but given that the previous government initiated the bill, I will assume that senators on the other side of the chamber will be enthusiastic supporters of this legislation.

• (1630)

The Minister of Agriculture has looked this bill over carefully, and he thinks it might be useful. I will leave it at that.

Hon. Eileen Rossiter: Honourable senators, Senator Gustafson was prepared to speak on this matter. Unfortunately, he had to leave. Thus I will speak in support of Bill C-49.

As noted by Senator Olson, this bill changes the name of the department from the Department of Agriculture to the Department of Agriculture and Agri-Food, and transfers new responsibilities to the department. You will note that this proposal first came out in June, 1993 when former prime minister Kim Campbell proposed the most significant downsizing and restructuring of government ever undertaken in this country.

The new department acquires the agri-food packaging and labelling functions of the Food Division of the former Department of Consumer and Corporate Affairs, as well as the Food Products Branch of the former Department of Industry, Science and Technology.

Adding the word "agri-food" and clarifying the department's mandate to include not only primary agriculture but also "products derived from agriculture" reflects a recognition that the department's responsibilities extend well beyond the farm gate. The department's responsibilities in the area of research are more precisely defined by changing the reference to experimental farm stations to read "research related to agriculture and products derived from agriculture, including the operation of experimental farm stations."

As Senator Olson noted, the bill also eliminates the requirement that the department submit an annual report to Parliament. This clause has been a bit controversial and was the subject of an unsuccessful amendment at the report stage in the other place.

It is interesting to note that in the report of Senator Marshall's subcommittee, reference is made to this point as well.

It is gratifying to see that the proposals of June, 1993 of the previous government are moving to completion. We support this bill.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

On motion of Senator Olson, bill referred to the Standing Senate Committee on Agriculture and Forestry.

PROPOSALS FOR SOCIAL REFORMS

INQUIRY—DEBATE ADJOURNED

Hon. Donald H. Oliver rose pursuant to notice of Tuesday, October 25, 1994:

> That he will call the attention of the Senate to the efficiency in the Honourable Lloyd Axworthy's recent Proposals for Social Reform.

He said: Honourable senators, I rise today to speak on behalf of one of the constituencies I believe I represent in this chamber. In my maiden speech given on January 24, 1991, I said that I believed I could represent black Nova Scotians and visible minorities throughout the country. It is on behalf of this group that I wish to address a few of my remarks today.

Honourable senators, to the Chrétien government, this is a forgotten group — forgotten in relation to the government's attempt to reform the justice system, and forgotten in relation to the government's attempt to reform the social safety net in our country.

I am serving notice today that as long as I sit in this chamber I will not allow this government to forget or ignore the existence of this group of Canadians. I will not let the government forget the need to combat racism and provide equality of opportunity. This group is to be treated with fairness, equality and justice — not to be ignored. What do I mean by being ignored, slighted by this government? Let me be more specific.

On July 5, 1994, amid great self-congratulation, the Minister of Justice and the Solicitor General announced the creation of the National Crime Prevention Council. This council is to put in place or carry out a national strategy for community safety and crime prevention. This will bring together many of the existing efforts which are now in place to prevent crime — a laudable goal, no doubt. However, when I inquired about the background of those who make up this council, much to my dismay I was informed that only two members of the 25-person council are from the visible minority community in Canada. Of the two, only one is black.

In my opinion, there is no group in Canada which is subject to more discrimination within the criminal justice system than black Canadians. This discrimination is well documented. Both the Royal Commission on the Donald Marshall Jr. prosecution in Nova Scotia and the Commission on Systemic Racism in the Ontario Criminal Justice System acknowledged the existence of this discrimination. The report of the Donald Marshall inquiry is instructive on the plight of blacks in the criminal justice system. It states:

> Prejudice and discrimination against Blacks in all major institutional sectors of society, including the criminal justice system, is perceived to exist by the population at large, more so among Blacks but commonly by non-Blacks as well.

The report categorically states that blacks have been denied equal opportunities in employment, income and education. While Nova Scotia may not be an advantaged province in the Canadian federation, its economy and education system have been less responsive to the needs of blacks. It sums up the situation by stating:

> One should not be surprised if the legacy of blatant racism, as well as more subtle modern versions is found to manifest itself in the criminal justice system of the province.

The report

> presents a picture of widespread discrimination against Blacks in the criminal justice system and in society as a whole.

Is this statement and the recommendations of this royal commission, which range all the way from giving multiculturalism courses to police officers, to improvements in the legal aid system to help blacks, not evidence enough for the Chrétien government to appoint more than one lone black person to a national crime prevention council? Apparently not.

Is this all the evidence there is on racism against blacks in the criminal justice system? No. In Ontario, there is the Commission on Systemic Racism in the Ontario Criminal Justice System which was established in October 1992. Its main focus is on systemic racism as experienced by black people, women and youth.

• (1640)

This commission, which is due to report its full findings in December of this year, released an interim report in January of 1994 dealing with the treatment of blacks and other racial minority prisoners in Ontario prisons. The report is entitled: "Racism Behind Bars."

I do not think that anyone in this chamber would find it surprising that this commission reports that racism is alive in Ontario prisons. But what surprised me was the categorical statements made in this interim report about racism in the Ontario criminal justice system. The report states:

> The invidious consequences of racism in the criminal justice system are even greater because of the coercive force which its officials are authorized to exercise. Our system, built on the foundation of homogenous, Anglo-Saxon and Christian values, has not changed significantly over the past century. Many of its basic concepts and principles have served us well and will continue to do so in the future. However, our system must be inclusive of racial and cultural differences if it is to sustain the respect of all Canadians. Originally people from upper and lower Canada were those protected by the criminal justice system. Similarly, it is only in recent decades that members of other European ethnic groups have achieved influential positions within the criminal justice system and only in the past few years that members of black and other racial minority communities have begun to achieve some representation. Given this history, there is a danger that the laws, the machinery, and the culture of criminal justice may be based on assumptions about the "superiority" and "inferiority", "normality" and "deviance" of people from what are believed to be distinct "racial groups". Because people of European heritage are the dominant "racial groups" in Canadian society, it is their physical characteristics (particularly their white skin) and cultural practices that may be treated as "superior" and "normal". By contrast, people of Aboriginal, African, Asian and South Asian ancestries, may be viewed as "different" and, in some senses, "inferior". It is of fundamental importance that such assumptions play no part in the administration and culture of Ontario's criminal justice system.

One would like to think that emphatic statements such as this would have had some impact on the Chrétien government when establishing the Crime Prevention Council. It is simply unacceptable to the black community of Canada, a community that is constantly beset by racism within the criminal justice system, to have only one representative on this council.

You may say that I am overreacting to this obvious oversight. You may say that this council, among other things, is to address the needs of vulnerable groups, including visible minorities and ethnocultural minorities; that this is, in fact, the council's mandate. I say in response to this statement, however, that the black community will not settle for mere tokenism. It took me almost one month to uncover the information on the composition of the council. If this is the way the council will treat inquiries from the visible minority community, I have no confidence that it will work on behalf of this community.

Racism as it affects black Canadians in the criminal justice system is a serious subject and it is a problem that will become more intense with the passage of time. Statistics projected by Professor T. John Samuel of Carleton University indicate that Canada's visible minority population will rise to about 5.7 million, an increase of over 3.5 times since 1986. In percentage terms, the increase is from 6.3 per cent to 17.7 per cent. By the year 2001, approximately half of the population of Toronto and two-fifths of the population of Vancouver are expected to be visible minorities. Over one-fifth to one-quarter of the population of Montreal, Edmonton, Calgary, Winnipeg and Windsor are expected to be visible minorities. By the year 2001, approximately one-fifth of the labour force will be from the visible minority community. This group, says Professor Samuel, will control about one-fifth of the GDP of the country by 2001; about $311 billion.

This is not a group to be ignored — not a group to be ignored by the Liberal government. The government that does ignore this group will do so at its peril. This is a group that will not tolerate being characterized unjustly as being prone to criminal behaviour. This is a group that rose up as one in 1989 when Professor Phillippe Rushton announced to the American Association for the Advancement of Science Conference in San Francisco that he had discovered genetic evidence that blacks are less law abiding than whites, and that genetics explains the variation in crime rates between whites and blacks.

In an article published in the Canadian Journal of Criminology in 1990, Professors Julian V. Roberts and Thomas Gabor of the University of Ottawa, while refuting Rushton's conclusions, pointed to the incendiary nature of such remarks. Lay persons will read Rushton's conclusions and take them as fact, thus adding fuel to an already volatile issue.

Honourable senators, visible minorities in Canada will again unite to deal with the neglect and omission brought on by this government in relation to the criminal justice system.

In conclusion, I will turn to a closely related matter: the fact that visible minorities have been omitted as a target group from Mr. Axworthy's review of social security in Canada. This is a crucial omission for black Canadians especially. As was pointed out in the final report of the Donald Marshall Royal Commission of Inquiry, "There is a strong link between poverty and involvement in the criminal justice system."

Unfortunately, our government, having virtually excluded blacks from its efforts to improve the criminal justice system, decided to do the same in relation to its social policy review. This completely ignores the sage words of the Marshall inquiry. These two issues, economic improvement and criminal justice, are, in reality, two sides of the same coin. Improvement of the living standards of black Canadians and other visible minorities will lead to better education; and better education will lead to meaningful employment and the emergence from the cycle of poverty and crime in which racism and discrimination have placed many members of this particular group.

This is such an important issue for me that I would refer directly to the discussion paper put out by Mr. Axworthy's ministry entitled: "Improving Social Security in Canada." Let us look first at the pictures inside the front cover. There you will find 10 out of the 26 pictures in this montage reflecting the faces of visible minorities in a multicultural Canada but, honourable senators, that is as far as it goes. We did not make it into the book, just the cover.

On page 46 of Mr. Axworthy's report the words "visible minority" appear for the only time, but the phrase is used in relation to a general discussion of proposals for change in government unemployment insurance.

The other four traditional government target groups are all mentioned. In fact, they receive quite a bit of support. The aboriginal people of Canada are to have their own consultation process and are given $50,000 by the federal government to carry out their mandate. Women are mentioned in relation to the provision of daycare and the problems of single parents which must be addressed. The disabled are to have a program put in place to ensure access to various workplaces. These are all good as far as they go, but why is the fourth target group, visible minorities, excluded?

Let me read for you a passage from chapter four of the Axworthy document, entitled: "Security: Building Opportunity for People in Need." Under the heading "Redirecting Funding to New Priorities" a list is found. I wish to read that list and share it with you. It states:

> Potential priority areas directly linked to the goals proposed in this discussion paper include:
>
> better income support for low income families with children;
>
> working income supplement for working poor families;
>
> child care or child development initiatives;
>
> child support initiatives;
>
> employment development services for social assistance recipients;
>
> improving access to disability related supports and services; and
>
> continuing support for social services.

There is no mention of the visible minority community.

My final reference to this document comes from the last page, an invitation to Canadians to participate in the discussion process. It states:

> Over the coming months the House of Commons Standing Committee on Human Resource Development will hold extensive public hearings to discuss these reforms. This will give Canadians a forum in which to participate. Business and labour, academics, Aboriginal organizations, organizations representing women and organizations for persons with disabilities, as well as voluntary and community groups, are encouraged to speak up.

• (1650)

Unfortunately, the visible minority community was expressly excluded from the list of target groups once again.

It is too bad that the person who put together the pictures on the cover of this book did not write its contents. Had that been the case, visible minorities may have had a better chance to be included.

This constant omission to address the needs of a significant portion of Canada's population cannot continue without serious repercussions. However, it is a trend which has begun and is continuing in my opinion.

Shortly after the Chrétien cabinet was sworn in, I wrote an article which was published in the Halifax *Chronicle-Herald* entitled, "A Challenge to Mr. Chrétien from Canada's Visible Minorities." I commented on the fact that the Chrétien cabinet was lacking in representation from the visible minority community and that multiculturalism had been folded into a large ministry rather than standing on its own. I urged Allan Rock, then the brand-new Minister of Justice, to appoint a commission to address issues of racism and equality in the Canadian community and suggested appropriate action. In addition, I recommended that Mr. Rock attempt to persuade the Canadian Bar Association to conduct research into issues of racism in areas such as admission to law school and the hiring practices of law firms.

It is unacceptable to me, and should be to all Canadians, when a Canadian black lawyer with an LL.M. from Harvard can speak and write about racism among Bay Street law firms concerning their hiring practices in 1994. I am referring here to an address given by Michael St. Patrick Baxter to the third annual conference and symposium of the Black Law Students Association held in February of this year here in Ottawa.

However, as with all matters dealing with visible minorities, the Chrétien government remained silent. I did receive a letter from the Prime Minister's parliamentary secretary telling me that the views of visible minorities are well represented around the cabinet table.

A review of the legislation which has come forward in the last year from the government reveals that none of it in any way improves the condition of visible minorities in Canada. The changes to the Young Offenders Act deal mainly with more and better ways to have juveniles dealt with in adult court. It does not address the underlying causes of youth crime or suggest better methods of rehabilitation. In a bill on the subject of sentencing, this government could have taken the opportunity to insert racial origin or economic circumstances into the matters which a judge could take into consideration when passing sentence, but this opportunity was missed.

Honourable senators, the visible minority community will not be ignored. We will use every means at our disposal to be heard and to have our concerns addressed by the current government of Mr. Chrétien. You will continue to hear from me on this subject until the message gets through to this government.

On motion of Senator Bernston, debate adjourned.

The Senate adjourned until Tuesday, November 15, 1994, at 2 p.m.

THE SENATE

Tuesday, November 15, 1994

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

Prayers.

SENATORS' STATEMENTS

THE FOLK OF THE SEA

NEWFOUNDLAND PERFORMING ARTS GROUP— CONGRATULATIONS

Hon. William J. Petten: Honourable senators, on Sunday last, November 13, 1994, the Folk of the Sea performed to a capacity audience at the National Arts Centre. To say that they were well received would be an understatement. There was tremendous applause throughout the performance and a standing ovation at the conclusion.

Born out of adversity, namely the failure of the Newfoundland cod fishery, this group is made up of 100 fishermen, fisherwomen and plant workers from across the province of Newfoundland and Labrador. They started as a small group travelling across the province, adding to their numbers as they went. It was hard work, but you could say it was a labour of love. They played in church halls and school auditoriums, leading to an appearance in St. John's Arts and Culture Centre, and culminating in their performance here on Sunday and a repeat sellout on Monday in Toronto's Roy Thompson Hall.

I take this opportunity to publicly congratulate them on an excellent performance, and to wish them well in their future endeavours.

REMEMBRANCE DAY

Hon. J. Michael Forrestall: Honourable senators, I rise today, albeit a little bit late, to pay tribute to Canadian war veterans. We owe nothing short of our freedom to those brave men and women who risked their lives to ensure that we would live in peace. Many of those individuals made the ultimate sacrifice and never returned home.

On this Remembrance Day, we also commemorated the fiftieth anniversary of the Battle of the Scheldt, which took place during the Second World War. I was honoured to participate in the delegation that travelled to Belgium and the Netherlands three weeks ago to honour those who participated in the pivotal campaign which lasted for five long, wet, muddy weeks during the months of October and November, 1944.

The delegation included approximately 100 of the veterans who had fought in this battle 50 years ago, with an average age of 75. Their mission in those days was to clear out the enemy from either side, and at the mouth of the Scheldt River running through Belgium and the Netherlands. Only by overtaking that waterway could our troops get to the Port of Antwerp and open up the supply route. Success came on November 28, but not without a heavy price.

As the veterans and the rest of the delegation travelled through the final resting places for many of their comrades in Belgium and the Netherlands, we remembered those who made the ultimate sacrifice for that most important victory. More than 6,000 Canadian soldiers were killed, wounded or taken prisoner in the Battle of the Scheldt. They, along with those who did make it back home, deserve this observance and deserve that pilgrimage.

I should also like to take this opportunity to say how pleased I was that on this Remembrance Day veterans of the Canadian Merchant Marine were finally given due recognition for their heroic acts of bravery in wartime. Although some say it is too little too late, particularly because there are many benefits for which these veterans are still not eligible, we can at least take some comfort in the fact that the process to end this discrimination has begun.

Merchant mariners played a critical role in World War I, World War II and the Korean War. They risked their lives to ensure supplies were transported. Like so many other armed forces personnel, there were numerous merchant mariners who gave their lives to ensure our freedom. There are 2,100 merchant mariners listed in the Merchant Navy Book of Remembrance that was installed in the Memorial Chamber of the Peace Tower last Friday, and it is indeed a fitting, if very long overdue, tribute.

Those who lost their lives to war, along with those who returned home, must always be in our thoughts and prayers, not only on November 11 but throughout the year.

• (1410)

In conclusion, I will pay tribute to the Honourable Lawrence Macauley, who led the delegation. However, because of the untimely death of a very close relative, he was required to return home. His duties were taken over by Susan Whelan, a distinguished daughter of a most distinguished former member of Parliament and cabinet minister. Under the circumstances, she did an extraordinary job in representing Canadian veterans and the views of the Canadian people to the people of the Netherlands and of Belgium. She did a terrific job, as did all the support staff who escorted the more than 100 veterans back to the scene of some deep and moving memories. I have cried more in the last two and a half weeks than I have in the last 40 years, and I feel good about it.

GOVERNOR GENERAL'S PERFORMING ARTS AWARDS

CONGRATULATIONS TO RECIPIENTS OF GOVERNOR GENERAL'S AWARDS

Hon. Donald H. Oliver: Honourable senators, I rise today to pay homage, not to another honourable senator but, rather, to the

distinguished spouse of an honourable senator. On November 5 last, my wife and I were privileged to attend the Governor General's 1994 Performing Arts Awards, held here in Ottawa at the National Arts Centre. The event was hosted by Donald Sutherland.

The awards were founded in 1992 to recognize Canada's greatest performers and to provide Canadians an opportunity to show their appreciation of the contribution such performers have made to the cultural community. The event was held under the distinguished patronage of His Excellency, the Right Honourable Ray Hnatyshyn. The six 1994 recipients were Frédéric Back, an expert in creating animated films; Robert Charlebois, an avant-garde French pop musician; Celia Franca, founder of the National Ballet School; Jean Papineau-Couture, a famous composer; Neil Young, a singer, songwriter and musician; and Frances Hyland, a world-famous Shakespearean actress.

As an integral part of this outstanding array of Canadian talent, His Excellency awarded the Ramon John Hnatyshyn award for "volunteerism in the performing arts". It went to Sandra Kolber of Montreal, the wife of Senator Leo Kolber. The program notes said of Sandra Kolber:

> ...she is a central figure in our country's artistic community and the breadth of her talent has brought beauty to Canada's cultural landscape.

As with others honoured that evening, many famous Canadians paid a personal tribute. One that stood out was the tribute to Sandra from Charles Dutoit, the conductor of the Montreal Symphony Orchestra who, in a special video message from New York, warmly thanked her for her fund-raising and other charitable efforts that resulted in several world-famous artists coming to Montreal to perform with that orchestra. Sandra Kolber is a talented and distinguish poet, a film consultant and writer and, since the early 1980s, a patron of the arts in the Montreal community.

Honourable senators, I felt proud that evening to be a member of this chamber as the spouse of one of our colleagues was thus honoured. It brought credit not only to the Kolber family, to the city of Montreal and the province of Quebec, but it was also a tribute to this institution. I am sure all honourable senators will join me in congratulating Senator Kolber and his wife Sandra on her outstanding achievement.

Hon. Senators: Hear, hear!

[*Translation*]

FEDERAL BUSINESS DEVELOPMENT BANK

TRIBUTES ON FIFTIETH ANNIVERSARY

Hon. Gerald J. Comeau: Honourable senators, I wish to take this opportunity today to congratulate the Federal Business Development Bank on having served the small- and medium-sized businesses of Canada for fifty years.

In 1944, with the Second World War coming to an end, the federal government of the day recognized the need to put in place new programs to smooth the return to a peacetime economy. One such program saw the creation of the Industrial Development Bank, from which the Federal Business Development Bank evolved. The bank was responsible for providing financial assistance to businesses, with respect in particular to the funding problems facing small- and medium-sized businesses.

Originally, the bank's primary role was to help manufacturing firms reconvert. In the fifties and sixties, many changes occurred and it became obvious that the bank had to include a wider range of Canadian businesses as part of its clientele.

Over the last 50 years, the Federal Business Development Bank has made more than $14.6 billion available to entrepreneurs from every part of the country. It was the first to offer term loans to small- and medium-sized businesses, and also one of the first institutions to provide management assistance to that sector, through consultations, training courses and seminars.

I personally witnessed the significant contribution made by the Federal Business Development Bank. I can tell you about jobs in my region which would not exist if it were not for the bank. These jobs have special meaning for me, because I regularly see the people who owe their livelihood to the bank. I am confident that this kind of success in my community can be duplicated by thousands of other Canadian communities, and this is why the bank certainly deserves recognition.

I am confident that my colleagues here will join me in congratulating the Federal Business Development Bank. We hope that this excellent institution will continue for another 50 years to help small- and medium-sized businesses in our communities.

HIS EMINENCE JEAN-CLAUDE TURCOTTE

TRIBUTES ON NOMINATION AS CARDINAL

Hon. Marcel Prud'homme: His Holiness Pope John Paul II has appointed 30 new cardinals and we welcome the appointment of His Eminence Jean-Claude Cardinal Turcotte, Archbishop of Montreal. He is the third one for the archdiocese of Montreal, after Cardinal Léger and Cardinal Grégoire.

Cardinal Turcotte, who was born in Montreal, was ordained as a priest in 1959, became a bishop in 1982 and was appointed Archbishop of Montreal in 1990. We want to thank the Holy See for its enlightened choice, which brings honour not only to the city of Montreal but also to all of Quebec and Canada.

May the Almighty God continue to guide and protect His Eminence Jean-Paul Cardinal Turcotte, Archbishop of Montreal.

[*English*]

ROUTINE PROCEEDINGS

CANADA'S DEFENCE POLICY

REPORT OF SPECIAL JOINT COMMITTEE TABLED

Hon. Pierre De Bané: Honourable senators, pursuant to the order of the Senate adopted on Wednesday, February 23, 1994, I wish to inform the Senate that, on Monday, October 31, 1994, I tabled with the Clerk of the Senate the report of the Special Joint Committee on Canada's Defence Policy entitled, "Security in a Changing World."

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

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

BUSINESS OF THE SENATE

ADJOURNMENT

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, with leave of the Senate, and notwithstanding rule 59(1)(*h*), I move:

> That when the Senate adjourns today, it do stand adjourned until tomorrow, Wednesday, November 16, 1994 at one thirty o'clock in the afternoon.

I would remind honourable senators that we discussed this matter briefly when last we met. The original idea for this practice arose out of a discussion that occurred at a meeting of committee chairmen. Its purpose was to allow committees to know in advance when they are able to sit. However, a day's notice for such a motion is not sufficient, and my friends opposite and I have discussed whether we could stretch that a bit. I believe I have their agreement that this same motion will apply for next week. In that event, next Wednesday the Senate will sit from 1:30 to 3:00 p.m., and committees can plan to sit after 3:00 p.m. on that day.

Hon. Eric Arthur Berntson (Deputy Leader of the Opposition): Honourable senators, the scenario as set out by my honourable colleague is essentially what we discussed this morning. It is probably correct, assuming we sit next week. My honourable friend might want to explain to us what next week's program will be.

The concern among our colleagues on this side of the chamber has always been that the 1:30 p.m. sitting on Wednesday has become a fixture which is taken for granted, and that the committees apparently seem to be running the Senate. It is our feeling that that ought not to happen. Nevertheless, committees were planning their business well in advance of any decision being taken by the Senate as it relates to hours of sitting on Wednesdays, for instance.

While it is true that this arrangement was brought about through discussions among committee chairmen, it is also true that, in discussions between my colleague and I, we have agreed that this matter should be referred back to the chairmen of committees to resolve how best to facilitate committee business but, at the same time, not to have it seem that the committees run the Senate.

Senator Molgat: Honourable senators, I concur with the comments made by my friend opposite, having frequently made the same comment from the seat where he now sits. We are reaching the point where the Senate will need to ask committees when we may sit.

Having said that, the system has worked, but it must always be at the decision of the Senate. I would urge committee chairmen and committee clerks not to automatically assume that there will be a certain Wednesday sitting of the Senate from 1:30 to 3:00 p.m. However, we will try to forecast as best we can.

My honourable friend asked if I could give some advance notice of what may happen next week and the week after. I find that crystal balls are very blurry. The best I can expect at this time is that we will sit every week from now until Christmas.

As honourable senators may know, the House of Commons will be adjourning on Friday, December 16. It would be wishful thinking on our part to assume that we will not be receiving bills in that last week. In the past, no matter what government was in office, a raft of bills has always arrived in the Senate at the last minute.

It is, therefore, probable that we will sit the week following the adjournment of the House of Commons; that is, until the Wednesday or Thursday, December 21 or 22. I will try to make that a date certain, on the understanding, of course, that we complete our work. If we can do so by December 16, we can adjourn at that time. If we cannot, we will sit the following week.

After that, if our work is completed, we can look forward to taking at least the same recess as the House of Commons, and possibly an additional week. Those comments are conditional upon our completing the work before us, and barring any unforseen circumstances. That is a long-range forecast which may change. I give it to honourable senators as the best information I have at this time.

The Hon. the Speaker: Honourable senators, you have heard the discussion and the motion as read. Is leave granted, honourable senators?

Hon. Senators: Agreed.

Motion agreed to.

THE ESTIMATES, 1994-95

SUPPLEMENTARY ESTIMATES (B) REFERRED TO NATIONAL FINANCE COMMITTEE

Hon. Gildas L. Molgat (Deputy Leader of the Government), with leave of the Senate and notwithstanding rule 59(1)(*f*), moved:

> That the Standing Senate Committee on National Finance be authorized to examine and report upon the expenditures

set out in the Supplementary Estimates (B) for the fiscal year ending March 31, 1995, tabled in the Senate on November 15, 1994.

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

Hon. Senators: Agreed.

Motion agreed to.

SPLIT LAKE CREE FIRST NATION FLOODED LAND BILL

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-36, respecting the Split Lake Cree First Nation and the settlement of matters arising from an agreement relating to the flooding of land.

Bill read first time.

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

On motion of Senator Molgat, bill placed on the Orders of the Day for second reading on Thursday, November 17, 1994.

CANADIAN WHEAT BOARD ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-50, to amend the Canadian Wheat Board Act.

Bill read first time.

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

On motion of Senator Molgat, bill placed on the Orders of the Day for second reading on Thursday, November 17, 1994.

MARINE TRANSPORTATION SECURITY BILL

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-38, to provide for the security of marine transportation.

Bill read first time.

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

On motion of Senator Molgat, with leave of the Senate and notwithstanding rule 58(1)(*f*), bill placed on the Orders of the Day for second reading at the next sitting of the Senate.

[Senator Molgat]

FOREIGN AFFAIRS

COMMITTEE AUTHORIZED TO MEET DURING SITTING OF THE SENATE

Hon. John B. Stewart, with leave of the Senate and nothwitstanding rule 59(1)(*a*), moved:

That the Standing Senate Committee on Foreign Affairs have power to sit at three thirty o'clock in the afternoon today, November 15, 1994, even though the Senate may then be sitting, and that rule 96(4) be suspended in relation thereto.

He said: As many honourable senators know, the work of the Standing Senate Committee on Foreign Affairs has been stood down by reason of the activities of the two special joint committees, both of which have now completed their work, as was recorded in our proceedings earlier this afternoon.

Since last spring, the Standing Senate Committee on Foreign Affairs has projected a fairly heavy program relating almost entirely to trade matters. This afternoon, we are anxious to get on with the work we had planned for last spring in relation to the so-called Uruguay Round of the General Agreement on Tariffs and Trade. That is why we wish to meet today at 3:30 p.m. We shall be continuing that work tomorrow after the Senate rises, so that senators will have an understanding of the complexities of the Uruguay Round.

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

Hon. Senators: Agreed.

Motion agreed to.

BUSINESS OF THE SENATE

INQUIRIES NOS. 17 AND 18 REINSTATED NOTWITHSTANDING RULE 28(3)

Hon. H.A. Olson: Honourable senators, two Inquiries standing in my name, numbers 17 and 18, will fall from the Order Paper tomorrow. I move that they be placed back on the Order Paper. If necessary, we can go back to square one and I can send in another application for both Inquiries, but, inasmuch as the Table is fully aware of what I want placed back on the Order Paper, perhaps they can take this intervention as notice.

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

Hon. Senators: Agreed.

Motion agreed to.

QUESTION PERIOD

TRANSPORT

NOMINEES TO CANADIAN AIRPORT AUTHORITY—GOVERNMENT POSITION

Hon. Finlay MacDonald: Honourable senators, I have a question for the Leader of the Government in the Senate. A

communiqué dated October 28 indicates that the Transport Minister has named two distinguished Canadians as the federal nominees for the board of directors of the Canadian Airport Authority that will take control of Toronto's Pearson International Airport.

Senator Fairbairn will probably recall this matter because she was on the Senate Transport Committee when it dealt with the subject of bringing the Montreal Airport Authority into being.

Can the Leader of the Government in the Senate tell us what the difference is between the Canadian Airport Authority and a local airport authority, as we used to refer to it? I do not wish for this to be an oral examination, but is the Canadian Airport Authority also a not-for-profit organization?

Hon. Joyce Fairbairn (Leader of the Government): Senator MacDonald, I thank you for your question. I am glad this is not an oral exam, and I hope you will permit me to do some homework on this matter.

Senator MacDonald: Honourable senators, the thrust of the question is: Will the Canadian Airport Authority be a not-for-profit organization, and therefore never be privatized; or at least, is it not now the intention that it be privatized? This announcement seems to indicate that there are nominees from the province, the federal government, from labour and different organizations, unlike the other authority. If that is the case, I have another question.

Senator Fairbairn: Senator MacDonald, if I may, I should like to check into this matter and get an answer for you. On the basis of that answer, I will then take your other question.

RELATIONSHIP OF CANADIAN AIRPORT AUTHORITY TO DEVELOPMENT OF PEARSON INTERNATIONAL AIRPORT

Hon. Finlay MacDonald: Honourable senators, the last part of the communiqué reads as follows:

> As soon as all nominations are made, Transport Canada will negotiate an interim arrangement to ensure that the CAA for Pearson International Airport can play an advisory role until Bill C-22 has been passed by Parliament.

• (1440)

The Toronto Star says:

> The 15-member panel will take over management of the airport once Parliament approves a bill — now stalled in the Senate — formally cancelling the Tory deal to privatize Terminals 1 and 2...

What in the name of heaven does Bill C-22 have to do with the development of the Pearson International Airport under the new authority?

Senator Fairbairn: As I said before, I will do some homework on this matter and get back to Senator MacDonald.

HUMAN RIGHTS

THREE GORGES DAM PROJECT— DISPLACEMENT OF CHINESE CITIZENS—GOVERNMENT POSITION

Hon. Ron Ghitter: Honourable senators, now that the fanfare and the breast-beating have subsided over the Prime Minister's trip to China, may I say that I share the view that delegations of this nature are valuable and significant for trading nations such as Canada. I congratulate the Prime Minister and the premiers for undertaking such a trip.

However, the puny or nonexistent attempt of the Prime Minister to raise the human rights issue with the Chinese Prime Minister amounted to an incredible oversight, considering the importance this government has rhetorically suggested it attaches to human rights standards. I will leave that matter for another day.

Lurking behind the scene is the spectre and the rumour of the involvement of the Canadian government, through the Export Development Corporation, in the Three Gorges Dam project. As a reminder to honourable senators, the Three Gorges Dam is a project of immense size with a controversial history, a $50-billion U.S. cost, and incredible impact, all of it negative, upon soils, scenery, historical sites and wildlife, not to mention an unprecedented plan to relocate 1.3 million people.

When the Liberals were in opposition, the project was severely criticized in the House by Christine Stewart, now Secretary of State for Latin America and Africa, and by Charles Caccia, now chairman of the House of Commons Committee on Environment and Sustainable Development, who led the Liberal objections to Canadian participation in the same project.

Is the Government of Canada financing any aspect of the Three Gorges Dam megaproject, through the Export Development Corporation or any other agency? If so, I would like to be advised of all the details surrounding such support.

Hon. Joyce Fairbairn (Leader of the Government): Senator Ghitter, I appreciate your question. Because of its specific nature, I will obtain a specific answer for you, as well as any other details that I can provide.

Senator Ghitter: While the leader is obtaining that information, perhaps she could concentrate her search on whether or not there are any details of the relocation of the 1.3 million people in China. I am interested in knowing where they are going, and under what circumstances.

I should also like to ask if this is a harbinger of a new Liberal policy which pays no regard to human rights, people, or the environment, and which will encourage trade by Canada with China at any cost.

Senator Fairbairn: I will seek the details that my honourable friend requires. However, I certainly do not agree with the latter part of his question.

Human rights is a matter of great concern to this government. We have talked previously about the fact that assisting with economic development in other countries in the world is not mutually exclusive of the support of human rights. The two can go together. This trade mission which the Prime Minister, the premiers, and many business people in this country have just

completed will be very beneficial not only to Canadians but also to the countries which they have visited.

I know about my friend's interest in human rights, wherever they exist, including in our own province, and I will follow up on the questions that he has asked me and any others he chooses to ask. However, I do not accept his final comment that there is no concern or support for human rights in this government. It is quite the contrary.

Senator Ghitter: If that is the case, and I certainly take the honourable leader at her word, why is it that the Prime Minister, in his visitation to China and now in Indonesia, has really said nothing on the area of human rights? It is even questionable whether he raised the issue with the Prime Minister of China during their meeting, althouth he gave an undertaking in the House of Commons to do so, and it was reiterated in this house that that would be done. In fact, nothing has occurred in that regard.

Senator Fairbairn: Honourable senators, the Prime Minister did raise the issue of human rights in China. He certainly did so in Indonesia. I believe human rights was one of the first items that was raised during his visit with the heads of that country.

THREE GORGES DAM PROJECT—FINANCIAL ASSISTANCE—GOVERNMENT POSITION

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, while the Leader of the Government is searching for answers to Senator Ghitter's questions, would she ask her colleague Ms Stewart, who is Secretary of State for Latin America and Africa, whether she stands by her statement of April 1992 when she called the Yangtze River Three Gorges Dam project "the world's largest disaster"?

At the same time, could she remind Ms Stewart and her colleagues of the question that Ms Stewart asked; the same question we are asking today: "Will the government assure us that it will not put any taxpayer's dollars or loan guarantees into the development of the Three Gorges Dam project?" This question was asked by Ms Stewart, a senior member of the Liberal Party in opposition at the time. I cannot believe that her feelings have changed so drastically in less than three years. We would all appreciate knowing if this is still her position and therefore the position of her other colleagues.

Honourable Joyce Fairbairn (Leader of the Government): I will make those inquiries for my honourable friend.

REQUEST FOR DEBATE ON HUMAN RIGHTS AND TRADE—GOVERNMENT POSITION

Hon. Marcel Prud'homme: Many months ago, the Honourable Senators Austin and Ghitter exchanged some views on the same question. At that time, I wanted to participate in the debate, but no debate followed. We thought eventually we might have a debate on this question of human rights.

I followed the debate or the exchange of views between Senator Austin and Senator Ghitter very closely, and I must admit I am inclined to support Senator Austin's argument. I do not believe that the world is divided strictly between trade or human rights. I am a strong supporter of human rights, but I do happen to believe that trade and human rights concerns can coexist.

Would you consider putting some time aside to have a debate on this issue? It is a matter that comes up in the Senate fairly frequently.

Hon. Joyce Fairbairn (Leader of the Government): I thank my honourable friend for his suggestion, and we can perhaps undertake discussions.

Senator Berntson: Put it on the Order Paper.

Senator Lynch-Staunton: You can very easily make it the subject of an inquiry.

CUSTOMS

CANADIAN PILOTS—CLEARANCE PROCEDURES AT MIRABEL AIRPORT

Hon. Pat Carney: Honourable senators, I am advised that Canadian pilots flying Canadian airplanes between the airport in Toronto and the airport at Mirabel must enter Mirabel through the customs gate. Can the Leader of the Government explain why Canadians need customs clearance in their own country?

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I will certainly look into that matter for my honourable friend and provide an answer.

JUSTICE

CRIMINAL CODE—PROPOSED REVISIONS TO ACCOMMODATE CULTURAL DIFFERENCES

Hon. Richard J. Doyle: Honourable senators, my question is directed to the Leader of the Government in the Senate. It relates to culture as a defence before the courts and the possibility of revising the Criminal Code to accommodate practices punishable under laws which, the justice minister advises us, were enacted over 100 years ago.

Honourable senators will have heard that the consultation paper aimed at modernizing the Criminal Code to recognize "evolving social values" was made public Saturday. By Sunday, the plan for staggered offences was out of the frying pan and into the fire. By Monday, the whole idea was orphaned by the pledge of the minister to guarantee us that nothing like cultural accommodation would be considered, let alone introduced, while he holds the justice portfolio.

This morning, a pleasant letter from the minister and a copy of the offending consultation paper were delivered to my office in the Senate.

If the government intends to act so wisely and so swiftly in the face of public outrage, especially when the Prime Minister is out of the country, can we expect an improvement in the messenger service between the two Houses of Parliament so that senators will be adequately informed to share in the pleasures of capitulation?

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, Senator Doyle's last question is well placed. I suppose there are ears in this chamber that have heard the honourable senator's question, and we will certainly see what we can do about the messenger system.

DELAYED ANSWERS TO ORAL QUESTIONS

REQUEST FOR ANSWERS

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, the Deputy Leader of the Government had assured us that certain unanswered questions, dating back in some cases to March and April, would be looked into and reported at the earliest sitting. I do not want to pin him down to that timetable, but he did leave me with that impression.

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, that is correct. There are two questions by Senator Doyle to which I had undertaken to get answers by the next time we met. Unfortunately, I must tell you that the answers involve several different departments. They involve Public Works, Treasury Board, and the Senate, in particular the Internal Economy Committee. It is a matter of gathering all of that information together and making sure it is accurate. It has taken a little longer than we expected, but I still hope to receive those answers very soon.

Senator Lynch-Staunton: Honourable senators, I should like to help the Deputy Leader. By our records, there are ten questions still outstanding, dating back to late spring and early summer. I leave that with him.

Senator Molgat: Honourable senators, perhaps my honourable colleague could give me a list of what he has. My understanding is that every question has been answered, except those two by Senator Doyle. I will follow up at once on the others on his list.

ORDERS OF THE DAY

EXCISE ACT
CUSTOMS ACT
TOBACCO SALES TO YOUNG PERSONS ACT

BILL TO AMEND—THIRD READING

Hon. Gildas L. Molgat (Deputy Leader of the Government) moved the third reading of Bill C-11, to amend the Excise Act, the Customs Act and the Tobacco Sales to Young Persons Act.

Hon. Mira Spivak: Honourable senators, when Bill C-11 received second reading, the latest statistics on cigarette production and shipments were not available. Now we have the figures as they were reported to Statistics Canada by tobacco manufacturers. Now we can see the early results of the government's decision last February to dramatically reduce the price of cigarettes by lowering the excise tax.

The bill before us is a companion measure to that steep tax reduction. Many of its features are laudable and may help place a curb on cigarette smuggling when the tax is again increased. I say "when", not "if", for two very good reasons. First, the Prime Minister assured Canadians on February 8 that the steep tax reduction would not be permanent. Second, we are seeing the thoroughly predictable, unfortunate results of the dramatic tax cut.

According to Statistics Canada, production and shipments of cigarettes are again on the rise. In September, nearly 5.5 billion cigarettes were produced — a 22-per-cent increase over production in the previous September. Shipments to wholesalers increased more than 25 per cent. The nine-month report from January to September is almost as gloomy when viewed from the standpoint of the health of Canadians. Domestic sales are up fully 48 per cent and total sales including exports show an 8 per cent rise.

Major tobacco manufacturers point to the steep decline in exports as evidence that the tax rollback has indeed cut the demand for contraband cigarettes and therefore the market for smugglers. They also suggest that many Canadians have returned to purchasing packaged cigarettes instead of fine-cut tobacco to roll their own products. While it is true that production and sales of fine-cut tobacco have also dramatically declined, it is a red herring that draws attention away from the fact that, no matter how the figures are cut — and these figures are furnished by manufacturers — total sales are not down but up.

That is precisely what health professionals who opposed the tax cut predicted. After years of leading the western world in declining consumption of cigarettes, Canada is heading for the largest single-year increase since World War II, according to a lawyer with the Canadian Council on Smoking and Health. A survey by the *Canada Health Monitor* showed that 29 per cent of Canadians now smoke, compared to 27 per cent before the excise tax was cut. More people are smoking more frequently. Some 72 per cent of those surveyed smoked more than 10 cigarettes a day, compared to 65 per cent who risked their lives through heavy smoking before taxes fell in February.

While tobacco manufacturers tout the government's four-part action plan, of which Bill C-11 is one part, as a victory over smuggling, they clearly expect more Canadians to smoke more. The most telling figure of all is not the 8-per-cent rise in combined domestic sales and exports. The most telling figure is the 17-per-cent rise in production between January and September. Cigarette manufacturers are not producing more cigarettes in the expectation that they will sit in warehouses. They are producing them because they expect to sell them to new and heavier smokers. The government's policy is a victory for tobacco companies and a sad — and, I hope, temporary — defeat for the health of Canadians.

When the Prime Minister announced the government's policy in February, he said:

> Much as we may all regret the necessity to lower cigarette taxes, we must do so at least until we have put the smuggling networks out of business.

Bill C-11 will give police forces more tools to deal with smuggling. It will require cigarette manufacturers to stamp cigarette wrappers to distinguish them from duty-free cigarettes. It thankfully bans the production and sale of "kiddy packs". There is some benefit in banning the small packs, which can be more easily concealed from parents or teachers. In reducing the tax, however, we have lost the greater disincentive to young people who might be tempted to take up the habit. It is now more affordable.

All these measures in Bill C-11 are beneficial. However, the true test of these measures to curb smuggling and dissuade new smokers can only come when Canada renews its commitment to reduce cigarette consumption by the proven method of raising tobacco taxes. Certainly we must give law enforcement agencies the tools they need to control smuggling when there are large profits to be made by disobeying the law. Bill C-11, in part, does that. Very soon, the government must also have the courage to test its effectiveness. If the Prime Minister chooses to turn a brief, temporary tax reduction into a prolonged holiday for smokers and tobacco companies, as the figures now tell us, we will simply have replaced a difficult crime problem with a more dangerous, more deadly and more costly health problem.

Motion agreed to and bill read third time and passed.

REVIEWING CANADA'S FOREIGN POLICY

REPORT OF SPECIAL JOINT COMMITTEE TABLED

Leave having been given to revert to Tabling of Documents:

Hon. Allan J. MacEachen: Honourable senators, I have the honour to table, in both official languages, the report of the Special Joint Committee of the Senate and House of Commons entitled, "Reviewing Canada's Foreign Policy".

I wish to advise honourable senators by way of explanation that there are three volumes to this report. The first volume is entitled, "Canada's Foreign Policy: Principles and Priorities for the Future". The report of the committee was passed unanimously in committee, with no recorded divisions on any of the items in the overall report.

Reservations were, however, expressed from time to time, and those found expression in the second volume which is entitled, "Canada's Foreign Policy: Dissenting Opinions and Appendices". A large dissenting opinion, amounting virtually to a stand-alone foreign policy statement, was presented by the members of the Bloc Québécois.

A short dissenting opinion was also presented by members of the Reform Party. That, however, is not as wide-ranging and could more accurately be described as a "dissenting opinion" than that which was presented by the Bloc Québécois, which contains an executive summary, chapter headings, and has all the characteristics of a separate report. Also contained in this second volume are appendices containing the names of witnesses, hearing places, and so on.

Finally, the third volume is entitled "Canada's Foreign Policy: Position Papers". The committee, in an effort to widen its knowledge and add to its enlightenment, commissioned a number of separate papers on important topics to be written by Canadians well versed in the field assigned, and these papers are included in that volume. Among those papers is one entitled, "Contemporary Security Issues" by Denis Stairs, a professor at Dalhousie University; as well as one entitled, "The Challenge of Global Trade, Investment and Finance for Canada — An Addendum on International Financial Institutions" prepared by Sylvia Ostry and Alan S. Alexandroff. There is also a position paper entitled, "Foreign Aid and Development Revisited" by Professor André Martens of the University of Montreal; and one entitled, "Culture and Foreign Policy" by John Ralston Saul.

I found these individual papers to be most interesting and valuable. Since the main report itself contains a rather new, ground-breaking chapter on culture and learning as a dimension of Canada's foreign policy, I would refer honourable senators to the interesting paper by Mr. John Ralston Saul on culture and foreign policy.

Honourable senators, I thank you for giving me this opportunity to table these documents.

Pursuant to rule 98(3), I move:

> That the report be placed on the Orders of the Day for consideration at a later date.

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

Hon. Senators: Agreed.

Motion agreed to.

The Senate adjourned until Wednesday, November 16, 1994 at 1:30 p.m.

THE SENATE

Wednesday, November 16, 1994

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

Prayers.

[*Translation*]

VISITOR IN THE GALLERY

The Hon. the Speaker: I call your attention to the presence in our gallery of Mrs. Noushing Eloyan, recently elected as city councillor for the district of Acadie, in Montreal.

Hon. Marcel Prud'homme: Honourable senators, a few moments ago, the Speaker introduced Mrs. Eloyan. I must say —

[*English*]

— to all of us here in the Senate who are building a new country, she is a good example to a country in the making. She was born in Syria, lived in Lebanon, and came to Montreal at the age of 17. She had the honour of being sworn in last Monday in Montreal after having been elected as one of the first municipal councillors of Armenian origin.

That is what I call Canada in the making.

[*Translation*]

She is a city councillor and really shows what Canada is all about.

[*English*]

As I have said since my arrival here and will continue to say until I die: Canada is a country in the making, an example to the world, a hope, a light.

In my old district, which I was proud to represent in Parliament for approximately 30 years, six municipal councillors were elected. Evidence of the change taking place in this country is that of the six councillors elected three are women and three are men. We would not have seen that in the old days. Two of the women are of Armenian origin and were not born in Canada, Madam Eloyan being the first.

Also elected were a 25-year-old, articulate French Canadian woman, one gentleman of Italian origin, one of French Canadian origin, like myself, and one of Greek origin, the president of the Montreal Greek community.

This is Canada in the making. I am proud that Madam Eloyan's first official visit as a municipal councillor is not only to the Parliament of Canada, but to the Senate. I know you will want to welcome her very warmly.

Hon. Senators: Hear, hear!

[*English*]

SENATORS' STATEMENTS

THE LATE LIONEL CONACHER

TRIBUTES ON INDUCTION INTO HOCKEY HALL OF FAME

Hon. Stanley Haidasz: Honourable senators, this afternoon I should like to bring to your attention the honour bestowed upon a former parliamentarian, a member of the House of Commons from 1949 to 1954, who preceded me in representing the people of the Toronto riding of Trinity.

Yesterday, Lionel Conacher, an eminent Canadian and Canada's greatest all-round athlete, was inducted posthumously into the Hockey Hall of Fame. He excelled not only in hockey but also in football, lacrosse, boxing, wrestling and other sports. He was an ardent sportsman, and a gentleman.

While playing in an annual baseball game between parliamentarians and the Press Gallery on the front lawn of Parliament Hill, he tried to stretch a triple into a home run and died suddenly of a heart attack as he rounded third base.

I wish to pay tribute to Lionel Conacher for everything he has done in sports and in politics for Canada. We are very honoured that a former parliamentarian has made it to the Hockey Hall of Fame.

PRINCE EDWARD ISLAND

TRIBUTE TO SIR ANDREW MACPHAIL—DOCUMENT TABLED

Hon. M. Lorne Bonnell: Honourable senators, I rise today to pay homage to two people. One is a former colleague of ours, the Honourable Heath Macquarrie. The other is another great Islander, Sir Andrew Macphail. Sir Andrew Macphail loved the Island. He was a scholar, a soldier, an essayist, an editor, a patriot, a philosopher and a physician. He was the first editor of the *Canadian Medical Association Journal* of Montreal.

Sir Andrew Macphail was such a great Islander that he inspired Senator Macquarrie to write of him in a book, which he wants to table in this house, in both official languages, so that all Canadians will know about Sir Andrew Macphail. Senator Macquarrie was rather upset to discover that a copy of his book was not available in the Library of Parliament.

• (1340)

He has also asked me to convey his thanks to the Government of Canada and the Government of Prince Edward Island which, together, will restore his home at Sir Andrew Macphail's Park in

Orwell Corner, Prince Edward Island. Visitors to the Island will soon be able to visit the home of Sir Andrew Macphail.

I should now like to table, in both official languages, Senator Macquarrie's comments about Sir Andrew Macphail.

FINANCE

TAXATION OF REGISTERED RETIREMENT SAVINGS PLANS

Hon. Terry Stratton: Honourable senators, for many years senior citizens have saved in order that they might have a reasonable income during their old age. Now the threat exists that the government may, in fact, tax RRSPs. I have heard some talk that the government may introduce limitations on RRSPs. We view this as highly unfair. Strong opposition to such a measure has been voiced in the province of Manitoba. Manitobans are deeply concerned, and fear that their financial futures will be jeopardized.

When the Minister of Finance was asked in the House of Commons on January 19, 1994, to assure Canadians that the federal government would not jeopardize their financial future by limiting contributions to RRSPs, the finance minister, in response to the question, said:

> I can tell the member however that this government will never do anything that will put into jeopardy Canadians' retirement income.

Honourable senators, I hope the minister meant what he said, and that he will not tax Canadians' retirement savings. After all, it was the finance minister who, more than a year ago, said the following as was reported in *The Financial Post* on September 30, 1993:

> This country cannot afford any new taxes.

He was right then, and I know from what I hear out west that the sentiment is still right today.

Honourable senators, I want to read a few lines from a budget speech made by a former finance minister 10 years ago. The speech was delivered in the House of Commons by the Honourable Marc Lalonde, the Liberal Minister of Finance, on February 15, 1984. Mr. Lalonde, at the beginning of his speech, said:

> Pensions are the principal lifeline Canadians have to economic security in their retirement years.

Mr. Lalonde was quite right when he said that, and I feel that his statement should serve as a good reminder to the current government of just how important retirement savings are to Canadians.

Honourable senators, it was 10 years ago in his budget speech that Mr. Lalonde introduced reforms to improve tax assistance for retirement savings. The Liberal government at the time recognized that there were inequities in the system, and that there was a real need for improvement.

During his budget speech in the House of Commons, Mr. Lalonde said:

> It has become quite clear over time that a number of aspects of the tax treatment of pension savings are unfair and inflexible. For example, the tax system now provides significantly greater support and flexibility to Canadians building pensions through defined-benefit plans than it does to Canadians building pensions through money purchase plans such as RRSPs. This inequity penalizes in particular employees of small businesses, farmers, fishermen, professionals and others who are self-employed.
>
> I am proposing changes to put all pension plans on an equal footing for tax purposes, and to allow contribution entitlement to be carried forward from year to year on the basis of total career earnings. As a result, all Canadians will have comparable access to tax assistance. They will be able to save for retirement as their means permit without losing any entitlement to tax assistance. This will recognize that many Canadians, in their early working years, find it difficult to build pensions because they are saving for a home, bearing a heavy burden of family expenses, or investing to build up a business.
>
> The new system of tax assistance for retirement saving... will increase the capacity of Canadians now working to build stronger pensions for their retirement. By so doing they will help to build a strong foundation for personal economic security, while increasing savings that will support investment and growth over the medium term. This shows once again how public support for private initiative can help Canadians to help themselves, and in the process build a stronger future for all us.

Honourable senators, the very ideas in his address are crucial to our situation today; and all this from a former Liberal Minister of Finance. Perhaps the current government should take note of the party's past accomplishments. It was Marc Lalonde who introduced RRSP increases in his 1984 budget. Today's federal government should not ruin the level playing field by introducing inequities into the system through taxation, nor should the government do anything to invoke fear among the many self-employed Canadians who have taken it upon themselves to save for their retirement through RRSPs.

The Hon. the Speaker: I always regret interrupting an honourable senator, especially when he is quoting a colleague and boyhood friend of mine, the former minister of finance, Marc Lalonde. However, I notice that the honourable senator still holds a stack of paper in his hands. Perhaps he would conclude his remarks.

Senator Stratton: Honourable senators, our younger generation must contemplate having available to them retirement funds in excess of $500,000 because, when we look to the future, that is how much will be required to comfortably retire. Now the government, through Mr. Peterson, is talking about taxing that limit. We should take heed of the messages we are hearing, honourable senators, because a tax revolt may not be far in the future.

• (1350)

ROUTINE PROCEEDINGS

CRIMINAL CODE

BILL TO AMEND—FIRST READING

Hon. Philippe Deane Gigantès presented Bill S-6, to amend the Criminal Code (dangerous intoxication).

Bill read first time.

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

On motion of Senator Gigantès, bill placed on the Orders of the Day for second reading on Tuesday, November 22, 1994.

AGRICULTURE

CANADIAN WHEAT BOARD—GRANTING OF MONOPOLY POWERS FOR THE EXPORT MARKETING OF ALL GRAINS AND OILSEEDS—PRESENTATION OF PETITION

Hon. Leonard J. Gustafson: Honourable senators, I have the honour to present a petition which reads as follows:

To the Senate in Parliament Assembled.

We, the undersigned citizens of Canada, draw the attention of the House to the following:

That a very vocal minority of citizens are requesting Parliament institute a dual marketing system for wheat and barley to export.

Therefore, your petitioners request that Parliament continue to give the Canadian Wheat Board monopoly powers in marketing wheat and barley to export. Your petitioners also request that Parliament expand further Canadian Wheat Board marketing monopoly powers to include all grains and oilseeds.

That petition was signed by 26 petitioners from Saskatchewan.

QUESTION OF PRIVILEGE

SPEAKER'S RULING

The Hon. the Speaker: Honourable senators, on October 5, 1994, the Honourable Senator Anne Cools, acting under the provisions of rule 44 of the *Rules of the Senate*, raised a question of privilege in the chamber.

At the outset, I would like to point out that the rather archaic expression "privilege" actually refers to the rights of the Houses of Parliament, and of their members, which enable them to discharge their functions, and without which they could not do so.

When a question is raised, rule 44(12) requires the Chair to determine whether a *prima facie* case of privilege has been made out. I have found guidance concerning the nature of my duty in citation 117 of *Beauchesne's Parliamentary Rules and Forms*, 6th Edition page 29:

> ... the Speaker's function in ruling on a claim of breach of privilege is limited to deciding the formal question, whether the case conforms with the conditions which alone entitle it to take precedence over the notices of motions and Orders of the Day standing on the Order Paper, and does not extend to deciding the question of substance — whether a breach of privilege has in fact been committed — a question which can only be decided by the House itself.

After the senator raised her question of privilege, I reserved my ruling in order to consult and reflect. Today, I am prepared to rule. Since the honourable senator is present in the house, I will do so now.

Does the question raised under the authority of rule 44 of the *Rules of the Senate* comply with the rules and the conditions which alone entitle it to take precedence?

Rule 44 (1) provides:

> The preservation of the privileges of the Senate is the duty of every Senator. A violation of the privileges of any one Senator affects those of all Senators and the ability of the Senate to carry out its functions outlined in the *Constitution Act, 1867*. Action to ensure such protection takes priority over every other matter before the Senate. However, to be accorded such priority, a putative question of privilege must meet certain tests. It must, *inter alia*,
>
> (a) be raised at the earliest opportunity;
>
> (b) be a matter directly concerning the privileges of the Senate, of any committee thereof, or any Senator;
>
> (c) be raised to seek a genuine remedy, which is in the Senate's power to provide, and for which no other parliamentary process is reasonably available; and
>
> (d) be raised to correct a grave and serious breach.

Citation 115 of *Beauchesne's Parliamentary Rules and Forms*, 6th Edition, page 29, states that:

> A question of privilege must be brought to the attention of the House at the first possible opportunity. Even a gap of a few days may invalidate the claim for precedence in the House.

[*Translation*]

Senator Cools said, and I quote:

> The court has repeatedly and systematically insisted on my attendance at court on Senate sitting days, and even during actual Senate sittings.

However, the specific case that she has offered to the Chair for its ruling concerns an appearance that took place before the Ontario Court, General Division, on Tuesday, June 14.

Between June 15 and October 5, when the question was formally raised, the Senate sat on at least eight separate days, five of them in the month of June alone. It is true that the senator gave an oral notice on July 7 of her intention to raise a question of privilege at the next sitting, but she provided no details. Accordingly, I must conclude that I am not satisfied that the question was raised in the Senate at the earliest opportunity, given that, and I quote:

> ...even a gap of a few days may invalidate the claim for precedence.

Honourable senators, I am left with no option but to hold that the question does not comply with rule 44. It does not meet the conditions which alone entitle it to take precedence in the Senate proceedings.

Therefore, under the terms of rule 44(2), the matter cannot be proceeded with under this rule.

[*English*]

This ruling should not be construed as a conclusion that Senator Cools has not raised important questions. To the contrary, she has raised questions concerning the fundamental right of the Senate to claim the attendance of its members, and the right not to have such attendance and service interfered with or obstructed. To use her words, the privilege of attendance at Parliament is "the first and oldest privilege".

Moreover, the elements of her case concern the adaptability to modern circumstances of our uncodified privileges, immunities and powers.

Honourable senators, there is an additional circumstance to the context of this question of privilege that does not appear on the face of Senator Cools' intervention of October 5. By letter dated September 20, Senator Cools advised the Chair that she had placed the privileges of the Senate before the Ontario Court of Appeal, on the same facts that gave rise to her question of privilege here. This is, of course, a matter of public record. It appears that the senator signed a Notice of Motion of Leave to Appeal on June 28 and a Notice of Appeal in a related action on July 14.

The interests of institutional comity, and hence the best interest of the Senate, seem to me to dictate that the complaint of the senator be dealt with in one forum or another, but not both at the same time. Since her appeal predates her question of privilege, I am of the view that Senator Cools should continue to pursue her remedy in the courts. This conclusion assuages my concerns to some extent. I am confident that the judgment of that court, after all the argument is heard, will shed ample light on the facts and afford Senator Cools the full measure of remedy to which she may be entitled.

Honourable senators will recall that when the privileges of the Houses of Parliament and of the legislative assemblies from across the country were effectively placed before the Supreme Court of Canada in the *Donahoe* case, the Senate was quick to intervene before that court to speak to its rights. Since the Senate's privileges are now again, and even more directly, before the courts, I believe that its interests may well be served by an intervention to speak to the limited issue of the Senate's right as an institution to the attendance of its members.

I thank Senator Cools for putting the Senate on notice as to these events by raising her question.

Hon. Anne C. Cools: Honourable senators, I would be most appreciative if I could have some time to read and comprehend the statements of His Honour. However, before I do that, I wish to thank His Honour for his lengthy, patient and diligent consideration of the questions that I placed before this chamber on October 6.

I believe I heard His Honour say that he authorizes an intervention on behalf of the Senate. Am I correct in that?

The Hon. the Speaker: It would be wiser if I checked my text more carefully before I reply.

Senator Cools: Honourable senators, I have many comments to make, so perhaps I should take some time to review His Honour's ruling before responding. Would that be acceptable?

The Hon. the Speaker: Honourable senators, it is perfectly acceptable to me. I was, in fact, slightly disturbed that we did not have a text that we could distribute as I finished speaking. One problem involves working in two languages and, at the end, we have the difficulty of marrying the text in both languages. However, I am open to the suggestion of Senator Cools, unless this house sees any problem with that approach. Is it agreed, honourable senators?

Hon. Senators: Agreed.

ORDERS OF THE DAY

MARINE TRANSPORTATION SECURITY BILL

SECOND READING

Hon. William J. Petten moved the second reading of Bill C-38, to provide for the security of marine transportation.

He said: Honourable senators, I am pleased to introduce Bill C-38, the Marine Transportation Security bill. This bill is vital to the protection of Canadian marine interests, and is designed to ensure a reasonable measure of security for all the world affected by the marine industry.

Coming as I do from Newfoundland, marine disasters are not new to us. As people who live by the sea and, in many cases, earn their livelihood from it, we are only too aware of the heartbreak that the loss of friends and relatives can cause. Keep in mind that most of these losses result not from man-made disasters, that is to say a terrorist attack, but rather from nature taking its course — a tragedy on its own.

For the most part, this country is safe, but even here we are not immune from acts of violence and disaster. Such occurrences can have serious consequence in terms of life and the economy. However, the immediate costs of the terrorist attack against the cruise vessel *Achille Lauro* in 1985 resulted in immediate and direct loss to the Greek economy of over $300 million. Recovery of the tourist trade has taken many years.

There are those who say that the Cold War is over so we no longer need to be concerned about terrorist acts. Unfortunately, the continuing — and perhaps escalating — global use of violence to achieve political ends is confirmed by such events as the bombing of the World Trade Centre and the mortar attacks on Heathrow Airport.

In 1986, the International Maritime Organization, in response to the *Achille Lauro* tragedy and at the request of the United Nations, declared voluntary measures with respect to international cruise ships, and urged member countries to adopt and promote these measures to end preventable acts of violence against passenger vessels. After the Air India tragedy, Canada made substantial improvements in the framework to prevent acts of violence directed against aviation targets.

These preventive actions were necessary, but they did not occur until after an unacceptable price had already been paid. Today we have the opportunity and, I suggest, the duty to act in the Canadian marine area, and before the worst occurs, to establish a legal regime that is designed to prevent such events from happening in the first instance.

Canada is a signatory to the International Maritime Organization Standards regarding security measures on passenger cruise vessels. Despite Canada's promotion of these voluntary measures within our waters, and the fact that virtually all international passenger vessels visiting Canada are equipped to meet these standards, compliance in our country generally has been poor, with some noteworthy exceptions, particularly on the West Coast.

Approximately 85 per cent of Canada's $400-million-plus annual cruise trade passengers originate in the United States, which already has enabling marine security legislation and the authority to issue travel warnings regarding destinations it considers as having inadequate security. In addition, the United States, under its International Maritime and Port Security Act, has wide preventive security powers within its ports. They have also issued a notice of proposed rule-making, signifying their intention to implement stringent marine security regulations in the near future. The United Kingdom and many other western nations have already implemented, or are in the process of implementing, these measures. While there is not currently any known threat to marine interests in Canada, we must nonetheless ensure that Canada does not offer an attractive target for a terrorist attack. We must also be certain that Canada maintains its competitive position in the lucrative cruise trade market by providing security that we know its patrons expect, want and deserve. To do otherwise would be inconsistent with our responsibilities for public security and could, in the event of a tragedy, have a devastating effect on the competitiveness of the Canadian maritime industry.

• (1410)

Should this bill pass, the government intends that regulations be developed pursuant to it. I wish to reassure honourable senators that these regulations will be established in full consultation with the marine industry. Furthermore, the government is confident that there will be no significant cost to the maritime industry to implement any regulations envisioned.

The area of prime regulatory concern, the international cruise industry, as I mentioned earlier, is already substantially equipped to comply with any measures that might be required. For the other elements of the industry, such as major ports, major cargo vessels and ferries, security measures projected consist primarily of elements which would entail opportunity costs rather than capital or ongoing operational expenditures, such as security surveys, contingency plans, expertise and training.

This legislation has been specifically designed to encourage and provide for ease of implementation in respect of any regulations which flow from it. Performance standards rather than strict technical standards will be utilized so that marine operators will be able to comply in ways best suited to their circumstances.

The Marine Transportation Security Act provides the flexibility to require industry to put into place only that amount of security which would be reasonably necessary in accordance with the current level of risk. Additional preventive security would only be required when and where dictated by the prevailing threat of conditions. In this period of government restraint, it is important to note that the Maritime Transportation Security Act will not require any additional expenditure of government resources to implement and administer, as existing Transport Canada resources and expertise are sufficient to accomplish this task.

Canada currently has legislation to provide for preventive security in air and rail modes of transportation. No such protection exists, however, for our marine transportation system. Our circle of security is, therefore, incomplete. Canadians are determined to stop preventable acts of violence wherever possible. An example of our commitment to deter such acts in the field of transportation is the passage last year of amendments to the Criminal Code which provide for the punishment and extradition of persons committing violent acts against aviation or maritime targets, no matter where they occur.

The bill before us will allow the government to act before tragedy strikes. It will protect Canadian lives, livelihoods and the environment, and provide security to those who have come to share for a time the peace and beauty of our great land. We must not fail to provide to those who depend on us security which costs so little and protects so much.

Honourable colleagues, I urge you to support this bill to enhance the security of our transportation system, its users and dependants and the Canadian economic interest.

Hon. Gerry St. Germain: Honourable senators, I rise today to address Bill C-38, the Marine Transportation Security Bill, a bill intended, as so adeptly pointed out by Senator Petten, to assure maritime security for all vessels in Canadian waters and Canadian ships abroad in line with similar protection provided for aircraft and railways set out in the Aeronautics Act and the Railway Act respectively.

No one will forget the horrific events of 1985 aboard the Italian cruise ship the *Achille Lauro*. An innocent American man in a wheelchair was shot in the back of the head and thrown overboard by ruthless terrorists. They had hijacked the ship off

the coast of Egypt and demanded the release of 50 what they deemed as political prisoners. It was an abominable crime and emphasized the need for countries to take measures to protect their ships while they are at sea, and the responsibility of coastal countries to provide security to all vessels navigating their waters.

Unfortunately, it was not a scenario that was unforeseen in the years leading up to the event. In December of 1982, at Montego Bay, Jamaica, the United Nations Convention on the Law of the Sea was signed. It was a comprehensive document that covered everything from the transportation of nuclear goods to the duties of coastal states, flag states, and piracy and fraud on the high seas.

This bill attempts to address some of these issues. We are approaching the twelfth anniversary of the Montego Bay Convention and it has been almost a decade since the *Achille Lauro* incident. Canada, a country with so much at stake, a country which was founded in, around and upon the sea, has yet to address many of the issues covered by the convention.

In that time, Greece has had several major terrorist incidents aboard its flag carriers. The International Marine Organization, or IMO, a UN body with 136 member countries, has been working diligently since that time to bring seafaring nations up to speed in adopting the articles contained in the Law of the Sea.

I believe that there has been general tardiness on this issue by this and previous governments. We must take action now, especially given that a Canadian, Mr. William A. O'Neill, is the Secretary General of the IMO. Mr. O'Neill, I am sure, must feel abandoned at times. This does nothing for the credibility of the International Maritime Organization, a group which, throughout the 1980s, urged safety improvements to the so-called "ro-ro ferries", the classification of ships that includes the Estonian ferry that sank in the Baltic Sea just a few weeks ago. The results of that inaction are obvious. We cannot afford the realization of another of the IMO's learned concerns.

Honourable senators, Canada is current in some of the areas of international maritime cooperation. We are one of some 15 countries in the world that have implemented or are considering the IMO's ship identification number scheme. This is a program that permanently identifies ships with an international registry, thereby preventing, one hopes, theft or illegal title transfer. We are, however, far behind countries such as the United States, the Netherlands, Germany and Norway with respect to progress on other maritime security requirements.

In 1986, amidst the fallout of the *Achille Lauro* tragedy, Austria, Egypt and Italy proposed that the IMO prepare a convention that deals with unlawful acts against shipping. They maintained that:

> ...such a convention has the aim to fill the gap in the present system regarding the suppression of such acts. In fact, while these three universal conventions deal with the safety of air navigation...the safety of maritime navigation is not covered by any similar international instrument.

This led to the signing of a convention in Rome in 1988, which was subsequently brought into force on March 1, 1992.

The same is true of Canadian law. There is extensive protection of those people and products that travel by air in Canada and in Canadian aircraft abroad, but nothing to assure the safe passage of ships. We should have listened. Today, piracy and fraud on the high seas are rampant. Three areas of the world are hotspots: Southeast Asia, West Africa and the Caribbean. Maritime fraud knows no bounds. Crimes are perpetrated against passenger ships and cargo. Without proper international regulations, we risk the loss of life and property.

If the loss of life is not enough to kickstart international cooperation, maybe the hard dollar figures will be. By 1985, the International Maritime Bureau, or IMB, estimated that maritime fraud could have reached $13 billion U.S. a year. In 1984, the IMB investigated cases of maritime fraud that involved $300 million U.S. and estimated this to be only 2 per cent of the total crimes that took place that year. In 1991, there were 200 incidents of piracy reported in the Strait of Malacca alone. The waters of that strait run between Malaysia and the island of Sumatra, Indonesia, and that area currently holds the distinction as the piracy capital of the planet. As our trade with the Pacific Rim increases, more of our ships will navigate the Strait of Malacca, and more than 21,000 Canadians visited Malaysia in 1993.

The impending NAFTA promises to see more of our merchant ships visit the waters of the Caribbean, joining the hundreds of cruise ships that already ply those waters carrying vacationing Canadians. The Government of Canada has a duty to protect these people and the goods they carry.

We also must consider the safety of our own ports and waters as well as the safety of foreign ships while in them. We cannot, in good conscience, ask other nations to comply with international standards with respect to our shipping while ignoring the security concerns of other flag countries when their ships are in our territory. We must take steps to ensure the security of foreign vessels that pass through our waters.

The Port of Vancouver, in the region that I represent, is of major importance to cruise vessels that originate in the U.S. and that end up in various parts of the world. Let us take, for example, the cruise ship of a foreign country which passes through the Port of Vancouver on its way to Alaska. Much like the Air India case, we share the responsibility to ensure that a particular vessel arrives at its destination safely.

This obligation is not just a moral one, it is a responsible business practice. If we ignore this responsibility and somehow become renowned for our inability to provide secure passage for foreign vessels, foreign vessels will stop visiting our ports. Furthermore, we will not have a proverbial leg to stand on when asking other nations to ensure the protection of our flagships abroad.

I fully support this legislation. It brings us closer to the international standards mentioned above. I am not so naive as to believe, however, that this bill alone will serve to provide adequate protection of Canadian interests at sea. I urge the Minister of Transport to act quickly, upon passage of this bill, to effectively regulate the control of piracy, fraud and terrorism on the high seas. This bill alone is not enough. It is merely enabling legislation.

As I mentioned earlier, Canada is far behind the rest of the world in this area. It is a source of embarrassment and it demonstrates irresponsibility. This bill is only a small step towards stamping out maritime crime and requires that comprehensive regulations be drafted to put force to this intent. This will take the full cooperation of the various industries involved.

I further urge the government to seek the guidance of marine carriers, port authorities and customers. There will be concerns about the cost of implementing such regulations. However, in discussions with these groups we must emphasize the potential costs of doing nothing. With this in mind, perhaps insurance companies should be involved in the process, as well as representatives of countries who have implemented similar guidelines.

As with the double-hulling of oil supertankers, stakeholders may not realize the seriousness of such threats until the threat is manifested upon them. Ask the operators of the *Achille Lauro* if they wished they had made passengers pass through metal detectors before that fateful voyage. Ask Exxon if they wished they had double-hulled tankers today, or at the time of the *Exxon Valdez* situation in Alaska.

Living in the peaceable country that we do, we can neither comprehend the serious view taken of the threat of piracy and fraud on the seas of the world, nor can we predict what the future may hold for our domestic maritime situation. These stakeholders must be made aware of the potential threats that exist not only here but around the world. They must be convinced of the merits of preventing such events rather than allowing consequence to rear its ugly head.

What if the fish war with the United States escalates? What if environmental groups should decide to target outgoing lumber shipments? The Air India disaster and the bomb that killed two baggage handlers at Tokyo's Narita airport, both not so many years ago, proved that terrorist events can be initiated on Canadian soil. There is overwhelming evidence that Canadian ships face threats while abroad.

We can choose, honourable senators, to ignore the possibility of further tragedies and financial loss, or we can choose to be prepared. Adequate regulations stemming from this particular bill, coupled with the appropriate punishment for offenders, will serve to keep our seas safe and assure the safety and sovereignty of our flagships abroad.

I support this legislation fully and urge its rapid passage.

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 Petten, bill referred to the Standing Senate Committee on Transport and Communications.

INTER-PARLIAMENTARY UNION

NINETY-SECOND CONFERENCE, COPENHAGEN, DENMARK

Hon. Peter Bosa rose pursuant to notice of Tuesday, October 25, 1994:

> That he will call the attention of the Senate to the Ninety-second Inter-Parliamentary Union Conference held in Copenhagen from September 12 to 17, 1994.

He said: Honourable senators, it is my privilege to speak on the report of the Ninety-second Inter-Parliamentary Conference held in Copenhagen from September 12 to 17. My distinguished colleagues, Senators Ottenheimer and Spivak and myself attended this conference along with five members of the House of Commons.

Before speaking about the deliberations which took place at the conference, I should like to mention a few points concerning bilateral relations with our host country.

Denmark remains an important partner for Canada on both bilateral and multilateral levels. A strong bedrock of goodwill between our two countries reflects common backgrounds and aspirations. These are intertwined with participation in a multitude of international organizations, such as the United Nations, NATO, CSCE and the OECD. Shared democratic values result in a sense of like-mindedness on virtually all major international issues of the day. These encompass a wide range of issues. Currently, these include efforts to bring peace to former Yugoslavia. Both Canada and Denmark were virtually the last NATO members willing to permit air strikes in Bosnia. Similar approaches are held on other peace-keeping endeavours, human rights, assistance to former states of the Soviet Union, concern for the environment, Arctic affairs, refugee asylum problems and other issues.

• (1430)

As you are aware, Greenland and the Faroe Islands are Danish territories which enjoy home rule government. Canada has a common Arctic boundary with Greenland, which has fostered special contacts for many years. Canada has proposed that the Arctic countries, including Denmark which is responsible for Greenland's foreign affairs, form an Arctic council at the ministerial level to promote circumpolar cooperation. Since 1987, Canada has had an Honorary Consul in Greenland.

Specific bilateral ties between our two countries include the Scandinavian-Canadian Friendship Association, with members across Denmark and a business group called The Fiddlehead Club, both of which promote bilateral relations in their respective areas.

Cultural exchanges are fairly active and include special links between Canada's National Ballet and the Royal Ballet of Copenhagen, and the appearance of a number of Canadian artists performing and exhibiting in Denmark each year. Leonard Cohen, Oscar Peterson, Bryan Adams and other performers are well known in Denmark. Canadian literature has been well received by the Danes. Since 1981, close to 150 books have been translated into Danish. Well-known authors such as Margaret Atwood, Nino Ricci and others have a popular following in Denmark.

Canada substantially funds the Canadian Documentation and Information Centre located at the University of Aarhus. Courses in Canadian literature are offered at three Danish universities. Exchange programs between Canadian and Danish universities are developing steadily through one-on-one contacts or through the thriving and effective Nordic Association for Canadian Studies established in Denmark in 1984.

Currently, the Danish foreign ministry is looking after Canadian interests in Tripoli. They also performed this task on our behalf in Teheran for eight years until we re-established diplomatic relations with that country in 1988.

You may recall that Foreign Minister Helveg Petersen made a very successful, but informal, visit to Ottawa in February 1994. The visit provided an especially opportune time to discuss peace-keeping in Bosnia and related problems. It highlighted the genuinely cordial and substantive bilateral relations between our two countries.

Turning to the conference itself, at the outset, I should like to express on behalf of the delegation our thanks and appreciation to the officials from the Canadian Human Rights Commission, Foreign Affairs and International Trade Canada who briefed our delegation prior to its departures, as well as to the researchers at the Library of Parliament who provided background papers.

I would also pay tribute to the Canadian ambassador, Mr. Ernest Hébert, and his colleagues for their assistance and support during the conference. At the beginning of our work, Mr. Hébert and other staff members provided a comprehensive and informative briefing on Denmark. Our ambassador also hosted a reception during the conference in order for us to meet other delegates as well as Danish business people interested in Canada.

The first topic on the agenda of our conference was, "Strengthening national structures, institutions and organizations of society which play a role in promoting and safeguarding human rights". This topic had been proposed by the Canadian group. Two of our colleagues from the other place, Mr. Allmand and Ms Barnes, spoke on behalf of Canada in the plenary debate and represented Canada at the meetings of the committee which examined the subject and prepared a draft resolution. Mr. Allmand served as chair of the drafting committee. Twenty-four countries, including Canada, submitted draft resolutions for consideration. The Canadian draft resolution served as the base document for the drafting committee.

I will mention one amendment successfully proposed by the Canadian group. At the March 1994 IPU Conference in Paris, the IPU adopted a plan of action to correct the imbalances in the participation of men and women in political life. Included in the recommendations was one relating to the use of gender-neutral language. The Canadian group proposed that the term "les droits de la personne" be used as the translation of human rights in the French text rather than "les droits de l'homme". This terminology has been used in Canada for a number of years. Although this amendment was initially defeated by the drafting committee, our delegates lobbied hard and were successful at the committee stage. We understand that officials from Status of Women Canada have been raising this issue for several years at international fora without success. I hope this innovation by the IPU will convince other international bodies to adopt similar language.

The second topic on the agenda was "International cooperation and national action to support social and economic development: contribution to the World Summit on Social Development". Our colleague Senator Spivak and Mrs. Cowling represented Canada in the plenary debate and at the committee which examined the draft resolution. Again, of the 24 draft resolutions, the Canadian resolution was used as one of the base documents by the drafting committee.

Senator Spivak successfully introduced an amendment to ensure that international financial institutions such as the World Bank or the International Monetary Fund would "evaluate projects in advance of implementation" to ensure that these projects would not impact negatively on the local population.

At each conference there is an opportunity to vote on a supplementary item to be included on the agenda. On this occasion, the topic was "Implementation of the commitments agreed to in the Uruguay Round of multilateral trade negotiations". Our colleague Senator Ottenheimer and Mrs. Pickard were the Canadian representatives of the committee meetings on this subject. The Canadian group successfully introduced three amendments relating to agriculture, the dispute settlement mechanism and regulatory and/or administrative measures required to facilitate the expeditious implementation of the Uruguay Round.

At the Copenhagen conference, there was also debate on the general political, economic and social situation in the world. Mr. Paré, representing the official opposition in the House of Commons, spoke about the rights of minorities. I used this opportunity to speak once again about the importance of the indefinite extension of the Nuclear Non-Proliferation Treaty. Colleagues may recall that at the last IPU Conference in Paris in March 1994, the Canadian group was able to have this subject included on the agenda as a supplementary item. This was a significant achievement, but it was necessary to continue to raise the importance of the forthcoming conference on the Nuclear Non-Proliferation Treaty.

You may remember that this treaty, which is the main bulwark against the proliferation of nuclear weapons, calls for the parties to the treaty to meet 25 years after its coming into force, that is in 1995, to decide whether to extend it for a fixed period, fixed periods, or indefinitely. Canada is firmly committed to the view that only the indefinite extension option provides any assurance about the persistence of the treaty and the benefits it supplies.

So far, there have been two meetings of the preparatory committee. Unfortunately, the latest meeting shows distressing signs of sterile bloc-formation and mistrust among the delegations. It was for this reason that I spoke to fellow parliamentarians about the non-proliferation treaty, reminding them that the union was established so that parliamentarians from around the world could work for peace and cooperation among people. I urged them to exert pressure on their own governments to ensure that the treaty is extended indefinitely.

I should also like to mention the reports of the IPU Committee on the Human Rights of Parliamentarians. As you are aware, the Canadian group has been very active in the work of this committee. Our colleague Senator Neiman, who was

instrumental in its establishment, was a member for a number of years.

During the Copenhagen conference, the violations of the rights of 78 members or former members of Parliament in ten countries were brought to the attention of the delegates. The 78 cases were from Albania, one; Burundi, one; Columbia, six; Honduras, one; Indonesia, one; Maldives, two; Myanmar, formerly Burma, 34; Togo, three; and Turkey, 23.

• (1440)

Supporting actions by legislatures play an important role in securing positive developments. Following the last IPU conference in Paris, the executive committee of the Canadian IPU Group undertook supporting action regarding human rights abuses in two countries, namely, Turkey and Bulgaria. Both of these countries are members of the Twelve Plus Group, the so-called "caucus" of the Western democracies. We arranged meetings with the ambassadors of those countries to seek their assistance in resolving these cases.

Honourable colleagues, I have just mentioned the Twelve Plus Group, which is actually a caucus of 36 full members and three associate members. Named after the 12 members of the European Union, it is a caucus of countries with freely elected and multi-party parliaments with free and active opposition. Created in 1974, the Twelve Plus Group plays a significant role in the ongoing work of the union. I am honoured to have been elected as chairperson of the Twelve Plus Group for 1995.

Honourable senators, the IPU was the first worldwide political organization to promote the concept of peace and international arbitration. Its origins date back to 1889 when the first Inter-Parliamentary Conference for International Arbitration met in Paris. It was attended by delegates from nine countries, including our host country, Denmark. In fact, one of the co-founders of the Union, Frederic Bajer, a Danish parliamentarian, was awarded the Nobel Peace Prize for his contribution to promoting understanding and a peaceful settlement of conflicts.

At the inaugural ceremony, the Speaker of the Danish Parliament, Mr. Henning Rasmussen, who served as president of the conference, spoke about the reasons for the strong support of the IPU in his Parliament. He said:

> It is important that we listen to one another and learn from one another in the IPU. By so doing, we can remove the basis of false prejudice and promote the deeply rooted wishes of all individuals and all peoples for peace and harmony across frontiers. The IPU can also support concrete projects aimed at developing democracy in the individual countries and in this way contribute to furthering and consolidating democratic forms of government.

Honourable colleagues, I firmly believe that the delegates of the Ninety-second Conference worked hard to achieve the objectives outlined by Speaker Rasmussen.

Hon. Mira Spivak: Honourable senators, I should also like to say a few words about the Ninety-second Inter-Parliamentary Union Conference in Copenhagen which I was privileged to attend. The Inter-Parliamentary Union is a world body of 131 member nations and is the major international forum for parliamentarians. Unlike the UN, it brings together representatives from government and opposition benches. While the United Nations is a world body of governments, the IPU provides a forum where parliamentarians, no matter what their political stripes, can come together and debate issues of concern to parliamentarians of the world.

Certainly, the IPU has no authority over member countries, but it does address pressing world and domestic problems. The Ninety-second Conference, for example, examined issues of poverty, trade, nuclear arms, human rights, and economic and social development. There was discussion, as there has been in Canada recently, about the inhumane practice of female genital mutilation. There was concern that, on the Uruguay Round of the GATT, some nations are not moving swiftly enough to have legislation in place by the start of the new year. There was also discussion about an indefinite extension of the Nuclear Non-Proliferation Treaty.

The IPU is not an alternate or mini UN. However, it does share many of the UN's objectives: peace, cooperation, and the defence of human rights. It can and does make valuable contributions to UN activities, bringing perspectives of not only governments but also of opposition parties that are often as important in seeing that countries honour their international commitments.

I should like to report specifically on how the IPU is preparing for two significant United Nations gatherings and, in so doing, supporting UN goals.

In September, 1995, the UN will hold the Fourth World Conference on Women in Beijing to determine, among other things, why women in some countries are worse off than they were 10 or 15 years ago and, more important, what can be done about it. As parliamentarians, we should take special note of IPU plans. The IPU has decided, in conjunction with the Chinese National Peoples Congress, to hold a one-day meeting of MPs present in Beijing. It has determined that its delegation to the conference will be made up of an equal number of men and women. As its major contribution, it will present an IPU plan that any nation can follow to address the underrepresentation of women in political life.

The IPU has been working on this plan for some years. First, it documented the marked imbalance between men and women in political life in all parts of the world. Canada's record, measured by the percentage of women in the House of Commons and the Senate, is less than abysmal, but there is room for improvement. By the IPU tally, Canada ranks fourteenth among the countries in the world that have even a modest representation of women in lower chambers. Approximately 18 per cent of Canadian MPs are women, which puts us behind such countries as Vietnam, Germany, China and Austria. It places us far behind Finland, where 39 per cent of the elected representatives are women. Put another way, we are second among the G-7 nations and a good deal ahead of the U.S., the U.K. and France.

Still, Canada needs a plan of action as much as other so-called advanced industrialized states. I commend the plan adopted by the Inter-Parliamentary Council in Paris in March. I hope that it will be well read by members of this chamber and the House of Commons. I also urge the government to take it into account in its preparations for the Beijing Conference.

The second UN conference that seized the attention of parliamentarians in Copenhagen will be held in March in Copenhagen as well. The World Summit for Social Development will give world leaders an opportunity to focus on human security, not arms; on fair distribution of wealth, not its concentration; and on reducing poverty and unemployment, not creating them by overexploiting natural resources and degrading the environment. The IPU unanimously adopted a 19-item resolution that calls upon world leaders to do several specific things.

I will not list them all, but one that I mentioned in my own address to the IPU conference is now being called the "20/20" formula. It calls on developing countries to earmark a minimum of 20 per cent of their budget and industrialized countries to earmark at least 20 per cent of their aid to the goal of achieving universal primary education; a reduction in adult illiteracy; primary health care; safe drinking water and sanitation for all; the elimination of severe malnutrition; and family planning for all willing couples. The "20/20" concept sets out minimum targets for achieving these humane goals by the year 2005.

The IPU resolution also calls on all industrialized countries to earmark at least 0.7 per cent of their GNP for development aid before the year 2000, and promotes a specific reform of the United Nations and the creation of an Economic Security Council in which developing countries would have adequate representation. These are only a few of the concrete measures proposed and adopted by IPU delegates. They also approved some 26 measures to strengthen national institutions that safeguard human rights.

The IPU is not the UN, but it does important work in garnering parliamentarians' opinions and giving them a broad perspective on matters that arise time and again in their own Parliaments. I certainly enjoyed the opportunity to be a member of the Canadian delegation and would draw the attention of all senators to the IPU's continuing work.

The Hon. the Speaker: Honourable senators, if no other honourable senator wishes to speak, this inquiry is considered debated.

• (1450)

SOCIAL AFFAIRS, SCIENCE AND TECHNOLOGY

STUDY ON THE FUTURE DEVELOPMENT OF THE DEPARTMENT OF VETERANS AFFAIRS—REPORT OF COMMITTEE—DEBATE CONTINUED

On the Order:

> Resuming the debate on the consideration of the Fifth Report of the Standing Senate Committee on Social Affairs, Science and Technology, entitled, "Keeping Faith: Into the Future."—*(Honourable Senator Haidasz).*

Leave having been given to revert to Order No. 3, Reports of Committees:

Hon. Stanley Haidasz: Honourable senators, I thank you for the privilege at this time to continue the debate on the report of the Subcommittee on Veterans Affairs which was tabled in this chamber on October 27.

Remembrance Day last Friday, commemorating the historic armistice of November 11, 1918 ending World War I, was a day for all of us to participate in remembrance ceremonies in our communities throughout Canada.

In Toronto, I had the privilege of laying a wreath at the Old City Hall cenotaph, and to make remarks of tribute to the valiant members of the Canadian Armed Forces and their Allied comrades who made the supreme sacrifice of their lives in the major conflicts of this century to preserve freedom and the institutions of democracy.

How could we fail to remember them, when sitting on either side of this chamber we look at the magnificent tableaux depicting the battles in which Canadian troops took part in World War I, which was known as the mother of wars in this century.

How could we parliamentarians not remember the victims and veterans of World War I and World War II and other conflicts, among whom were giants: eminent Canadians such as the late Governor General Georges Vanier, a gallant major general in war and a venerated, exemplary man of virtue in civic life and public office; or Nobel Peace Prize laureate Lester B. Pearson, former Prime Minister of Canada; or Raymond Collishaw of British Columbia, the unsung ace fighter pilot of World War I and Air Vice Marshal of the Royal Canadian Air Force in World War II; or our Victoria Cross recipient, a fellow Manitoban of Senator Molgat's, Andrew Mynarski, who was recognized for his bravery in dying for his comrades in a burning airplane. Yes, we do remember them, and those who passed away with them, by "keeping faith", as the subcommittee report is entitled.

> All these were honoured in their generations and were the glory of our times...

These words of tribute were translated from Hebrew scripture commemorating the merits of heroic men and women to be testified forever. Because of the debt held by civilization to sacrifices made by such giants of virtue, these words are carved in stone in the portico spanning Lyon Street here in Ottawa, part of the Veterans Memorial Building, at one time housing the Department of Veterans Affairs.

It is indeed with pride and pleasure that I have this afternoon the opportunity to acknowledge gratefully the report entitled: "Keeping Faith: Into the Future", which was tabled in this house on October 27 by the chairman of the Subcommittee on Veterans Affairs.

The whole raison d'etre of that committee is to recognize our continuing gratitude, owed in the first place to the members of the Canadian Armed Forces who fought, and to the women and men who, at munition factories, communications and in other capacities also served in the ominous conflicts of this century. To Senator Jack Marshall, honorary colonel of the Royal Newfoundland regiment, we owe profound thanks for his tireless efforts in calling for concrete measures not only to recognize but also to address the debt owed by us all.

Our gratitude as responsible and respectful Canadians and senators also extends to soldiers, veterans and civilians far beyond our borders for their sacrifice in support of the Allied cause.

As a Canadian parliamentarian of Polish descent, I also think today of Poland's gratitude, as well as that of Britain, the United States, France and many other Allied nations towards their comrades who were members of the Canadian Armed Forces. We saw evidence of this gratitude during the celebrations last June of the fiftieth anniversary of the landing in Normandy, known as D-day. We were represented there by two colleagues, honorary colonels of Canadian regiments: Senator Jack Marshall and Senator Gildas Molgat.

Some of the Allied veterans, many of whom are Canadian citizens today, could not return to the freedom for which they fought. In particular, I recall the bravery of the members of the Polish Air Force, who helped train Canadians and fought alongside their British comrades in the Battle of Britain, and the valient Polish soldiers who fought on many a battlefield and on the seas under British and Canadian command in World War II. Wartime British Supreme Commander and Prime Minister of Great Britain, Winston Churchill, paid tribute to the contribution of these valiant Poles in his memorable tribute after the Battle of Britain: "Never was so much owed by so many to so few."

It was my privilege also to repeat that tribute in my eulogy upon the death of Sir Winston Churchill, who was honoured in the Nineteenth Session of the General Assembly of the United Nations 30 years ago, when I was parliamentary secretary to the Right Honourable Paul Martin.

Each nation naturally finds itself limited in the means to recompense sacrifices made by other nationals to whom it is indebted. Yet what is certain is that within our own borders and towards citizens now living abroad, governments of Canada have always striven for justice and equity for its veterans and those it would naturalize from Allied forces, and tried most generously to pay a token of our debt.

The recommendations of the report "Keeping Faith" will serve this essential objective of justice and equity eminently well. By the administrative and legislative results inspired by this report, Canada will continue its noble tradition of justice and fairness.

Honourable senators, I hasten to emphasize, as "Keeping Faith" emphasizes, the crucial place of spouses of veterans in our recognition and in the measures we design for them and their beloved. Thanks to this report, and the reports and studies on which it builds, it is a matter of record that spouses of veterans are of singular value to Canada. The wounds — both the physical, which may scar over, and the non-physical, which often do not — continue to be borne by our dear veterans and by those who are most closely called to share their lives and particular crosses. I say these wounds are borne, not to say that they afflict, nor to deny that fact. For there is no denying that what is borne by spouses is of such great value that Canadians far and wide could hardly repay it.

• (1500)

Canada as a nation could never hope to discharge the debt owed men and women who died in conflicts in which freedom and democracy were threatened. Therefore, it is right that in addition to the show of respect we make towards our glorious dead, as we have just done this past weekend, we honour them in their generations. The debt of honour is marked by the treatment received by those we see or bear in living memory: They whose comrades lay dying in arms, who took up the torch and who, by numbers daily increasing, are passing away and handing this torch on to their generations. For if these were honoured in their generations, then may they be the glory of their times.

Thus our honour must go beyond tokens of what was rendered — a thing of such value the word "service" dismally fails it. For the living exemplars before us, in whom we can honour something of the whole heroic corps of which they are forever part, are men and women who in their person have borne wounds, afflictions and troubles for us. They continue to do so, as witnesses abundantly testified before the committee.

When we knit our brows over the seemingly mundane subject of pensions, the testimony brought to Senator Marshall's committee should keep us mindful that recompense for wounds and scars — internal and external — received for our freedom is a matter of justice. We need to keep in mind simple questions. For example, is justice served where one veteran's spouse is neglected? Spouses, wounded and often bereft, discharge the greater part of what beholden care our generations owe the honoured. More, they are the very prize for whom youth ventured to risk all, and many of whom paid with their lives. What memory, then, is honoured in a neglect to embrace the very purpose and aspirations of those generous souls towards their loved ones, their generations and their comrades? It is with this that we are called in that immortal poem to break not faith.

"Keeping Faith" documents in no uncertain terms post-traumatic stress syndrome. This syndrome, involving eventual generalized dysfunction, originates in a morally shattering experience such as few survived to tell of in the carnage at Dieppe or the tortures in prisoner of war camps and also in Nazi concentration camps responsible for the holocaust. In the 43 years of my medical practice in Toronto, the symptoms of post-traumatic stress syndrome were always a great challenge to me and my colleagues as well as psychiatrists. The formerly ill-appreciated, largely untreated, yet very real syndrome, only a few years ago gained understanding and official recognition by the Canadian Psychiatrists' Association.

As "Keeping Faith" reports, in 1988 Major Robert Stretch, familiar with the etiology of post-traumatic stress syndrome suffered by United States veterans of Vietnam, found that "among those resident in Canada the incidence of post-traumatic stress disorder had not decreased with time, but had become worse", unlike their U.S. counterparts. We can read about it further in the report on page 33.

Corporal Woodrow Allan Carmack Sr. brought testimony on behalf of Canadian Vietnam Veterans to the effect that post-traumatic stress disorder is not only a problem for veterans but also affects their wives and children. In fact, Officer Carmack said in committee that "It affects every aspect of their lives." He reported with regard to chronic post-traumatic stress syndrome that for Canadian Vietnam Veterans "the rate... is 2.3 times higher" than the prevalence among United States veterans of the same conflict. The lateness of Canadian psychiatric recognition and a reticence on the part of the Department of Veterans Affairs to accord benefit of doubt to veterans may explain the tardiness of Canada's endorsement of veterans' special needs due to this syndrome. However, it need not deter redress now and henceforth.

The Dieppe Veterans and Prisoners of War Association's Dr. Lynne Beal added to the valuable testimony in committee relating to post-traumatic stress disorder, or what is going in typical military understatement by the misnomer of "critical incident stress". To be colloquial, a probable improvement over the military term would be "indelible horror". What is clear from Dr. Beal's testimony before our committee — who has studied the etiology of the syndrome in nearly 300 Canadian veterans of Dieppe, many of them survivors of great cruelty in death camps — is that it constitutes a disorder emanating from horrifying events, not merely the stress imminent in such events.

Corroborating the cumulative findings of many others, the incidence and degree of post-traumatic stress disorder has remained undiminished while we have spent half a century neglecting that reality. Even veterans who managed to escape Dieppe, having seen megadeath rained upon them, show a high and undiminished incidence of the post-traumatic stress disorder. Honourable senators, is it any wonder? I am certain that survivors of V-1 and V-2 bombings, civilian Jewish and other survivors of death camps, resistance fighters who witnessed every hope crushed — as in the seige of Warsaw which lasted 63 days — and mariners who witnessed the relentless destruction of merchant and civilian vessels at sea, must suffer in like manner, and that they have done so for the better part of a lifetime.

The Hon. the Speaker: Honourable senators, I apologize, but I must inform the honourable senator that his time allocation has expired. Perhaps he could arrive at a quick conclusion or ask for an adjournment to the next sitting of the Senate.

• (1510)

Senator Haidasz: Honourable senators, I have only a few more things to say.

It was not discussed during the testimony heard by this committee, but it is of great interest to Canadian society that in Holland a study, conducted also in 1990 under the auspices of the then-attorney general and styled the Remmelink report, revealed that a disturbingly large number of men in their seventies were also requesting that their lives be ended by painless means or lethal injection.

In conclusion, honourable senators, what a disturbing prospect, is it not, to learn now, as Europe strives to enjoy the fruits of freedom dearly bought two generations ago, the morbid effects of this syndrome. Here in Canada, one need only remember that one of the darkest spectres hovering with the swastikas over many of the camps was mercy killing, to which the Dutch hero Titus Brandsma was martyred.

Honourable senators, of the almost half a million veterans within our shores, too many have not received either a timely or fair recognition of their due. Of the 53 recommendations made in this report entitled: "Keeping Faith: Into the Future", 11 call for something more than changes of administrative and regulatory practice alone.

In view of the need for a tangible response to this report of our committee, I would urge honourable senators to consider the prospect of emulating the House of Commons by finding some mechanism through which we might request that the Government of Canada be apprised of the fifth report of the Senate Subcommittee on Veterans Affairs, as tabled in this chamber on October 27 last. The House of Commons has a special mechanism called standing order 109, which states that within 150 calendar days, the government must respond.

Recognizing that the House of Commons is master of its own affairs, it is not my intention to suggest that the Senate presume today to do anything other than urge that the Minister of Veterans Affairs become apprised of our report, and in the spirit of the House of Commons practice, at least give us a response without undue delay, since the ranks of our veterans are thinning fast. It is well understood that, while such an undertaking would place the government under no specific obligation, it would be a suitable way of expressing the sincere desire of senators to have their excellent work noted, and perhaps responded to.

Honourable senators, I invite you to participate in this debate concerning this important report, and to bring forth your suggestions so that our Senate reports are not forgotten by the government, that our efforts and expense are not incurred in vain, and so that a mechanism may be found through which to apprise the federal government of our valuable work, and invite its response to such reports.

On motion of Senator Berntson, debate adjourned.

The Senate adjourned until tomorrow at 2 p.m.

THE SENATE

Thursday, November 17, 1994

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

Prayers.

SENATORS' STATEMENTS

TRANSPORT AND COMMUNICATIONS

MARINE SAFETY— AD HOC PARLIAMENTARY COMMITTEE ON LIGHTSTATIONS

Hon. Pat Carney: Honourable senators, I want to share with you the following news release dated November 17, 1994.

> The Ad Hoc Parliamentary Committee on Lightstations will visit British Columbia next week to hear British Columbians' views on the role of staffed lightstations on the B.C. coast, despite a last-minute cancellation of the proposed Senate hearings on Wednesday.
>
> The committee is co-chaired by Conservative Senator Pat Carney (British Columbia) and Reform MP John Duncan (North Island—Powell River).
>
> It was formed Thursday after six Liberal senators voted to cancel the Senate subcommittee hearings on the lights, scheduled for November 21-23. Five Progressive Conservative senators voted to proceed with the subcommittee trip.
>
> Carney and Duncan said the Ad Hoc Committee will hold hearings as scheduled in Richmond November 21 at the Best Western Richmond Inn, in Sydney November 22 at the Institute of Ocean Sciences, and in Campbell River at the Campbell River Museum on November 23.
>
> Other members of the Ad Hoc Committee are Senators Mike Forrestall (Maritimes) and Janice Johnson (Winnipeg—Interlake); and Reform M.P.s John Cummins (Delta) and Jack Frazer (Saanich—Gulf Islands). "Membership on the committee is open to any federal B.C. parliamentarian on a non-partisan basis", Carney and Duncan said.
>
> The mandate of the Ad hoc Committee will be to review the present role of staffed lightstations and the vital services which they now supply and to explore what role they might play in the future.
>
> The Liberal senators cancelled the Senate subcommittee on the grounds that "this is not an opportune time to pursue the study" since the Coast Guard is holding public consultations. The Coast Guard has announced that its public consultations will be on plans to implement destaffing of the remaining 70 staffed lightstations on Canada's east and west coasts.
>
> Some 35 groups, representing several hundred thousand British Columbians, had indicated they wished to make presentations to the Senate subcommittee when it was cancelled.
>
> They represented fishing unions and associations, aviation councils, the B.C. Ferry Corporation, recreational groups, coastal communities and band councils served by the lightstations.
>
> The Ad Hoc Committee co-chairs urged witnesses already committed to the cancelled Senate hearings to present their views to the Ad Hoc Committee. Reports of the hearings will be tabled in both the Senate and the House of Commons.

NATIONAL CHILD DAY

Hon. Landon Pearson: Honourable senators, this Sunday, November 20th, is National Child Day, a day to celebrate the nation's children and to commemorate the adoption of the UN Convention on the Rights of the Child which took place on November 20, 1989. The Canadian government ratified this convention in December 1991, and on March 19, 1993, as a result of community action and a private member's bill, November 20th was designated as a day to promote Canada's children, and to make all of us more aware of their special needs and concerns.

Honourable senators, 1994 is the International Year of the Family, and I want to draw your attention to the commitment we have all made through our government, not only to children at home and abroad, but also to their families. Underlying all of the articles of the UN Convention on the Rights of the Child is the clearly stated assumption that "the family is the natural environment for the growth and well-being of... children".

What has also been natural throughout most of human history is that families have shared their child-rearing responsibilities with the societies of which they are part. This is because the future of every society has always depended on the kinds of people young children grow up to be.

The Children's Convention gives legal expression to this most natural of human arrangements. It not only guarantees the child's right to a family but also calls upon the states that have ratified it to ensure, as best they can, that families have all the supports they need to nurture and care for their children. States are also required to develop, if they do not already have them, the health, education and legal systems that are essential to a child's healthy physical, emotional, social, intellectual and spiritual development.

For there is a second assumption that underlies the articles of the convention: that the child is a person, a small one perhaps, and vulnerable, lacking knowledge and experience, but a person nonetheless; the subject, not the object, of rights.

Honourable senators, this means that children have certain rights inherent to their status as members of the human family. At

the same time, the convention, in its articles, recognizes that the skills necessary for the responsible exercise of these rights only come with education and maturity, and that children need to be shepherded through the process of acquiring them by thoughtful and caring adults.

There is nothing contradictory in these two assumptions about the child as a person and the families that children live in. Experience has shown that strong and loving families are the best guarantors of children's rights. But experience has also shown that under the pressure of poverty, misery, violence or war, some families break down. Then children are neglected, even abandoned. Sometimes they are exploited; often they are abused. Their basic rights as human beings are ignored. It is then that States Parties to the convention must move beyond their responsibilities for general support to engage in active intervention.

However, interventions should always take place with full respect for all concerned: the parents, other family members, and especially the children. Thoughtful parents already know that children must be encouraged to be active in their own development if they are to become caring, responsible, productive adults. Other authorities must keep this reality in mind. Article 12 of the UN Convention on the Rights of the Child tries to ensure that this will happen by binding its signatories to "assure to the child who is capable of forming his or her own views the right to express those views freely in all matters affecting the child, the views of the child being given due weight in accordance with the age and maturity of the child."

Those who object to the convention usually do so on the basis of a mistaken impression that it promotes the rights of children at the expense of the rights of their parents and families. This is a serious misreading of both the letter and the spirit of the text. Children learn what they live with. It is in families that treat them as persons and not as possessions that children grow up to be respectful of others.

Honourable senators, as we celebrate Canada's children on Sunday, as I am sure we all will, let us also celebrate the adults they may become if we approach them with love and respect, and surround them with the protections, the provisions and the opportunities we promised them when we ratified their convention.

• (1410)

FINANCE

TAXATION OF REGISTERED RETIREMENT SAVINGS PLANS

Hon. Terry Stratton: Honourable senators, I wish to conclude my statement of yesterday, and again I offer apologies for proceeding beyond the time limit. I thank Senator Stanbury for his information regarding RRSPs and who buys how much.

Yesterday I stated that Marc Lalonde, Minister of Finance in 1994, stated:

> I am proposing changes to put all pension plans on an equal footing for tax purposes...

[Senator Pearson]

In essence, he stated that small business professionals, the self-employed, would be placed on an equal footing with those who have government pension plans and company pension plans.

To reduce the upper limit of RRSP contributions — which is already being penalized 15 per cent — without equal restrictions on government and company pensions at a similar level is grossly unfair. With respect to the talk about taxing the so-called rich, remember that they are not only the self-employed but also government and corporate employees.

Lastly, our children and our grandchildren are saving through RRSPs for their retirement. When they get to retirement age, many middle-income people will have well in excess of $500,000 saved in RRSPs. That is a must.

The statement today by Mr. Peterson in the other place that the government is thinking of taxing individuals with RRSPs over $500,000 has sent shock waves through the middle class, the hard-working individuals who are trying to save that amount of money in order to retire. The signal is that, once again, government cannot be trusted, for indeed their hard-earned retirement money will be taken away by government.

QUESTION OF PRIVILEGE

RESPONSE TO SPEAKER'S RULING

Hon. Anne C. Cools: Honourable senators, I thank His Honour for his remarks yesterday. I am pleased and honoured that he has signalled to honourable senators the seriousness of the matters that I raised. I am happy that he has recognized the need for the Senate to vindicate its privileges.

When we speak of Parliament in its three components, the Crown, the Senate, and the House of Commons, we must be proud that it is the Senate which is the true house of Parliament; that it is the Senate where the functions of Parliament are conducted. This is borne out by the fact that it is the Clerk of the Senate who is the Clerk of Parliament, for historically the Clerk of the House of Commons has been called the Under Clerk of Parliament. The Senate, as the upper house of Parliament, is where Parliament assembles, for example, during the Throne Speech and Royal Assent.

I am grateful and pleased that His Honour reminded honourable senators that his role and powers as Speaker of the Senate are entirely different from the role and powers of the Speaker of the other place. This difference is manifested by the fact that we refer to the Speaker of the Senate as "His Honour" and not "Mr. Speaker". When we rise to speak in this chamber, we address each other with the words "honourable senator" and not "Mr. Speaker" as in the other place.

I am pleased that His Honour underscored in his remarks the fact that his role in the matter was solely to ascertain whether the matter should take priority over other business. I am pleased and grateful that His Honour underlined the fact that the determination of these matters and the judgment thereupon rests with honourable senators and the Senate.

His Honour has placed these matters fairly and squarely in our laps, where they belong. In his remarks, which I was able to read only a few hours ago because of translation problems, I note that

His Honour did not mention the second area of breach of privilege which I raised on October 5, which was:

> ...the compulsion by the Ontario Court General Division of service, by facsimile transmission, of any court documents and processes that require personal service in the precincts of Parliament without leave of the Speaker of the Senate of Canada.

This is most important, because His Honour goes on to say that there is a remedy in the courts.

I mention the issue of service of process in the precincts of Parliament because these matters of defence counsel's actual service in the precincts of Parliament are not before the Court of Appeal. These events occurred before June 14, 1994. It is only the justiciable events of June 14, 1994 which are before the Court of Appeal.

I thank His Honour for his proposal of yesterday, and I quote him where he says:

> Since the Senate's privileges are now, and even more directly, before the courts, I believe that its interests may well be served by an intervention to speak to the limited issue of the Senate's right as an institution to the attendance of its members.

This is a profound idea. However, for reasons of personal probity and prudence, I do believe that this proposal is best advanced by His Honour or by a senator other than myself.

Finally, on the matters of the lawsuits, the appeals, their status, and the question of two proceedings in the courts and in the Senate, I state the following: It was my deliberate and diligent intention not to speak in this chamber on the content and substance of these lawsuits, save to say that they are civil proceedings and not criminal. That continues to be my goal.

However, in his remarks, His Honour has said:

> I am confident that the judgment of that court ... will ... afford Senator Cools the full measure of remedy to which she may be entitled.

I quote again:

> The interests of institutional comity, and hence the best interest of the Senate, seem to me to dictate that the complaint of the senator be dealt with in one forum or another, but not both at the same time.

I am deeply grateful that His Honour in his remarks raised the concept of institutional comity, because the issue of institutional comity is the base upon which I have built my case. For the sake of His Honour and for all honourable senators, I wish to clarify that the questions being adjudicated by the Court of Appeal are different from the question I have raised for the Senate to consider. The Court of Appeal has been asked to consider those questions which rightfully belong to the Court of Appeal, that is, errors in law, et cetera. The Senate has been asked to consider the question as to whether the corporate and individual privileges of Parliament, have been breached. The adjudication of this question and its answer rightfully, solely and exclusively, belongs to the Senate.

On the issue of the determination of breach of privilege and contempt of Parliament, the Court of Appeal has no authority to pass judgment. Only Parliament has that authority. The Court of Appeal can grant me no remedy, as His Honour suggests, on the issue of the breach of privilege. More particularly and properly, if the Court of Appeal were to adjudicate, whatever its finding, that fact of adjudication would in itself be a breach of parliamentary privilege. Then, honourable senators, I would be compelled to rise in the Senate to ask the Senate to adjudicate on another breach of privilege by the Court of Appeal.

• (1420)

The Senate is the upper chamber of the high court of Parliament. Honourable senators, Parliament as an institution is not subject to the courts. Members of Parliament, as individuals, are subject to the courts. However, neither Parliament nor the law of parliamentary privilege are subject to the courts.

The Hon. the Speaker: I apologize for interrupting the honourable senator. I know that she is most concerned about this issue. However, perhaps leave would be granted in order that she might conclude her remarks. Thereafter, she may wish to proceed by way of another avenue, such as an inquiry into this issue.

Is leave granted, honourable senators?

Hon. Senators: Agreed.

Senator Cools: I thank honourable senators for their indulgence. I sincerely believe that these are questions of principle.

Honourable senators, the law of privilege and the law of Parliament are matters of great constitutional importance. These laws were jealously fought for, and they should be jealously guarded. The issues I am raising have been hard fought in the constitutional history of common-law countries and are matters that have hurried many to early deaths.

Once again, I would thank the Speaker for his ruling. I should inform honourable senators that I intend to give notice that I will move a motion pursuant to rule 57(1), asking the Senate to consider these questions. I will follow through with my intention in due course.

POINT OF ORDER

Hon. Lowell Murray: Honourable senators, there are no special limitations on subject-matters that an honourable senator may raise during the period set aside for senators' statements, and I do not believe there should be any such limitations.

That being said, it should be pointed out for the record that our friend Senator Cools has done something that is prohibited by another rule of the Senate: She has purported to debate a ruling by the Speaker. She is free to appeal that ruling if she wishes to do so, but the rule is clear that senators are not permitted to comment upon or debate the rulings of the Speaker.

I do not know what Senator Cools has in mind with regard to the notice she has just given for further debate on these issues,

but we will want to examine carefully the motion she intends to present in that respect.

TRANSPORT AND COMMUNICATIONS

MARINE SAFETY—AD HOC PARLIAMENTARY COMMITTEE ON LIGHTSTATIONS—GOVERNMENT POSITION

Hon. Gildas Molgat (Deputy Leader of the Government): Honourable senators, I agree with Senator Murray that "Senators' Statements" is not the time for debate. I would not want to break that rule.

In view of the fact that certain comments were made regarding votes taken yesterday in the Standing Senate Committee on Transport and Communications, I should like to ensure that the record in this regard is very clear. That was the first time that any senator has stood up to remark upon how senators voted in a committee.

Senator Carney: It is a good precedent.

Senator Molgat: I want to be clear: First, the Liberal senators who attended the Transport Committee hearing yesterday, voted in favour of a motion moved by the steering committee of that committee. That steering committee is composed of two Conservative senators and one Liberal senator. The Liberal senator voted in support of the proposal put forward by the steering committee.

Second, every committee in this house is dominated by my friends opposite. They have seven members on the Transport Committee whereas the Liberals have five. The leadership on both sides increases that number by one. If my honourable friends opposite who are members of those committees are in attendance, they can win every vote.

VISITOR IN GALLERY

Hon. Marcel Prud'homme: Honourable senators, our Minister of Foreign Affairs has been to the Middle East and has met with the chairman of the Palestine Liberation Organization, Mr. Arafat. I should like to draw the attention of this august assembly to the presence in our gallery today of a man who has devoted his life to improving medical conditions and care in the Middle East. He is the brother of Mr. Arafat, but he is also a person in his own right. This is his third visit to Canada. I am referring to Dr. Fathi Arafat, Chairman of the Palestine Red Cross. I am sure we all wish him well in his endeavour to have a meeting of minds in that part of the world.

BUSINESS OF THE SENATE

SPEAKER'S RULING

The Hon. the Speaker: Honourable senators, I listened carefully to the discussion regarding my ruling. Since I lack broad experience in the area of rulings, perhaps I will be permitted to reflect on this matter and carefully reread the wording that was used. If it is necessary to comment further, perhaps I may be permitted to do so at the next sitting, or fairly soon.

The rubric "Senators' Statements" has become a heading under which rather wide-ranging discussions take place. Perhaps we should change the title of the item and call it "Debate" or "Discussion". If there is a malaise, perhaps the Standing Senate Committee on Privileges, Standing Rules and Orders could examine it and arrive at wise recommendations.

ROUTINE PROCEEDINGS

THE ESTIMATES, 1994-95

TABLING OF SUPPLEMENTARY ESTIMATES (C)

Hon. Gildas L. Molgat (Deputy Leader of the Government) tabled the Supplementary Estimates (C) for the fiscal year ending March 31, 1995 (Sessional Paper No. 1/35-592S).

PRIVILEGES, STANDING RULES AND ORDERS

SECOND REPORT OF COMMITTEE PRESENTED

Hon. Brenda M. Robertson, Chairman of the Standing Committee on Privileges, Standing Rules and Orders, presented the following report:

Thursday, November 17, 1994

The Standing Committee on Privileges, Standing Rules and Orders has the honour to present its

SECOND REPORT

Your Committee recommends that Rule 26 which states: "A preamble to a question, whether it is asked orally or in writing, is out of order", be deleted from the *Rules of the Senate*.

Your Committee feels that this Rule is in conflict with two other Rules, namely:

Rule 24(4): "A debate is out of order on an oral question, but brief explanatory remarks may be made by the Senator who asks the question and by the Senator who answers it."; and

Rule 43: "A debate shall not be in order on an oral question, but brief explanatory remarks may be made by the Senator making the interrogation and by the Senator answering the same. Observations upon any such answer shall not be allowed."

Respectfully submitted,

BRENDA M. ROBERTSON,
Chairman

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

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

• (1430)

THE ESTIMATES, 1994-95

SUPPLEMENTARY ESTIMATES (C) REFERRED TO NATIONAL FINANCE COMMITTEE

Hon. Gildas L. Molgat (Deputy Leader of the Government), with leave of the Senate and notwithstanding rule 59(1)(*f*), moved:

> That the Standing Senate Committee on National Finance be authorized to examine and report upon the expenditures set out in Supplementary Estimates (C) for the fiscal year ending March 31, 1995, tabled in the Senate on November 17, 1994.

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

Hon. Senators: Agreed.

Motion agreed to.

BUSINESS OF THE SENATE

ADJOURNMENT

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, with leave of the Senate, and notwithstanding rule 59(1)(*h*), I move:

> That when the Senate adjourns today, it do stand adjourned until Tuesday, November 22, 1994, at two o'clock in the afternoon.

Honourable senators, earlier this week when I gave the best long-range information on future business I had at that time, in order to assist senators in their planning, I said that I thought we would be sitting every week until Christmas.

I expect that next Tuesday we will receive a bill from the other place. In addition, a number of committees will sit on Tuesday. I have received advice that the following committees will sit next Tuesday: Agriculture, Legal and Constitutional Affairs, and the Joint Committee on the Library of Parliament. On Wednesday, Agriculture, Euthanasia, Foreign Affairs and Transport will sit. On Thursday, Agriculture, Euthanasia and National Finance will sit. Therefore, there will obviously be substantial committee work to do.

In addition to that, this afternoon we will enter into two major debates. The first will be initiated by Senator De Bané, who is Co-chairman of the Special Joint Committee on Canada's Defence Policy. The second will be initiated by Senator MacEachen, the Co-chairman of the Special Joint Committee on Reviewing Canada's Foreign Policy.

Both reports are extremely important, since they will have an effect on the course of future government policy. The report of the special committee on defence matters is particularly urgent because the Department of National Defence has begun work on a white paper, and it is important that we have all of the input possible from Canadians across the country, as well as, obviously, members of this chamber who have experience in such matters.

It is my hope that we will have an active debate very soon on the report of the special committee on defence matters and a continuing debate on the foreign affairs report.

Next week, Senator Kirby, the Chairman of the Standing Senate Committee on Banking, Trade and Commerce, will be tabling his report on financial institutions. Honourable senators will know that that report is also of importance to Canada, particularly in light of the Confederation Life bankruptcy. I should hope that that report will elicit debate here, and will be helpful in promulgating government policy in this area.

Therefore, there will be ample work for the Senate next week, and I look forward to having all senators participate in the debates.

The Hon. the Speaker: Honourable senators, having heard the explanation, is leave granted?

Hon. Senators: Agreed.

Motion agreed to.

UNITED NATIONS

INTERNATIONAL CONFERENCE ON POPULATION AND DEVELOPMENT— NOTICE OF INQUIRY

Hon. Stanley Haidasz: Honourable senators, I give notice that next week I intend to draw the attention of the Senate to the officially adopted text of the International Conference on Population and Development of the United Nations held in Cairo, Egypt, from September 5 to 14, 1994, which is today being reported to the General Assembly of the United Nations by the Secretary-General of the International Conference on Population and Development.

By way of inquiry, I propose to make some remarks and recommendations following up on the International Conference on Population and Development Program of Action, as the official text is called.

TRANSPORT

NEW BRUNSWICK RAIL SERVICE—NOTICE OF INQUIRY

Hon. Mabel M. DeWare: Honourable senators, I give notice that on Tuesday next I shall call the attention of the Senate to matters relating to rail service in the province of New Brunswick.

HEALTH

PROTECTION OF CONSCIENCE IN MEDICAL PROCEDURES—PRESENTATION OF PETITION.

Hon. Stanley Haidasz: Honourable senators, I am pleased to place in the hands of the Clerk of the Senate a petition expressing a plea identical to that which I read in the chamber on March 17 last. The petitioners pray that this chamber protect health care workers with regard to freedom of conscience in the workplace.

The petition contains the signatures of 874 persons from all parts of Canada.

QUESTION PERIOD

THE SENATE

ABSENCE OF GOVERNMENT LEADER

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, I apologize for the absence of the Government Leader from the chamber this afternoon. She is attending a funeral in her official capacity, in company with the Leader of the Opposition in the Senate.

PARKS CANADA

USER FEES—GOVERNMENT POSITION

Hon. David Tkachuk: Honourable senators, my question is directed to the Leader of the Government in the Senate. On November 14, 1994, Minister Dupuy, in a release issued from his office, said that Canadians generally support the concept of increased fees for national parks and that the results of the first phase of public consultations, during which input by over 20,000 park visitors was obtained through meetings and surveys, personal interviews and direct mailings, were completed.

He also said that because of the requests that have been coming in, he is permitting more time for further consultation, until the end of December.

On June 7, 1994, Boyd Clark, on behalf of Prince Albert School District No. 3, wrote a letter to Terri Jackson of the Prince Albert National Park regarding national park fees.

He said:

> It was the feeling of the group that no extra charges should be put in place for services offered at a National Park.

• (1440)

> It is appropriate to remember that funding for all park activities already rests with the Canadian taxpayer, and perhaps your directive to recover some of the program costs from those who use the park needs to be re-examined.

Yet, surprisingly, in a survey distributed to park users by the national park in August, officials say:

> School groups now pay a very modest entry fee of $10.00 per bus. They also enjoy a very high level of service, often with specially designed interpretation programs. These groups are very important to Prince Albert National Park. However, if we wish to continue to provide quality educational programs, we will need to recover some of the costs. Our consultation with teachers and principals indicates that a fee of $2.00 per student for the duration of their stay is reasonable.

On September 27, 1994 at a Chamber of Commerce meeting, the park superintendent Dave Dahlman and his assistant could not name one teacher, one principal, one school district — not one person associated with education who agreed with their stated premise. In fact, they could not name one school organization with whom they had consulted.

On October 14, Shirley Gange, director of education for the public schools in Prince Albert, restated their opposition to the fee increase in a letter to the minister, as follows:

> As you requested, our principals responded and a letter dated June 7, 1994, was sent to Ms Terry Jackson, clearly stating that:
>
> > ...any additional charges directed at school groups would result in a significant reduction in our attendance at the park.
>
> Mr. Clarke, then Chairman of the Principal's Groups, also stated that it was the feeling of our staff that no extra charges should be put in place.
>
> Our concern is that, in a brochure distributed by Parks Canada, a statement was made that:
>
> > Our consultation with teachers and principals indicates that a fee of $2.00 per student for the duration of their stay is reasonable.

In a meeting on October 26, I pointed out to the minister other instances of what I would call deception and generous use of the English language in the surveys.

In light of these irregularities that are being permitted to go on in Waskesiu and in other parks in Canada, perhaps the Leader of the Government in the Senate would request that the minister have an audit done of the consultation process, in order to check out the irregularities and what I would call the deceitfulness to the Canadian taxpayers, resulting in a very invalid survey.

Hon. Gildas L. Molgat (Deputy Leader of the Government): I thank Senator Tkachuk for his question. I will certainly undertake to ensure that his comments are referred to the minister, Mr. Dupuy, and we will attempt to get a response.

POST-SECONDARY EDUCATION

GROWTH IN REVENUE FROM EPF TRANSFERS TAX POINTS—POSSIBILITY OF TRANSFER TO INSTITUTIONS

Hon. Ethel Cochrane: Honourable senators, as we all observed, yesterday a large gathering of students on Parliament Hill were expressing serious concern about the future of the funding of their post-secondary education.

The Minister of Human Resources, Mr. Axworthy, has stated that provincial governments can expect funding for post-secondary education to continue to grow in the coming years because of growth in the revenues from the tax points portion of the EPF transfers. That will not be equally true in all provinces. Poorer provinces with a weaker tax base will have smaller revenue increases from those tax points.

My question to the government is: Has any estimate or projection of revenue from those tax points been made for the four Atlantic provinces? The revenue from these tax points has been part of the general revenue since 1977. Has the government received any guarantee from any of the provincial governments

that future increases in those revenues will be passed on to these post-secondary institutions?

Hon. Gildas Molgat (Deputy Leader of the Government): Thank you, Senator Cochrane. I will see to it that your question goes forward to Senator Fairbairn and, through her, to the appropriate government sources.

FORESTRY

CLAYOQUOT SOUND—GRANT BY CIDA TO PROTEST GROUP AGAINST LOGGING—GOVERNMENT POSITION—REQUEST FOR ANSWER

Hon. Gerry St. Germain: Honourable senators, on October 26, 1994, I posed a question to the Leader of the Government in the Senate in regard to CIDA funding that had been granted to an organization leading a campaign against logging practices in British Columbia.

This has been a major concern with industry and the working community of British Columbia, because while we are spending money travelling to Europe and other parts of the world in an attempt to justify our responsible logging practices in the province of British Columbia, CIDA appears to be funding an organization that is undermining that very action.

I ask the leader in the house here today when I can expect an answer. Senator Fairbairn had indicated that she would obtain an answer for me as quickly as possible. To date, I have not received an answer. Perhaps the Acting Leader could remind Senator Fairbairn of her undertaking or, alternately, perhaps he himself could obtain for me an answer to my question.

Hon. Gildas L. Molgat (Deputy Leader of the Government): Thank you, Senator St. Germain. As a matter of fact, earlier this week the Leader of the Opposition raised the matter of delayed answers that had not yet come through. He subsequently sent a list of the outstanding questions to my office, and we are pressing the various departments on all of those. I can assure honourable senators that I will have a number on those outstanding answers to table the next time we meet. I am not positive if the answer to Senator Ghitter's question will be in that group but, if not, I will endeavour to move it forward.

WESTERN GRAIN TRANSPORTATION

CROW RATE—DIRECT PAYMENT TO FARMERS—GOVERNMENT POSITION

Hon. Leonard J. Gustafson: Honourable senators, it was reported in yesterday's *Western Producer* that the Minister of Agriculture and the government are leaning towards changing the statutory Crow Rate for western grain transportation. According to that newspaper, they are considering paying the farmers instead of paying the railroads, as has been the tradition.

Have any decisions been made by the government in this regard and, if so, how will the payment direct to the farmers be handled?

Hon. Gildas Molgat (Deputy Leader of the Government): I thank Senator Gustafson for his question. This is an area which has been irritating westerners for some time now. As we are both aware, strong views are held on both sides of the issue. I do not have a specific answer for him at the moment. As far as I know, no decision has yet been made by the government in this matter. I will, however, endeavour to find out what the situation is, and get back to him with an answer to his question.

ORDERS OF THE DAY

CANADIAN WHEAT BOARD ACT

BILL TO AMEND—SECOND READING

Leave having been given to proceed to Order No. 2:

Hon. H.A. Olson moved the second reading of Bill C-50, to amend the Canadian Wheat Board Act.

He said: Honourable senators, Bill C-50 will amend the Canadian Wheat Board Act to allow a check-off on board sales of wheat in the four western provinces and sales of barley in Saskatchewan, Manitoba and British Columbia. The funds collected, estimated to be approximately $4.7 million per year, would be administered by the Western Grains Research Foundation and would be used for plant breeding research.

• (1450)

The objective is to improve farm income through two main mechanisms: by improving the field performance of barley and wheat through varieties with increased disease and pest resistance and by developing varieties with specific qualities required by the marketplace. The gross total return for this research levy is projected by the WGRF to be worth to prairie farmers approximately $400 million annually. It has been estimated that such funding could lead to the development of varieties that are 15 per cent higher yielding and equal in protein content to current varieties.

Honourable senators, I have with me six kits containing background information. If any senator wishes one, I would be glad to provide it.

Western wheat and barley producers would pay voluntarily levies of 20 cents a tonne on wheat and 40 cents a tonne on barley. These levies would be deducted from final payments when the crop year pooled accounts are settled. The Canadian Wheat Board would then remit these collected levies to the WGRF. Wheat levies would apply to all classes and grades of wheat marketed by the Wheat Board, with the exception of soft wheat marketed at delivery points in Alberta. Barley levies would apply to all classes and grades of barley marketed through the Canadian Wheat Board at delivery points in Manitoba, Saskatchewan and British Columbia.

The main provisions of the bill relate to the Canadian Wheat Board Act, which is specific in terms of the deductions that can be made from final payments. The Canadian Wheat Board Act will be amended to allow voluntary research check-offs to be made. These amendments are as follows: Provision will be made for voluntary deductions from final payments to producers of wheat and barley, including the producer opting out of deductions, for the purposes of plant breeding and research in regard to wheat and barley. There is provision, by way of Order in Council, for fixing the rate of the deductions and for excluding from the deductions certain grains or classes of grain from certain provinces or regions within Canada.

There is provision for the deposit of the amount of deductions from final payments into a special account and, by way of Order in Council, provision for the ultimate distribution of those amounts from the account through a third party, that is the WGRF, to governments, organizations, corporations, foundations, educational institutions or other bodies having among their objectives the support of scientific research to develop improved wheat and barley varieties. There is provision for any of the costs incurred by the Canadian Wheat Board and the WGRF in the administration of the moneys to be deducted from the collected levies.

Honourable senators, I will leave out a good portion of the excellent notes I have prepared because they are contained in the kits I am prepared to distribute.

I will conclude by suggesting — and therefore soliciting the support of other senators to pass this bill — that in the long term, Canada's competitiveness could be reduced if we do not increase our plant breeding research at a time when our major competitors are doing so. For example, farmers in Australia, the United States, and the European Union have taken a direct role for years in renewing public plant breeding programs in wheat and barley. A check-off is required to keep up with our competitors.

Honourable senators will know that we have had excellent results from a number of research stations. Those that come to mind are the ones in Winnipeg, the University of Saskatchewan in Saskatoon, and Lethbridge. Excellent economic benefits have flowed from the testing done at these plant breeding research stations. Indeed, it would be sad if we were to fall behind, given the current financial difficulties of the government.

Honourable senators, the government has committed over $20 million for the continuation of this kind of program. This program has the potential to raise another $4.7 million in additional wheat and barley plant breeding research. Implicit in the development of this program is the recognition that producers have an important role to play in the activities that are so directly related to their livelihood. Producer funding is increasingly important because public support of plant breeding in wheat and barley has been eroded by inflation. That much should be replaced.

The Canadian plant breeding research community would also benefit from this additional funding because it would encourage scientists involved in wheat breeding research to remain within the industry. The additional funding would also help develop the next generation of plant breeders who will eventually replace those who have been doing this work for many years.

Honourable senators, I hope that we can refer this bill to committee today for detailed examination.

Hon. Leonard J. Gustafson: Honourable senators, I am pleased to make a few remarks today in support of Bill C-50.

Sir Leonard Tilley once said:

> Destroy the farmer, and grass will grow in the streets of every city in the nation.

The committee meetings I have attended of both the Standing Senate committee and the special joint committee have been very good. We disagreed on some issues and agreed on others. However, both witnesses and members of the committee agreed on the importance of research and development.

Speaking from experience, it is very important to have good varieties of grain. I can remember when my father and grandfather sold Marquis wheat. It yielded about 10 to 15 bushels per acre. We then got new varieties of grain, one after the other, and production increased markedly. In the area we farm, the average yield today is 27 bushels per acre. Therefore, research and development is a necessary component for the future of agriculture in Canada.

I must also mention the competition Canada faces in the international market. Different varieties of grain are constantly coming up from the United States, some of which are licensed in Canada, and some of which are not. It is important to be competitive with grain varieties in order to compete in the international market. Without a doubt, we have the best wheat in the world. We have been able to sell wheat around the world without it being subjected to close examination because buyers have a great deal of trust in Canadian grain, and we want to keep it that way.

We on this side of the house support Bill C-50. I am convinced that the research and development provided for in this legislation will bring even better varieties of grain to our country and a better balance of payments.

Agriculture contributes about 40 per cent of the balance of payments in exports. That is a major amount. Therefore, it is beneficial to all aspects of our society to provide this research and development. Countries in which research and development in agriculture have not been done suffer severely.

I am pleased to support Bill C-50.

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 Olson, bill referred to the Standing Senate Committee on Agriculture and Forestry.

DEPARTMENT OF AGRICULTURE ACT

BILL TO AMEND—REPORT OF COMMITTEE

Leave having been given to revert to Presentation of Reports from Standing or Special Committees:

Hon. Dan Hays, Chairman of the Standing Senate Committee on Agriculture and Forestry, presented the following report:

Thursday, November 17, 1994

The Standing Senate Committee on Agriculture and Forestry has the honour to present its

SECOND REPORT

Your Committee, to which was referred Bill C-49, an Act to amend the Department of Agriculture Act and to amend or repeal certain other Acts, has, in obedience to the Order of Reference of Thursday, October 27, 1994, examined the said Bill and now reports the same without amendment.

Respectfully submitted,

DANIEL HAYS
Chairman

THIRD READING

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

Hon. H.A. Olson: Honourable senators, with leave of the Senate, and notwithstanding rule 59 (1)(*b*), I move that the bill be read the third time now.

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

Hon. Senators: Agreed.

Motion agreed to and bill read third time and passed.

[*Translation*]

CANADA'S DEFENCE POLICY

REPORT OF SPECIAL COMMITTEE—DEBATE ADJOURNED

The Senate proceeded to consideration of the report of the Special Joint Committee on Canada's Defence Policy entitled "Security in a Changing World", tabled in the Senate on October 31, 1994.

Hon. Pierre De Bané: Honourable senators, first I would like to thank my colleagues in the Senate and the other place who took part in the proceedings of the Special Joint Committee on Canada's Defence Policy.

This is the first time since the Second World War that the Government of Canada has asked parliamentarians from both houses to conduct a review of Canada's defence policy. This review is, of course, a consequence of the end of the bipolar world we had seen since the Cold War started in the early fifties. It was this bipolar principle that determined our entire defence policy and military strategy, as well as the equipment our country and our allies acquired over the years to confront the threat represented by the countries of the Warsaw Pact.

This threat meant, basically, protecting Western Europe and defending North America from a massive nuclear attack by the Soviet Union. Once the threat that determined our entire defence strategy had disappeared, it was entirely appropriate that Canada, like other countries including the United States, France, England, Australia and the Netherlands, should also conduct a review of its defence policy. As you will remember, our committee was created last February. We have had a chance to consider all aspects of our defence policy, and I, for one, was able to draw some interesting conclusions.

First of all, Canadians in general show too little interest in issues that are of such vital importance to a vast country like ours. Second, the resulting lack of familiarity with these issues too often leads people to conclude that Canada does not need an army, since there is no immediate threat to its borders. Since there is no immediate threat, the logical conclusion must be that Canada does not have to worry about what is happening in the rest of the world. However, we believe it is vital for Canada to take an active interest in everything that is happening in the world today.

If we want to be part of the G-7 and be involved with other countries in the way the world is governed, we cannot, at the same time, say we have no interest in the world's stability. I sincerely hope that our committee's efforts have helped to improve our understanding of the problem and that our report will help define the crucial elements of our defence policy.

Canada is a vast country that belongs to the club of industrialized countries, whether we are talking about the G-7, NATO, the Francophonie, the United Nations, the Commonwealth or the OECD, and we must admit that it has a wealth of resources, compared with other countries on this planet. Our exceptional resources make it incumbent on us to contribute towards maintaining stability and world peace, which is something we cannot afford to neglect. At stake is maintaining our prosperity, which basically depends on our trade with other countries and our ability to help disseminate the democratic and humanitarian values to which we are so deeply committed.

I hope with all my heart that our report will help make this clear. There is no threat of war on our borders, but we should not forget that as one of the rich countries we have a duty to do our share in maintainiing a lasting peace that is essential to the progress of humanity.

Honourable senators, I would now like to summarize the approach taken by our committee. As you know, the usual procedure for establishing a defence policy is to start with an analysis of the international situation. What are the potential threats to Canada? That is where we should start when defining a defence policy. What are these various threats to Canada or our allies?

Second, we must analyse how this analysis of the international context affects our own interests and national objectives. Third, we must determine what military resources are available to support our objectives and, finally, these resources must be matched against our financial capability, or more exactly that of the Canadian taxpayers. This is the approach our allies and friends have taken, including the United States, with the review recently released under Defense Secretary Les Aspin; France, with Mr. Léotard; Australia, Holland, the Netherlands who have recently published a white paper on defence policy review.

This is also the approach generally advocated by the experts who testified before the joint committee of the House and the Senate, and the one we have chosen as well.

What is the context of the international situation that we looked at? We have come to the conclusion that while the Soviet threat posed by the Warsaw Pact had diminished considerably, in fact because this bipolar division no longer exists — because this rivalry that used to consist of two opposing blocs, each controlling half the planet, is gone — now that one of these blocs has disappeared and that the other superpower has decided to become more home-centred and quite aggressive in terms of competitiveness, one has the impression that no one is governing the planet any more.

As we speak, there are approximately fifty local or regional conflicts raging around the world, fuelled by ethnic, religious or nationalist disputes. These local hostilities can of course cause enormous suffering and massive movements of people. While there were a mere two million displaced people, refugees, two decades ago, today there are over 25 million around the world. The world has become fragmented.

New regional powers have emerged. Massive destruction technologies are proliferating. Defence technologies are proliferating. About the emergence of regional powers, we note that, within 25 years, twenty or so countries will be in a position to manufacture nuclear weapons. While at present, except for the Soviet Union, no country is equipped with rockets capable of reaching North America, fifteen or so will have this capability twenty years from now.

Most of the crises that have occurred in the last five years — the fall of the Berlin Wall, the war in Yugoslavia, the invasion of Kuwait — were not forecast by anyone. Many of the events of the past 20 years were totally unexpected. It is precisely because no one can predict what will happen that a defence policy should help us prepare for the unpredictable.

Second, multilateral organizations have emerged to try to bring some stability to the planet. We came to the conclusion that Canada does not have the financial and military resources to influence global developments on its own, and that our future lies in working with our allies through multilateral organizations like the UN and NATO to put our modest armed forces at the service of peace.

Some will say that the world's growing instability does not concern us since it mostly affects very distant countries. According to committee members, nothing could be further from the truth. To be sure, Canada is vast and its population relatively small, but its economy depends heavily on international trade. International trade cannot go on if the rest of the world is unstable.

We are part of the global community. We do not escape the globalization of the economy. As the flow of information becomes more international, it is easy for us to find out quickly about the wars raging in all parts of the world and to understand their repercussions.

Canada has its own problems: regionalist and nationalist movements are severely straining our social fabric. The increasing scarcity of natural resources, especially fish, is being felt off Canada's shores. Therefore it is in our interest to make stability and the rule of law prevail, and to encourage a global economy where all countries can prosper. However, the stakes are higher than our place in the world. Being Canadian has a meaning and a purpose. It means that we cannot remain indifferent when the principles which we defend are crushed by famines, massacres and coups d'état.

In recent years, we have accepted putting the lives of our military at risk even when our security or clearly defined national interests were not closely involved. We must realize that the first time that Canadian soldiers faced deadly attacks since the Korean War was in Yugoslavia, and about ten soldiers have made the supreme sacrifice and died to bring peace to that part of the world.

Our prosperity and relative security confer upon us the duty to bring a little peace, stability and security to other peoples.

[*English*]

• (1510)

General Mackenzie, as you know, was the first commander of the Canadian forces in Yugoslavia. He said before the committee that if our responsibilities in the world need to be commensurate with the blessings at home, then we have a responsibility to put our modest forces at the service of international peace.

[*Translation*]

To those who say that the Canadian Forces should simply be guardians of our national sovereignty, we reply, with analyses to support us, that Canada cannot evade the international dimension of its interests and its responsibility for security.

[*English*]

• (1520)

From that analysis, the committee concluded that the Canadian forces needed to make some changes. The main ones have been mentioned extensively so I do not need to go into them here, but I will describe the capability provided by those changes.

To fulfil the first task, the protection of our territorial sovereignty, the committee concluded that we do not need to station a soldier on every rock or a ship on every wave. While the threats are very real, they are not of that magnitude. However, we think that Canada should have one ship or submarine available at all times on each coast, and an ability to know what is happening in our air space; the capability to do something about it; and the capacity to deal with one or two incidents on the scale of the Oka crisis across the country.

To fulfil our international responsibilities, we believe that the Canadian forces should be able to contribute to two or three multinational operations of the size of modern peacekeeping operations in a major way with land, air or maritime forces, or some combination. We also concluded that Canadian forces should not be limited to benign peacekeeping missions but should be able to organize a significant air-land-sea task force to be able to contribute to the more demanding international operations.

A line in the sand has been drawn. Funding is critically important in order to have even those moderate armed forces. Jeffrey Simpson from *The Globe and Mail* got it right when he said, after the tabling of our report, that the committee has drawn a line in the sand.

Modern armed forces are expensive. They also do not appear overnight. We can change our foreign policy in an afternoon; that is possible, but defence policy is a totally different kind of issue because the design, the manufacturing and the use of the equipment are things that usually span between 25 to 50 years. You cannot change that overnight.

I remember when the committee members were on an American air carrier last summer that had about 5,000 navy men, pilots and mechanics on board. I asked the admiral in charge, "When was this ship built?" He answered, "Around 1959." I then asked him when it would be retired from service and he answered, "In another 20 years." We are in 1994 now. The frigates that the Government of Canada has just built were designed in the late 1970s. It took approximately 15 years to build them in Saint John, New Brunswick. They will have a life of 20 to 30 years.

Defence policy cannot be changed overnight. As the Chief of Defence Staff, General de Chastelain, told us, it takes years and years to develop a military capability and to train an infantry man. Defence policy is in essence something which is done in the long term. It takes years to bring new pieces of equipment into service. It will continue to be that way even if our procurement and practices are improved. It takes more years to train the troops in the best possible use of that equipment. However, we need to make that investment. If we intend to send our sons and daughters into harm's way, they must be properly equipped, trained, protected and properly supported.

We must finally come to terms with the fact that international operations, including peacekeeping, is not cheap. It has never been cheap. It only seemed that way in the past because the cost of maintaining well-trained and professional armed forces was attributed to our Alliance commitments. Now we are saying upfront that Canada needs well-trained, properly equipped and professional forces to protect our territorial sovereignty and defend our interests internationally. That is not to say that there are not changes to be made and modest savings to be found.

To do what we believe needs to be done will cost approximately $10.5 billion per year by 1998-1999 in 1994 dollars. Anyone who wants to step over that line, including the government, will have to explain what we must give up — that is, what forces, what commitments and what interests. If ever it is decided to cut more from the Canadian Forces, the consequences may be that we would cease participating in international peace-keeping forces. I suspect that that will not have the support of the Canadian people, who are very proud of the role Canada plays in that field. Indeed, it was Canada which invented that concept.

Management and accountability are also important.

The Hon. the Speaker: I have to inform the honourable senator that his speaking time is almost over.

[*Translation*]

Senator De Bané: Thank you very much, Your Honour. You are right, I will be brief.

[*English*]

I do not intend to dwell on the aspects of defence management raised in the report. In most areas the committee mainly opened doors and pointed to some ways to move forward. However, two points deserve mention. First, the committee recommends a major overhaul of headquarters and deep reductions in the personnel employed there. Statistics on tooth-to-tail ratios, officer-to-NCM ratios and headquarters-to-combat-troop ratios are open to argument and interpretation but they all point to an imbalance. This imbalance is costing the country and the Canadian Forces a lot of money which, as the committee recommends, could be better spent elsewhere.

• (1530)

Second, one of the oddities of the Canadian Armed Forces over the last 25 years is that, in spite of the complaints about unification, Canada does not have forces which function well together. In military jargon, somehow our forces have managed to be "unified" without every having become "joint".

Moreover, military studies have shown that, by working effectively together, all components of the forces increase their capabilities out of all proportion to their numbers. Bearing in mind particularly the small size of our forces, the committee recommends that they restructure to reflect modern realities. Fundamentally, our conclusion is that the department must preserve its military and combative ability by finding better ways to do business. There is much work to be done in the area of defence management, both by Parliament and the government.

We believe Parliament's role, and therefore the accountability of the Department of National Defence will be greatly improved with some relatively modest changes. The key here is a willingness of the department to provide Parliament with more information on what it intends to do, on what it has done, and how well. Who knows, they might even find out that, by explaining what they do and what they need, parliamentarians and the people of Canada might be more supportive of their effort..

In conclusion, honourable senators, I have tried to provide a brief explanation of the process and conclusions of the Special Joint Committee on Defence Policy and to respond to some of the critics. The single most important message of our report is that there are no guarantees except our own defence effort and the extent to which we can mobilize others to help us.

As the committee states in its report:

> ...defence policy should not be based on what we think will happen, but rather on the explicit premise that, because we do not know what will happen, we must be ready for a wide range of possibilities.

Being ready will require a continuing modest investment of resources.

The committee worked hard to keep its report on a complex subject short and readable. I hope Canadians will take time to read it because, in the end, it is about who we are and what we stand for.

Hon. J. Michael Forrestall: Honourable senators, my first words are directed to the men and women who serve in the Canadian Armed Forces. The words are couched in humility and in deep gratitude for all their work and their professionalism in carrying out their duties. I hope that over the past eight months a small group of us have had an opportunity to recognize what we have to do to allow them to continue.

Honourable senators, my comments will be brief today. Before I move the adjournment, I wish to add one or two other general comments.

I wish to express my appreciation to the Honourable Senator De Bané and to the Honourable William Rompkey, the co-chairs of this committee. I also wish to thank the support staff, the editor who helped us with our writing, and the men and women of the Canadian Armed Forces who saw to it that what we wanted to learn was made available to us.

We do no right, although many of us may expect it, to enjoy a peace dividend from the changing world structure. Indeed, the destabilizing effect of the demise of the Soviet Union has caused a far greater threat to Canada's sovereignty, its security and its people than most of us recognize at this time.

The committee heard from people from all walks of life. I appreciate Minister Collenette's opening the forum of this debate to everyone in Canada who wanted to participate. Indeed, we have heard from all sectors of our community. We heard from professionals, retired members, and people from Ploughshares. In all, some 480 witnesses appeared before the committee, each one providing us with informative documentation.

We are grateful to all of them for providing the information on which we based our opinion. We trust that our paper warrants the attention and time of the minister when he is formulating the white paper which he will present early in the new year.

It is to that white paper that at a later point not too far down the road, I should like to address 10 or 15 minutes of concentrated comments, in particular to Canada's ship-borne helicopter and the new helicopter for search and rescue, together with the need for re-equipping our troops in the field with up-to-date equipment. I should also like to make the point in more depth that we must always be conscious of the challenges faced by our young men and women whom we ask to serve in far-off lands in the midst of strange cultures.

Permanent members of the forces are counselled after they have been in traumatic situations. They are looked after and watched closely because that is a difficult time for them. In contrast, some members of the reserve units come home from their tour of duty and, in a few weeks, they are back in their places of work in the warehouse, the law office and the hospital operating room. They do not require any counselling. No one gives them much thought. They become civilians again. I also want to talk about those people.

I will specifically address the issue of equipment and the attitude which I hope Minister Collenette will take in the presentation of his new defence policy sometime early next year.

On motion of Senator Forrestall, debate adjourned.

SPLIT LAKE CREE FIRST NATION FLOODED LAND BILL

SECOND READING

Leave having been given to revert to Order No. 1:

Hon. Sharon Carstairs moved the second reading of Bill C-36, respecting the Split Lake Cree First Nation and the settlement of matters arising from an agreement relating to the flooding of land.

[*Translation*]

She said: Honourable senators, I rise today to speak to Bill C-36, a bill that will help redress injustices done to the Split Lake Cree First Nation in Manitoba.

With your permission, honourable senators, since this is my first speech in this chamber, I would like to make some personal comments.

[*English*]

Honourable senators, there are a great many of you whom I wish to thank in this my first speech in this chamber. I shall begin, of course, with His Honour, who hosted a wonderful reception for Senator Roux, Senator Bacon and myself on the day we were sworn into this chamber. Later, of course, he

honoured Senator Pearson. I am humbled that I was chosen to be appointed to the Senate with such distinguished Canadians as those three.

There are a number of others who deserve my appreciation today. Senator Fairbairn and I have been friends for a great many years, since she was working in the Prime Minister's Office and I was on the executive of the Liberal Party of Alberta. On occasion she claims me as an Alberta senator rather than one from Manitoba. She introduced me into this chamber, as she did the other senators, and then proceeded to make some very kind remarks. I am deeply appreciative of them.

Senator Molgat was, of course, my sponsor. What can one say about someone who has been such a very good friend for so many years? He has played a unique role in my life in that he was the former leader of the Liberal Party in Manitoba. As others of you in this chamber who are former leaders know, it is not necessarily easy to play the role of former leader with the incumbent leader. We should all take lessons from Senator Molgat. He brought such warmth and generosity to that role that I think he should write a book on the subject.

On that opening day, Senator Lynch-Staunton also made some very kind remarks. He also made reference to a very good friend of mine, Senator Doug Everett, who, until recently, was also a close neighbour. He remains a close neighbour of Senator Jessiman. Senator Everett had a long and distinguished career in this chamber, and I am pleased that after he vacated this seat I was chosen by the Prime Minister to fill it.

Senator Lynch-Staunton made some comments on Senator Everett's career in the Senate and about some moves he had made over the years. Senator Lynch-Staunton should know early in my tenure here that I frequently listen to my own drummer, sometimes to the dismay of family, friends and political colleagues. However, in my 52 years, that drummer has never played a Tory tune.

I also wish to pay tribute today to the staff of the Senate, beginning with the Clerk. I understand that a new procedure was instituted for new senators under which we were invited to a briefing given by the Clerk and attended by the heads of all Senate departments. I want the Clerk to know how deeply appreciative I am of that presentation. It certainly made a new senator's introduction to this chamber much easier and much more relaxed. It also opened an avenue for further conversations and questions. By this time, they are probably a little tired of getting calls for information from Senator Carstairs' office, but they always accept those calls with enthusiasm. I thank them all.

It was nice to meet some people who had known my father. Senator Phillips indicated earlier today that he had known him, and the Clerk Assistant, during his days as a page, looked after my father's papers.

Being in this chamber is somewhat like déjà vu. The last time I was here prior to my appointment on September 15 was in the 1970s when I brought my father here. He had suffered a stroke and was totally incapacitated on one side of his body. I brought him in here in his wheelchair. I wanted him to resign from the Senate, but he had other ideas. It gave some joy and some direction to his life.

I know that there are several senators in this chamber who have also had strokes. I appreciate their courage and what they are doing for other stroke victims. The fact that they are in this chamber and make a considerable contribution to it tells others who suffer similar afflictions that there is hope; that there is, indeed, a future for them in all aspects of their lives.

After my father's massive stroke, doctors told him that he would never get out of the hospital, and that if he did, he would never get out of bed. Of course, he did get out of the hospital, he did get out of bed, he did learn to walk again, and he eventually learned to talk again. Those who have made even further strides than he was able to make give courage to all.

I know that some senators were concerned about some of the statements I made upon being appointed to the Senate. I should like to tell them that I have been defending the Senate for a very long time, perhaps longer than most of you.

In the days when I was a student at Dalhousie University, from 1958 and 1962, the Senate was the topic of some conversation. In those days there were very few women in political science courses. In fact, I was the only female student in second, third and fourth year courses. I had a professor named Jim Atchison, who went on to lead the New Democratic Party in Nova Scotia. Whether my course was in constitutional law or in seventeenth or eighteenth century philosophy, he always put a question at the bottom of the exam paper directed at me. I had to write the rest of the exam and, if I had time, I was then to give a defence of the Senate. He thought that since my father was in the Senate, I should be able to give that defence, and I was graded on whether the defence got better each year of my degree program.

Therefore, I have been a defender of the Senate for a long time. I am also, however, a believer in a reformed Senate. I know that that view is shared by a number of senators here. I make no apologies for being a believer in a Triple-E Senate, an elected, effective and at least more equal institution. I will do my best to defend the concept of a reformed Senate.

Meanwhile, I am very proud to be here with some very special people. The senators whom I have admired the most over the years have frequently been those who have taken a special interest in one area of activity.

Senator Marshall, for example, who will retire shortly, is known nationwide for his involvement in the affairs of veterans in this country. Senator Earl Hastings, a friend from Alberta, is well known for his defence of prison reform. To this day Senator Jacques Hébert defends young people, and urges them to be idealistic and to have a sense of volunteerism. His message, so eloquently expressed, touches the hearts of young people everywhere. Even in my few days here in this chamber, I have learned of Senator Ghitter's very special interest in human rights. I have learned of Senator Oliver's quick defence of the black community of this country, a community I know well, having been raised in Halifax.

• (1550)

I am proud to be here. I am anxious to get to know all of you and your particular areas of interest and expertise. I am delighted to be able to serve my country and my province in this very special chamber. I am particularly grateful to the Prime Minister for giving me this opportunity.

I, too, have an issue to raise, and you will hear much of it over the years to come.

Honourable senators, earlier today, Senator Pearson talked about the fact that Sunday is Children's Day. Children in this nation are vulnerable, as they are throughout the world. Children suffer from many offences, but there is one in particular which gives me more pain than any other: that, of course, is the sexual abuse of children. My awareness of this issue stems from having been sexually abused as a child myself, not — fortunately for me — by a family member, but by a family friend.

Honourable senators, this subject fills me with grief and pain to this day. However, I am a survivor. I want to take a message to other young people in this country that they, too, can survive and overcome the terrible damage that has been done to them. I hope to be a strong advocate on their behalf.

There are other strong people in this country, honourable senators, and that is why I am so delighted today to speak in support of this legislation. This legislation will bring an end to 20 years of strained relationships between the Split Lake Cree First Nation of Manitoba and the Government of Canada.

Split Lake was one of the five First Nations affected by the flooding of thousands of hectares of land in northern Manitoba in the late 1960s and early 1970s. With Bill C-36, the government is meeting all of its commitments related to compensating this First Nation — and only this First Nation, I might add — for the loss of traditional fishing, gathering, hunting, and trapping areas caused by this flooding, as well as the loss of personal property and community infrastructure.

As honourable senators may be aware — certainly those from my province are — the Lake Winnipeg Regulation and Churchill River Diversion Project flooded more than 4,800 hectares of Indian reserve land and some 200,000 hectares of non-reserve land traditionally used by the five First Nations. Regrettably, in a different era and a different age, little consideration was given to the impact of that flooding on those aboriginal peoples.

In fact, honourable senators, the concerns of the Indian people were not addressed until 1977 when the Northern Flood Agreement was signed. Can you imagine the hope of 17 years ago when such an agreement was signed that, finally, some compensation would be found for them? But 17 years have passed and nothing happened until the introduction of this bill.

Canada is a signatory to this agreement along with the Government of Manitoba, Manitoba Hydro, and a committee representing Split Lake, Cross Lake, Nelson House, Norway House and York Factory First Nations.

Honourable senators may also be aware that implementation of the Northern Flood Agreement has been rife with problems. The agreement is vaguely worded and did not anticipate, unfortunately and tragically, a number of important issues that have since arisen. Because of shortcomings over the past 15 years, the parties have sought arbitration on many points, a process which has been extremely costly to taxpayers and with no compensation to the aboriginal people.

I am pleased to say, honourable senators, that the five First Nations now have another option. I congratulate the former administration for providing that option — the option of negotiating band-specific agreements. The framework for these negotiations is the so-called "proposed basis of settlement" which was negotiated by the four parties to the Northern Flood Agreement.

The first and only band-specific settlement signed to date is with the Split Lake Cree First Nation. This agreement was signed in June, 1992 and is now being implemented. By addressing the obligations of governments and Manitoba Hydro to the Split Lake Cree, this agreement releases the federal government from any additional claims by this First Nation. For the people of Split Lake Cree First Nation, the agreement provides the financial resources and land base needed to take control of their own future.

As I indicated only a moment ago, the Split Lake agreement is already being implemented. However, in signing the agreement, the Government of Canada agreed to certain changes of its provisions through legislation, and that is the purpose of Bill C-36.

First, honourable senators, this bill will ensure that moneys owed to the Split Lake Cree First Nation will not be considered Indian moneys, and will therefore be administered by band trust funds and not by the Department of Indian Affairs and Northern Development. I believe this is a good first step towards aboriginal self-government. As my honourable colleagues can appreciate, this gives the Split Lake Cree much more control over their compensation and reduces the administrative burden on government.

Second, Bill C-36 will also provide that provincial Crown lands provided to the Split Lake Cree in fee simple title will not become special reserves under the Indian Act. Again, this gives the Split Lake Cree more control over these lands than would be possible if they were reserve lands, which must, by law, be administered by the federal government.

Third, Bill C-36 will ensure that the adjudication process set out in the Split Lake Settlement Agreement will take precedence over the process set out in the Northern Flood Agreement. In other words, something will happen — something which has not happened for 17 years.

Finally, honourable senators, Bill C-36 will ensure that the Government of Canada can benefit from the Manitoba Arbitration Act, as do the other three parties to the Northern Flood Agreement.

I want to make it very clear, however, that this bill deals only with the Split Lake First Nation peoples, and there are four other nations' peoples whose interests have yet to be served. As I stated earlier, the other Northern Flood Agreement parties have not yet negotiated such agreements.

I also want to assure honourable senators that the Split Lake First Nation, the provincial government, and Manitoba Hydro have all been consulted in this legislation and have agreed to it. As a result, we have before us a bill that is universally supported by the affected parties.

We are not being asked today to approve new commitments to the Split Lake Cree. We are not being asked to dig into the federal purse or to burden the government with additional responsibilities.

[*Translation*]

We are being asked to make the honourable choice for all Canadians. Therefore, I urge all honourable senators to give prompt passage to this bill. This will send an important signal to all aboriginal peoples that the government wants to abide by the spirit as well as the letter of its commitments towards aboriginal peoples.

[*English*]

Hon. Gildas L. Molgat (Deputy Leader of the Government): Honourable senators, I have a question for the Honourable Senator Carstairs.

During her comments, she referred several times to "17 years". Am I correct in presuming that that is when the first negotiations started?

Senator Carstairs: Yes. The Manitoba Northern Flood Agreement was signed in 1977.

Senator Molgat: In fact, the land was flooded many years before that, back in the 1960s. Therefore, am I not correct in stating that these Indian communities have been suffering for much longer than 17 years?

Senator Carstairs: That is absolutely correct. The flooding was done in the late 1960s and early 1970s, and compensation was to be provided at that time. However, no compensation was forthcoming. It was not until the Northern Flood Agreement was signed that there was even a recognition that compensation was due and owing in law, not just in the generosity of Manitoba Hydro.

Between 1977 and 1994, with the exception of Split Lake, Indian communities have not received specific band settlements as was agreed to under the Northern Flood Agreement.

Hon. Peter Bosa: I also have a question for the honourable senator. Was there a flood in the city of Winnipeg in the mid-1950s? Did that extend to the lands you have mentioned?

• (1600)

Senator Carstairs: No. The flooding with respect to compensation for Split Lake has to do with hydro flooding which was done specifically to provide power.

Some aboriginal communities in southern Manitoba and northern Manitoba, where the majority of aboriginal people live, still do not have hydro, for which their land was flooded. People in the south have benefited a great deal from the flooding of those aboriginal lands but, to date, the aboriginal people have not.

Hon. Duncan J. Jessiman: Honourable senators, I would like to congratulate Senator Carstairs. She is certainly not "one of the boys", which is the title of her book. However, she is a nice lady. I have had the pleasure of having dinner at her home. We did not speak of politics, and she and her husband were wonderful hosts.

I was a member of the Manitoba Hydro Board in the 1960s when the negotiations were taking place. A Conservative government had entered into an agreement in 1966 with Canada on northern Manitoba hydroelectric potential.

I would like to table rather than read this chronology. However, it begins in the 1920s. A number of the things the honourable senator mentioned are here, along with many more.

This chronology proves that Manitoba Hydro, the Manitoba government and the Canadian government were all wrong. It was in Manitoba's best interest to take such action because hydroelectric power is a valuable resource, as it was then, is now, and will be in the future.

Whenever the government takes over land, be it aboriginal or otherwise, compensation should be paid. It is true that not a lot of compensation has been paid. The department has informed me that there were 160 different cases for arbitration. The present arbitrator states that as of two weeks ago there were 182 cases, and they are still coming in.

This particular band is comprised of 2,200 people. That is not a lot of people. The five bands have a total population of 14,800 people. The other four, which I hope will reach settlement, are Cross Lake, 4,300; York Factory, 700; Norway House, 4,200 and Nelson House with 3,400.

This is an example where, if the government needed someone else's property, they should have tried to make a deal at the beginning, particularly when dealing with aboriginal people. They should have tried to convince these 14,800 people to move and to accept compensation.

The amount to be paid by the people of Manitoba is to be collected through hydro rates; Canada is paying part of it and the Province of Manitoba is paying part of it. These 2,200 people will receive $47.37 million over a five-year period, plus 34,100 new acres in reserve lands and 2,800 reserve land acres. The total land flooded was 11,861 acres. I hope that we are being generous.

The negotiations involved representatives from Manitoba Hydro, the Province of Manitoba, the federal government and the bands. Difficulties arose when agreements were reached, band chiefs changed and the new chief did not agree with the agreement. They would have to negotiate a new structure of settlement and get agreement. To date, only Split Lake has signed an agreement, which takes the form of this legislation, and it is good legislation.

An agreement with Nelson House should be in place by March. Norway House currently has a promise from the council and the chief, although they are not seeing eye to eye. The council has a quorum and things are moving well, but there are internal political problems. York Factory should have an agreement in place by March 1995. In Cross Lake, there is a difficulty concerning water and the band may require an extension.

There are 607 registered bands in Canada. Three chiefs from Alberta who spoke to us claim that there are 645 bands. The difference may not be registered, but that was their information. The difficulty arises because each band must be dealt with separately. It would be best to bring all the bands together, each with one representative, to make a deal with all 607. We know that that will not happen. This is good legislation, but it is not the end, because as Senator Carstairs stated, there is still arbitration. It is difficult to bring this matter to conclusion, and it is too bad. There should be some way that this matter could be finalized.

The other matter the senator raised was how the moneys will flow. It is a first step towards self-government. We heard testimony from the three chiefs from Alberta concerning their bands and self-government, and we have a long road ahead.

Honourable senators, I support this bill and I will vote for it.

Senator Molgat: Honourable senators, Senator Jessiman has obviously done some research. He mentioned the amounts of money and the protracted negotiations. In his research, did the honourable senator find out what has been spent on legal fees and consultant fees and all the appertaining fees included in that protracted negotiation?

Senator Jessiman: I would suggest, honourable senator, that it would be millions of dollars. The arbitrator is paid. He has counsel. Manitoba Hydro has counsel. The Manitoba government is represented by counsel and the federal government has counsel. There have been 182 arbitrations — a staggering figure. Honourable senators, I did no specific research, but I believe that the cost would greatly exceed $1 million.

• (1610)

I do not want to read into the record the document I am holding in my hand. However, it is important that it be on the record. I am told that, if the Speaker obtains the consent of honourable senators, I may table this document.

Senator Molgat: I believe it contains some useful information, honourable senators.

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

Hon. Senators: Agreed.

Senator Jessiman: I thank honourable senators for their indulgence.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

On motion of Senator Carstairs, bill referred to the Standing Senate Committee on Aboriginal Peoples.

[Senator Jessiman]

REVIEWING CANADA'S FOREIGN POLICY

REPORT OF SPECIAL JOINT COMMITTEE—DEBATE ADJOURNED

The Senate proceeded to consideration of the report of the Special Joint Committee on Canada's Foreign Policy, entitled, "Canada's Foreign Policy: Principles and Priorities for the Future", presented in the Senate on November 15, 1994.

Hon. Allan J. MacEachen: Honourable senators, before I make my comments on the report of the Special Joint Committee on Canada's Foreign Policy, I should like to express my pleasure at hearing the first speech made in the Senate by Senator Carstairs who, by her performance, reinforced the favourable impression which she has already created in the country.

Likewise, I was pleased to hear the comments made today by Senator Pearson, who advanced a major subject for our consideration and who, by her past experience and activities, is well qualified to make a major contribution to the country through her service in the Senate.

Both Senators Carstairs and Pearson have great potential. We look forward to the contribution they will make in the future to the work of the country.

The second comment I should like to make is with respect to the speeches which have been made, particularly by Senator De Bané, on the subject of the report of the Special Joint Committee on Canada's Defence Policy. I have read the report and followed the progress of the committee. I regard the report as a valuable contribution to the debate on Canada's defence policy. It will be of great help to the Minister of National Defence as he prepares his white paper and, later, as the government makes up its mind on the questions which have been raised.

The Special Joint Committee Reviewing Canada's Foreign Policy had a wider mandate, as is obvious, than the Special Joint Committee on Canada's Defence Policy. The Special Joint Committee Reviewing Canada's Foreign Policy took eight months of solid and hard work to complete its assignment and was able to table its report just two days ago.

The committee was asked to examine the changing international context and to make recommendations on the principles, objectives and priorities that should underline Canada's foreign policy.

From the outset of the committee's work eight months ago, public participation was a key objective. The committee travelled across Canada and held over 80 meetings, involving more than 550 organizations and individuals, supplemented by numerous round-table discussions, several in-depth analyses and hundreds of written submissions. The committee accumulated over 10,000 pages of evidence.

I know of no other country with as strong a commitment to public involvement in foreign policy and with a readiness parallel to that which we observe on the part of many Canadians to participate and to contribute.

We did hear from Canadians in the course of our deliberations. They told us that they want an active, independent foreign policy which reflects Canadian values and serves Canadian interests. There was a strong underlying conviction that Canadians must be more globalist in outlook and action. Certainly, there was no

request to withdraw from the world. On the contrary, there was a clear request to become even more involved in the world.

Canadian witnesses have deep-rooted values which carry over into the role they want Canada to play. They have pretty clear ideas of how they want us to behave as we project Canada's foreign policy. They want to nurture dialogue and compromise, promote democracy and human rights, encourage economic and social justice, care for the environment, safeguard peace and alleviate poverty. These values underline many of the recommendations of the report.

A number of foreign policy concepts gained new prominence in our review. I personally was struck by the number of new concepts which have been developed and seem to be common in the vocabulary of witnesses which had certainly hitherto escaped my vocabulary.

There was a heightened awareness of the growing contributions of a broad range of foreign policy actors and the potential benefits which were possible through Team Canada approaches to foreign policy. The notion of civil society was often referred to by the many Canadians who are committed to strengthening the nongovernmental underpinnings of society.

A broader concept of security was advanced as a unifying theme for foreign policy as, indeed, was sustainable development.

In the field of development assistance, concepts such as development pacts and sustainable human development were evidence of the dynamic thinking taking place. Terms such as "transformational coalitions" and "casino capital" have now entered the foreign policy lexicon.

The review of Canadian foreign policy has been a challenging task. Never has change been so rapid and profound in the world. Never have international developments exerted so fundamental an impact on Canadian society. Never have foreign and domestic policies been more closely linked. Never has the imperative of getting our own house in order, of ensuring an effective domestic base for foreign policy, been more apparent.

As Senator De Bané pointed out earlier in his comments, the most dramatic international change has been the end of the bipolar world order. But other forces are changing the nature of security, globalizing economies and societies and reshaping national sovereignty. It is increasingly evident to Canadians that our well-being depends, crucially, on international cooperation. The principal elements of foreign policy are increasingly linked. Human rights and the environment are now integral aspects of our security, our trade and our international assistance policies.

There is no doubt in my mind that the international context offers major new opportunities for Canada. To play the productive and influential role that Canadians want, the foreign policy challenge will be to articulate a forward-looking vision which can mobilize wide political support and to ensure, by making careful choices and being realistic, that our resources are commensurate with our objectives. It is in this spirit that the committee approached the difficult task of identifying principles and priorities for the future.

Honourable senators, you should not look to this report for guidance on current hot spots, trouble spots, or short-term issues. Only passing reference, for example, is made to the situation in Haiti, Rwanda or the former Yugoslavia. We have purposely adopted a forward-looking approach to foreign policy and identified the principles and priorities which we felt could stand the test of time. In this way, we hope that the report will continue to be a useful reference for some time to come.

In the report you will find a number of themes which are intended to provide the principles and to guide the priorities of future Canadian foreign policy. One of these is that domestic policy is foreign policy, and foreign policy is domestic policy. Domestic affairs cannot be competently managed without taking full account of foreign affairs, and total resources should be allocated accordingly.

Conversely, Canadian foreign policy will not be effective without a strong domestic base and we therefore must put our own house in order. At home, we must deal with the need to democratize policy-making and to consult with the provinces and the many other actors on the scene. Foreign affairs are less and less an exclusive concern of the federal government and more and more a Team Canada effort.

Another theme is that, in its relations with the rest of the world, Canada has national interests to protect and values to project. This report suggests a robust defence of Canadian trade interests, particularly in its relations with the United States, and the close cooperation of government and the private sector to build up an international orientation for Canadian business. It also suggests a more active and concerted projection of Canadian culture and learning as a fundamental dimension of Canadian foreign policy.

At the same time, the report makes it clear that we are convinced that Canada can best promote its enlightened interests by promoting a rules-based international order. We suggest a conceptual framework for foreign policy to meet the needs of the next century: shared security, shared prosperity, and shared custody of the environment. We suggest practical ways of working toward each of these objectives.

For shared security, we recommend measures to improve the collective security functions of the UN and regional organizations such as NATO and the CSCE, and to bring together suitable political, economic and military measures in an integrated continuum of crisis management, with emphasis on prevention.

For shared prosperity we recommend the broadest possible rules-based trade liberalization and concerted international action to alleviate poverty.

For shared custody of the environment we recommend support of sustainable development as an overarching foreign policy theme.

In each of these areas we propose specific Canadian policies: that the primary role of the Canadian Forces should be UN peace-keeping; that Canada should take action bilaterally to complete negotiation of the NAFTA subsidies and anti-dumping codes, regionally to expand NAFTA and multilaterally to bring the World Trade Organization into being; and that Canadian international assistance should be directed primarily toward

reducing poverty, that it work within the framework of sustainable development, and that it focus on the development of human potential.

Another theme is that Canada's resources are limited, particularly in present circumstances. Canada, therefore, must be selective in its choice of targets. This report suggests criteria for selection in various policy fields, while avoiding putting policy in a strait-jacket. It recommends clear and consistent criteria for UN intervention and for Canadian involvement in UN peace-keeping. It targets trade promotion efforts where emerging markets offer new opportunities, and it proposes criteria for concentrating our international assistance efforts.

The report faces up to the new circumstances in which Canada finds itself and suggests practical policies to deal with them. Considerable attention was paid to the effective management of our relations with the United States. The committee heard many expressions of concern about American influence and Canadian dependency.

The committee recommends a policy driven by the need to preserve Canadian sovereignty and independence and the capacity to play the sort of active and independent role in the world that Canadians demand. It underlines the need for good management of our relations based on mutual respect, mutual understanding and effective two-way communication.

Regarding growing regionalism, it suggests that the criteria for setting Canadian priorities should be based on the functions that engage Canadian interests rather than purely geographic considerations. It also suggests that Canada should make every effort to build bridges between continents. It proposes a North Atlantic free trade area and an Asia-Pacific multilateral security framework. More broadly, it suggests that the future thrust of Canadian foreign policy should be directed multilateralism, aimed at improving the effectiveness of key international institutions.

Much has already been made of the committee's focus on culture and learning as a fundamental dimension of foreign policy. We know that our political influence and trade expansion are affected in large part by the image we project abroad. The committee heard convincing testimony on this. We also know that culture and education are major exports and key elements of the global knowledge-based economy.

The committee recommends that the government, with the collaboration of interested provinces, give high priority to developing a strategy for Canada's international cultural, scientific and educational relations. Once completed, the strategy would be referred to the appropriate standing committees of Parliament. I believe that the Standing Senate Committee on Foreign Affairs has an important role to play in reviewing this strategy.

We considered the question of security under the heading of "Strengthening Shared Security". We have dealt with it under the subject heads of "A Broader Concept of Security", "The United Nations", "Euro-Atlantic Security", "North American Security", "Western Hemisphere Security", "Asia-Pacific Security", "Weapons Proliferation", and "Implications for the Canadian Forces".

The committee reviewed the substantial changes which have taken place in the international security situation. This resulted in three key conclusions, which may differ in emphasis with the findings of the Special Joint Committee on Canada's Defence Policy. The first was to describe in greater detail the broader concept of security and to recognize the growing importance of non-military factors in the security equation. The second was to reaffirm the central role of the United Nations in security matters and to consider the corresponding agenda for UN reform. Lastly, the committee concluded that peace-keeping should be the primary international role of a more specialized Canadian Forces.

• (1630)

Honourable senators, the evidence received on international economic matters reinforced the committee's view that difficult and complex work lies ahead. In the short term, the report argues in favour of putting our own economic house in order, in improving trade development performance and in dealing with adverse protectionist pressures, particularly those emanating from the United States. While traditional markets should be maintained, greater efforts should be deployed to seek out new markets aggressively. In the longer term, the emphasis is placed on reaffirming a multilateral, rules-based economic order and creating and promoting a realistic outlook for Canadian business. As the committee was told, we are a trading nation, but not yet a nation of traders.

Honourable senators, we were struck by the degree of consensus across different sectors of society on the importance of sustainable development and the potential this has to unify Canadians in a common cause. The committee outlines an agenda in this area, including reference to the Arctic and oceans policy.

No subject drew greater attention than international assistance. The committee found to a unique degree that the aid program expresses the values and ideals of Canadians. The committee's objective was to restore a clearer sense of purpose to the aid program and to reinforce the view of a compelling cause that continues to deserve support. Six steps were proposed to project CIDA's future mission: to clarify the mandate, distinguish between aid and trade, target assistance, reform conditionality, improve results, and stabilize finances.

The committee affirmed that human rights, good government and democratic development were universal values that should find central expression in Canadian foreign policy, influencing and guiding other areas of policy. Rather than treat these themes in an isolated manner, the committee developed specific linkages between these issues and other areas of foreign policy such as trade, security and international assistance.

Honourable senators, my comments have been general. They have been intended to convey some sense of the issues that are of concern to Canadians and that have engaged the committee's attention. The government has indicated its commitment to ongoing public participation in foreign policy. In support of this commitment, the committee has proposed measures to promote further dialogue and education on international relations. As

well, I am pleased to note that a number of specific recommendations have been formulated to strengthen the role of Parliament in foreign affairs.

Finally, let me end by saying that the quality of life of all Canadians depends more and more on the way we nurture international cooperation and strengthen global governance. This sort of international engagement does not happen by itself. There has to be a vision. It has to be articulated, and it has to be backed up by sufficient resources. That is the challenge, but also, in my view, the opportunity for Canada and Canadians today.

On motion of Senator Berntson, debate adjourned.

The Senate adjourned until Tuesday, November 22, 1994, at 2 p.m.

THE SENATE

Tuesday, November 22, 1994

SPEAKER OF THE SENATE

READING OF COMMISSION APPOINTING HONOURABLE GILDAS L. MOLGAT

The Honourable Gildas L. Molgat, having taken the Clerk's chair, rose and informed the Senate that a Commission had been issued under the Great Seal of Canada, appointing him Speaker of the Senate.

The said Commission was then read by the Clerk.

The Hon. the Speaker then took the Chair at the foot of the Throne, to which he was conducted by the Honourable Joyce Fairbairn, P.C., and the Honourable John Lynch-Staunton, the Gentleman Usher of the Black Rod preceding.

Prayers.

THE HONOURABLE GILDAS L. MOLGAT

FELICITATIONS ON APPOINTMENT AS SPEAKER OF THE SENATE

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, there are moments in this place which are bittersweet. We are experiencing one such moment today, as we witness a person in a new place in our midst — Senator Molgat, an old friend, now His Honour the Speaker.

Tomorrow we will all have an opportunity to make some comments and bestow good wishes on our former colleague, Senator LeBlanc, who is now the designate Governor General of Canada. As the public announcement was made late this morning, we shall take the opportunity to put our thoughts together before we convey them to Senator LeBlanc tomorrow.

I wish to tell you, Your Honour, on behalf of everyone on this side of the house, how pleased and proud we are to see you in the Speaker's Chair.

Honourable senators, as we know, Senator Molgat has been in the public life of our country for over 40 years. He has been in this place for almost a quarter of a century. He has been a remarkable representative of every facet of Senate life, be it legislative, administrative or public representation. He has been a Whip, Speaker *pro tempore*, and twice he has been Deputy Leader. Today, he takes the Chair in this chamber. Senator Molgat's reputation is one of fairness, kindness, humour, skill, intelligence, and great respect for this house and its place in the Parliament of Canada.

On a personal note, I can only say how grateful I am to have had the opportunity to learn from Senator Molgat over the past several months. He has been of enormous assistance to me and to this house. I will miss him, although I have my friend Senator Petten helping me on an interim basis.

I extend my thanks to Senator Molgat. I am confident that he will enhance the life of this chamber. I know that all senators have respect for the position, the role, and the person who holds the title of Speaker of the Senate. We wish you good luck and congratulations.

Hon. John Lynch-Staunton (Leader of the Opposition): I am very pleased to join with the Leader of the Government in extending congratulations to you, Your Honour. I believe that some are "to the manner born". It could be said that Senator Molgat is "to the Chair called" for I recall how he embraced it with much affection, and even a sense of ownership, during a certain debate in the fall of 1990, no doubt indicating in his own way his appreciation for and understanding of that particular position and the duties thereof, which I know he will carry out with a great deal of fairness and dignity.

I also recall his feelings about the speakership here. At one time he strongly urged that it should be an elected position, and even introduced a bill to that effect. I am wondering whether, now that he is the occupant, he might like either to reconsider, or to dust the bill off, in case some of us want to fulfil his wishes.

I had the great opportunity of cutting my teeth on leadership as Deputy Leader of the Government when Senator Molgat was Deputy Leader of the Opposition. It did not take me long to realize how fair, open and reliable he is. When he made a commitment, he held to it. I do not know how he felt about me, but I can assure honourable senators that he made my job at that time much easier. It is very important that the leadership have that kind of association, because only on that basis can the Senate operate properly. One of his motivating factors, of course, is the deep respect he has for the Senate.

[*Translation*]

I would like to congratulate him on behalf of all my colleagues and wish him the very best. It is interesting to note that today, two French Canadians from outside Quebec are the recipients of such honours. It may be a coincidence but it is also a mark of respect for their community to be honoured in this way. I am referring to Senator LeBlanc from New Brunswick, about whom we shall speak tomorrow, and Senator Molgat from Manitoba. In fact, all Canadians can take pride in these appointments.

Hon. Marcel Prud'homme: I first met Senator Molgat in 1970-71, when he chaired the Joint Committee of the Senate and the House of Commons on Constitutional Renewal.

[*English*]

• (1410)

That was 23 years ago, and we are still talking about the same subject. He was a very fair chairman. I regret to see him go, since he is a man who has established a good rapport with

independent senators. I have given him my assurance of cooperation. He is now the Speaker of this place, and I am delighted to see him in that position —

[*Translation*]

— because Senator Molgat had an outstanding reputation as a senator, as former leader of a political party in Manitoba and as chairman of a host of parliamentary committees. His civility and unruffled calm were qualities that he demonstrated as house leader. Now that he is our Speaker, I know that we can always depend on him to ensure that independent senators, although there are not many of us, can play a role in the Senate. I wish him the very best, and my best wishes also go to his wife whom I know and appreciate and whom I wish to include on this memorable occasion in his political life. I wish him a brilliant career as Speaker of our Senate. I will speak again tomorrow, since I just got the news about this appointment. I will elaborate on all the wonderful things Senator Molgat was able to do, and let others play the role of critic, if there is anything to criticize, which I doubt. I am very proud to see you appointed Speaker of the Senate at this important moment in Canada's history.

[*English*]

Hon. Sharon Carstairs: Your Honour, it is with great respect, friendship and warmth that I congratulate you today on your appointment. You are from my home province. For a great many years, you served the Manitoba Legislative Assembly as the member for Ste. Rose du Lac with the same honour, knowledge and expertise that you have brought to this chamber. You have been the leader of my political party in the Province of Manitoba. You have been our senator for 24 years. You have gladdened the hearts of all Manitobans today by your acceptance of this position.

I wish, as I have always wished, you and Allison every best wish, and that you take with you our love and the love of Manitobans.

Hon. Mira Spivak: Honourable senators, I extend my congratulations to a distinguished Canadian and a distinguished Manitoban, who is greatly respected, as Senator Carstairs has said, in the Province of Manitoba.

I have known Senator Molgat for a long time. Our acquaintance goes back to the time when he represented the constituency of Ste. Rose du Lac. He was the Leader of the Liberal Party. As it happened, my husband was the Leader of the Conservative Party at the same time. As a result, I got to know Ste. Rose du Lac perhaps a bit better than I had ever imagined I would.

It is fitting, as my leader has said, that he is a francophone hors Québec who represents Manitoba and, thereby, the tradition in Manitoba, which is both anglophone and francophone, particularly in the twin cities of St. Boniface and Winnipeg.

I congratulate Your Honour heartily. I have one tiny regret: You could have let me know last night during our taxi ride.

[*Translation*]

The Hon. the Speaker: Although I am the Speaker, I know that the person in this position does not speak. May I be excused so that I can say a few words on this occasion?

Before thanking my colleagues for speaking so kindly of me, I wish to congratulate our colleague Senator LeBlanc, who is now His Excellency The Governor General, and his wife Diana. I am very happy for them. They will make great representatives for Canadians and we are all proud of him. As a francophone from outside Quebec, I am particularly happy to see Senator LeBlanc being recognized as an Acadian. This does not take anything away from our Quebec colleagues. However, we sometimes feel a little forgotten. I therefore congratulate the Governor General and I am very happy for him.

[*English*]

I thank my colleagues who have spoken.

It has been a pleasure to work with my leader, Senator Fairbairn, for the past year. I admire her talent, and I thank her very much for her kind words.

Senator Lynch-Staunton and I worked in a slightly different way while we were deputy leaders together — he on the government side and me on the other. I have to say that when he first came to the post, I did not know the gentleman at all. I knew him a little by reputation, but not as an individual. It was a pleasure working with him. We had differences of opinion, of course, but never personal differences. It was a pleasure to have that association.

To my colleague Senator Prud'homme, we do have a long association. In fact, it goes back certainly before he was involved in elected politics, when he was still very active in the Young Liberals of Canada.

To my two colleagues from Manitoba, I extend my special thanks. I regret that I will no longer be able to work with you on the floor of the Senate; however, I look forward to working with you in the the context of the whole Senate.

I express my thanks to the Prime Minister for the confidence that he has entrusted in me in appointing me to this important post.

Most important, I say to all my colleagues with whom I have worked with pleasure over the years that I hope I will always merit your trust and your confidence. Whatever decisions I may have to make here, I will make them in the spirit of fairness and what I believe is right. I hope I will deserve your trust through the years.

VISITORS IN THE GALLERY

The Hon. the Speaker: Honourable senators, I draw your attention to the presence in the gallery of a delegation of parliamentarians from Hungary, who are visiting the Senate this week. We are very pleased to have you here. Welcome to Canada.

Hon. Senators: Hear, hear!

SENATOR'S STATEMENT

DR. BERTRAM NEVILLE BROCKHOUSE

FELICITATIONS ON RECEIVING NOBEL PRIZE FOR PHYSICS

Hon. Stanley Haidasz: Honourable senators, I wish to preface my statement this afternoon by expressing my own congratulations and best wishes to His Honour the Speaker, who has taken his seat for the first time. I thank him for the guidance, support and encouragement he gave me in his role as deputy leader whenever I went to him for help, seeking his advice on problems, as well as on suggestions that I wanted to bring before this house.

Honourable senators, it is with sentiments of joy and pride that I bring to your attention the fact that a renowned Canadian physicist, Dr. Bertram Neville Brockhouse, was recently awarded the 1994 Nobel Prize in physics by the Royal Swedish Academy. This prize is shared by an American scientist from Cambridge, Massachusetts, Dr. Clifford Shull.

Yesterday, Dr. Brockhouse was honoured by his colleagues at the Atomic Energy of Canada Limited laboratories in Chalk River, where he worked from 1950 to 1962 along with another Canadian physicist, later a director of the Physics Division, Dr. Gil Bartholomew, who is in the gallery this afternoon.

Dr. Brockhouse was born in 1918 in Lethbridge, Alberta. After serving in the Canadian Navy, he obtained his Bachelor's Degree from the University of British Columbia, followed by his Ph.D. in Physics from the University of Toronto in 1950. He worked at the Atomic Energy laboratories and became Professor of Physics at McMaster University, Hamilton. He married Doris Miller in 1958. The Brockhouses have raised six children.

Dr. Brockhouse worked for Atomic Energy of Canada in Chalk River from 1950 to 1962, during which time he did pioneering research on neutron scattering, and also in a special field that is called the study of the structure of matter through the neutron triple axis spectrometer, which he developed at Chalk River. This technique to study the structure and motion of atoms in liquids and solids, including crystals, is in use in virtually every neutron laboratory worldwide. Specifically, Dr. Brockhouse was able to measure for the first time the forces between atoms in solids and liquids. Dr. Brockhouse's discovery had important applications in the fields of engineering, the nuclear industry, and biotechnology.

I am sure honourable senators will wish to join me in extending our congratulations to Dr. Brockhouse for winning this great prize. His work underlines the importance of this kind of basic research, in which Canada is excelling.

I wish to emphasize that Dr. Brockhouse, our new Nobel Prize laureate, was born in Canada, studied in Canada, and did his research in Canada. In fact, he is the only one of the five Canadian Nobel Prize laureates in science who attained all his education and did his research completely in Canada. The other four laureates awarded the Nobel Prize for their scientific endeavours are Dr. R. Taylor, Dr. Michael Smith, and also Dr. John Polanyi in chemistry at the University of Toronto, and Dr. Hertzberg in molecular science at the National Research Council here in Ottawa, although he also did research abroad.

I would also add that, at a time when the government is considering making cuts in every field, I hope the Ministers of Finance and Industry will remember the importance of basic research, a field in which Canada has excelled and continues to excel through the National Research Council, the Atomic Energy Projects, and through the research done in our universities and other laboratories.

ROUTINE PROCEEDINGS

STATE OF CANADIAN FINANCIAL SYSTEM

REPORT OF BANKING, TRADE AND COMMERCE COMMITTEE ON STUDY TABLED

Hon. Michael J. Kirby: Honourable senators, I have the honour to table the thirteenth report of the Standing Senate Committee on Banking, Trade and Commerce, entitled "Regulation and Consumer Protection in the Federally-Regulated Financial Services Industry: Striking A Balance."

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

Senator Kirby: Honourable senators, with leave of the Senate and in accordance with rule 98(3), I move that the report be taken into consideration, in order that I may say a few words now about the report and explain its highlights to honourable senators. My major speech on the report will occur next week.

At the end of my brief remarks today, I will then move that the report be placed on the Orders of the Day for consideration at the next sitting of the Senate.

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

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, if Senator Kirby wants to make a statement on the report today, I suggest that we complete Routine Proceedings first, and then revert to it.

The Hon. the Speaker: Is that agreeable, honourable senators?

Senator Kirby: Honourable senators, the timing is fine. It was my intention to draw to the attention of honourable senators at this time the highlights of the report, because there will be a substantial amount of press commentary about it. In the past, we have followed that practice frequently in this chamber, when we have a report which might attract a considerable amount of attention. I did not intend to delve into the report in detail but merely to talk about it for three or four minutes.

Senator Lynch-Staunton: Honourable senators, for those who time their interventions assuming a regular unfolding of the Orders of the Day, we should come back to this matter once Routine Proceedings are completed.

MANDATE OF STAFFED LIGHTSTATIONS

REPORT OF TRANSPORT AND COMMUNICATIONS COMMITTEE ON MARINE SAFETY STUDY TABLED

Hon. Donald H. Oliver: Honourable senators, I have the honour to table the sixth report of the Standing Senate Committee on Transport and Communications, which deals with the study on the mandate of the staffed lightstations.

ADJOURNMENT

Hon. William J. Petten (Acting Deputy Leader of the Government): Honourable senators, with leave of the Senate, and notwithstanding rule 59(1)(*h*), I move:

> That when the Senate adjourns today, it do stand adjourned until tomorrow, Wednesday, November 23, 1994 at one-thirty o'clock in the afternoon.

The Hon. the Speaker: Honourable senators, is leave granted?

Hon. Senators: Agreed.

Motion agreed to.

[*Translation*]

QUESTION PERIOD

NATIONAL DEFENCE

CLOSURE OF LE COLLÈGE MILITAIRE ROYAL DE ST-JEAN— GOVERNMENT POSITION

Hon. Jean-Claude Rivest: Honourable senators, the Prime Minister of Canada can make excellent decisions, as he has shown by appointing Senator Molgat as Speaker of the Senate and our colleague Roméo LeBlanc Governor General of Canada.

However, the same Prime Minister of Canada obviously made a very bad decision in closing the Royal Military College in St-Jean. This very bad decision will do considerable damage to Canada's duality since this institution was undoubtedly one of those that did the most to promote the basic principle of our country, its duality, and the knowledge of both French and English in the Canadian Armed Forces.

In *La Presse* today, a senior officer of the Canadian Forces, the commandant of the military college in St-Jean, asks the Canadian government to go back on its decision to close the Royal Military College in St-Jean.

I point out that he is a senior officer in the Canadian Forces. He is not a member of the PQ or the BQ or a Quebec nationalist. He is a Canadian military man who, like everyone else, sees that the Canadian government made a big mistake by deciding to close the Royal Military College in St-Jean. It is not only a mistake for francophones in this country but especially for English Canadians who make a career in the armed forces and want to be able to serve their country in both official languages.

The commandant, Mr. Parisien, indicates very clearly that it will be impossible for the armed forces to provide good education in French to English-speaking military personnel in Kingston. This opinion comes from the commandant of the college in St-Jean, a military man.

Can the minister pass on the concerns of all senators? We know how often Senator Kinsella has urged the government to see its mistake. Does the government realize that now its own spokesman — its trusted man, a soldier to whom the Prime Minister entrusted the administration of the military college in St-Jean — is asking the government to go back on its decision?

Perhaps the government would go back on its decision at the request of a Canadian military man, instead of changing course in response to pressure from the separatists who sit in the other House, as it did in the cheque affair.

[*English*]

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I thank Senator Rivest for his question. I confess that today I have been preoccupied with other events. Thus, I am not aware of the comments that have appeared in *La Presse* on this matter. I will certainly study them, and convey Senator Rivest's comments to my colleague the Minister of Defence. Senator Rivest and others concerned in this matter can be assured that their views will be transmitted.

IMMIGRATION

APPOINTMENT OF IMPARTIAL MEMBERS TO IMMIGRATION AND REFUGEE BOARD—GOVERNMENT POSITION

Hon. Consiglio Di Nino: Honourable senators, I should first like to express my congratulations and pleasure with regard to the two appointments announced by the Prime Minister today. Our colleague Senator LeBlanc, of course, goes on to greater heights, and we wish him well. I also extend my congratulations to our colleague the much respected Senator Molgat on his appointment as Speaker of the Senate.

I am pleased that Mr. Marchi has called a judicial inquiry into the incredible mess created by his own actions in appointing to the Immigration and Refugee Board persons who are neither independent nor impartial. I am disappointed that Minister Marchi did not take this opportunity to amend the IRB appointment process in order to ensure, as promised by your government, that those appointed would be nonpartisan and qualified.

Will the government endeavour to bring back integrity and sanity to the IRB by changing the process to ensure that those who are called to serve on that quasi-judicial body are independent, nonpartisan, qualified and impartial?

Hon. Joyce Fairbairn (Leader of the Government): Senator Di Nino, I do not agree with your blanket statement about the board. However, I will be pleased to pass your views and sentiments along to my colleague the Minister of Immigration.

Senator Di Nino: Perhaps the Honourable Leader of the Government in the Senate would indicate that portion of my statement with which she does not agree?

Senator Corbin: The one written by the researcher.

Senator Di Nino: I will have you know that that was written by myself.

Senator Fairbairn: Senator Di Nino, I know that at the moment a situation giving rise to some concern currently exists within the board, which is precisely why an inquiry has been called. However, I do believe that there are persons on the board who provide very valuable service to this country.

REDUCTION IN NUMBERS OF IMMIGRANTS— GOVERNMENT POSITION

Hon. Consiglio Di Nino: Honourable senators, I will await the reply to my question before I deal with that issue further. However, I should like to ask a question with regard to immigration.

In October 1993, the Liberal Party released its platform on the issue of immigration. In the infamous Red Book, the current government committed itself to setting immigration levels at 1 per cent of the population of Canada, which would be approximately 290,000 for 1995.

As we now know, Minister of Immigration Sergio Marchi announced on November 1 of this year that the levels would be far less than was originally promised in the Liberal manifesto; that, in effect, the number of new immigrants being welcomed into Canada would be approximately 195,000.

How does the government reconcile their original campaign promise, made a year ago, with what appears to be a blatant breach of that promise?

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, immigration levels this year have been placed at between 190,000 and 215,000. In recent years, the number of immigrants to Canada has not reached the limit set.

The government has every intention of moving towards the goal laid out in our campaign promise. The Minister of Immigration has put forward a very broad program for effective, fair and compassionate immigration to this country. That is his commitment. That is the commitment of the government. I am hopeful that the process which permits people to come into our country, which is still the most generous country in the world, will be carried out with greater efficiency and dispatch than has been the case in recent years.

CAPPING OF FAMILY REUNIFICATION QUOTAS— GOVERNMENT POSITION

Hon. Consiglio Di Nino: Honourable senators, as one of those people, like many others in this chamber and in the service of Canada, who came to this country as an immigrant, I find the answer of the government leader in the Senate, and that of the minister, perplexing. I believe that some soul-searching must take place before some honest answers can be given.

In concert with other Canadians, I want a well-managed and effective immigration program. Canadians want a program which responds to this country's social and economic needs. Canadians want to feel safe in their own communities, and they want to extend their hands to those who genuinely need our protection.

One of the pillars of our immigration system is our belief in family reunification. We as a country consider that the family is a vital part of our social and economic well-being. While in opposition, my Liberal friends were quick to attack the regulation amending the definition of "family class", which included spouses and dependent children. This change allowed spouses and dependent children to reunite with their family members much more quickly.

How can this government now make an about-face, cap the family class category and insist on a monetary bond in order for families to be reunited? Is this program, once a cornerstone of Canadian immigration policy, one which now only the wealthy can afford?

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, the commitment to the family in our immigration policy is strong. It has been in the past, and continues to be, fundamental to that policy. It will be highlighted in every class of immigrant who will be coming into this country. Indeed, there is an effort to make this process more flexible.

• (1440)

As far as the bond is concerned, I think my honourable friend knows that that proposal was put forward for discussion. Consequently, there will be discussion on it. The minister will then have the background from which to draw his conclusions in the future.

Senator Di Nino: Honourable senators, with respect to the bond issue, I am pleased to hear that that is only a proposal. Can the minister give us some assurance that her government will not implement that policy, which would continue the stereotype that immigrants are a drain on our society, instead of a benefit to it?

Senator Fairbairn: Honourable senators, I can affirm on my own behalf and, I am sure, on behalf of the minister and the government — and I shall always try to give honest answers in this house — that we in Canada value and treasure the inclusion in, and addition to, our citizenship of those who come from around the world. They enrich this country and its economy, and they are profoundly welcome here.

THE BUDGET

REDUCTION OF FEDERAL DEBT AND ANNUAL DEFICIT— GOVERNMENT POLICY

Hon. Duncan J. Jessiman: Honourable senators, before I ask my question, I too wish to echo the remarks made by the two lady senators from Manitoba. I have known His Honour for almost as many years as have the two ladies.

Although he is on the opposite side of the fence politically, I have always considered Senator Molgat to be a friend. He is a great Manitoban and a great Canadian, and I should like to put that on the record.

Honourable senators, I address my question to the Leader of the Government in the Senate. The federal debt of $508 billion grows every minute of every day because of continuing annual deficits. The government's goal is to reduce the deficit to 3 per cent of the gross domestic product by 1996. Originally, the goal in the Red Book was broader than the mandate of the government. Thank goodness they at least changed that goal.

However, assuming that the government meets that goal, the net national debt will have climbed to $606 billion by the end of the 1996-97 fiscal year. The annual interest rate on that debt will be almost $50 billion, and rising. This will make it even more difficult to see the day when annual deficits are eliminated, and the government starts to make some payments to reduce the massive debt.

Honourable senators, my first question concerns the government's plans beyond 1996. Last February's budget was the first in more than a decade that failed to outline a plan beyond two years. Does the government have a plan beyond 1996, and is any consideration being given as to how the massive public debt can be reduced? If so, will the minister tell us what those plans are?

ELDERLY BENEFITS ASSESSED BY HOUSEHOLD INCOME— GOVERNMENT POSITION

Hon. Duncan J. Jessiman: My next question concerns the government's intentions with respect to elderly benefits. The grey discussion paper which the Minister of Finance tabled last month contains a table outlining the distribution of elderly benefits by household income. First, perhaps the Leader of the Government can tell us if one of the options under consideration to reduce the deficit and the debt is a new clawback of the Old Age Security based on household income rather than on individual income, as at present?

Second, can she tell us whether another of the options under consideration is an increase in the minimum age, from 65 to 70, for Canadians to start collecting their Old Age Security benefits? If so, would this change be phased in over a period of several years by progressively increasing the age one year at a time?

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I thank Senator Jessiman for his questions. My colleague says, "Wait for the budget." I suppose that is a good answer. However, I should like to present a few points to you.

Any suggestions that the Minister of Finance receives in what are the most wide open budget consultations in the history of our country will be studied by him. The result will be the budget for next year. Of course, neither the Honourable Senator Jessiman nor I will have any notion of what will be contained in that report.

With respect to the debt and the deficit, there is no question that this government takes the debt and the deficit very seriously. Honourable senators opposite and others question whether 3 per cent of GDP in three years is sufficient. I can assure my colleagues that that is a tough goal to accomplish. It is not a small, insignificant goal, but it is one that the Minister of Finance and the Prime Minister have indicated clearly that they are strongly and irrevocably dedicated to achieving.

I also wish to raise the whole question of debt and the deficit. Keep in mind that my Province of Alberta provides an indication of how things can be handled in different ways. It is the wish of this government, as stated throughout the election campaign, to handle our difficult financial situation in this country with a sense of balance.

It is for that reason that we have under way at this moment a massive review of all of the programs within the ambit of the federal government, with a view to whether they are necessary, whether they can be trimmed, and whether they can be done more efficiently by someone else. The whole purpose of that review, and other discussions the government has been having, is to see how we can put our own house in order without doing the kind of slashing and cutting without a plan that has been taking place in other parts of this country. It is a question of balance, and of what helps to protect the most vulnerable people in our society. That is the commitment of this government.

As far as elderly benefits are concerned, my honourable friend will know from the Minister of Finance's last budget that there is under way a study concerning the question of seniors' benefits. That study is not yet complete. The purpose of that study is to look at the future, rather than at the moment, and to study the impact of measures on the burgeoning segment of our society that are seniors — that is, active and productive seniors who wish to retain their place in the mainstream of Canadian society. Another object of the study will be to see how the seniors of the future can be accommodated within our economic plans.

We definitely have a plan: 3 per cent of GDP in three years, with a view to moving toward a complete reduction of the deficit. My friend knows that. It is not easy. It will take time. However, the initial goal has been stated, and that goal will be met.

Senator Jessiman: Did the Leader of the Government in the Senate say "a reduction", or is the plan to eliminate the deficit? If we do not eliminate the deficit, the debt will continue to grow. It is a question of compound interest. Surely there must be a plan to eliminate the deficit, and not just reduce it.

Senator Fairbairn: Honourable senators, I believe I just said that, but I will repeat what I said. We are in the process of reducing the deficit, with the goal being to eliminate that deficit.

REACTION OF INTERNATIONAL MONETARY FUND TO GOVERNMENT'S PROPOSAL TO REDUCE DEFICIT— GOVERNMENT RESPONSE

Hon. Gerry St. Germain: Honourable senators, I wish to ask a supplementary to this particular question. The IMF, from my understanding, clearly indicated that 3 per cent of the GDP was not acceptable. The Honourable Leader of the Government in the Senate said that 3 per cent was a tough figure to achieve. I do not disagree with that statement, living in the times that we do.

Will the Honourable Leader of the Government tell us what the reaction of the government is to the IMF's actual statement that 3 per cent was not acceptable as a level of deficit reduction for this country?

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I should like to remind my friend that the International Monetary Fund has given Canada the rosiest forecast of any of its member countries in terms of economic prospects for the year ahead.

As we talk about the debt and the deficit, we must remember that there is another side to the coin: The other side is that the Canadian economy has been gaining in strength in a very impressive fashion, not just in comparison to other countries but also in comparison to the record over the last few years of economic development in our own country. Whether you talk about consumer confidence or employment and a slow but nonetheless downward trend in unemployment rates, the Canadian economy has been moving strongly throughout this year with forecasts for continuing strength in the future.

The honourable gentleman asks me to comment on the IMF and its views of our goals. That organization has its views. The Government of Canada lives in the reality and the context of this land and of the people who live in it. Balance, fairness and determination are are all part of the goal of a 3-per-cent reduction of GDP in three years. This is a goal which is important and achievable, and I believe it will be an effective achievement of this government.

Senator St. Germain: Honourable senators, I agree that the IMF has indicated that Canada has one of the best growth prospects in the world. However, the reality we live in is not necessarily restricted to the reality within Canada. Our borrowings come from countries such as Japan and countries in Europe. Are we really facing reality if we are not taking into consideration the fact that we may need to request the opinion of the IMF if foreign countries fail to buy our bonds and our Treasury Bills? Does the government not accept the IMF position that 3 per cent of GDP is not acceptable and that we must do more?

Senator Fairbairn: Honourable senators, I believe the policy of the Government of Canada of the moment is the right policy. It is a fair policy and a tough policy for this country to carry ahead. Also, it is a policy which we intend to meet, as we have indicated. The fact that we are irrevocably committed to succeeding in that policy will be the best economic news that Canada could have had for a long time.

We do not need to call in the IMF to advise the Canadian government on the right policies for Canada. We have Canadians, as we speak, who are advising the Minister of Finance, through the pre-budget consultations, of their views as to the right policies for the Government of Canada. The minister is listening.

TRANSPORT AND COMMUNICATIONS

MARINE SAFETY—STUDY ON MANDATE AND STAFFING OF LIGHSTATIONS—QUESTION FOR CHAIRMAN

Hon. M. Lorne Bonnell: Honourable senators, I should like to ask a question of the chairman of the Transport Committee. I see that the sixth report of the Standing Senate Committee on Transport and Communications has been presented. I am deputy chairman of that committee. Today is November 22, and we were supposed to be in British Columbia on November 21.

Why is the chairman only advising the Senate today of this postponement when he should have done so last Thursday? Then the people of British Columbia could have known ahead of time that we would not be there.

Hon. Donald H. Oliver: Honourable senators, under rule 91 of the *Rules of the Senate*, a standing committee is empowered to inquire into and report upon such matters as are referred to it from time to time by the Senate.

Once an order of reference has been given to a committee, it may organize its work as it deems fit. The committee's only obligation is to report back to the Senate by the report date given in the order of reference, and in this case it is December 31, 1994.

The other part of the committee's decision on November 16, 1994, was to postpone its fact-finding trip scheduled for the week of the November 21, 1994. That trip was provided for under the budget approved for the whole study, first by the Standing Committee on Internal Economy, Budgets and Administration, and then by the Senate on June 19, 1994.

Approval of the budget by the Senate gives the committee the authority to spend the money for the purpose approved. It is a permissive power and not a mandatory power. In other words, it does not require the committee to report back to the Senate on the organization of its work, for example, planning or postponing a trip. It is part of the committee's effort to organize its work as it sees fit to carry out its order of reference.

Senator Bonnell: Honourable senators, that is a very lovely speech from the chairman of the committee. However, that is not what I asked him. I asked him why he did not present the report last Thursday so people would know we would not be coming, rather than two days after we were supposed to be there. To tell the people two days late that you would not be coming two days ago seems rather ridiculous.

The Transport Committee met last Thursday. The chairman could have stood up in this house and told the people of Canada that we would not be travelling to the West at this time. He could have made a public statement so that the press could let the people know, if the chairman did not want to let them know. Why advise them now, after the date the committee was supposed to have met? That is the question.

Senator Oliver: I have stated, honourable senators, what the rules are, and the chair has followed the rules.

Senator Bonnell: I did not ask what the rules are. Why did the chairman leave it until today to announce to the press, to the public and to the Senate that the committee was cancelling its appearance of November 21? Why did he not announce it last Thursday after the committee met? It does not matter what the *Rules of the Senate* say and it does not matter what authority the chairman has. It does not matter what the committee can and cannot do. Answer the question. Why did he not do it last Thursday?

Senator Oliver: I govern my conduct here, honourable senators, by the rules of the Senate.

THE SENATE

PROPOSAL TO ESTABLISH COMMITTEE TO INVESTIGATE ORDERS OF REFERENCE—GOVERNMENT POSITION

Hon. Donald H. Oliver: Honourable senators, I address my question to the Leader of the Government in the Senate. It arises from the procedure whereby a work plan of a committee can be directed by a senator requesting, through an order of reference, that a particular matter be studied by a committee. Such an order of reference can be approved without prior discussion with either the committee chair or the committee itself.

When will senators on the government side accommodate the movement for internal renewal by establishing a small committee, made up of senators from both sides of the chamber, to bring forth recommendations following a study on this very topic of how matters can properly come before a committee?

Second, as an interim step, would the government establish a liaison committee of chairmen of committees which could meet and discuss the work of committees and the impact of an individual order of reference on that committee agenda?

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I thank Senator Oliver for his question. As he knows, he and his colleagues have been studying these questions for some time now. Senators on this side are also in the process of looking into these areas of interest in terms of how our committee system and our desire to study issues of importance to Canadians can be better facilitated in this chamber.

I will certainly take into consideration his suggestions for interaction between the two sides. We are not quite there yet, but my honourable friend should know that we are on track.

DELAYED ANSWERS

Hon. William J. Petten (Acting Deputy Leader of the Government): Honourable senators, I have only been in my present position for a few hours now.

We are having some difficulty getting replies to some of the questions, but I shall attempt to provide some of the delayed answers tomorrow.

ROUTINE PROCEEDINGS

STATE OF CANADIAN FINANCIAL SYSTEM

REPORT OF BANKING, TRADE AND COMMERCE COMMITTEE ON STUDY TABLED

Leaving having been given to revert to Reports of Committees:

Hon. Michael Kirby: Honourable senators, as I said earlier today, I should like to take a few moments to present to the Senate the highlights of the committee report, in light of the fact that it is likely to have considerable press coverage in the next few days.

The committee report deals with three issues, honourable senators. The first is the issue of deposit insurance. With respect to that issue, the committee recommends, as it has three times in the past eight years, that there be an element of coinsurance or, effectively, that depositors have some element of risk associated with deposits they make in financial institutions.

We have recommended that depositors continue to be fully insured on the first $30,000 of their deposits. Evidence has shown that this limit covers 80 per cent of depositors, and, consequently, it ensures that unsophisticated depositors continue to be protected by the committee's recommendations in the way that they are now protected under existing deposit insurance rules.

We have, however, recommended that only 90 per cent of the amount deposited between $30,000 and $65,000 be insured. We believe that introducing some element of market discipline, making consumers at least partly responsible for their decisions as to the institution in which they deposit their money, is an effective way of introducing an element of market discipline into the deposit-taking system.

The second major area the report covers deals with the kind of insurance protection to be given to purchasers of products from life and health insurance companies. At the present moment, these products are insured under an industry-run scheme called the Canadian Life and Health Insurance Compensation Corporation, or CompCorp. We have proposed that this corporation be disbanded and replaced by a new organization to be called the Policy Holder Protection Fund. That fund would be established by legislation, but it would not have access to the Consolidated Revenue Fund nor would it have access to government guarantees.

The fundamental reason we are recommending this major change in the way life and health insurance policy holders are protected is that the current structure of CompCorp is fraught with conflicts of interest. The current board of directors of CompCorp consists of people employed in the industry. These people work for competing companies. Therefore, it would be difficult for CompCorp to participate in a going-concern solution should an insurance company get into trouble.

We believe that creating our new Policy Holder Protection Fund will enable its operators to have access to information in a timely fashion because conflict-of-interest problems would be avoided. It will also have sufficient resources to enable it to come to the table as a significant financial player with respect to developing a going-concern solution for troubled insurance companies.

The third major area the report covers deals with additional powers for the Superintendent of Financial Institutions. The superintendent, as senators know, is the regulator of banks, trust companies, and federally regulated life and health insurance companies. At the present moment the Superintendent of Financial Institutions only has two options when it comes to exercising his or her powers: regulation or liquidation. There are no steps between nonintervention on the one hand and complete seizure of a company on the other.

The committee believes that the superintendent should have a range of powers between those two extremes; the range of powers described in the report under the general heading of rehabilitation powers. We also feel that there are a number of other ways in which companies in financial trouble can have their problems dealt with without having the superintendent seize the company.

The final section of the report deals with another series of issues related to accountability and public information.

I have presented those highlights to you because I think that the issues of deposit insurance, our arguments for coinsurance and our recommended solutions to the problems related to CompCorp — specifically our recommendations that CompCorp not have access to the Consolidated Revenue Fund and that our Policy Holder Protection Fund not be a Crown corporation — are likely to be controversial. Members of the committee felt that it would be useful to point out those highlights in the Senate today and to deal with the details of the report subsequently.

In closing, I move that the report be placed on the Orders of the Day for consideration at the next sitting of the Senate.

Hon. Consiglio Di Nino: Honourable senators, may I have some direction? Since Senator Kirby has made some comments, is it appropriate to question him on his presentation, or would it be more appropriate to do that at the time that the report is considered?

Senator Kirby: Honourable senators, to respond directly to Senator Di Nino, I would prefer to do it when I have had a chance to elaborate. My only purpose today was to point out to the Senate the highlights of the executive summary. I would be delighted to answer the honourable senator's questions and to debate some of the specific policy issues when I make my speech on the report next week.

Senator Di Nino: If I may, honourable senator, I trust that your speech will contain some component of the responsibilities of the external auditors of the financial institutions, as well as the responsibility of government with respect to financial institutions.

Senator Kirby: It does indeed. A number of specific recommendations deal directly with the role of external auditors.

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

[Senator Kirby]

[*Translation*]

ORDERS OF THE DAY

CRIMINAL CODE

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

Hon. Philippe Deane Gigantès moved the second reading of Bill S-6, to amend the Criminal Code (dangerous intoxication).

He said: Honourable senators, I rise to ask you, with all due respect, to consider Bill S-6. This bill would amend the Criminal Code by creating a new offence of dangerous intoxication.

[*English*]

This offence of dangerous intoxication is described in Bill S-6 as follows:

> Everyone who, while in a state of self-induced intoxication caused by alcohol or a drug, commits or attempts to commit a prohibited act is guilty of an indictable offence...

I shall return to this definition, but first, honourable senators, I shall briefly explain why this bill is submitted to you for your judgment and eventual approval, if you so decide. It touches on important fundamental rights and attempts to deal with a problem that the court has invited legislators to solve.

On September 29, 1994, the Supreme Court of Canada, in the case of *R. v. Daviault*, ordered a new trial for the accused who had been found guilty by a lower court of sexually assaulting an elderly and partially paralysed woman. The accused had been found guilty even though he had claimed to have been in a state of extreme intoxication, so drunk at the time he committed the sexual assault that he was acting in a state of automatism and had not therefore known what he was doing. The lower court had rejected extreme intoxication as a basis for the defence of the accused.

The defence of intoxication has been refused in Canada since 1978 when the Supreme Court ruled in the case of *R. v. Leary*. In the judgment of *R. v. Daviault*, the majority of the justices, on September 30 of this year, reversed the *Leary* precedent on the basis that it is contrary to articles 7 and 11(*d*) of the Charter of Rights and Freedoms. The majority of the Supreme Court said, in effect, that in very rare cases, if it can be proven by the accused and by experts that the accused was indeed in a condition of extreme intoxication, the defence of acting in a state of automatism had to be considered, and they ordered a new trial for Henri Daviault.

In layman's language, the whole issue revolves around the matter of intent to commit certain crimes. How can someone who is in a condition of extreme intoxication, who might therefore be assumed to not know what he is doing, be said to have intent? There are parallels here with people suffering from a mental illness which makes them incapable of knowing what they are doing.

Learned jurists have argued that the mere intent to get drunk should be transferable to the act one commits while drunk. In other words, if you intended to get drunk, that intent could be stretched to cover what you did whilst drunk.

Again, in layman's language, the majority of the Supreme Court found, in the *Daviault* case, that the mere intent to get drunk is not transferable, and cannot be considered to be the intent that must be proven to convict someone of a sexual assault such as that with which Daviault was charged.

[*Translation*]

Honourable senators, I shall, if I may, quote from the summary of the majority opinion of the Supreme Court in *Regina v. Daviault*:

> Even those who are significantly drunk will usually...be found to have acted voluntarily. Extreme intoxication akin to auomatism or insanity should, like insanity, be established by the accused on a balance of probabilities. It will only be on rare occasions that evidence of such an extreme state of intoxication can be advanced. While such a burden constitutes a violation of the accused's rights under section 11(*d*) of the Charter, it can be justified under section 1.

I will also quote sections 1, 7 and 11*(d)* of the Charter, starting with section 1:

> The Canadian Charter of Rights and Freedoms guarantees the rights and freedoms set out in it subject only to such reasonable limits prescribed by law as can be demonstrably justified in a free and democratic society.

Section 7:

> Everyone has the right to life, liberty and security of the person and the right not to be deprived thereof except in accordance with the principles of fundamental justice.

And section 11*(d)*:

> Any person charged with an offence has the right to be presumed innocent until proven guilty according to law in a fair and public hearing by an independent and impartial tribunal.

After this digression to quote the Charter, I will now proceed with the summary of *Regina v. Daviault*:

> It is only the accused who can give evidence as to the amount of alcohol consumed and its effect upon him. Expert evidence would be required to confirm that the accused was probably in a state akin to automatism or insanity as a result of his drinking.
>
> ...the prohibited criminal act be performed voluntarily as a willed act. A person in a state of automatism cannot perform a voluntary willed act, and someone in an extreme state of intoxication akin to automatism must also be deprived of that ability. It would equally infringe section 7 of the Charter if an accused who was not acting voluntarily could be convicted of a criminal offence. Here again the voluntary act of becoming intoxicated cannot be substituted for the volunatary action involved in sexual assault. To convict in the face of such a fundamental denial of natural justice could not be justified under s. 1 of the Charter.

Many have openly criticized the Supreme Court ruling because of its potential consequences. They fear that this defence will be used more and more frequently, and that violent crime will go unpunished because it was committed in a state of self-induced intoxication. The experience of the last two months — during which the intoxication defence was used successfully twice, once in Alberta and once in Quebec, and according to the latest news, a third time in Prince Edward Island — gives even more credibility to critics.

I am not one of those who criticize the ruling made by our Supreme Court in the *Daviault* case. The Charter of Rights and Freedoms in the Canadian Constitution imposes new evaluations of our laws and jurisprudence. I am one of those who maintain that the *Daviault* decision was justified, despite its potentially harmful consequences if we do not address the shortcomings of our criminal legislation.

That is why I rose today to ask the Senate, with all due respect, to agree to examine Bill S-6. The Supreme Court justices themselves have invited lawmakers to make sure that the Criminal Code adequately reflects the social consensus.

[*English*]

The justices of the Supreme Court have invited the legislature to make sure that the Criminal Code adequately reflects the social consensus. I will quote here from the decision of the court in *Daviault*, where both the majority and the minority justices issued an invitation to the legislative branch.

Mr. Justice Peter Cory, writing for the majority, said at page 32:

> I would add that it is always open to Parliament to fashion a remedy which would make it a crime to commit a prohibited act while drunk.

Writing for the minority in the same case, Mr. Justice John Sopinka had a similar invitation. At page 32 he said:

> It has been suggested that Parliament should create a new offence of dangerous intoxication...Such changes, however, are for Parliament and not for this Court to make.

[*Translation*]

Honourable senators, Bill S-6 would allow legislators to amend the Criminal Code so that a person who commits a crime cannot use intoxication as an excuse to avoid punishment.

[*English*]

The Supreme Court, in its majority judgment, felt that the *Daviault* case could serve as a precedent in so few cases that it could not be seen as a major threat to the social order.

Mr. Justice Peter Cory said, in section 60 at page 32:

> It is obvious that it will only be on rare occasions that evidence of such an extreme state of intoxication can be advanced and perhaps only on still rarer occasions is it likely to be successful. Nonetheless, the adoption of this alternative would avoid infringement of the Charter.

Unfortunately, three cases in less than two months since the *Daviault* decision have proven that the defence of intoxication is not that rare. These cases should have shown that the public good is not well served by waiting.

Exactly one month after the Supreme Court's decision, the *Daviault* judgment served to acquit an accused for the first time. On October 31, in *Blair v. The Queen* before the Alberta Court of Queen's Bench, Mr. Blair, who had severely beaten his wife, was found to be acting like a robot because of an alcohol and drug induced state. The acquittal was pronounced by Mr. Justice Mackenzie based on the *Daviault* judgment of the Supreme Court.

Less than one month later, on November 16 in the Quebec Superior Court at Hull, in *The Queen v. Thériault* another acquittal was pronounced by Mr. Justice Barrière, based again on the *Daviault* judgment. The verdict said that Mr. Thériault had consumed such an extravagant quantity of cocaine and alcohol that he could not be responsible for his actions.

Finally, earlier this week in Prince Edward Island, a sexual assault charge was dismissed on the same grounds. That is a lot of influence from the *Daviault* case.

[*Translation*]

This recent decision should convince us of the urgent need to take action despite assurances that the *Daviault* precedent should affect very few cases.

[*English*]

I will now proceed to an explanation of the bill itself which is before honourable senators. The object of this bill is clearly expressed in the preamble which reads:

> Whereas the public interest requires that drunken violence be dealt with and punished as a separate offence;

Honourable senators, I believe that the Senate has a unique opportunity to act swiftly in a matter of public interest. Such action is avidly called for by the Canadian public. The justices of the Supreme Court have made it clear that they wish to receive clearer direction from the legislative branch. The public interest meets the public's interest in a rare show of support.

Justice would be clearly served by requiring every citizen to be responsible for any action, even if committed while intoxicated, when this intoxication is voluntary.

The method chosen to make sure that no one escapes the consequences of violent criminal behaviour while voluntarily intoxicated is, in broad terms, that suggested by the Supreme Court and the Law Reform Commission of Canada. Hence, this bill will amend the Criminal Code by adding proposed section 320.1(1) to 320.1(4) immediately after section 320.

• (1520)

Honourable senators, proposed section 320.1(1) of the bill determines that a new crime exists where a person is voluntarily intoxicated and commits any of the prohibited acts listed under proposed section 320.1(3). This first proposed section also specifies the penalty associated with it. I am proposing that the penalty be a maximum of 14 years, to provide the judge with the ability to fit the punishment to the prohibited act which the accused was proven to have committed.

Proposed section 320.1(2) provides for exceptions where an accused became intoxicated because of fraud, duress, compulsion or reasonable mistake. This section responds directly to the recommendations of the Law Reform Commission of Canada. Should a person become intoxicated because of fraud, duress or compulsion, it clearly would not be in the interests of justice to hold such a person responsible for the acts committed thereafter.

Proposed section 320.1(3) provides a list of prohibited acts covered by the new crime of voluntary intoxication. This list is not exhaustive. However, I am told by experts that it covers all of the major violent crimes in which the *Daviault* defence might be invoked.

Detailed study of this bill in the Standing Senate Committee on Legal and Constitutional Affairs could permit the elimination of some categories or the addition of others.

[*Translation*]

Clause 320.1(4) of the bill requires an explanation. The legal language used could lead one to believe at first glance that an accused could be found guilty of the new crime of dangerous intoxication for having committed an act prohibited under clause 320.1(3) without it being proven that the accused actually committed the prohibited act. Obviously, this is neither the intention nor the meaning of 320.1(4). Clearly, for an accused to be found guilty of "dangerous intoxication", the appropriate court must be convinced that, first, the accused was voluntarily intoxicated and, second, the accused had committed one of the prohibited acts defined in the bill.

[*English*]

The addition of subclause (4) is made necessary by the Supreme Court of Canada decision in *Regina v. Pringle*, 1989. The court stated that the text of the Criminal Code did not make clear whether or not it was necessary for the accused to be found guilty of a prohibited act, which involved proving intent, before he could be found guilty of having used a firearm while committing the prohibited act in question. This is why, honourable senators, subclause (4) of clause 320.1 of Bill S-6 states that you only have to establish that the prohibited act was committed, without having to prove the intent to commit that prohibited act.

I plead with you, honourable senators, to turn your attention to this issue of public interest. The Supreme Court has asked the legislators for a remedy. This is not a partisan issue, but one that is tailor-made for the Senate and the Standing Senate Committee on Legal and Constitutional Affairs.

The learned chairman of that committee, the Honourable Senator Beaudoin, along with the eminent lawyers on that committee, will make all the improvements that might be necessary to this bill. Our chamber will have served Canadians well.

On motion of Senator Petten, debate adjourned.

NOVA SCOTIA

RESEARCH REPORTS ON BLACK COMMUNITY—INQUIRY

Hon. Donald H. Oliver rose pursuant to notice of Thursday, October 27, 1994:

> That he will call the attention of the Senate to a report entitled: "Role Model Program Report: Blacks in Nova Scotia," of 1991, and a follow-up report entitled: "The Nova Scotia Black Community and Diaspora: Models of Upward Mobility," of August 1994.

He said: Honourable senators, I rise today to speak to a report I commissioned entitled "The Nova Scotia Black Community and Diaspora: Models of Upward Mobility, 1994".

I tabled the report in the Senate a couple of weeks ago. It is a follow-up study to previous Senate research conducted by S.P. Pachai entitled "The Role Model Program Research Report: Blacks in Nova Scotia, 1991".

Honourable senators, the purpose for initiating this research is to address the critical need to motivate and inform all Canadians about the significant contributions blacks have made to Canadian society.

A small portion of the research budget allocated to my office was used to retain Santosh Pachai, a black academic, to conduct research investigating the viability of, and laying the groundwork for, implementing a Nova Scotian Black Role Model Program. While the study focuses on blacks in Nova Scotia, the mechanism now exists to easily expand the Role Model Program to include other ethnic minority groups across Canada.

Pachai, in this study, identified appropriate resource people and their availability to participate in the Role Model Program. He has compiled a preliminary listing of prominent blacks and their achievements. The partners of the Role Model Program, a list which includes members from the educational, corporate, community, media and governmental sectors, would initiate publications, workshops, lectures and research as part of the program. Pachai indicates that television programming, exhibitions, career counselling, and scholarships would be developed as mechanisms to carry out the Role Model Program's goals.

Honourable senators, there is an urgent need for this type of research as contributions made by black Canadians go relatively unreported and unrecognized. Black youths need to be afforded a sense of pride about their past, their ancestors, and have a positive vision of the future. As a senator representing Nova Scotia, and as a member of the black community, I feel a sense of responsibility to promote this education.

Honourable senators, a number of reasons prompted me to commission these research studies. First and foremost, there is a veritable dearth of published historical facts in Canada about black culture and history. There is a need to educate all Canadians, especially our youth, about black history in Canada. The Pachai research offers a glimpse into black history and culture in Nova Scotia; however, it is clear to me that more research is needed in order to provide our educational system with the tools required.

Vast opportunities are available to youth, for which society must prepare them. We must not leave all this work in the hands of the educational system. Too often young people do not receive clear signals from their families, peers, community leaders and educators on which to base sound career choices. As the Pachai study indicates, a cooperative approach in the formulation and implementation of the Role Model Program will serve to ensure community support and involvement.

Basic sociological texts teach us that many of our cultural assumptions and habits are formed in the first few years of our lives. Families and community leaders tend to be important forces in preserving inherited customs. Canada's multiculturalism policy, which encourages people to maintain their traditions, is a counterbalance to the North American "melting pot" notion of individualism that can lead people to reject their backgrounds, particularly if they feel pressured to conform to the social norms of the majority. Communities help preserve cultural continuity by preserving an appreciation of their distinctive traditions and values.

Honourable senators, there is an indisputable need to motivate black youth to pursue higher education. This will be a major step towards economic independence. Throughout the 1950s and 1960s, African Canadians sought better education, good jobs, economic opportunity and political power. In 1959, for instance, Stanley Grizzle and William White, both prominent members of the black community, ran for political office. Both lost, but their example inspired others. Black Canadians need to be aware of these people in order to see themselves in a new light.

Black people's contributions to Canadian history, culture and political life are not reflected in our history books. Little is known of our accomplishments or history, in spite of our presence that dates back from the 1600s. We must ask ourselves why black history is not part of the school curriculum. Is it because of a lack of written information?

Matthew DaCosta was an educated black fisherman from the Azores who was Samuel de Champlain's interpreter to the Micmac Indians in 1605. He may, in fact, have arrived in the new world ahead of the French explorer Champlain. I am confident that every one knows of the discovery by Champlain, and I am equally confident that DaCosta is a relative unknown.

The Pachai study begins the process of awareness of the contribution of blacks in Canadian history and culture. A continuation of this effort is critical.

Canada draws immigrants from all over the world, and many have been blocked from achieving their full potential because of race or economic circumstances. A society that discriminates against individuals or groups of individuals pays a high price socially and economically. The first step toward equality is an appreciation of the contributions made by all sectors of society.

In fact, clause 3(1)(*c*) of Canada's Multiculturalism Act states that questions of ethnic origin and background should not limit anyone's chance to help shape and build Canadian society. It is time these words were put into action.

The media loves to distort and put a negative spin upon black issues. Indeed, it seems that Canada's print and electronic media, particularly the CBC, use every opportunity available to them to show blacks as uneducated, violent, drug-using individuals who make no positive contribution to our great country. These constant media reports add fuel to racism and thereby weaken our country.

When did you last see black men and women of intelligence on a CBC panel afforded an opportunity to participate in a debate on renewal of our federation? Yes, such blacks do exist, but the CBC systematically keeps them out of public view. Maybe they should read the Pachai research project which I have tabled in the Senate.

The failure to report on black achievements has resulted in an ignorance of the facts and a perpetuation of stereotypes. Nova Scotian blacks recently voiced criticism of limited reporting as follows:

> ...tell me why, when I will look around me, that I cannot find positive images of me and people of various cultures? Do all black people use drugs, rob and steal? Do we all excel in sports and entertainment? Because we are not portrayed in other more positive roles, you and I begin to think that all black people are active in these ways only.
>
> If we tell a child he or she is slow and not intelligent, what type of child will we help to create? Will the child be motivated to have a positive self-image? Or do we help to foster a child with a lazy attitude and a negative self-image?

These comments deal with issues which the Pachai role model program would seek to address. It is time that all Canadians became aware of the significant contributions blacks have made in the academic, professional, arts, political and community service fields. The Role Model Program seeks to provide an example for others to follow, while at the same time heightening acceptance of racial differences.

We must eliminate the barriers to employment faced by visible minorities. There is already a great deal of research supporting the conclusion that employment that discriminates on the basis of race is a serious problem. Statistics for the public service are discouraging. While visible minorities make up over 10 per cent of Canada's population, only 3.7 per cent of all employees working in federal departments and agencies in 1992 were members of a visible minority.

If this statistical research is insufficient to convince decision-makers of the seriousness of this problem, then perhaps a new conclusive effort to investigate the problem should be undertaken. Why do we not show greater commitment to the elimination of racial discrimination, especially when it is in the interest of us all to do so?

The Pachai report studies a number of blacks who have made inroads in the area of finance and entrepreneurship, affording blacks with a more sustainable economic power. We cannot afford to forget that visible minorities control $76 billion worth of purchasing power. This is a consumer force worth paying attention to. Goldfarb research, commissioned by Race Relations Advisory Council on Advertising, indicates that visible minorities respond to and are motivated by intelligent marketing that respects them. They want to be included and they will buy.

There are many notable blacks and visible minorities who have worked vigorously toward affording blacks with the respect they deserve. One important man in our community was the late Wilson Head who immigrated to Canada in 1959. He was a man with a vision. In 1975 he founded the Urban Alliance on Race Relations, which is working toward social justice in Canada. He was commissioned to study discrimination against blacks for Nova Scotia's Marshall inquiry. I quote his words as follows:

> It should be apparent that a democratic society faces a cruel dilemma when it promises equal opportunity to all, and yet a considerable proportion of its population suffers from discrimination based on its racial classification.

The challenge to Canada is to find new and innovative ways to translate this commitment to equal opportunity into reality.

Through commissioning these Pachai reports, I have begun to tackle the demand for further research concerning black culture and its contribution to Canadian history. This role model report offers a glimpse at many of the contributions blacks have made in Nova Scotia, in Canada, and in the international arena which, too often, have gone unreported. While I have focused on the Nova Scotia black community, as I said earlier, the research model from this program is readily adaptable to other parts of Canada.

In an effort to bring about an awareness of the positive contributions blacks have made to Canadian society, the Pachai research project documents a number of notable accomplishments by individuals in the Nova Scotia black community. One such individual is James Robinson Johnston, Nova Scotia's first black lawyer, who believed that the best interests of black people would be preserved through education. Johnston worked in many ways to make this happen. Specifically, Johnston was able to obtain the endorsement of the clergy for plans to found a school to cater to the needs of blacks.

In his honour, the James Robinson Johnston Chair in Black Canadian Studies at Dalhousie University has been established as the first ever chair and related academic program dedicated to the study of black perspectives, history, culture and contributions in Canada.

Dalhousie University was selected as the site for the Johnston Chair largely because Nova Scotia has the oldest and largest per capita indigenous black population in Canada.

I would like to take this opportunity to thank many senators from this chamber who kindly donated to the first ever chair in black Canadian studies. We have now raised more than $1.4 million, and at present we are advertising for the first chairperson.

The Fathers of Confederation envisaged a Senate that would represent minorities among other things. I have committed myself to represent black Nova Scotians and, as I said in a speech in this chamber in January 24, 1991:

> ... through my appointment to the Senate I believe I can represent black Nova Scotians, and visible minorities throughout the country. As a member of both communities, I understand the need to combat racism wherever it appears and to provide equal opportunity to all regardless of the colour of their skin. Equality, fairness and justice — these are concepts that many Canadians take for granted; but for many others they are goals to which they can only aspire. But they are no longer an impossible dream.

I have been a senator for four years now, and in those years I have addressed a number of schools, veterans' associations, youth groups, round table meetings, seminars on race relations, and many local groups about the importance of the elimination of racial discrimination. I have also written a number of articles concerning these issues and I have commissioned these studies.

I believe the Pachai research will go a long way toward ending systemic racism. There are signs of hope in the international community. With the elimination of apartheid in South Africa and the Israel-PLO talks, surely Canadians can overcome racial and religious conflict. We must embrace a new Canada based on mutual respect for differences.

In summary, I believe there is a pressing need for further research and greater public awareness of both the realities facing black communities and the significant heritage our black forefathers have left to us.

Hon. Senators: Hear, hear!

The Hon. the Speaker: If no other senator wishes to speak, this inquiry is considered debated.

TRANSPORT

NEW BRUNSWICK RAIL SERVICE—DEBATE ADJOURNED

Hon. Mabel M. Deware rose pursuant to notice of Thursday, November 17, 1994:

> That she will call the attention of the Senate to matters relating to rail services in New Brunswick.

She said: Honourable senators, last week I gave notice that I would like to bring to the attention of the Senate matters relating to the rail service in the province of New Brunswick.

Be it education cuts, free trade, sales tax reform or cuts to Canada's passenger rail service, there is a recurrent theme in much of what the Liberal government is doing, and it does not match the rhetoric of their last nine years in opposition.

In previous years, members of the governing party protested loudly whenever the previous government announced any cuts to VIA Rail. Now they seem to have no hesitation in carrying out cuts of their own. For instance, in 1989 when he was a member of the opposition, the current Minister of Public Works and Government Services said that VIA cuts will separate Canadians geographically, economically and socially. This was printed in *The Gazette* in 1989.

In the same year, the current Minister of Fisheries and Oceans called the previous government's cuts to VIA a short-sighted policy which will deny, in the short term, the people of Canada a rail passenger service. In itself, the service is important and its loss is devastating for the communities affected. More fundamentally, as we move into the 1990s and toward the year 2000, this policy denies Canadians a future. That was recorded in Hansard of June 9, 1989.

In 1991, the current government house leader called the previous government's cuts to VIA and other institutions a "blueprint for de-Confederation", as quoted by *The Toronto Star* of March 11, 1994. In a letter dated October 20, 1993, none other than our current Prime Minister, on the eve of his election victory, said:

> Canada requires a first rate transportation system that is able to serve every region...and that the PC Government's continued tolerance to rail line abandonments have done nothing to improve this situation...and that the Liberal Party would clean up this mess.

These words were written in a letter to our sitting member George Rideout on October 20, 1993.

After making statements such as these, I fail to understand why this government believes it can credibly defend their miraculous change of heart with their cuts to the passenger railway line between Halifax and Montreal.

Furthermore, fellow senators, VIA Rail recently launched a promotional campaign aimed at getting people to take the train over the next few months. Homes in Saint John, New Brunswick received an envelope in the mail from the rail company offering a special discount on adult fares. As well, a 25-per-cent discount was offered when travelling between December 15 and January 5.

This new marketing campaign is very confusing to the people in the area. VIA announced the termination of VIA Atlantic as of December 15 but announced a discount for travelling between December 15 and January 5. Does this make sense? How is one supposed to get a discount when there is no train?

However, it is not my intention to dwell exclusively upon the Liberal Party's complete about-face on this issue.

Fellow senators, as a truly national political party, it is my party's prerogative to put forth constructive alternatives. Canadians get enough of the vacuum that is a lack of constructive alternatives with the "opposition purely for the sake of opposition" approach of the separatists and the Reformists in the other chamber. Canadians are not interested in hearing merely what we are against, but they do want to know what we stand for.

Therefore, in considering the challenge of preserving a sustainable transportation system, the government has to

recognize that some regions of Canada more than others rely on passenger rail services to sustain a certain quality of life. In this regard, I refer to Conservative MP Elsie Wayne's recent statement to the *Telegraph-Journal* to the effect that the transportation minister overturned a recommendation of the board of VIA that dayliner service between Saint John and Moncton continue to operate.

Senator Lynch-Staunton: Where is the Minister of Transport from?

Senator DeWare: He is from New Brunswick.

If it is true that the minister did unilaterally overturn a recommendation of the board, then the government should reconsider the decision of the minister and ensure that there is a dayliner from Saint John to Moncton, rather than a bus.

The Progressive Conservative Party is not asking that the government overturn past rail line abandonments. Instead, we would like to see a focus on reorganizing the railway rather than abandoning it entirely. We may be powerless to do anything when the government's actions betray the rhetoric of its prior promises. However, we can work to ensure that current decisions are guided by the precepts of good public policy, not the arbitrary actions of a vindictive cabinet minister.

On motion of Senator Lynch-Staunton, debate adjourned.

The Senate adjourned until Wednesday, November 23, 1994, at 1:30 p.m.

THE SENATE

Wednesday, November 23, 1994

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

Prayers.

[*Translation*]

THE HONOURABLE ROMÉO LEBLANC, P.C.

TRIBUTES ON APPOINTMENT AS GOVERNOR GENERAL OF CANADA

Hon. Gerald J. Comeau: Honourable senators, I want to take this opportunity to congratulate two of my very dear friends on their appointments.

Senator Molgat, I am confident that with your experience and knowledge, you will meet the expectations and responsibilities of the position of Speaker of the Senate and that you will be equal to the challenges that will face you.

To His Excellency, the Right Honourable Roméo LeBlanc, I say that I am sure that you will be able to carry out your new duties as Governor General with all the skill and energy for which you are known, and that you will do so with great distinction.

Your Excellency, the Prime Minister made a wise choice in appointing you to that position. All Acadians and French Canadians are glad to see that you are the first Maritimer and the first Acadian to receive such an appointment. It is always very touching when one of our own is given such an honour, and we are proud of you.

[*English*]

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, it is very fitting that Senator Comeau should be the first on his feet today to pay his respects and offer his congratulations to a fellow Acadian.

I also wish to say that it is a great pleasure for me to pay tribute to our former colleague, Roméo LeBlanc, who will be sworn in as Governor General of Canada early next year. Although we have lost an esteemed colleague from our midst in this place, he has moved on to an important and challenging new responsibility which all of us know he will carry out with great distinction.

Honourable senators, his elevation to the very highest position in our parliamentary system of government brings with it a number of firsts. He is a fluently bilingual Acadian, and very proud of it. He is from New Brunswick. He will be the first Atlantic Canadian to hold this high office. He is also the first francophone from outside Quebec to become Governor General of Canada. All colleagues in this house will also appreciate the fact that he is the first senator to have been named as a Governor General of Canada. We can call him Roméo today, but we will have to use more exalted titles in the future. Today, Roméo is a colleague who has served with us and departed, and all of us cherish our friendship with him.

Roméo has had a very long and distinguished career in both public and private life. Many senators may not know that he began as a teacher at Drummond High School in Drummond, New Brunswick, and later moved on to teach French and civics at the New Brunswick Teachers' College in Fredericton. He was attracted to journalism, and he began to pursue that interest as a freelance correspondent for Radio-Canada. In 1959, he determined that his heart was set on this course, and he accepted a job in Ottawa as the public affairs correspondent for Radio-Canada. In the years that followed, Roméo travelled extensively on assignments throughout the world, through the United Nations, to Washington, London, Berlin, Algeria, Cyprus, and Southeast Asia.

It certainly appeared to all who knew him that Roméo LeBlanc had indeed found a career for a lifetime. However, when he was offered a position as communications director with former prime minister Lester B. Pearson back in 1967, he could find no convincing reason to say no, and so began another career which extended into the government of the Right Honourable Pierre Elliott Trudeau.

I came to know him back in his Pearson days, when I was a journalist in the parliamentary press gallery and he was the Prime Minister's press secretary, on whom we all relied. Then began a friendship which has lasted all these years. He was fair, he was good humoured, and he was honest, and he has carried those characteristics with him throughout all of his different forms of activity in a very action-packed life.

There is no doubt that he enjoyed his experience at the Prime Minister's office. He enjoyed it so much that he chose to run for Parliament. In 1972, he was successful and became the member of Parliament for what was then known as Westmorland-Kent, now Beauséjour, and that is the riding he represented through four federal elections until he was called to this place in 1984. In 1974, he was sworn into the cabinet, where he served as Minister of State for Fisheries. He became Minister of Fisheries and the Environment in 1976, and later, Minister of Public Works with responsibilities for CMHC.

Perhaps he will always be best known as the Minister of Fisheries. He built a widespread reputation of loyalty in fishing communities on both coasts of this country, and he earned the respect of his cabinet and caucus colleagues. He has always spoken out passionately and clearly on behalf of the fishermen and their families in Canada. He understood the hardship and the uncertainty faced in that difficult line of work, and he fought long and hard to ensure that the federal government did everything it could to make that life just a little bit easier and a little bit less harsh. He has been, and always will be, an advocate of the worker.

When he came to the Senate, he quickly became a respected colleague. He has served on a number of committees, and for those in this house who have had the pleasure or the difficulty of serving on the Standing Committee on Internal Economy, Budgets and Administration, he will be remembered as a fair and very diligent chairman during some interesting times.

When he was chosen Speaker of the Senate in January of this year, the announcement was well received both inside and outside the chamber. Here, senators will agree, he has also served with fairness, integrity and sensitivity.

He takes that experience now to the office of the Governor General of Canada, and he takes it at a most difficult time in the life of this country.

• (1340)

Fellow New Brunswicker, J.K. Irving, commented upon learning of the appointment:

> He is absolutely the right man for this position at this critical time in Canada's history. He brings experience, dignity and commitment to this high office.

Roméo LeBlanc will be a Governor General who relates to all Canadians, be they in the highest councils of this land or on the wharves of Caraquet, where he has served his constituents for many years. His upbringing gave him a lifelong appreciation of how comparatively small changes can produce a significant impact in the lives of many people.

He was born in Cormier's Cove, a small community of 28 houses, and he grew up during the Great Depression. In a recent interview he recalled how, for some, hunger was a fact of life and how food was given generously in that small community. "I remember that quite vividly," he stated. It is those memories which laid the foundation for his entry into public life with a conviction that our parliamentary system is here to serve the people of Canada, and not the representatives themselves.

There is a quotation from one of our former prime ministers of many years ago, Sir Wilfrid Laurier, that perhaps epitomizes Roméo's attitude:

> I am one of these who think that everywhere, in human things, there are abuses to be reformed, new horizons to be opened up, and new forces to be developed.

Throughout his years in public life, and in all the years to come, Roméo LeBlanc will do just that. He may certainly be proud of his record of achievement. He has earned a very special place in the hearts of a great many Canadians. He will be building on those accomplishments in his new role. He takes with him our deep appreciation for all of his dedicated service in both the House of Commons and the Senate. He also takes with him our support, encouragement and best wishes to him and Madam LeBlanc, Diana, for success and happiness as the twenty-fifth Governor General of Canada.

Our former Speaker and his wife have been married now for three weeks. This will be a wonderful start in a new job, as well as a new companionship.

[Senator Fairbairn]

We send our very best wishes and thanks to the outgoing Governor General, Ramon Hnatyshyn and his wife Gerda. A fellow westerner, he has distinguished himself with a job well done. During his tenure, he has supported many worthwhile causes. On the first day of his appointment, when asked what cause he would champion as Governor General, his reply was literacy. That statement warmed my heart. He has pursued this cause with great vigour and heart in his years as Governor General of Canada.

Ramon and his wife Gerda take with them the respect of all Canadians. We wish them the very best as they head into the challenges of what I know will be an active future in the service of this country.

[*Translation*]

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, on behalf of my colleagues on this side of the house and on my own behalf, I am pleased to congratulate the Prime Minister on his recommendation to Her Majesty that the Honourable Roméo LeBlanc, soon to be the Right Honourable Roméo LeBlanc, be named to the high office of Governor General, and our former colleague on accepting that responsibility, which is not as easy to shoulder as some would have us believe.

[*English*]

It surely is no coincidence that of the eight Canadian-born Governors General, five have acceded to the position after lengthy parliamentary experience. I refer to Roland Michener, Edward Schreyer, Jeanne Sauvé, Ray Hnatyshyn, and now Roméo LeBlanc.

There is no higher honour for a Canadian than to serve his country through the electoral process, at whatever level. The experience gained as a member of an elected body is unique and invaluable, giving one insights and understanding of the country which cannot be obtained anywhere else, at least to such a degree. That prime ministers of the day have given great weight to such qualifications in assessing candidates is commendable.

Roméo LeBlanc has spent 18 years in the Parliament of Canada. This appointment is another tribute to the parliamentary system, which can now claim five of its alumni as residents of Rideau Hall.

Even the most modest eventually get caught up in the office of Governor General. It is inevitable; after all, since the person in that position is the representative of the sovereign in Canada. The proper forms of address are "Right Honourable" and "Excellency". After a time, a royal hue can envelop the titular, but in Roméo LeBlanc's case, one trusts, it will not be so pronounced that he will on occasion, rare as it may be, decide not to send a representative here, but to confer Royal Assent himself.

Hon. Senators: Hear, hear!

[*Translation*]

Even if some honourable senators have already mentioned it, I wish also to point out that our former Speaker and his successor both come from a French background outside Quebec. Today is not the time to review the history of French minorities in Canada, but it is surely quite in order to see in these appointments an

acknowledgement not only of the merits of the appointees but also of their communities which, in spite of the many prejudices that plague them, continue to exert their influence with an exemplary determination and tenacity.

[*English*]

It is now assumed, and even expected, that while one person accedes to a role in public life, it takes two to make it a success. The Governor General Designate is newly married, and I have no doubt that Diana Fowler's charm and personality will contribute immeasurably to the success of the carrying out of her husband's responsibilities.

Our former colleague shall return to this chamber to open the next Parliament. By then, the last vestiges of politics will have hopefully been drained from his vice-regal system — a purging begun and well underway in his short and, we trust, happy days as our Speaker. He will, by then, be well-immersed in the multitudinous duties of his new position and its grand goal of helping to preserve a united Canada. We wish him and his wife well.

[*Translation*]

Hon. Louis J. Robichaud: Honourable senators, this is the first time I have had an opportunity to rise in the Senate since these very welcome appointments were made.

First of all, I would like to express my admiration for the new Speaker of the Senate, the Honourable Gildas Molgat, whom I first met in the 'sixties when he was Leader of the Opposition in Manitoba and I was Premier of New Brunswick. I remember that in his office in Winnipeg, we had what was to be the first of many friendly conversations.

When I was appointed to the Senate, one of the first people I met in the corridors was Gildas Molgat. At the time, he told me that in the Senate, you could work 24 hours a day but no one will force you. I always remembered that. I want to congratulate our new Speaker and wish him the very best in his new capacity.

Of course, as an Acadian I was delighted with another appointment made by the federal government. Yesterday it was confirmed that our friend and colleague Roméo LeBlanc would be the next Governor General of Canada. I was not only delighted, I was also very moved.

It was said in the newspapers and all the media, and the two leaders in the Senate said so again, that this was the first time an Acadian, a representative of a French-speaking minority outside Quebec, had been appointed to this august position. It is the highest honour that can be bestowed on a Canadian. It is indeed the highest honour, and today I can say that all senators, all Acadians without exception, and in fact Canadians across the country are delighted with this appointment.

I met Roméo LeBlanc when I was at college. Actually, we were not at the same college. He was editor-in-chief of the newspaper or magazine put out by Saint Joseph's College in Memramcook. I was editor-in-chief of our newspaper at the college run by the Eudist Fathers in Bathurst, the Sacred Heart's College. We corresponded by mail and exchanged articles for publication in our respective newspapers or magazines. At the time, the postage was three cents, and that has certainly changed. After that, we went our separate ways until he became Mr. Pearson's press secretary. I was Premier, and we were frequently in touch, which was also the case later on when he was Prime Minister Trudeau's press secretary. Later, as a minister in two different departments, this contact continued on an even more frequent basis. Of course I could talk, as others have done, about the dignity, integrity and competence of the man we knew so well. I am reluctant to do so, because everyone has already mentioned these aspects.

I must say I am thrilled by this appointment, but I also think it is too bad that some editorial writers are saying that anyone who was a member of the government in our democratic system should be forever disqualified from becoming the head of any government agency, from becoming Lieutenant Governor or Governor General. I do not know where they get this idea, which does not make sense. Why should the fact that a person has the qualifications for becoming a minister disqualify him from appointments to other positions? I have always found this puzzling, and often found it insulting. Should a Prime Minister tell a future minister: You have all the qualifications for being the minister of a department but I warn you, if you agree, according to some journalists you will be disqualified from important appointments after your political career in a democratic system, which is supposed to be practically the best in the world?

I am sorry to have to raise this matter. I am not naming names. I am not saying which newspaper or which journalist. I am just sorry that the decision to appoint Roméo LeBlanc did not receive unanimous approval. Of course, no decision is ever approved unanimously, let us face it. There is as much unanimity as I have seen in the past few years. As a senator, I look forward to seeing former senator and former Speaker of the Senate Roméo LeBlanc return to read his first Speech from the Throne.

Hon. Eymard G. Corbin: Honourable senators, the appointment of the Honourable Roméo LeBlanc as Governor General of Canada is certainly the highlight of the International Acadians' Year. It also marks, in a way, the revenge of history. Roméo LeBlanc is a descendant of those people who were deported in 1755. I am not raising this to add fuel to the flames. He himself would be the last one to do so. Nevertheless, it must be recognized that history sometimes plays tricks on us. Roméo LeBlanc is the son of Philias and Lucie LeBlanc. I know personally that he has always had deep admiration for his father and mother, his family, his brothers and sisters. There is no doubt that the honour bestowed on him extends to the great LeBlanc family, whose members alone account for a quarter of all Acadians.

We join Roméo's wife, children and family in welcoming his appointment. Although I am not Acadian myself, I, too, am happy for all Acadians and certainly for all New Brunswickers who have seen one of theirs named to one of the highest political posts in the country. It was pointed out earlier that the Honourable Roméo LeBlanc is a French Canadian from outside

Quebec. I think he would be the last one to define himself in relation to Quebec. I, for one, would not do so. This does not mean that we oppose the notion of Quebec or Quebecers' aspirations. Acadians came to this country before Quebecers. Port Royal existed before Quebec City was founded. It is something that should be remembered.

Roméo LeBlanc, an Acadian, a New Brunswicker, a Canadian through and through, certainly has what it takes to represent the interests of all Canadians with dignity. I know personally how much he cares about Canada's first people, the Indians and Inuit. I think that his personal qualities have shown his ability to embody the ambitions of all Canadians in the symbolic post of Governor General.

The Leader of the Government reminded us earlier that Senator Roméo LeBlanc used to teach in Drummond, New Brunswick. Who in this chamber had heard about Drummond before? It is my wife's parish. She attended the school where the Honourable Roméo LeBlanc used to teach. She then became a teacher at this school before I took her away from her mother's house.

Honourable senators, this chamber must congratulate itself for this appointment. It is not the first time that senators have been called upon to serve their country; senators who made us proud in every respect. I am confident that Roméo LeBlanc will be a great credit to all members of the Senate and to all Canadians.

[*English*]

Hon. B. Alasdair Graham: Honourable senators, in the last few days we have indeed seen events in the Senate of Canada that have been quite remarkable. We have been proud and pleased to hear of the elevation of two outstanding Canadians, Senators LeBlanc and Molgat, to positions which reflect their considerable capacities and lengthy careers in public service.

As I reflected on the appointments, I thought there had to be a good deal of symbolism at work here. I believe it was Bruce Hutcheson who once said so succinctly that Canada is an unfinished struggle. In effect, it is a daily act of will which keeps us together, which makes us grow, which makes us prosper. This act of will takes place in the hearts and minds of Canadians themselves.

We all know that Canada is a constant act of construction and reconstruction, of repairing and cementing and consolidating. It is the participatory energy of our peoples which is the glue of this very special, multicultural federalism.

The appointments of Senator LeBlanc as Governor General Designate, and Senator Molgat as Speaker of the Senate, remind us of some very important lessons in this unfinished struggle; lessons that have been learned first in the regions of this country.

Senator LeBlanc grew up understanding the first principles of tolerance and fairness, which are really the first principles of federalism. He grew up, as has been mentioned, in a small New Brunswick community conceived in tragedy, a community which, over time, was able to reconcile a passionate commitment to a rich tradition with the overriding understanding that no society remains strong in isolation from others.

Senator LeBlanc has been a true champion of the little people, a champion of their rights, a champion of his region, indeed all the regions of the country and, as a result, a true champion of Canada.

I believe Senator Molgat, our Speaker, would agree that Manitobans as well have learned the first principles of living together in a federation from their regional experience. In many ways, Manitoba is a microcosm of the world community, a special laboratory of social reform where citizens from across the planet — the French, the Ukrainians, the British, the Icelandic peoples, the Mennonites and many other groups — met first with the distinctive experiences of the aboriginal peoples. They all struggled with questions of language and cultural identity, and they engineered through every daily experience the kinds of bridges which keep us united as a family, and as a country.

Senator Molgat is to the manner born. It is almost as if he had been preparing for this position all his life. He has been my close friend, my advisor, my colleague, my fellow warrior. In fact, he preceded me as president of the Liberal Party of Canada. But in all of this, while he has demonstrated such outstanding qualities of leadership, there was one characteristic which shone through above and beyond all the others, and that was, and continues to be, his unequivocal commitment to fairness.

When we look at the careers of these two distinguished senators, we must remember, honourable senators, that they mastered the first principles of our national experiment: tolerance, along with participatory energy in the legislative assemblies and parliaments of Canada but, of most importance, in the streets, in the schools, and in the small towns of the regions of this country. They became great leaders on the national stage because they learned those lessons so well.

I want to add my congratulations to the Prime Minister on his choices and, indeed, on the choices he has made in sending us such people of quality as Senators Jean-Louis Roux, Lise Bacon, Sharon Carstairs and Landon Pearson, as well as the most recent nominees, Jean-Robert Gauthier and John Bryden.

I believe that the Prime Minister is sending us all an important signal here. All these people have worked tirelessly to promote the self-worth of ordinary Canadians, believing, as the Prime Minister reminds us constantly, that individual dignity is the engine of all we will accomplish together as a nation.

Hon. Gerald R. Ottenheimer: Honourable senators, allow me to say that there is nothing that other honourable senators have said with which I do not agree. However, I particularly agree with the words of Senator Robichaud, and the point which he made so forcefully: The day that we in Canada accept the heresy that having participated in political life is a disqualification for other high office will be a sad day for the country.

The Government Leader in the Senate and others have indicated the important "firsts" that are fulfilled by Senator LeBlanc's nomination as Governor General. Others have outlined his varied and distinguished career in education and journalism, in unelected political activity in the Prime Minister's office, as a member of the House of Commons, as a senator and as Speaker of the Senate.

There are many in this chamber who have known him longer and, I am sure, know him better than I do. However, during the past year I have had the opportunity to work with him and to be associated with him. I have come to know him on a personal basis, in the relationship that develops with working together. He is certainly a person with whom it is a pleasure to be associated. He has, as I am sure you all know, a disarming, sometimes irreverent sense of humour. He is considerate and thoughtful of others. I cannot speak for his staff or those who worked with him in that capacity, but I am sure that he would have generated among them a great sense of loyalty. I think that that is the case because he is the kind of person who engenders that type of consideration. Loyalty of every kind is merited, not inherited, and it does not come with a position. Deference and many other things do, but real loyalty is usually earned.

• (1410)

Roméo LeBlanc is obviously a person of judgment, maturity and common sense. He is the kind of person whose attitude and way of dealing with people will be affected in no way by the pomp of high office. He is the kind of person with whom people are comfortable, probably because he appears to be so comfortable with himself. I would characterize his outlook, his attitude and his values as those of a humanist. He has the kinds of qualities and attitudes that will serve him well in his new and responsible position.

I am pleased to have had this opportunity to add my few words to those of others who have known him longer, and to wish him and his wife happiness and success in their new and challenging position.

Hon. Raymond J. Perrault: Honourable senators, I for one know that all senators are grateful for the eloquent statements made by the Leader of the Government in the Senate and the distinguished Leader of the Opposition in the Senate on the occasion of the appointment of one of our colleagues to the high position of Governor General.

Others have spoken eloquently about this singularly important and relevant appointment. As a westerner, I am pleased that we have a Governor General from the Atlantic provinces. I am pleased, not only because the new Governor General is admirably equipped for his responsibility but also because he is of Acadian heritage — a community that has helped build this nation from coast to coast.

Only the impossibly mean-minded and those with little comprehension of the parliamentary system would criticize such an appropriate appointment. The new Governor General has an understanding of Canada and all its parts from coast to coast. I was sworn into cabinet on the very same day as Roméo LeBlanc. I worked with him in cabinet. He has an understanding of this nation. He has compassion. He is caring and moderate, and he strives to see all viewpoints of every question. All of us have found him to be that way during our work with him in this chamber.

The new Governor General understands Canada from sea to sea to sea. This is a wonderful appointment.

All of us are pleased, as well, with the appointment of our new Speaker of the Senate. I knew Senator Molgat well before either of us came to this chamber. I remember joining with him in efforts to have the western viewpoint better understood in Ottawa, and he has been a fair and bonnie fighter in that role and in all of his activities. But now that he will be called upon to exercise total objectivity — which he will — we can only wish him well in his new responsibilities. We have seen him in the Chair before working on behalf of us all. We can be sure that all his decisions will be fair. He will be an outstanding Speaker in this chamber.

For many reasons this has been a very good week for the Senate. One of our own will be the next Governor General — an outstanding appointment — and we have a new Speaker who will more than meet the requirements of his position and maintain the relevancy of the Senate and our parliamentary system.

Hon. Mabel M. DeWare: Honourable senators, I wish to join my colleagues in the Senate in paying tribute to the Honourable Roméo LeBlanc on his appointment as Governor General of Canada. As a New Brunswicker and member of the Beauséjour riding, it is only fitting that I bring greetings from our constituency.

It is an honour to New Brunswickers and Maritimers as a whole to have an outstanding member of our community appointed to this position, as was eloquently put by the former premier of the Province of New Brunswick. Personally, I feel that Roméo will bring honesty, integrity and a great deal of experience to the office.

How many honourable senators know that Rideau Hall has a skating rink and a curling rink in its backyard? A few years ago my husband and I were invited to Rideau Hall at the behest of Ed Schreyer and his wife Lily. It seems that a former Governor General of Canada, Lord Elgin, was "stoned" out of the country. There is presently a Lord and Lady Elgin in Scotland who are friends of ours. They decided that they would like to "throw stones back" and challenged the Governor General of Canada to a curling game at Rideau Hall. My husband and I were asked to join the Schreyers in this famous match of curling at Rideau Hall.

Upon looking through Roméo's portfolio, I could find no indication that he has taken up the game of curling, but I hope that at some time in the future he will find an occasion to invite us all to join him and his charming wife so that we may pay our tributes to them.

[*Translation*]

Hon. Gérald-A. Beaudoin: Honourable senators, I would like to congratulate our former colleague, the former Speaker of this house, on his appointment as Governor General of Canada.

The Honourable Roméo LeBlanc has had a tremendous career in Canadian politics. Fluent in both official languages, he is, as many have already mentioned, the first Acadian to hold the highest office in the land. The honour will reflect on all Acadians, but all francophones and indeed all Canadians are pleased with this appointment. It proves that the French fact is alive and well in our country, and not limited to Quebec.

This appointment also shows how, within the federal system, New Brunswick was able to become a great bilingual society. In our parliamentary system, the office of Governor General carries with it a number of prerogatives that should not be underestimated.

I congratulate the Prime Minister of Canada for selecting such a worthy person, a person who has served all Canadians for a good part of his life. In the present political situation this choice is of great significance.

I also take this opportunity, honourable senators, to congratulate Senator Molgat on his appointment to the Chair. No doubt, his long experience in the Senate will prove extremely useful in controlling debate in the Upper House and in performing his noble duties.

[*English*]

• (1420)

Hon. Peter A. Stollery: Honourable senators, first, I wish to congratulate our new Speaker, whom I know as a distinguished member of the Senate, and someone I have known for many years. I know he will do the Senate proud in his new position as Speaker.

Roméo LeBlanc, who is an old, personal friend of mine, and I were both elected to the House of Commons in 1972. His appointment as Governor General of Canada is a marvellous one. I am only sorry that he will be leaving us, because he was such a good senator.

Remarks attributed to Mr. Manning of the other place, as reported in the newspapers, show how little that gentleman knows about Roméo LeBlanc. For if he knew Roméo LeBlanc, he would not have made such foolish observations about the distinguished gentleman. I think I am speaking for both sides of this house when I say that we know what a distinguished and fair-minded man Roméo LeBlanc is. We have no doubt that he will be a great credit to all Canadians as representative of the Crown in Canada.

Hon. Anne C. Cools: Honourable senators, I rise to add my remarks to those of other honourable senators in paying tribute to our former colleague and former Speaker, the Honourable Senator Roméo LeBlanc.

Prior to making my tribute, I should like to congratulate Senator Molgat on his appointment as our new Speaker. I wish him well in his new endeavours.

Much has been said about Senator LeBlanc. However much has been said, it is still not enough, for his contribution to Canada has been outstanding and his achievements are numerous.

The office of Governor General, or viceroy, is the highest office in Canada. It is the office of the Queen's representative; that is, the sovereign's own representative. It is one that few will ever hold.

That "Freedom Wears a Crown" is part of the unique social and constitutional history of Canada, and part of Canada's unique political response to its social needs and problems. That Canada is a constitutional monarchy is a fact of Canada's unique response to Canada's own peculiar history. This constitutional monarchy has served to make Canada one of the finest countries in the world, and one of which we are proud.

Last summer, in the province of New Brunswick, some 3,000 persons of Acadian descent from all over Canada and the United States of America whose common family name is LeBlanc, gathered to celebrate their Acadian experience. They celebrated their Acadian heritage. This celebration was testimony to their defeats, to their triumphs, and to their very survival as a people. The survival of the Acadian people is tribute to that robustness and that quality of endurance which lives in the human breast. The endurance of the Acadian people has been extraordinary.

One of the greatest moments in Acadian history, and in Canada's history, was the event which occurred yesterday at Buckingham Palace. Her Majesty, Queen Elizabeth, has called on Senator Roméo LeBlanc, a distinguished Acadian and a distinguished French Canadian, to be her own representative in Canada. By this act, Her Majesty and the Prime Minister of Canada have made a momentous statement. I believe this statement is best articulated in the words of the poet Horace, who said:

> I have reared a monument more enduring than brass.

The appointment of Senator LeBlanc as Governor General is a credit to himself, to his family, to the Acadian people, to Atlantic Canada and, last but not least, a credit to the Senate of Canada itself.

I congratulate His Excellency Roméo LeBlanc on this honour. I praise Her Majesty's judgment and I praise the Prime Minister's judgment. I wish His Excellency and his wife well in their new and elevated office. I know that many in this country, and all in this chamber, join me in wishing them both God's blessing on their work and on their stay at Rideau Hall.

Hon. Gerry St. Germain: Honourable senators, first, I should like to pay tribute to the Prime Minister of Canada by complimenting him on two excellent appointments. In appointing Senator Roméo LeBlanc the twenty-fifth Governor General of Canada, I believe he has filled a void that existed in our history. Thus, I should like to pay a special tribute to Senator Roméo LeBlanc, his wife and family, and congratulate them on this great appointment.

Your Honour, last night, I spoke to a lady named Madam Robidoux from St. Boniface.

[*Translation*]

She is the wife of Lucien Robidoux, one of your strongest supporters in past years.

[*English*]

Honourable senators, as you know, my uncle was a great Liberal, and a great supporter of yours. My aunt, an anglophone, was a great supporter of my side. However, she obeyed her husband in the political sphere. She wanted me to make mention today of how proud she is of the fact that the Prime Minister has chosen you, Your Honour, as Speaker of the Senate. This appointment reinforces what Canada is all about.

[*Translation*]

If you were born and raised in a place like L'Anse-aux-Cormiers in New Brunswick, Ste-Rose-du-Lac or Saint-François-Xavier in Manitoba, you have a chance of making it to the Senate and becoming Speaker of this house and then Governor General.

[*English*]

These appointments allow young boys and girls in the communities that I have just mentioned — and boys and girls in all the communities across this country — to dream. It allows them to aspire to the greatest offices in the land. The appointment of Roméo LeBlanc to the position of Governor General, and you, Senator Molgat, to the position of Speaker of the Senate reinforces that inspiration. Both of you gentlemen epitomize decency, loyalty, fairness and, most of all, integrity in Canadian politics. I wish you both well. May God bless you in your newly assigned duties.

[*Translation*]

Hon. Jacques Hébert: Honourable senators, in such a situation, the person who speaks last has to repeat the kind words spoken by others. The only way that my remarks will be original is that they will be brief.

Like all my colleagues, I am pleased that our Speaker has been appointed the next Governor General of Canada, partly because he is an Acadian. This is a striking way to remind us that not all French-speaking Canadians are Quebecers, and that Canada is fortunate to have many francophones in all the provinces and territories of our country, as Senator Lynch-Staunton, Senator Robichaud and others have pointed out.

To further emphasize this point, the Prime Minister had the excellent idea on the same occasion of replacing Senator LeBlanc with a Franco-Manitoban whose merits we all recognize.

But we are pleased with the appointment of the next Governor General not only because he is an Acadian, of course. The main reason is that he is a man of character and great personal qualities, with a good sense of humour, a perfect gentleman, a unifier whom Canadians will greatly need to make it through difficult times.

I am even a little prouder to be a Canadian today because the head of state will be an Acadian with great qualities of heart and mind, and the fourth-ranking person, our new Speaker, is a Franco-Manitoban who enjoys such prestige and has such warmth.

[*English*]

Hon. Philippe Deane Gigantès: Honourable senators, one of the most marvellous things about these two appointments is that not only are both of the appointees bright, honest, distinguished, able, and great achievers, but they are also lovable. No one has said it, but they are. Especially lovable is this man, who is now our Speaker. We will miss him.

[*Translation*]

Hon. Marcel Prud'homme: Honourable senators, the two appointments we are celebrating today are a reminder to me of the very history of Canada.

What I see in you, Your Honour — I told you in my letter yesterday — and what I see in Roméo LeBlanc, is an immense page of what is often not known in Canada. My hope for Roméo LeBlanc — and I want to be understood clearly — is that he can restore unity to what I call the great French Canadian people.

Their greatness is obvious to me and yet, very often, there have been attempts to divide us. There have been internal divisions as well, between those who want to be called Quebecers without further qualification, others who want to be called francophones outside Quebec, a strange appellation, and others who prefer to be called Acadians, when together what we are is this great French Canadian people.

I have learned a great deal in the 30 years that I have spent in the Senate and at the University of Ottawa. At the University of Ottawa, from Yvon Labrie, for example, who hails from a town in New Brunswick, from my friends from Northern Ontario, from Senator Robichaud when I was a student, and from Senators Thériault and LeBlanc and yourself.

I learned so many things that I wonder how we can so quickly forget. What I see, and what I fervently hope for — and I think we will succeed — is that Roméo LeBlanc will find a way to restore the unity of the French Canadian people. Let there be no misunderstanding: This is not a question of marrow-minded nationalism.

I hope Roméo LeBlanc will come to Quebec to tell us about this great Acadian pride, about those forgotten people — and I am saying this to Senator Thériault with whom I occasionally have great conversations on that subject — about those people forgotten and often scorned by history and also by we Quebecers who are a majority of French Canadians. I hope he will come to talk about these people who have survived to this day, like those who are called francophones outside Quebec, without too much assistance or, indeed support, on the part of French Canadians from Quebec.

I have so often heard about Quebecers saying to France and to the French people that we have survived here from 1760 to 1960 without their support or their assistance. I turn around and what do I hear? The same remarks coming from friends outside Quebec who are saying: We have survived but we owe nothing to you who call yourselves Quebecers — I personally prefer the term French Canadians from Quebec. That is how, with such divisions and subdivisions, our nation could very well disappear.

I think that Canada would lose a lot if these people who contributed to the building of this country, people who, over the course of history, survived proudly and who, like myself, like Roméo, like yourself, like Senator Comeau and all the honourable senators I have mentioned, as well as the one who may be joining us tomorrow, Mr. Jean-Robert Gauthier, want to affirm, not their superiority over others, but who they are themselves.

I look at the honourable senators and I understand their pride. I can understand their commitment to their religion and their culture, but I cannot understand that, in turn, they do not understand that we may have a similar commitment.

I look at Senator Desmarais. I studied at the University of Ottawa with his brother. They are from Sudbury, and the people up there are proud people with a great spirit of survival, who have survived without the support and, in many cases, without any assistance from this Quebec majority.

How can we ensure that this country will remain a vibrant country in which every one of us puts his or her best foot forward for the common good? First, by building our own unity. I think that with his explanations, his patience, his kindness, his humanity, Roméo LeBlanc will be able to give that back to all of those who have forgotten their own history.

I applaud this appointment because, Your Honour, by this appointment and your own, we will be able to make this country a more vibrant one.

What is the use of senators travelling around the world — I, for one, will be travelling to Albania two weeks from now, at the request of the Americans, to speak on parliamentary government and the respect of minorities — if, on the home front, we are not able to rebuild the great Canadian unity, all the while showing respect and consideration for the differences and dissimilarities that make Canada such a respected country? That is what I cannot understand, nor accept.

I will turn 60 next week, and I continue to be as vibrant as Senator Robichaud was at the time when I worked on his first election campaign, in 1960. What a great speaker! I continue to believe in this country, which can be an example to the rest of mankind. But we must start setting this example here, in the Senate, because we have a responsibility, an almost terrifying responsibility, on our shoulders. The future of this country may well depend on us. Therefore, it is worth having a heart-to-heart talk, today in this spirit of understanding.

I will not participate in the last debate on the motion introduced by a senator on the contradictions of Quebec nationalism. I was ready to do so, but in a spirit of reconciliation I will not proceed. Let bygones be bygones. Each of us has to do his or her bit. The appointment of Roméo LeBlanc, your own appointment, Your Honour, and the appointment of Jean-Robert who will be here tomorrow or the day after, three vibrant French Canadians from different provinces, fill me with hope. For French Canadians and Acadians to survive in this country, they need some strong anchoring point somewhere.

This is the best understanding of what Quebec should be. It has to be strong to protect a culture and a language which will shine on French-speaking minorities throughout the country. I do not have a "minority" mentality. Minority simply means "fewer".

Your Honour, I apologize for taking so much time to express all the emotion and all the pride I experienced when I heard of these appointments. Once more, I wanted to voice my deep affection for this country, one of the best in the world, a country that can continue to preach to others and give them a ray of hope.

[*English*]

Hon. Allan J. MacEachen: Honourable senators, since coming into the chamber, I have written a little note to the new Governor General. I thought I might read it to you:

> Dear Roméo,
>
> I am now sitting in the Senate, listening to the well-deserved tributes being offered to you by your former colleagues on your accession to the post of Governor General.
>
> Rather than adding to this rich feast of eloquence, I decided to make my extended and favourable comments where I thought they would do the most good, namely, to the press. Accordingly, I have spoken positively and supportively of your appointment to Julie van Dusen of the CBC, Joan Bryden of *The Ottawa Citizen*, and Jacques Poitras of the Saint John *Telegraph-Journal*. I shall continue to do so when the opportunity arises. I think you will approve of that course of action.
>
> Congratulations to you and your wife. Most important, I wish personal happiness and fulfilment to both of you as you take on this challenging task.
>
> Yours sincerely,
>
> Allan J. MacEachen.

Hon. Colin Kenny: Honourable senators, one of the advantages, or disadvantages, of sitting on the back bench is that your turn to speak comes towards the end, by which time just about everything has been said. However, I cannot let this moment go by without making a few comments about my time working on the Standing Committee on Internal Economy, Budgets and Administration with our friend Roméo LeBlanc.

I first became friends with Roméo in the Prime Minister's office in 1969, where I spent three or four enjoyable years working with him. It was not until I came to the Senate about ten years ago that I had an opportunity to work with him again.

Those of you who were not here ten years ago would have difficulty recognizing the place. The changes that have occurred were as a result of the work that Roméo did on that committee. The research budgets that you all enjoy now are a result of his initiative. The general office expense budget which provides us with the tools of our trade are also there because of his work. Those of you who were here before that time had difficulty getting an adding machine, much less a computer or a second or third telephone line.

Travel arrangements were vastly different in those days. Those of you who must travel in the course of your duties should say a short prayer to Roméo every time you take a trip, because he improved our lot quite significantly in terms of how we get around the country.

Regarding office space, Roméo spent hours and hours working on these buildings. He was a former minister of Public Works, and the care and tending of these buildings was very important to him. However, on a more specific and personal level, he had the novel idea that senators should actually have an office adjacent to their secretaries, and he went about making that happen. Very few of you who were here ten years ago had offices adjacent to your secretaries.

Roméo was also very interested in the staff of the Senate. He worked hard during his time as committee chairman to modernize arrangements with the staff, and to bring us a professional staff with a professional outlook. Competitions for all positions were introduced. We had professional development and training, which was, again, a novel idea for the Senate.

We see in front of us here an operation called computer-assisted transcription, or CAT, which was introduced during Roméo LeBlanc's time. This system has vastly improved how our Hansard is produced. It has saved the Senate $300,000 per year since its introduction, and will continue to save those funds.

Roméo chaired the committee always with a spirit of compromise and consensus. I have difficulty recalling times when there were votes during his period as chairman. He managed our affairs with compassion and with sensitivity. I know we will all greatly miss him.

[*Translation*]

Hon. L. Norbert Thériault: Honourable senators, I am proud to rise and honour two important persons whom I have known almost all my life and for whom I have deep admiration.

Your Honour, as Speaker of the Senate I hope you will always feel comfortable in your role. I know whom your personal qualities will allow you to take appropriate, wise and thoughtful decisions.

Honourable senators, I simply want to add my voice to that of all my colleagues who have said all that could be said about the new Governor General. When I meet him in the future, I will find it very hard to call him otherwise than by his first name, Roméo, a name I have been familiar with almost all my life.

I am happy to note that some senators have stressed that it is about time that Canadians acknowledge, and I would like the media to do the same, that someone who has been elected to serve his country, his region, his province or his town should not be excluded from other jobs.

There seems to be so much cynicism these days that every time a politician or an elected member is appointed by a Prime Minister, his party or the government, all the other qualities of the appointee are overlooked, and people claim that it is a patronage appointment.

I watched with interest as the previous Prime Minister appointed new senators over a 10-year period. Personally, I believe they were excellent choices and I always knew that they would do a good job.

Today, I want to point out two qualities of Roméo LeBlanc, the new Governor General. While at the helm of the fisheries department, he accomplished two great things: First, he was known as the fishermen's minister, across Canada, but in particular on both the east and the west coasts. Second, he pushed his government to make unilaterally an important decision, namely to extend the limits of our territorial waters to 200 miles, in the east and the west, and to give Canada jurisdiction over its coasts, a first in Canadian history.

Today, we are celebrating the appointments of two individuals I greatly admire: you, Your Honour, and Roméo LeBlanc as Governor General. I believe that the quality which is most obvious in both of them is their ability to speak both official languages.

Your Honour, I wish you all the happiness you deserve as Speaker of the Senate. Also, I wish Roméo all the happiness which is due to him on his appointment as Governor General.

I thank you, Senator MacEachen. I will translate the letter you wrote to Roméo, change the names of the journalists who are not the same ones to whom I spoke, and sign my name.

[*English*]

Hon. William J. Petten (Acting Deputy Leader of the Government): Honourable senators, I wish to associate myself with the remarks of my colleagues from both sides of the house in paying tribute to Senator LeBlanc.

As has been said, he has distinguished himself in many fields of endeavour — as a professor, a journalist and in the political life of our country. He will be remembered in my Province of Newfoundland for his efforts on behalf of the fishermen. To Roméo and his wife Diana, I express my sincere best wishes for the future.

While I am on my feet, I would like to take this opportunity to congratulate my good friend and colleague Senator Molgat on his elevation to the position of Speaker of the Senate. I first met Gil in the City of Winnipeg many years ago. I was accompanying then Premier Smallwood of Newfoundland on a speaking engagement. When Premier Smallwood began to speak, saying that he had millions for this, millions for that and millions for the other thing, poor Gil shuddered at the thought of all these millions.

Gil, to you and Allison my very best wishes for the future. I will close with a Newfoundland saying, "Long may your big jib draw." For the uninitiated, that means long life, health and happiness.

Hon. Jerahmiel S. Grafstein: Honourable senators, I wish to add my words of congratulation to those paid to Roméo LeBlanc on his appointment to the highest office of the land. I also congratulate the Prime Minister for his brilliant choice.

I have known Roméo LeBlanc for 30 years. To me, Roméo LeBlanc is a person of the people. In his new position, I am sure that he will remain that same person. He is a person without pretensions, a person of great common sense and deep wisdom, a person who will never forget his roots while touching the stars.

May I extend to him, his wife and his family best wishes and God speed. In the days and years ahead, he will need it, and Canada will need it more.

ROUTINE PROCEEDINGS

FOREIGN AFFAIRS

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

Hon. John B. Stewart: Honourable senators, I give notice that at the next sitting of the Senate I shall move:

> That the Standing Senate Committee on Foreign Affairs have power to sit at three thirty o'clock in the afternoon on Tuesday, November 29, and on Tuesday, December 6, 1994, even though the Senate may then be sitting, and that rule 96(4) be suspended in relation thereto.

QUESTION PERIOD

DELAYED ANSWERS TO ORAL QUESTIONS

Hon. William J. Petten (Acting Deputy Leader of the Government): Honourable senators, on November 15, Senator Lynch-Staunton said that there were ten questions outstanding, dating back to late spring and early summer. To clarify the record, the number of questions awaiting an answer is six. There are three questions from Senator Doyle which have to do with construction activities within the parliamentary precincts. Senator Lynch-Staunton asked a question concerning Canada's participation in the space station. An answer to that question was provided, but Senator Lynch-Staunton believed it was incomplete. Further information has been requested.

Senator Gustafson asked a question concerning the free trade agreement and grain trade. An answer was provided on the grain trade component but not on the FTA component. Thus, a follow-up has been requested.

Finally, there was a question asked by Senator Comeau on the proposed peace-keeping training centre. Unfortunately, this one fell through the cracks. We will endeavour to get an answer to it.

Of these six delayed answers, I would like to deal with three of them immediately by tabling the response to Senator Doyle's three questions. However, it is a somewhat lengthy answer and, in the interest of completeness, it contains an extract from the *in camera* minutes of a meeting of the Subcommittee on Agendas and Procedure of the Standing Committee on Internal Economy, Budgets and Administration held on March 24, 1994.

Senators Hastings and Di Nino, the Chairman and Deputy Chairman respectively of that committee, have agreed formally to the public release of this short extract from the *in camera* minutes. Technically, under our rules, that is probably sufficient for me to proceed, but since it is a somewhat unusual procedure, I am seeking leave of the Senate to include this *in camera* extract in the answers.

In seeking leave, I wish to emphasize two points: First, without this extract, the answer being tabled would be incomplete and, in my view, insufficient to properly respond to Senator Doyle's questions. Second, I have spoken to Senators Hastings and Di Nino. They looked at the request, found no difficulties with it and approved it on behalf of the Internal Economy Committee.

• (1500)

Honourable senators, it is on that basis that I beg leave.

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

Hon. Senators: Agreed.

Senator Petten: Honourable senators, I should now like to table delayed answers to the Honourable Senator Doyle's questions of March 15, April 19, and May 12, 1994.

While I am on my feet, I should like to also table a delayed answer to Senator Tkachuk's question of October 25, 1994.

PUBLIC WORKS

RENOVATION OF EAST BLOCK— SENATE INPUT—GOVERNMENT POSITION

(Response to question raised by Hon. Richard J. Doyle on March 15, 1994)

> Parliament Hill is administered in a coordinate fashion, with the cooperation of the three interested parties.
>
> The Government speaks for Her Majesty in right of Canada, as owner of the buildings and grounds and as the occupant of the grounds. It has the overall responsibility for maintenance of the buildings and for capital projects.
>
> The Senate and House of Commons, each as the occupant of its precincts, speak for themselves and together speak for the Library of Parliament.
>
> By virtue of section 19.3 of the *Parliament of Canada Act*, Parliament has confined to statute the Senate practice of, subject to its own rules, direction and control, confiding the administration of its precincts to the Standing Senate Committee on Internal Economy, Budgets and Administration. Section 19.3 of the *Parliament of Canada Act* provides:

19.3 Subject to subsection 19.1(4), the Committee may act on all financial and administrative matters respecting

(a) the Senate, its premises, its services and its staff; and

(b) the members of the Senate.

On the Government side, several departments and agencies play a role in managing and providing services on Parliament Hill. These include Treasury Board, the Department of Public Works, the R.C.M.P. and the National Capital Commission.

Paragraph 9(1)(*g*) of the *Public Works Act*, R.S.C. 1985, c. P-38, provides in part as follows:

9. (1) The Minister has the management, charge and direction of the following properties belonging to Canada ... :

(*g*) all such portions of the property known as the Ordnance Property as were transferred to the Government of the former Province of Canada or to the Government of Canada by the Government of the United Kingdom, and afterwards placed under the management, charge and direction of the Department;

The land on which Parliament sits was known in Pre-Confederation times as the Ordnance Property. It was transferred to Canada, as part of the Confederation pact, by virtue of section 108 and the Third Schedule of the *Constitution Act, 1867*.

Paragraph 9(1)(*f*) of the *Public Works Act* provides:

9. (1) The Minister has the management, charge and direction of ... the following services:

(*f*) the heating, maintenance and keeping in repair of the Government buildings and any alteration requisite therein, and the supplying of furniture and fittings or repairs to those buildings;

A further statutory provision relevant to the Government Administration of Parliament Hill is section 7 of the *Financial Administration Act*. Paragraph 7(1)(*c*) provides:

7. (1) The Treasury Board may act for the Queen's Privy Council for Canada on all matters relating to

(*c*) financial management, including estimates, expenditures, financial commitments, accounts, fees or charges for the provision of services or the use of facilities, rentals, licences, leases, revenues from the disposition of property...

These statutes gave authority to both Treasury Board and to the Department of Public Works to proceed with the development of the Long Term Construction Project for Parliament Hill.

The Long Term Construction Project flows from a number of early studies, including the 1976 Abbott Commission Report, which found that "Parliament requires a thorough upgrading of facilities". But it was not until September, 1988, that Treasury Board directed Public Works to prepare an overall strategy for the Parliamentary Precincts.

The first draft of the new plan was prepared in the spring of 1990. Late in 1991, it was brought to the attention of the Honourable Thérèse Lavoie-Roux, Chair of the Standing Committee on Internal Economy, Budgets and Administration. On December 5, 1991, Senator Lavoie-Roux wrote to Mr. Hank Van Der Linde, of the Department of Public Works, in the following terms:

"I am writing to say that after consulting its officials and the members of its Committee on Internal Economy, Budgets and Administration, the Senate of Canada is prepared to support your plan.

We are pleased that your organization has recognized the Senate's importance and that its needs are given equitable consideration in your strategy.

Thank you for your cooperation. Rest assured that we will do everything in our power to assist in the implementation of the plan." (Translation)

Several days later, at its meeting of December 12, 1991, the Internal Economy Committee discussed the proposed plan. The accommodation consultants for the Senate, Messrs. Perrier and Currie, presented to committee members a detailed report in support of the Public Works strategy. The Minutes of Proceedings of the meeting contain the following entry:

"6. The Committee considered the proposed strategy for Parliamentary Precinct Construction.

The Chairman informed members that approval had been given to the strategy of the Department of Public Works for the whole of Parliament Hill. A letter had been sent to them saying that the Senate is in agreement with what they are recommending and is waiting for the reply from Public Works which would be going to Treasury Board."

(Proceedings of the Standing Committee on Internal Economy, Budgets and Administration, Issue No. 4, December 12, 1991, p.4:4)

The Minutes of the December 12 meeting also note that, with respect to the renovation of the 1910 Wing of the East Block, "the Department of Public Works does not have the necessary funds to go ahead with the project at this time. Although it is a priority, it will only proceed when Treasury Board decides to grant the necessary funds."

On September 17, 1992, Public Works received approval in principle for the Long Term Construction Project, but final approval for specific projects was still not forthcoming.

In December of 1992, the Auditor General released his *Report to the Senate and House of Commons on Matters of Joint Interest*. One matter of joint interest was the upkeep of the Parliament Buildings. In his report, the Auditor General described how "urgently needed repairs and development of the Parliament Buildings" were not proceeding. In his words:

> "**Most of the necessary major repairs and renovations identified in the 1970s and 80s have not yet been undertaken.** One example is the 1910 Wing of the East Block. Still awaiting renovation, most of this wing has been unoccupied by parliamentarians for the last five years. In the meantime, only some of the most urgent health and safety related work such as asbestos abatement has been undertaken."

Several months later, on May 26, 1993, Effective Project Approval for the renovation of the 1910 Wing of the East Block and for the construction of a Committee Room in Centre Block was given.

PRECINCTS OF PARLIAMENT

PROPOSED RENOVATIONS TO EAST AND CENTRE BLOCKS—GOVERNMENT POSITION

(Response to question raised by Hon. Richard J. Doyle on April 19, 1994)

Before construction began, the Subcommittee on Agenda and Procedure of the Standing Committee on Internal Economy, Budgets and Administration met on March 24, 1994 to consider the workplan proposed by Public Works. Mr. Glenn Duncan, Director of the Parliamentary Precinct Directorate of Public Works and Government Services Canada, stated to senators:

> "The 1910 Wing of the East Block is in violation of the fire code. It is in violation of the electrical code. It has asbestos embedded in its walls, which is also a problem. In addition, the building envelope — that is, the windows, the stonework and the roof structure — is in a badly deteriorated state, and we have significant water infiltration into that wing of the building.
>
> As the accountable officer, I have indicated to my minister, who heads the department that is responsible for these facilities, that if we do not repair, then I will recommend that we close and seal this particular wing of the building. We estimate right now that the cost of doing that would be about $5 million."

The reaction of senators is reflected in the minutes of that meeting, the relevant portion of which reads as follows:

> "There was also consensus among senators that the Parliament Buildings are not being adequately maintained and that, with health and safety risks as well as risks to the buildings themselves, it was clear that reconstruction activities must proceed.
>
> It was agreed that your Subcommittee concurs in the recommendation of Public Works and Government Services Canada for the use of office space in the 1910 Wing of the East Block."

The Auditor General, at p. 17 of his 1992 Report, describes the Parliament Buildings as "unique heritage assets of national significance". Treasury Board, Public Works and the Senate have all shown their concern by approving the Long Term Construction Project, designed to preserve those heritage assets. As far as the East Block is concerned, further delay was no longer a viable option — the closure of the entire 1910 Wing was the only alternative.

PROPOSED RENOVATIONS—GOVERNMENT POSITION

(Response to question raised by Hon. Richard J. Doyle on May 12, 1994)

In conclusion, in answer to Senator Doyle's question concerning the right of the Senate and of individual senators to have a voice in the preservation and development of Parliament Hill and the Senate precincts, the Government affirms these rights. It notes that the Senate, through its Standing Committee on Internal Economy, Budgets and Administration, has been kept fully informed throughout all stages of the development and implementation of the Long Term Construction Project. Again, it notes that the Senate, through its Standing Committee on Internal Economy, Budgets and Administration, has approved the Long Term Construction Project both on December 12, 1991, and on March 24, 1994.

Furthermore, senators have always had the opportunity to give their views on this matter through debate held under an Inquiry. During the years that the Long Term Construction Project was under discussion and development, any senator could have initiated such a debate.

PARKS CANADA

USER FEES—GOVERNMENT POSITION

(Response to question raised by Hon. David Tkachuk on October 25, 1994)

I am pleased to inform the Senate that extensive consultation has taken place across Canada to obtain Canadians' views on services being provided. More than 20,000 Canadians participated in the first phase of these consultations.

Opportunities have been made for people to express their views and reactions to proposed fee changes since August, 1994. For instance, in Riding Mountain, information packages have been distributed door to door, meetings have been held with advisory councils, the public, the Chamber of Commerce and other stakeholders.

Representatives of Prince Albert National Park have also met with residents, the public, advisory councils, the Chamber of Commerce and have distributed newsletters and requested feedback via mail-ins.

The four mountain parks which include Banff, Jasper, Yoho and Kootenay, as well as Waterton Park, have also been seeking the views of visitors on user fees and proposed changes. Exit surveys and mail-in forms have been some of the sources of obtaining public views.

These consultations have been undertaken throughout the summer and the first phase is now complete.

The Minister of Canadian Heritage, Michel Dupuy, announced the results of these consultations on November 14, 1994. The three main results of the consultations are:

-Canadians generally supported Parks Canada's proposals for increased fees as long as they are fair and affordable and as long as revenues from fees are retained to support operations.

-Parks Canada must ensure that operations are as efficient as possible.

-Canadians requested further opportunity for consultations at specific locations.

In response to the consultations exercise, the Minister has directed Parks Canada to complete a second phase of consultations on user fees as required at specific locations. This second phase of consultations will be completed by December 31, 1994.

It is intended that during this second phase, specific recommendations arising from the first phase of consultations will be discussed and final recommendations developed early in the new year. Fees may vary and represent the individual services available at each site rather than be based upon a single national rate.

It is proposed that personal user fees already in place at most national historic sites will be applied next year in national parks, the exception being the parks with major through highways, in which a modified vehicle permit system will be used. These personal fees may range between $2.00 and $7.00 per day.

On the matter of townsites, I wish to clarify that extensive consultations have also taken place.

One year ago, all communities received notice that a study to develop mechanisms to recover operating and capital costs for townsite services was being initiated.

Parks staff have met with community representatives in each community to brief them on the study and establish local advisory bodies.

The Assistant Deputy Minister for Parks Canada met in the later part of the summer with the Banff Chamber of Commerce, the business community and environmental groups to consult with them on the issues of townsites, user fees and services offered.

During the week of October 13, the ADM also met with townsite representatives of Prince Albert National Park and subsequently chaired a session with representatives of the townsites of Wasagaming (Riding Mountain, Waskasiu), Waterton, Lake Louise, Field and Jasper in Calgary.

There is a firm commitment to complete the townsite study and announce changes by April 1995.

ORDERS OF THE DAY

CRIMINAL CODE

BILL TO AMEND—SECOND READING—DEBATE CONTINUED

On the Order:

Resuming the debate on the motion of the Honourable Senator Gigantès, seconded by the Honourable Senator Hébert, for the second reading of Bill S-6, An Act to amend the Criminal Code (dangerous intoxication).—(*Honourable Senator Petten*).

Hon. Eymard G. Corbin: Honourable senators, the Honourable Senator Petten adjourned the debate yesterday on this motion. Perhaps I could be allowed to make one or two brief comments.

Hon. William J. Petten (Acting Deputy Leader of the Government): Of course, senator.

Senator Corbin: Honourable senators, I am extremely pleased that Senator Gigantès introduced this private senator's bill, if I may call it that. I should like to tell you why I think it is a darned good initiative.

A number of decisions handed down by our courts in the last months or year have created confusion in the minds of the public. As one who talks to the common man and woman, to use a current expression, and to my fellow citizens in Ottawa, New Brunswick, or wherever I happen to be on assignment, I hear comments to the effect that justice in former days was not such a matter of controversy. When the courts handed down a judgment, it was clearly understood. However, now that we are in the era of the Charter of Rights, in the minds of the public we must accept what they consider to be rather unusual or odd judgments. They do not seem to understand what the system is attempting to say to Canadians. This has been the case in questions relating to matters of euthanasia and assisted suicide. I, as a member of the Special Senate Committee on Euthanasia and Assisted Suicide, understand what the issues are about, both pro and con.

Certainly, similar controversy has surrounded the court rulings in support of the defence of extreme intoxication. I find it passing strange that the judges of the office of the Judge

Advocate General within the armed forces have taken a reverse position to what the civil courts have said in the matter of extreme intoxication as associated with sexual abuse. That, in itself, is significant, but it further confuses the minds of the public.

Some people may think that Senator Gigantès' bill is perhaps not well drafted or well formulated and that it may not cover certain areas, or even that it goes too far. Nevertheless, we are all free to speak our minds. There is no party position on a private member's bill, certainly not within my party. I am a free soul. I am not being whipped by anyone. I believe that the same is the case on the other side of the Senate.

Honourable senators, Senator Gigantès has done a great service to the Canadian justice system by bringing this bill forward. It affords legislators and intervenors a great opportunity to address this controversial matter, and it could ultimately lead to the formulation of an amendment to the Criminal Code of Canada. The opportunity is there to address the issue and to attempt to develop a social consensus.

Honourable senators, this is not strictly a legal matter. It has deep social implications. What bothers me is the type of message the aforementioned judgments send out to the public and to our young people. Is suicide a right? Is it a freedom? In the future, could you intoxicate yourself and escape chastisement by the law?

Honourable senators, that is not the type of message I want to broadcast to our young generation. God knows, they have enough problems trying to find their identity and place in society.

The days of innovative and glorious precedents from the bench should be a thing of the past. Control must be exercised, and control begins with the legislators of both Houses of Parliament. We are the lawmakers of this country. Our courts are not asked to interpret the law and legislate on their own, as do their American counterparts. The courts are expected to uphold the law as it is written in the books by legislators.

Honourable senators, Canadian youths are extremely stressed. The rate of suicide in this country amongst our youth is on the rise. Morality and ethics is on a very slippery slope. I recognize that we must live with social problems, but at some point we reach a critical level where society and the values we hold dear cease to function.

Once again, Senator Gigantès, I congratulate you.

The Hon. the Speaker: Honourable senators, this order will stand adjourned in Senator Petten's name.

On motion of Senator Petten, debate adjourned.

The Senate adjourned until tomorrow at 2 p.m.

THE SENATE

Thursday, November 24, 1994

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

Prayers.

THE HONOURABLE JACK MARSHALL

TRIBUTES ON RETIREMENT

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, on Saturday, our colleague Senator Jack Marshall will be celebrating his 75th birthday, and so mark the end of a parliamentary career which will have spanned 26 years. What years they have been, for Jack from the outset made his mark as an activist. As a military man, he learned to march in step, but as a member of the House of Commons and of the Senate, he more often than not marched to his own drummer, and beware anyone who stood in his way.

Jack Marshall's background certainly accounts for a lot of his dogged determination. After attending Mount Allison Commercial College, he joined the North Shore New Brunswick Infantry Regiment in 1942 as a private. Two years later, he landed with the invasion forces on D-day and was on active service in France, Holland and Germany until the end of the war. His army career continued even after the war as Jack served in the Canadian army of occupation and was given a number of promotions to eventually become district commander of the militia for Newfoundland, 25 years after first enlisting. Colonel Marshall's many decorations testify to a most valorous career in war as in peace.

The following year, in 1968, he was elected to the House of Commons as the member for Humber—St. George's—St. Barbe, being re-elected in 1972 and 1974. In 1978, he was appointed to the Senate by Prime Minister Trudeau who, by his own admission, was not a particular fan of this place — or of the other house for that matter — but, nonetheless, he did fortunately invite to it Canadians of ability and experience like Jack Marshall.

Jack's coming here did not slow him down. On the contrary, it freed him from whatever limitations of party discipline by which he felt bound. No sooner had he arrived here than Jack's drummer beat even harder and his step became even more pronounced. I need not elaborate on Jack's constant preoccupation with the welfare of veterans. It is known, appreciated and will be remembered from one end of the country to the other for many, many years.

Whatever the service, whatever the cause, whatever the rank, Jack was always there to remind us of the eternal debt we owe Canadians who risked their lives for our country. He cared not only about the well-being of veterans, but also about any flaw in the telling of their story of courage and that of their fallen comrades.

As involved as he was in the well-being of veterans, he always had time for his constituents. In 1972, for instance, he sent out 18,000 letters to constituents offering to assist them in determining their benefits under a new family allowance program. He received over 5,000 replies and, no doubt, attended to them all.

He was always involved in advancing the cause of inshore fishermen and successfully pushed for the creation of our Standing Senate Committee on Fisheries and became its chairman. The report of this committee, called "The Marketing of Fish in Canada", issued four years ago under his chairmanship, all too accurately indicated some of the terrible conditions which are afflicting the Atlantic fishing industry today.

We will all miss this tenacious man, not just a thorn in the flesh but countless thorns in countless sides. Many ministers, bureaucrats and colleagues complained of what they interpreted as obstinacy and intransigence on Jack's part. Yet they could not complain of his motives, and his departure should in no way cause parliamentarians to lose sight of them.

There is something about old soldiers fading away which is used on occasions like these but, in Jack's case, it is completely inappropriate. He will pursue his goals until his last breath. We can look forward, I am sure, to his coming to the Senate on occasion to make sure that they have been taken up by former colleagues. May he not be disappointed.

Meanwhile, I wish his wife, Evelyn, many years of happy retirement with Jack, for if any senator has deserved them, Senator Jack Marshall certainly has.

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I am also pleased, on behalf of senators on this side of the chamber, to pay tribute to our colleague Jack Marshall who retires on Saturday.

As Senator Lynch-Staunton has said, Senator Marshall has indeed had a long and rich career of service to Canada, to Newfoundland, and to his constituency. For that, all of us are truly thankful. Senator Marshall has also been Parliament's most prominent and forceful representative of the veterans of Canada. In my part of the country, he is known simply as "Uncle Jack". Alberta is a long way from his Newfoundland home, but his reputation stretches from coast to coast with great admiration and great affection.

It is most fitting to be paying tribute to Jack in this month of November, not long after Remembrance Day, and in this year of the 50th anniversary of the D-day landing, the beginning of the end of World War II. As all of these events have recently reminded us, Senator Marshall's dedication to this country was proven long before he was appointed to the Senate chamber.

A native of Glace Bay, Cape Breton, he is one of those folks who has been sent out by Cape Breton, as they have all across Canada, to ostensibly run the government. Nonetheless, Senator Marshall has had a notable military career, as my friend Senator Lynch-Staunton indicated, serving overseas from 1942 to 1946.

Officer Cadet Marshall participated in and survived the D-day landing with the North Shore New Brunswick Infantry Regiment. His military career did not end there, as he rose through the ranks, eventually becoming a full colonel and district commander of the militia in Newfoundland.

Senator Marshall then turned his sights on the House of Commons and, in 1968, he launched a successful bid to become the member of Parliament for Humber—St. George's—St. Barbe, where he was re-elected again in 1972 and 1974. He won that nomination, it was pointed out to me, for the Conservatives in that distinguished riding by only one vote in 1968, and then rapidly went on to greater heights. He quickly became known as an activist member of Parliament, always working hard for his constituents on the never-ending fisheries file and on behalf of fellow veterans across Canada.

• (1410)

In March, 1978, Jack Marshall learned of his appointment to the Senate by way of a telephone call from Prime Minister Trudeau. We noted in our tributes to Senator Muir a few days ago that he was an inspired choice, and, indeed, Jack Marshall was an inspired choice. He said to the press at the time:

> It suits my cause well. I will continue to do the job that has to be done for Newfoundland.

Do his job he did. In speaking with Newfoundlanders who know his work, I heard the unanimous sentiment that Senator Jack is well loved in Newfoundland, particularly in his constituency, and by the people whom he has served so well. Another thing about Jack was that he has always worked closely with the sitting member of Parliament and put partisan considerations aside in order to pursue the best interests of his people, sometimes even to the discomfort of his party.

I was talking to one of those folks this morning, a vigorous young member of Parliament who ultimately succeeded Jack in the riding of Humber—St. George's—St. Barbe, and that was our current Minister of Fisheries, the Honourable Brian Tobin. He was in the process of writing a letter to Jack this morning, and I asked if I could borrow some of his thoughts since he has remained in close contact with him over the years. Brian, in beginning his letter said:

> I have always said, beginning with my first speech in my first election campaign in 1980, that I wanted to follow in the footsteps of Jack Marshall.

Brian told me that when he entered that campaign as what was considered to be a young whipper-snapper, he was concerned that he would hit the platform and nobody would know who he was. He was unknown, only 25 years old, and worried people would be saying, "Who are you? Why are you here?" Brian decided he would say, "I am here because I want to do for this riding what Jack Marshall has done for his riding. I want to help the fishermen. I want to help the workers. I want to be like Jack." Jack, of course, would be in the front row, slightly discomforted, as his own candidate would be sitting up on the platform listening to Brian extol the former Member of Parliament. At any rate, it was done with great sincerity.

Mr. Tobin wanted to pass on to this chamber that Jack has been a loyal, effective and compelling voice for Canada and for Newfoundland and Labrador. He said that he felt he could speak for every one of his constituents in western Newfoundland in saying that when it comes to hard work and dedication, Jack is without equal. He also said, by the way, that he has seen Jack's shoes. They really are too big for anyone else to fill, and he wishes him all the best in his retirement.

Senator Marshall, as we know, has been an industrious member of many of the committees of this chamber, including the Standing Senate Committees on Social Affairs, Science and Technology, Fisheries, always; the Standing Senate Committees on Agriculture and Forestry, Foreign Affairs, the Subcommittee on Security and National Defence of the Standing Senate Committee on Foreign Affairs, the Special Joint Committee on the Constitution, and the Special Senate Committee on Health, Welfare and Science. Most notably, however, we know him for his tenacious work as chairman of the Subcommittee on Veteran's Affairs, which recently released a report tabled in this house by Senator Graham entitled "Keeping Faith: Into the Future", a suggested pathway ahead for the Department of Veterans Affairs.

We also associate Jack Marshall with the battle to give proper recognition to the men and women of Canada's Merchant Marine who served so courageously during two world wars, carrying people, supplies and equipment to Europe, at great risk from enemy aircraft, submarines and mines. Indeed, on November 11, as a testimony to Senator Marshall's efforts, a "Book of Remembrance" honouring the names of Canada's merchant seamen was opened in the Memorial Chamber of the Peace Tower here on Parliament Hill.

Another battle that he fought was on behalf of the Korean veterans, the forgotten veterans. He was tireless in promoting their recognition through a special medal, which they received only a few years ago, long overdue. I was pleased to be one of those who helped Senator Marshall in those efforts.

Honourable senators, there are not enough medals, titles, awards, citations or tributes, including those from the Pope, that can properly reflect the respect, gratitude and affection in which Senator Marshall is held by all of the veterans in this country, the Merchant Marines, the fishermen, his constituents, and Canadians, for everything he has done. It will certainly be, as Brian Tobin said, an enormous challenge to fill the shoes he is leaving behind. At the very least, through his good work he has given all of us and, indeed, the Parliament of Canada, an example of how to be the best representative to and for the people that one can be. He has personified why we are here.

On behalf of my colleagues on this side of the house, I extend my best wishes to Jack and his family as he moves on to a new life away from Parliament Hill. Calvin Coolidge once said:

> The nation which forgets its defenders will be itself forgotten.

Senator Marshall has done everything he can to ensure that certainly neither this chamber nor any government will forget its veterans, and we know he will never relinquish his crusade. Senator Jack, we will remember you.

Hon. Orville H. Phillips: Honourable senators, I, too, wish to join in the tribute to my good friend Jack Marshall.

I first met Jack Marshall when he was a candidate and I was attending the candidate's school for the Progressive Conservative candidates in the Atlantic region. We used to have them at that time, and we used to win seats in Atlantic Canada. I just pass that on as an aside, as someone may like to revive those schools. I picked him out then as a winner and as a man with strong viewpoints and determination.

Generally we think of Jack as having been the veterans' advocate, but let us not forget the other excellent work that he did when he was in the House of Commons. He was a very strong voice for Newfoundland fishermen. Perhaps if the government of the day had paid more attention to the viewpoints of Jack Marshall, we might not have the crisis in the fisheries we have today.

I was a member of the Fisheries Committee in the Senate when he was chairman, and I was always amazed at the knowledge that man had of fisheries, and I am sure Senator Thériault, who I believe was vice chairman at the time, shares that impression. As Senator Fairbairn mentioned, he was born in Glace Bay, Nova Scotia, but became a Newfoundlander by choice. He was a real advocate for that province. He spoke out on every issue that involved Newfoundland. He never forgot, as has been mentioned by both the Leader of the Opposition and the Leader of the Government in the Senate, the difficulties facing the average person in Newfoundland.

The Leader of the Opposition has mentioned the incident when he sent out an offer to help people with adjustments in family allowance. Honourable senators must realize that in other provinces people have access to towns where they can go to receive help from a government official. Jack Marshall knew that his people did not have that availability of government services, and he did the work of government officials. For that reason, so many people in Newfoundland hold him in such high regard.

The Leader of the Government has mentioned that Officer Cadet Marshall participated in the D-day landings. I should like to tell you a story, and this is a fitting occasion to do so. Officer Cadet Marshall was not supposed to be involved in the D-day landings because he had not completed his training, but he persuaded the commanding officer that he should go along to be of some help, so he participated in the D-day landings. Later on, I understand, he went back to complete his officer training.

The Leader of the Government has referred to the work of Senator Marshall on behalf of the Merchant Navy, which is well known across Canada. One other aspect of veteran's affairs that Jack spent a great deal of time on, which has not received the recognition that it deserves, is that of Canadian veterans who remained in the United Kingdom after the war. Many Canadian veterans who married in England and either stayed there at the end of the war or later returned there were entitled to pensions. However, because they were so far removed from the Department of Veteran's Affairs, they did not receive them. Jack Marshall personally worked on approximately 400 cases and in so doing brought this subject to the forefront among Canadian veterans in the United Kingdom. Today, approximately $1 million per year goes to those veterans in the United Kingdom, solely through the work of Jack Marshall. For that they owe him a great deal of gratitude.

Jack was also interested in the cadet movement. I believe that he and His Honour often worked together in that regard. I recall a speech he made in the Senate where he advocated that a voluntary term of approximately one year in the armed forces would be a good measure for many of our youth, particularly our troubled youth. As the years go by, more and more I think that that was a good idea.

When Stanley Knowles retired from the House of Commons, he was made an honourary member at the Table. I should like to suggest to the Senate that Senator Marshall be made an honorary member of the Subcommittee on Veteran's Affairs in recognition of all the work that he has done on that committee. That will also enable the committee to take advantage of the vast knowledge and experience he has accumulated.

I wish Jack and his charming wife, Evelyn, the best in their retirement years, and I hope that they will return here on occasion to see us.

[*Translation*]

Hon. Marcel Prud'homme: Honourable senators, I would like to add my voice to these well-deserved compliments.

[*English*]

I sat with Senator Marshall in the House of Commons, which, perhaps, was a different experience for me than for some others here who have been long-time friends of Senator Marshall. I sat with him in the House of Commons for many years. I have learned so much from him that I would like to take this opportunity to signify what he means to me.

As a new senator looking at his career, I feel that it is one that I should like to emulate — that is, to be a committee chairman and to put an imprint on one or two great causes. I could dream openly as to what Canada would be if 100 or just three of us were to espouse one or two causes. This country would never be the same. That is why I accepted my appointment to the Senate. The Senate has work to do for this country. No one has shown the way better than Senator Marshall. I am very honoured to be given this privilege to join with Senator Fairbairn, Senator Lynch-Staunton and others in expressing my gratitude to Senator Marshall. I agree with everything that they have said about him. For me, he is an example to follow. I do not intend to cut my relationship with him, because I have always had an extremely good relationship with him.

Hon. L. Norbert Thériault: Honourable senators, I do not often rise on such occasions, but for Jack Marshall I cannot help it. I will not go into great detail, as the Leader of the Government and the Leader of the Opposition and other senators have done. However, I wish to comment briefly, because I know that is his wish. Jack said to me before he left that he would not be here today, because he did not want to listen to his own eulogy.

We came here at approximately the same time, he about one year ahead of me. After the Liberals returned to power in 1980, Jack told me that there was such a thing as observers at the United Nations. Mostly they were comprised of members of the House of Commons, but sometimes senators were included. He asked me to look into it. I did, and we ended up in New York for one week as observers at the United Nations. I started then to appreciate his humanity, which was the same in New York City as it was on his shore in Newfoundland.

I kept in contact with Jack, and I want to pay him homage by telling you a little story. It may have been my own laziness, but any time a veteran wrote or called me with a problem, I would say, "I know who can fix it up for you, if anyone can," and I would pass it on to Jack Marshall, and that would be the end of it.

He was a worker. As mentioned by Senator Phillips, I was deputy chairman of the Fisheries Committee when he was the chairman. We travelled to the east coast, the west coast and the centre of the country looking at fishers' problems. Once while in St. John's, I gained further insight into Jack Marshall. It was accepted that when a committee travelled, the chairman of the committee would take a suite in the hotel. The next day Jack said to me, "I do not want that. I am just a member of the committee and I want a room like everyone else." That was Jack Marshall, and I admired him for it.

I watched him when his party was in power. At times, against the will of the leadership of his party in the Senate at least, he continued fighting for rights that he thought veterans were owed. I am sure he will keep on fighting.

At one time I was not in agreement with him as far as the Senate getting involved in censorship was concerned. However, at the end of it all, he had almost convinced me that he was right in this case. After all, he did not want the Senate to be involved in censorship.

In my humble opinion, there are few Jack Marshalls who have sat in either of the houses of Parliament. I wish him well. He was an inspiration to me. He has also invited me to visit him in Florida.

Hon. John Sylvain: Honourable senators, after these very eloquent tributes I should like to add a few words that are no less deeply felt.

I had the privilege of serving with Jack Marshall on the Veterans Affairs Committee not long after arriving here. The memorable hearings of the committee on the CBC-NFB film entitled, I think, "The Horror and The Horror" or, rather, *The Valour and the Horror,* was my introduction to the work of a committee.

I could not have had a stronger, more determined or more devoted leader. He undertook his work with the energy and drive of a man decades younger. For him, obstacles were a reason for more dedicated work. One has only to look through Hansard to see the unbelievable number of entries that bear his name.

I believe that Jack started running hard and fighting hard when he hit the beaches in Normandy — he just simply never stopped. His comrades in arms, the merchant navy — indeed, all veterans and all Canadians — owe him an immense debt of gratitude, as do we in this chamber.

Hon. Philippe Deane Gigantès: Honourable senators, over the years I have received many letters from veterans saying, "You're a veteran, why can't you be like Senator Marshall?" I generally answer, "There is only one of him, and it is very difficult to equal him."

Hon. Gerald R. Ottenheimer: Honourable senators, I think we are all agreed that in a few days the Senate will lose an outstanding member. The area of Humber—St. Georges—St. Barbe, Newfoundland, which he represented as a Member of Parliament, and with which he always kept a close connection even as a senator, will lose a distinguished advocate, as will the province of Newfoundland and all of us as senators and Canadians.

Jack was first elected as a member of Parliament in 1968. I can verify what Senator Fairbairn said. After all, I was at the nominating convention in Corner Brook where Jack won the nomination by one vote. I suppose one could start from there into a reverie on the role that fate, or chance, can play in the lives of people and countries.

As a side note, when the federal election of 1968 was called, before the dissolution of Parliament, Newfoundland had seven seats — which is our total entitlement in terms of seats — held by seven Liberals. Honourable senators will recall that 1968 was the year of the Trudeau sweep. Once again, Newfoundland, in order to establish its distinctness — Senator Murray says "contrariness" but I say "distinctness" — elected six Conservatives. It was the first time since Confederation that there had been more than two Conservatives elected. The result was usually five and two. As a result of the 1966 federal election, seven out of seven seats were held by Liberals. In 1968, as I said, six Conservatives were elected, and the one Liberal was the late Don Jamieson.

In the Senate, as well as when he was a member of Parliament, Jack Marshall had not only his provincial constituency but a national constituency with respect to fishermen and veterans. Indeed, on Armistice Day, November 11, 1994, there was in the Hall of Honour a ceremony to recognize the contribution of merchant seamen of Canada and of Newfoundland. I say "of Newfoundland," not as any hint of separatism but because, of course, during the Second World War, the merchant seamen from Newfoundland were not Canadian. That was prior to Confederation.

At that ceremony, Jack Marshall, although not physically present, was very much present. I was honoured to be there to represent the Honourable Roméo LeBlanc, at that time Speaker of the Senate. At the reception afterward, I think I was the only senator there. Many of those who were there made a point of coming up to me and referring with respect and affection to the role that Jack Marshall had played, not only in veterans' affairs throughout the country but also in terms of the belated but welcome recognition of the contribution of our merchant seamen. Indeed, it made one proud to be a senator, a Canadian and a Newfoundlander in the context of being a colleague of Jack Marshall's.

In short, we will all miss him, but those in the veteran community, the merchant seamen community and, indeed, the forestry service will find that they have lost a tenacious, knowledgeable and competent advocate.

Hon. M. Lorne Bonnell: Honourable senators, I wish to associate myself with all the great things that have been said about Senator Marshall. I know many of them are true. I do not know if they are all true or not, but I suspect they are.

I can tell honourable senators that many years ago as a new senator I had a fellow named Jack Marshall help me with my report, "Child at Risk." Many of the newer senators probably do not even know what that report was about. It was a good report. Senator Jack Marshall assisted me with it.

Later, he assisted me with another report entitled, "They Served, We Care". Then I was able to assist him with a report entitled, "It's Almost Too Late". I assisted him again with another report entitled, "Keeping Faith: Into the Future". These reports are all monuments to Jack Marshall.

Jack Marshall also did a great job with fisheries. As Senator Thériault said, Jack Marshall got him down to New York, as well as to Boston where the greatest fisheries show in North America was held. Jack Marshall got the committee down there to see the fishery situation for themselves.

He represented his province. He represented the nation. All I want to say is, "We shall remember him. At the going down of the sun and in the morning, we shall remember him."

Hon. Duncan J. Jessiman: Although I was at the same place as Jack Marshall on June 6, 1944, I did not meet him until about 49 years later, when he asked me to serve on the Senate Subcommittee on Veterans Affairs.

I have known Jack for only about 12 months, but I was impressed by the quiet and efficient manner in which he presided over committee meetings, and also by the fact that each and every association which appeared before the committee prefaced its remarks by thanking Senator Marshall for all the work he had previously done for them.

There is no doubt that, in the eyes of the veterans of Canada, Senator Marshall is something special. I would venture to say that the veterans of Canada hold Jack Marshall in such esteem that if they had the power, he would be declared a saint, either St. John or St. Marshall.

This quiet-spoken gentleman is a great Canadian. He was a wonderful senator and during the short time I had the opportunity to deal with him, I was very happy and proud to do so. He will be sorely missed.

Hon. Raymond J. Perrault: Honourable senators, in the case of Jack Marshall, compulsive retirement at the age of 75 makes no sense at all. He is still young at 75. Some marvellous things have happened in the last month. The heavyweight boxing champion is 46, is he not? That proves that all the ability and agility is not always with the young.

We are sorry to see Jack retire. On behalf of the veterans of the province of British Columbia, who have been helped in great measure by many of his initiatives, I want to say thank you to Jack Marshall. I wish him well in all his future endeavours.

Hon. Eymard G. Corbin: Honourable senators, we all tend to say only the good things when a person leaves this place. Perhaps I will be allowed one or two indiscretions.

Many of us on this side heard Jack Marshall say, during the mid-eighties, "I don't know what is keeping me from crossing the floor." He was then chairman of the Standing Senate Committee on Fisheries, and rather unhappy about certain turns of events. Jack had no patience for stupid policy decisions, whatever their origin, but old loyalties die hard. He never took that first step to our side, as much as we encouraged him and assured him that he would be welcome.

Nevertheless, I think he managed to sublimate his inner struggles and to devote himself, body and soul, more than ever before, to the cause of veterans. That will be to his permanent and everlasting credit.

I had my differences of opinion with him on the Fisheries Committee in the days when his government was proceeding to develop the Canada-U.S. Free Trade Agreement. At one point, the committee had developed a reasoned approach to the fishery issue within that context, but at the last minute the leadership of his party overruled a good consensus within the committee. Jack, like a good soldier, took his marching orders and forged ahead. At that time he and I broke what had been a pretty good working relationship. I certainly do not hold any grudge against him. He did his job. He did what was expected of him.

I have personal reasons to express my grateful thanks for the work he did on behalf of the Korean veterans, in particular.

I wish him well in his well-merited retirement. It is too bad, as Senator Perrault says, that such talent is not being put to good use for the good of this country. I hope it does not go to waste. I wish him well.

Hon. Richard J. Doyle: Honourable senators, we live in a kind and gentle society. If it were not so, Jack Marshall would have got his a long time ago: sabres from the Department of National Defence, pistols from Ministers of Revenue and the nice people at the Department of Veterans Affairs. A stake through the heart from the CBC. Jack, in his persistent, aggravating way, has made it his business to have governments keep the promises they made when people were persuaded to go into uniform.

Greer Garson, the actress, likes to recall in interviews what Winston Churchill told her about her performance in *Mrs. Miniver*. "It was," said the great man, "worth a couple of Spitfire squadrons." By that scale, Jack Marshall's performance in the Senate was worth an entire offensive of Lancasters.

Pack up your troubles, Jack, and smile, smile, smile.

Hon. Norman K. Atkins: Honourable senators, I wish to add my best wishes on the retirement from this place of Jack Marshall. When I was appointed to the Senate in 1986, I took over the office that Jack Marshall had had in the East Block. He had vacated it because he needed more space to deal with all the causes that he represented as a senator.

I will remember him for three reasons. The first is his efforts on behalf of veterans generally. The second, and more important,

is his work on behalf of the Merchant Navy veterans who served in World War II. I also have to commend him for his efforts to bring a memorial to Canada which was donated by the Michigan Vietnam Veterans Association, acknowledging the Canadians who died in that war.

By his efforts, he has clearly done the Senate proud.

Hon. Erminie J. Cohen: Honourable senators, I associate myself with all the praise we are hearing today in this chamber. Senator Marshall is a role model for us all, especially the new senators.

On a humorous note, when I was called to the Senate about a year and a half ago, I received many calls from friends in the province of New Brunswick. They were not saying how happy they were for me, but that I was so lucky to be meeting Senator Marshall. That was my first introduction.

I have known his brothers for several years because I attended Mount Allison when they did. However, I did not have the opportunity to really know Senator Marshall.

Something which really impressed me has not been mentioned today. Senator Marshall and I were neighbours in the Victoria Building. No matter what time I arrived at the Victoria Building in the morning, Senator Marshall's staff were always already there, and they always worked the latest. I was very impressed with the team he built in his office, and with the respect and admiration they showed for each other. There was always consultation. That struck a note with me, and some day I would like to be in that position. I see his staff sitting very proudly in the gallery today, wiping their eyes.

• (1450)

I think the proudest moment for Senator Marshall was when he received the citation from the Pope. All I can say is that that is not bad for a Jewish boy from Glace Bay!

Hon. Alasdair B. Graham: Honourable senators, I do not intend to speak at great length today. I already said my words of praise and admiration for Senator Marshall on October 27 when I tabled the report of the Standing Senate Committee on Social Affairs, Science and Technology on the future development of the Department of Veterans Affairs. Other senators have already talked about his considerable talents and tremendous work over the years on a great many committees. He is most noted by Canadians everywhere for his work on behalf of veterans.

As has already been noted by Senator Cohen, a very special group of individuals is in the gallery, not only friends and staff members of Senator Marshall's, but Jack's very loving and devoted daughter, Arlaine, is here to witness these fitting tributes to a great Canadian.

I hope, Arlaine and staff members, that you will personally convey to the Honourable Senator Jack our warmest and best wishes on this very special day.

Hon. William J. Petten (Acting Deputy Leader of the Government): Honourable senators, I wish to associate myself with the remarks of my colleagues in paying tribute to Senator Jack Marshall. I will try not to repeat the remarks of honourable senators who have spoken before me, but that might not be possible.

Colonel Marshall had a distinguished career in the armed services. During his tenure in the House of Commons and the Senate, his work for veterans became known the length and breadth of our great land. On November 26, 1976, the Royal Canadian Legion awarded Senator Marshall the meritorious service medal for his efforts on behalf of veterans. My wife and I were privileged to attend that ceremony.

Senator Marshall has served as chairman and deputy chairman on several committees of the Senate. As chairman of the Standing Senate Committee on Fisheries, he was instrumental in issuing two reports that had a great impact on the fishing industry of our country.

To Senator Jack, his wife, Evelyn, and his daughter, every best wish for the future.

The Hon. the Speaker: Honourable senators, in this place, it is not for the Speaker to speak, but I wish to say I endorse totally what has been said about my good friend and long-time associate, Jack Marshall.

VISITOR IN GALLERY

The Hon. the Speaker: Honourable senators, I wish to draw the attention of honourable senators to the presence in our Speaker's Gallery of a distinguished visitor, Speaker Roett of the Barbados.

Hon. Senators: Hear, hear!

The Hon. the Speaker: It is interesting to note, honourable senators, that we have in our own midst a senator who originally comes from Barbados, and I would ask Speaker Roett to send our best regards to the Honourable Billie Miller, his Deputy Premier, who happens to be a cousin of our own Senator Cools.

Hon. Senators: Hear, hear!

[*Translation*]

ROYAL ASSENT

NOTICE

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

RIDEAU HALL

Thursday, November 24, 1994

Sir,

I have the honour to inform you that The Right Honourable Charles Gonthier, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the

24th day of November 1994, at 3:30 p.m., for the purpose of giving Royal Assent to certain bills.

Yours sincerely,

Judith A. Larocque
Secretary to the Governor General

The Honourable
The Speaker of the Senate
Ottawa

THE HONOURABLE ROMÉO LEBLANC, P.C.

CONGRATULATIONS ON HIS APPOINTMENT AS GOVERNOR GENERAL OF CANADA

Hon. Guy Charbonneau: Honourable senators, it gave me much pleasure to hear that Senator Roméo LeBlanc had been appointed Governor General of Canada. I have known him since 1984, but it was after he succeeded me in the Chair that I had a chance to appreciate his warm personality.

This great quality, combined with his experience of the affairs of the state, will ensure that he discharges his new duties with honour and dignity.

It would be remiss of me not to mention his wife, Diana, whom my wife and myself have met privately and whom, we are sure, will be quite capable of seconding him with great elegance.

We congratulate them and wish them much happiness in this new career.

THE HONOURABLE GILDAS L. MOLGAT

CONGRATULATIONS ON HIS APPOINTMENT AS SPEAKER OF THE SENATE

Hon. Guy Charbonneau: Honourable senators, I also take this opportunity to congratulate Senator Molgat on his appointment as Speaker of this chamber. Having myself held this position for over nine years, I know only too well the difficulties, but also the good times that come with it.

I wish him luck, but knowing his serenity, his sense of humour and his expertise and experience of this place, I have no doubt that he will carry out his duties very successfully.

[*English*]

SENATOR'S STATEMENT

HEALTH

POSSIBILITY OF TAXATION ON DENTAL INSURANCE PLANS

Hon. Erminie J. Cohen: Honourable senators, I rise today to speak to you on an issue that concerns many Canadians. There are widespread rumours that the government may tax employer dental plans in its next budget. Past governments always made such plans a non-taxable benefit. They did so to encourage oral health by making dental services more affordable, especially for families with children.

In recent years, there has been a sharp rise in the number of Canadians with dental insurance. At the same time, there has been a sharp drop in the number with dental problems. These two trends are clearly related, but if workers have to pay tax on the contributions their employers make, fewer will opt for dental insurance. Those most likely to want coverage, even after a tax is imposed, are those most likely to have high dental bills. The higher bills would, in turn, result in higher premiums, causing many employers to drop this benefit.

Honourable senators, I call upon the government to assure Canadians that dental plans will not be taxed in the coming budget.

ROUTINE PROCEEDINGS

CANADIAN WHEAT BOARD ACT

BILL TO AMEND—REPORT OF COMMITTEE

Hon. Leonard J. Gustafson, Deputy Chairman of the Standing Senate Committee on Agriculture and Forestry, presented the following report:

Thursday, November 24, 1994

The Standing Senate Committee on Agriculture and Forestry has the honour to present its

THIRD REPORT

Your Committee, to which was referred Bill C-50, An Act to amend the Canadian Wheat Board Act, has, in obedience to the Order of Reference of Thursday, November 17, 1994, examined the said Bill and now reports the same without amendment.

Respectfully submitted,

LEONARD GUSTAFSON
Deputy Chairman

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

On motion of Senator Gustafson, with leave of the Senate and notwithstanding rule 59(1)(*b*), bill placed on the Orders of the Day for third reading later this day.

EUTHANASIA AND ASSISTED SUICIDE

EXTENSION OF FINAL REPORT DATE— REPORT OF SPECIAL COMMITTEE PRESENTED

Hon. Joan Neiman, Chairman of the Special Senate Committee on Euthanasia and Assisted Suicide, presented the following report:

Thursday, November 24, 1994

The Special Senate Committee on Euthanasia and Assisted Suicide has the honour to present its

THIRD REPORT

Your Committee, which was authorized by the Senate on February 23, 1994, to examine the legal, social and ethical issues relating to euthanasia and assisted suicide, respectfully requests that the date of presenting its report be extended from December 15, 1994, to no later than March 15, 1995.

Respectfully submitted,

JOAN NEIMAN
Chairperson

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

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

[*Later*]

MARINE TRANSPORTATION SECURITY BILL

REPORT OF COMMITTEE

Hon. Donald H. Oliver, Chairman of the Standing Senate Committee on Transportation and Communications, presented the following report:

Thursday, November 24, 1994

The Standing Senate Committee on Transport and Communications has the honour to present its

SEVENTH REPORT

Your Committee, to which was referred the Bill C-38, An Act to provide for the security of marine transportation, has, in obedience to the Order of Reference of Wednesday, November 16, 1994, examined the said Bill and has agreed to report the same without amendment.

Respectfully submitted,

DONALD H. OLIVER, Q.C.
Chairman

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

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

• (1500)

BUSINESS OF THE SENATE

ADJOURNMENT

Hon. William J. Petten (Acting Deputy Leader of the Government): Honourable senators, with leave of the Senate, and notwithstanding rule 59(1)(*h*), I move:

That when the Senate adjourns today, it do stand adjourned until Tuesday next, November 29, 1994, at two o'clock in the afternoon.

Honourable senators, I will give you an idea of what we hope to be dealing with next week. Bill C-48 will be before us today. Bill C-57, to implement the agreement establishing the World Trade Organization, is making its way through the House now. All I can say is what my colleagues on both sides who have stood in this position before have said: To the best of our knowledge, we should have Bill C-57 early next week. However, that depends on our colleagues on the other side.

We should also have Bill C-55, to establish a board having jurisdiction concerning disputes respecting surface rights in respect of land in the Yukon Territory and to amend other Acts in relation thereto. There are also several committees meeting next week, so we will be sitting next week, honourable senators.

The Hon. the Speaker: Honourable senators, is leave granted?

Hon. Senators: Agreed.

Motion agreed to.

DEPARTMENT OF NATURAL RESOURCES BILL

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-48, to establish the Department of Natural Resources and to amend related Acts.

Bill read first time.

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

On motion of Senator Petten, bill placed on the Orders of the Day for second reading, Tuesday next, November 29, 1994.

LAW OF PARLIAMENTARY PRIVILEGE

NOTICE OF INQUIRY

Hon. Anne C. Cools: Honourable senators, I give notice that on Wednesday next, the 30th day of November, 1994, I shall call

the attention of the Senate to the law of parliamentary privilege, including its definitions, its exercise and extent, its historical and constitutional development, and its current status in Canada.

RELATIONSHIP BETWEEN PARLIAMENT AND THE COURTS

NOTICE OF INQUIRY

Hon. Anne C. Cools: Honourable senators, I give notice that on Wednesday next, November 30, 1994, I shall call the attention of the Senate to the relationship between Parliament and the courts, including the law of parliamentary privilege and the relevant jurisprudence.

HEALTH

PROTECTION OF CONSCIENCE IN MEDICAL PROCEDURES— PRESENTATION OF PETITIONS

Hon. Stanley Haidasz: Honourable senators, it is my duty and privilege to place in the hands of the Clerk petitions from Canadian citizens who pray that the Senate in Parliament assembled protect health care workers with regard to freedom of conscience in the workplace. These petitions contain signatures of 544 persons from various places throughout Canada.

[*Translation*]

QUESTION PERIOD

INTERGOVERNMENTAL AFFAIRS

POSSIBILITY OF AGREEMENT ON PROFESSIONAL DEVELOPMENT

Hon. Roch Bolduc: Honourable senators, my question is directed to the Leader of the Government in the Senate and concerns overlapping jurisdictions. In his report, the Auditor General of Canada said, and I quote:

> It would be naive to suggest that overlapping jurisdictions can be avoided in a modern federal state.

He said, of course, that it was not necessarily feasible to eliminate all overlap, and that, moreover, overlap did not necessarily mean waste or duplication. However, and I quote:

> ...reduced fiscal manoeuvrability, among other factors, requires effort to avoid overlap that results in unnecessary administrative costs and an undue regulatory burden on the private sector and other clients.

Finally, the Auditor General went on to say on page 20 of the first report:

> The cases the Office has reviewed illustrate that tangible, practical administrative solutions can usually be found within the existing constitutional framework.

Could the Leader of the Government possibly put some pressure on her cabinet colleagues so that we would have some agreements on manpower training?

[*English*]

Hon. Joyce Fairbairn (Leader of the Government): I thank Senator Bolduc for his question. As he knows, in general terms, the government currently has under way a very major review of all of its programs. Part of the reason for that review is to get at the heart of that particular observation by the Auditor General concerning duplication and overlap, with a view to cutting unnecessary expenditures.

There has been a great deal of discussion among the federal government and all of the provinces, and I will certainly ensure that my honourable friend's representations are drawn to the attention of the appropriate ministers. I am sure those discussions will continue in the future.

JUSTICE

PAROLE SUPERVISION OF HIGH-RISK OFFENDERS— GOVERNMENT POSITION

Hon. Duncan J. Jessiman: Honourable senators, my question is for the Leader of the Government in the Senate.

The Auditor General reported on Tuesday, November 22, that high risk offenders out on parole need greater attention. He said that in areas of the country with few parole resources, "the risk to the public may be greater."

He also said, "In some offices, the management of sex offenders is determined more by available resources than by minimum professional practice requirements."

Will the minister undertake to provide to the Senate a list of what specific offices lack resources to properly manage such offenders?

Hon. Joyce Fairbairn (Leader of the Government): Senator Jessiman, I thank you for your question. I will transmit it to my colleague the Solicitor General to see what information can be provided.

TRANSPORT

PEARSON INTERNATIONAL AIRPORT— POSSIBLE NEGOTIATION OF LEASE—GOVERNMENT POSITION

Hon. Finlay MacDonald: Honourable senators, my question is for the Leader of the Government in the Senate. I ask this question in order to clarify an earlier question I put to the Leader of the Government on November 15, and in order to give the whole subject a bit of focus and, possibly, some urgency.

No one in this house would disagree with the statement that Pearson International Airport is in a desperate condition, particularly Terminal 1, and that the consequences of delay in having the airport developed will be severe for the commerce which that great airport represents.

I have reread Senator Kirby's remarks which he made at second reading of Bill C-22. Throughout his intervention, there

were constant references which can be summarized as follows: Pearson airport will remain in legal limbo. Presumably, this means that the government would neither be able to develop nor operate Pearson International Airport in a manner that it considers in the public good until a final resolution concerning the claims of the partnership and its partners with respect to the cancellation of the airport contracts.

On September 20, every member of Parliament received a letter from the Chairman of the Pearson Development Corporation which states in its final paragraph:

> The government cannot justify the need for extreme and unprecedented legislation in order to implement airport policy. Pearson Development Corporation...

And these are presumably the bad guys.

> ...does not challenge the right of the government to cancel the agreements respecting Terminals 1 and 2 to pursue its airport policy. Pearson Development Corporation has already made it clear that it will not take any action to block the redevelopment of Pearson International Airport. Pearson Development Corporation recognizes the need for immediate redevelopment of Pearson airport to ensure that Canada does not lose valuable international commerce due to inadequate facilities.

Finally, it was reported in *The Toronto Star*:

> In announcing that Pearson airport will be turned over to a non-profit local authority, federal Transport Minister Doug Young has set a condition that could hold up the transfer needlessly.

What is to stop Ottawa from beginning to negotiate a lease, especially when those negotiations are expected to take more than a year?

Hon. Joyce Fairbairn (Leader of the Government): I acknowledge the urgency of your question, Senator MacDonald. I have sent your earlier question ahead so that I can obtain a full answer, because it will be a somewhat complicated answer, given the circumstances that we are in.

I have asked to receive a response for you on an urgent basis. I will add today's question to your earlier remarks and do my best to get that response to you next week.

DELAYED ANSWERS TO ORAL QUESTIONS

Hon. William J. Petten (Acting Deputy Leader of the Government): Honourable senators, I have an answer to a question asked by Senator Comeau on June 9, the response to which I referred yesterday, as well as an answer to a question asked by Senator St. Germain on October 25.

NOVA SCOTIA

PROPOSED PEACE-KEEPING TRAINING CENTRE— GOVERNMENT POSITION

(Response to question raised by Hon. Gerald J. Comeau on June 9, 1994)

[Senator MacDonald]

It was announced in the February budget that Canadian Forces Base Cornwallis would close by April, 1995. In keeping with the downsizing of the Canadian Forces, all recruit training would be consolidated at Canadian Forces Base St-Jean, near Montreal. The Department of National Defence cannot afford to retain surplus infrastructure, given the magnitude of the reductions in the Defence budget over the next five years.

An international peacekeeping training centre is being established at Cornwallis by the Canadian Institute of Strategic Studies (CISS), to be named the Lester B. Pearson Peacekeeping Training Centre. The Federal Government, through the Departments of Foreign Affairs and National Defence, will provide an initial start-up grant of $5 million, followed by annual grants totalling about $1 million for the Centre's operations. Both Departments anticipate that other interested organisations, foundations and private citizens will wish to assist the Centre, with additional financing to be realised through grants and tuition fees. The Atlantic Canada Opportunities Agency has also been deeply involved in the establishment of the Centre, and has also been actively seeking appropriate business relationships to support it and to stimulate other entrepreneurial activity at Cornwallis. This latter support may include, *inter alia* provision of support to the cadet camp, HMCS *Acadia*. An ACOA manager has been made available to work specifically for the redevelopment of Cornwallis.

The last recruit class graduated from Cornwallis in August, 1994, and the Base will close by April 1, 1995. Following the closure, Public Works and Government Services Canada will assume custodial responsibility for the site, on behalf of National Defence and the Federal Government. Concurrently, CISS intends to commence operations at the Centre, initially on a limited scale, with activity to increase over time.

Many challenges will have to be faced as the transition of CFB Cornwallis unfolds, and work is well underway to address them. Federal Government officials are therefore working closely with their counterparts in other governments and the local community, to ensure as smooth a transition as possible. The Federal Government announced in July that the Cornwallis Park Development Corporation has been allocated a budget of $7.5 million to manage the transition planning.

It is important for all concerned to work together to ensure that the impact of this closure will be minimised to the greatest extent possible, and to promote actively initiatives which will sustain economic security in Cornwallis and the Annapolis Valley.

FORESTRY

CLAYQUOT SOUND—GRANT BY CIDA TO PROTEST GROUP

(Response to question raised by Hon. Gerry St. Germain on October 25, 1994)

The government is **not** funding activities or projects whose purpose is to deliberately undermine the Canadian forest industry. Furthermore, Canadian International Development Agency funds cannot be used and are not being used for activities in Europe and the United States.

CIDA has provided funding through the Western Canada Wilderness Committee, a Canadian non-governmental organization, to NGOs in Latin America, especially Chile, involved in protecting the quickly disappearing temperate rain forest.

The funding provided technical assistance, teaching NGOs how to map areas to be protected and how to build public support for these protected areas. For example, Chilean NGOs have published information bulletins, made slide shows, and taken teachers and children and community leaders into oldgrowth rainforests.

In addition, some of the money was spent in Canada to publish maps and booklets about protecting natural ecosystems in developing countries.

This Canadian NGO, the Western Canada Wilderness Committee (WCWC) is also involved in the protection of Canadian oldgrowth forests. It raises money for this work from concerned Canadian citizens.

All of the CIDA money is put into a separate bank account and used **only** for activities directly related to the third world.

ORDERS OF THE DAY

CANADIAN WHEAT BOARD ACT

BILL TO AMEND—THIRD READING

Hon. Leonard J. Gustafson moved the third reading of Bill C-50, to amend the Canadian Wheat Board Act.

Motion agreed to and bill read third time and passed.

[*Translation*]

CRIMINAL CODE

BILL TO AMEND—DEBATE CONTINUED

On the Order:

Resuming the debate on the motion of the Honourable Senator Gigantès, seconded by the Honourable Senator Hébert, for the second reading of Bill S-6, an Act to amend the Criminal Code (dangerous intoxication). — *(Honourable Senator Petten.)*

Hon. Gérald-A. Beaudoin: Honourable senators, at this stage I would like to comment briefly on Bill S-6, to amend the Criminal Code (dangerous intoxication).

The Supreme Court of Canada's recent decision in the *Daviault* case has attracted the interest of the Canadian public. It concerns a point of criminal law that is not insignificant. I know that some of my colleagues intend to speak to the bill next week, and I am referring to Senators Lavoie-Roux and Cohen. That being the case, I decided not to elaborate on the substance of the bill today.

Since the sponsor of the bill, Senator Gigantès, asked for the bill to be referred to the Committee on Legal and Constitutional Affairs at the appropriate time, today I simply wanted to say that a referral to committee would seem quite logical and that, assisted by expert witnesses, the committee would be able to consider the substance, content, drafting or wording of the bill, if that is the wish of the Senate.

[*English*]

The Hon. the Speaker: Honourable senators, Senator Beaudoin was speaking on Bill S-6 by agreement with Senator Petten. Is it agreed that the motion will remain standing in Senator Petten's name?

Hon. Senators: Agreed.

Hon. John Lynch-Staunton (Leader of the Opposition): Your Honour, have we disposed of Bill S-6? The last thing I heard you say was that there was an agreement to let it stand in Senator Petten's name. Are there any more speakers? If not, perhaps it can proceed to committee.

The Hon. the Speaker: Senator Beaudoin stated that other speakers wished to take part in the debate.

Senator Beaudoin: Yes, that is correct.

[*Translation*]

Senators Lavoie-Roux and Cohen said that they would like to speak to Bill C-6 next week.

[*English*]

Hon. Philippe Deane Gigantès: Honourable senators, would Senators Lavoie-Roux and Cohen be willing to speak on third reading rather than on second reading? We could then send the bill to committee, if honourable senators agree.

Hon. Eric Arthur Berntson (Deputy Leader of the Opposition): Honourable senators, those senators are no longer present to answer, so they will have to speak next week on second reading.

POINT OF ORDER

Hon. Eymard G. Corbin: Honourable senators, I wish to raise a point of order. Senator Petten has taken the adjournment of this bill. This is a private senator's bill, not a government bill.

We have covered this ground in the past. It not being a government bill, I do not think the Acting Deputy Leader of the Government in the Senate should adjourn the debate, unless he intends to make a contribution to the debate in his capacity as a private member of the Senate. Otherwise, it should be open to whomever wants to speak next.

There may or may not be a principle involved here. I do not say this to be difficult to my good friend Senator Petten; he may share some of the concerns I have. However, there is such a thing as our private domain in this chamber, as there is in the other place. Private members' business is not to be interfered with by the government in any way, shape or form. The members themselves decide that, the backbenchers. Are we to discard that long-standing practice and endure the slings and arrows of the government? That is what this is all about. Could we have a response from Senator Petten?

Hon. William J. Petten (Acting Deputy Leader of the Government): You certainly can, honourable senators. Far be it from me to disrupt the running of this honourable house in any way. If someone wishes to adjourn the debate in the name of Senator Lavoie-Roux, or whomever, I am perfectly happy with that.

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, the rules do not differentiate between private and public bills in their application. It is proper for any senator to take the adjournment.

Hon. John B. Stewart: Those of us who are conservative at heart respect tradition.

Senator Lynch-Staunton: As there is nothing that I would rather do than satisfy Conservatives at heart, I would be pleased to take the adjournment of this debate in the name of Senator Lavoie-Roux.

On motion of Senator Lynch-Staunton, for Senator Lavoie-Roux, debate adjourned.

[Senator Beaudoin]

FOREIGN AFFAIRS

COMMITTEE AUTHORIZED TO MEET DURING SITTINGS OF THE SENATE

Hon. John B. Stewart rose pursuant to notice of Wednesday, November 23, 1994:

> That the Standing Senate Committee on Foreign Affairs have power to sit at three thirty o'clock in the afternoon on Tuesday, November 29, and on Tuesday, December 6, 1994, even though the Senate may then be sitting, and that rule 96(4) be suspended in relation thereto.

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

Senator Stewart: Honourable senators, by way of explanation, let me say that the Standing Senate Committee on Foreign Affairs has been pursuing its work regarding international trade. Yesterday we dealt with the topic of globalization in a preliminary way.

The work projected for next week and for December 6 is on Canadian trade policy as it relates to the Caribbean area. We will be dealing with this subject on Tuesday next, Wednesday next, and on the following Tuesday.

It would be helpful to the committee if we could have a specific hour at which to convene on the two Tuesdays. I expect that we will not be interrupting the work of the Senate on either of those days; however, it is possible that if we carry this motion, the committee would commence before the Senate had risen.

On December 6, we have witnesses coming from far away places, for example, Barbados, Trinidad and Guyana, so we should like to have a sufficient block of time to ensure that we can make full use of those witnesses. That is the purpose of this motion.

• (1530)

Hon. William J. Petten (Acting Deputy Leader of the Government): Honourable senators, if I sat and said nothing on this matter, I would be a bit of a hypocrite. During the years I operated as whip for this side, I always felt that committees should not sit when the Senate is sitting. I understand the problem you have. However, I just could not stay in my place and let it go without saying something. I do not think it is a good policy, and I think we should do everything to avoid it.

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, I wish to reinforce what Senator Petten has said. We on this side have said, over and over again, that it seems we have the tail wagging the dog now. I would like the Standing Committee on Privileges, Standing Rules and Orders to meet as soon as possible to determine proper schedules for committees that do not constantly conflict with the work of the Senate.

The obligation of senators is to this chamber, and courtesy requires that when senators are in debate, colleagues be in attendance to hear them.

We are now shortening our Wednesdays, and we are asking for exceptions on Tuesdays and Thursdays for Senate committees to sit while the Senate is sitting. Senator Stewart, who is a

traditionalist, is breaking with a very important tradition of courtesy to senators in this chamber, whose concerns and contributions should come first.

I certainly appreciate the work his committee and other committees are doing. It is very valuable. It is part of our Senate work. However, by allowing committees to continually eat into the regular sitting hours of the Senate, we are demeaning the work of this chamber.

Hon. Eymard G. Corbin: Honourable senators, I personally wish to subscribe to some of the reservations that have been uttered. I find myself somewhat handicapped when I am required to go to a committee when the Senate is in session, particularly when issues are being debated that concern my region.

Nevertheless, if I put that consideration aside and look at the substance of what Senator Stewart is proposing, the committee, if I understand correctly, has invited people from these various areas to come to Canada to meet with the committee to expound on their views, desires, and wishes. It is an expensive excursion for those people, and it makes sense to me, everything else being equal, that they be given a hearing, and a good hearing, one that takes the least time possible so as not to impose additional and unnecessary expenses on them and on the committee.

In a situation like this, I would tend to be very understanding. However, on other issues before the house, such as straight legislation, that is an entirely different matter. I wish to go on record as supporting this specific request.

Senator Petten: Honourable senators, I am not prepared to vote against this motion, but I am asking that, in the future, people look ahead to see if such situations cannot be avoided. That is all I am saying, Senator Stewart.

Senator Stewart: Honourable senators, I, too, do not like the idea of committee sittings overlapping sittings of the Senate. However, I remember the meeting where the leadership on both sides, together with committees chairmen, discussed the problem of getting the work of committees done. The decision made at that meeting was that we would try an experiment during which the Senate would meet at an earlier hour on Wednesday so as to be able to adjourn earlier that day, thus leaving a block of time late Wednesday afternoon for the committees.

It was also decided that the Senate would come back on Mondays, thus relieving the pressure of work in the Senate on Tuesdays and Wednesdays and leaving more of the middle of the week free for committee work. One of the reasons we are having problems now is that we have not been meeting on Mondays. The Senate has been concentrating its sittings, when it sits, on Tuesdays, Wednesdays and Thursdays.

If we took the whole package as it was originally devised and begin our work in the chamber on Monday, then the shortage of time problem, such as confronts us in this instance, would not arise. I mention that to put on record some of the programming considerations my motion brings to our attention.

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

Hon. Senators: Agreed.

Motion agreed to.

The Hon. the Speaker: Honourable senators, pursuant to rule 136(8), I must interrupt the proceedings. The Senate will now adjourn during pleasure to await the arrival of the Honourable the Deputy Governor General.

The Senate adjourned during pleasure.

[*Translation*]

ROYAL ASSENT

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

An Act to amend the Canada Petroleum Resources Act *(Bill C-25, Chapter 36, 1994)*

An Act to amend the Excise Act, the Customs Act and the Tobacco Sales to Young Persons Act *(Bill C-11, Chapter 37, 1994)*

An Act to amend the Department of Agriculture Act and to amend or repeal certain other Acts *(Bill C-49, Chapter 38, 1994)*

An Act to amend the Canadian Wheat Board Act *(Bill C-50, Chapter 39, 1994)*

The House of Commons withdrew.

The Honourable the Deputy Governor General was pleased to retire.

The sitting of the Senate was resumed.

[*English*]

• (1540)

CANADA'S DEFENCE POLICY

REPORT OF SPECIAL JOINT COMMITTEE—DEBATE CONTINUED

Leave having been given to revert to Order No. 2 (Reports of Committees):

On the Order:

Resuming the debate on the consideration of the Report of the Special Joint Committee on Canada's Defence Policy entitled "Security in a Changing World", tabled in the Senate on 31st October, 1994.—*(Honourable Senator Forrestall).*

Hon. Philippe Deane Gigantès: Honourable senators, I have read the report, and I listened with great interest to the comments of Senator De Bané when he presented it. Some of those comments disturbed me because the military seems to be suggesting to the legislators that military policy must be set for many years in advance.

One of the things I heard was that it takes years to train an infantryman. In World War II we trained them for three months and sent them into battle. Maybe three months is too short, so let us say six months.

This idea of enshrining certain aspects of military organization, tactics and strategy for a long time can only serve the purpose of defending vested interests in the military. We all have vested interests. Senators have vested interests. It is perfectly natural for the military to have the same attitude.

Although this report is a step in the right direction, it should go much further. We should think of changing our military establishment so that it will have a much better distribution in favour of the teeth, versus the tail: that is, combatants versus the paper pushers that we now have.

I think we should use more of the monetary resources of National Defence for a militia and a large cadet corps in order to soak up unemployment. In the defence of our coasts, which is very important, we do not need the super sophisticated and horribly expensive vessels which were designed, vainly, to intercept and sink Soviet submarines. If it were left for us to do that in the days of the Cold War, the Cold War would have been lost. The U.S. was perfectly capable of doing it on its own. We need small, fast vessels which can catch smugglers and defend our territorial waters.

We have the technology to develop something like the French Exocet missile, which is a pilotless plane that can fire three shots on a vessel that is encroaching upon our territorial waters, the first a warning shot. The warning shot contains a dye that will not hurt anyone but will cover them in colour. If they do not accede to that warning, the next shot contains a small explosive charge. The third shot would contain a large explosive charge. We need only sink one fishing vessel and the others will not try any more.

This may sound radical, but if you have the force you must occasionally be willing to demonstrate that you are prepared to use it.

We would then move toward serving the national purpose by having well-trained militia and well-trained cadets in reserve to back up our peace-keepers, with whose activities most of the country seems to be in accordance.

With a force of 10,000 superbly trained fighting men, along with a militia, cadets, and Canadian-made protection for our coasts, we would not need large numbers of planes, certainly not to fight Soviet bombers, nor would we need the kinds of frigates we have. I would sell many of those items in order to finance other aspects of defence.

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

The Senate adjourned until Tuesday, November 29, 1994, at 2 p.m.

THE SENATE

Tuesday, November 29, 1994

The Senate met at 2:00 p.m., the Speaker in the Chair.

Prayers.

NEW SENATORS

The Hon. the Speaker: Honourable senators, I have the honour to inform the Senate that the Clerk has received certificates from the Registrar General of Canada showing that the following persons, respectively, have been summoned to the Senate:

Jean-Robert Gauthier
John G. Bryden

INTRODUCTION

The Hon. the Speaker having informed the Senate that there were senators without, waiting to be introduced:

The following honourable senators were introduced; presented Her Majesty's writ of summons; took the oath prescribed by law, which was administered by the Clerk; and were seated:

Hon. Jean-Robert Gauthier, of Vanier, Ontario, introduced between the Honourable Senators Fairbairn and Hébert.

Hon. John G. Bryden, of Bayfield, New Brunswick, introduced between the Honourable Senators Fairbairn and Robichaud.

The Hon. the Speaker informed the Senate that the honourable senators named above had made and subscribed the declaration of qualification required by the Constitution Act, 1867, in the presence of the Clerk of the Senate, the Commissioner appointed to receive and witness the said declaration.

• (1410)

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I am happy to rise today to offer words of welcome to our two new colleagues who have just taken their seats in this chamber.

For many of us who have walked these halls, Jean-Robert Gauthier is no stranger, having represented Ottawa-Vanier in the House of Commons for the past 22 years. What some people in this chamber may not know is that he has a long linkage to the Senate. He was raised by his grandfather, Louis-Philippe Gauthier, who was the Deputy Clerk of the Senate from 1926 to 1946. Thus, he was imbued with this place during the early days of his upbringing.

Senator Gauthier was first elected to the House of Commons in 1972. He has served in a number of important capacities in the other place, including Opposition Whip, House Leader for his party, Chair of the Standing Committee on Public Accounts and, most recently, Co-chair, along with our colleague Senator MacEachen, of the Special Joint Committee on Canada's Foreign Policy.

Honourable senators, through those years, he gained a reputation as one of the staunchest advocates and supporters of the institution of Parliament and the respect of those who work within it, both in the House of Commons and the Senate. His defence of the rights of francophone Ontarians and of official bilingualism has been central to his parliamentary contribution; something which, I am sure, he will continue vigorously in his new role.

Honourable senators, we also wish to extend a warm welcome to Senator John Bryden who joins us from Bayfield, New Brunswick, where he has established a strong and impressive background in business, law and public life.

It is no coincidence that Senator Bryden's escort into the chamber today included our colleague Senator Robichaud. Their connection goes back to the 1960s when Senator Robichaud was Premier of the Province of New Brunswick. Senator Thériault, for that matter, was the Minister of Health and Welfare at the same time. From 1969 to 1970, John Bryden served as Deputy Minister of Justice. It was during that period, under the former premier that New Brunswick passed its official languages law.

Senator Bryden also worked with Premier Frank McKenna in 1988-89 as Commissioner of Economic Development before moving on to other pursuits, including running his own management consulting firm for the past two years. Knowing his enthusiasm for hockey, I believe he will bring new meaning to the words "Ottawa Senator" for a certain local hockey team.

Given Senator Bryden's experience in a variety of the facets of New Brunswick life, both public and private, his participation here will be of great benefit to his province.

Both of our new colleagues come to the Senate determined to make a contribution in this place. On behalf of all my colleagues, we look forward to receiving your good advice as this chamber deals with many challenging issues in the months ahead.

Hon. Senators: Hear, hear!

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, Senator Gauthier's appointment brings to 19 the number of senators whose political careers include membership in the House of Commons. I have no doubt that his 22 years in the other place have prepared him well for the rigorous duties in this chamber, and that we will be the beneficiaries of the wisdom he has accumulated. Certainly, we have profited from the many years his fellow ex-commoners have spent over there preparing for the Senate.

[*Translation*]

Like many of his former colleagues in the other place, Senator Gauthier has been hard on the Senate at times. In fact, few are the members of Parliament who do not, at one time or another, enjoy poking fun at us, and even making derogatory remarks about us. As soon as they join us, however, even the harshest of them realize in no time that their old target is far from deserving such nonsense, and no doubt Senator Gauthier will soon join the other former members of the House of Commons who have dropped long ago the unrealistic image of the Senate they used to enjoy conveying, as opposed to the reality that now surrounds them.

[*English*]

Senator Bryden also brings to us vast political involvement, gained both, in theatrical parlance, "behind the scenes" and "front and centre." His commitment to his party could not be more clearly focused. It is as a committed supporter of the Liberal Party that he comes to this place.

Political parties form one of the foundations of our parliamentary system, and commitment and informed loyalty to them are essential components to their proper functioning. While the Senate, by its very nature, is a political chamber, it tries to carry out its responsibilities in as non-partisan a manner as possible, and usually succeeds. This allows even the most loyal party member to assess opposite views with a certain detachment and objectivity.

Such openness can even lead to the questioning of one's own party's position on certain issues. If Senator Bryden's support of the Liberal Party Red Book is as reflective as that of the Liberal government, I am sure we can look forward to some interesting and even surprising observations from him in due course.

This side is delighted to welcome Senators Gauthier and Bryden. We wish them well as they assume their new responsibilities.

Hon. Senators: Hear, hear!

Hon. Finlay MacDonald: Honourable senators, I wish to extend my congratulations to my member of Parliament, now Senator Gauthier, who has served our constituency extremely well in that capacity for the last 10 years, so much so that I will be able to vote against his successor with a great deal more enthusiasm.

VISITORS IN GALLERY

The Hon. the Speaker: Honourable senators, I wish to draw your attention to the presence in the gallery of a delegation of citizens from the Czech Republic, led by Dr. Milan Uhde, Chairman of the Deputies.

SENATORS' STATEMENTS

ABORIGINAL RIGHTS

STUDY OF LOW-LEVEL MILITARY FLIGHTS OVER LABRADOR— DENIAL OF OPPORTUNITY FOR ANTHROPOLOGIST TO GIVE FULL TESTIMONY

Hon. Mira Spivak: Honourable senators, recently several of my colleagues on this side of the house have raised the issue of Canadian policy towards the abuse of human rights in foreign countries, and have done so very eloquently, I might add.

Today I should like to comment on what I believe to be a disregard of aboriginal rights, as well as human rights, closer to home. The environmental assessment review of low-level flights by military aircraft over Labrador has proceeded, despite criticism that the review is badly biased. The Leader of the Government in the Senate informed us on October 4 that the Minister of the Environment would act to replace panel members if there was one shred of evidence of bias on the part of the panel.

Let me recount what happened in the panel hearing. The panel reconvened in late October to hear testimony of technical experts, and sought to evaluate the environmental impact statement of the Department of National Defence on its proposal to increase the number of low-level flights over aboriginal lands in Labrador. Among those experts was an anthropologist from Memorial University, deemed to be qualified, unbiased and prepared to evaluate socioeconomic impacts identified in the DND report vis-à-vis guidelines established to direct the report. However, when it came time to present observations directly to the panel, the panel chairman would not allow the anthropologist to complete her statement. Furthermore, she was instructed prior to the hearings to make no reference to the major deficiencies she had detected.

The fundamental issue here is the failure of the Department of National Defence and the panel to pay adequate attention to the impact of increased military flights on aboriginal rights, human rights and the negotiation of outstanding land claims.

I wish now to place on the record the substance of what this expert witness attempted to say:

> For seven years a requirement to discuss the possible effects of the project on the nature of aboriginal rights contemplated in the Constitution Act, on the negotiation and settlement of land claims in the overflight area, and on human rights defined in various bills, charters and covenants was specified in the Guidelines for the Environmental Impact Study. Furthermore, DND had a statutory obligation under the EARP Guidelines Order, to comply with the guidelines established by the first Panel in 1987.

On August 19, 1994, in the 7th year of the process, the panel redefined existing guidelines in a letter to the DND project manager by stating: "...the panel agrees that it is not the appropriate body to determine whether an aboriginal right exists." Thus the panel eliminated the subject of aboriginal rights from its agenda, said nothing on human rights...but paradoxically stated that the panel would consider information on the impact of the project on the negotiation of land claims.

The technical expert had wanted to draw attention to the absurdity of the panel's position. How could the impact on land claims negotiations be considered without reference to the aboriginal rights which are the basis of the claims? How could aboriginal groups take part in a review process that so hamstrings them, and could ultimately prejudice the outcome of land claims negotiations, if DND has a third party interest in the claimed area?

I would hope that in its deliberations on the panel's future recommendations, the government will heed the unbiased observations of the Memorial University anthropologist. I would urge you to listen to the truths the panel clearly did not want to hear.

GREY CUP

CONGRATULATIONS TO THE B.C. LIONS ON WINNING THE CANADIAN PROFESSIONAL FOOTBALL CHAMPIONSHIP

Hon. Jack Austin: Honourable senators, the Senate should note that Canada's football classic was held in Vancouver on Sunday, November 27. This year's event was the eighty-fourth contest for the Grey Cup, donated by former Governor General Earl Grey. An unusual aspect of this year's Canadian football final was that the match was held between a Canadian team composed of a majority of Canadian players, and a United States team made up almost entirely of American players.

Of course, all honourable senators know that the Canadian team was the British Columbia Lions and the U.S. team was from Baltimore. The football battle echoes the origins of North American football, which began with rugby matches between McGill University and Harvard University, and in which context the forward pass was developed.

I am delighted to see the CFL strengthened by the addition of an American presence, and I look forward to the development of a permanent north league in Canada and a south league in the United States.

By the way, the outcome of the football contest followed closely the result of the War of 1812.

ROUTINE PROCEEDINGS

NATIONAL PROTECTED AREAS STRATEGY

INTERIM REPORT OF ENERGY, THE ENVIRONMENT AND NATURAL RESOURCES COMMITTEE TABLED

Hon. Pat Carney, Chairman of the Standing Senate Committee on Energy, the Environment and Natural Resources, presented the following report:

Tuesday, November 29, 1994

The Standing Senate Committee on Energy, the Environment and Natural Resources has the honour to present its

SEVENTH REPORT

Your Committee, which was authorized by the Senate on Wednesday, April 27, 1994, to undertake a study of the policy options available to the government to complete the network of pristine areas that represent Canada's natural regions, and of the creation of a National Protected Areas Strategy and to make recommendations thereon, now tables its interim report entitled *Report on the Committee's Travel to Prairies Sites, National Protected Areas Mandate, October 16-20, 1994.*

Respectfully submitted,

PAT CARNEY, P.C.
Chairman

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

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

EXTENSION OF FINAL REPORT DATE— REPORT OF ENERGY, THE ENVIRONMENT AND NATURAL RESOURCES COMMITTEE PRESENTED

Hon. Pat Carney, Chairman of the Standing Senate Committee on Energy, the Environment and Natural Resources, presented the following report:

Tuesday, November 29, 1994

The Standing Senate Committee on Energy, the Environment and Natural Resources has the honour to present its

EIGHTH REPORT

Your Committee, which was authorized by the Senate on Wednesday, April 27, 1994, to undertake a study of the policy options available to the government to complete the network of pristine areas that represent Canada's natural regions and of the creation of a National Protected Areas Strategy and to make recommendations thereon, respectfully requests that the date of presenting its final report be extended from March 31, 1995 to no later than June 29, 1995.

Respectfully submitted,

PAT CARNEY, P.C.
Chairman

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

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

• (1430)

BUSINESS OF THE SENATE

ADJOURNMENT

Hon. William J. Petten (Acting Deputy Leader of the Government): Honourable senators, with leave of the Senate, and notwithstanding rule 59(1)(*h*), I move:

> That when the Senate adjourns today, it do stand adjourned until tomorrow, Wednesday, November 30, 1994 at one thirty o'clock in the afternoon.

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

Hon. Senators: Agreed.

Senator Petten: Before the motion is put, I should state for the Senate what our plan is for this week.

Bill C-38 will get third reading today. Senator Kelly will proceed with the debate, and , if no one else wishes to speak, I will close the debate. Bill C-48 has arrived from the other place and we will be dealing with that today. Bill C-55 should arrive today, and we will deal with it, I hope, on Thursday next. We hope to get Bill C-57, to implement the agreement establishing the World Trade Organization, by Thursday of this week. Committees will meet today and tomorrow at three o'clock in the afternoon.

Motion agreed to.

YUKON SURFACE RIGHTS BOARD BILL

FIRST READING

The Hon. the Speaker *pro tempore* informed the Senate that a message had been received from the House of Commons with Bill C-55, to establish a board having jurisdiction concerning disputes respecting surface rights in respect of land in the Yukon Territory and to amend other acts in relation thereto.

Bill read first time.

The Hon. the Speaker *pro tempore*: When shall this bill be read the second time?

On motion of Senator Petten, bill placed on the Orders of the Day for second reading Thursday next, December 1, 1994.

STATE OF CANADIAN FINANCIAL SYSTEM

NOTICE OF MOTION TO AUTHORIZE BANKING, TRADE AND COMMERCE COMMITTEE TO EXTEND DATE OF PRESENTATION OF FINAL REPORT OF STUDY

Hon. Michael J. Kirby: Honourable senators, I give notice that on Wednesday next, November 30, 1994, I will move:

> That, notwithstanding the order of reference adopted by the Senate on Thursday, February 24, 1994, the Standing Senate Committee on Banking, Trade and Commerce be authorized to present its final report on the present state of the financial system in Canada in the wake of the major legislative and regulatory reform which took place two years ago, no later than December 21, 1995.

THE SENATE

ABSENCE OF APPROVAL FOR VARIOUS PROJECTS— NOTICE OF INQUIRY

Hon. Richard J. Doyle: Honourable senators, I give notice that on Thursday next, December 1, 1994, I will call the attention of the Senate to the absence of Senate approval for various projects in the purview of the Standing Committee on Internal Economy, Budgets, and Administration.

[*Translation*]

QUESTION PERIOD

SCIENCE, RESEARCH AND DEVELOPMENT

TAX CREDITS FOR RESEARCH AND DEVELOPMENT

Hon. Roch Bolduc: Honourable senators, my question is directed to the Leader of the Government in the Senate.

In his annual report, the Auditor General mentioned that government spending on science and technology must be focussed on areas with the greatest need, opportunity and potential pay-back, and he went on to say:

> Parliamentarians have no basis on which to assess whether the government's expenditures on science and technology reflect Canadian needs and opportunities, and to hold the government accountable for results.
>
> Most research organizations we examined still need to set clear goals for their activities and foccus more on results.

We know that this expenditure is partly funded through tax deductions. Does the Department of Finance intend to exercise more complete and systematic control over tax incentives for research and development?

I ask this question because more than $5 billion are involved, as you know.

[*English*]

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I thank my colleague for his question. I must forward it to the minister in order to receive a full answer for him.

THE BUDGET

REGISTERED RETIREMENT SAVINGS PLANS— GOVERNMENT POSITION ON POSSIBLE CHANGES

Hon. Duncan J. Jessiman: Honourable senators, I address my question to the Leader of the Government in the Senate.

Last week I asked the government if, as part of its plan to reduce or eliminate the deficit, it was considering a new clawback of Old Age Security benefits based on household rather than individual income. As well, I asked if the government was considering raising the age at which Canadians begin to collect Old Age Security. While the government leader did again repeat that it is the government's goal to reduce the deficit, she did not answer my question.

However, on Monday, in *The Winnipeg Sun*, the Finance Minister's Parliamentary Secretary answered my question. The *Sun* reports that Mr. David Walker stated as follows:

> We're not about to do that to Canadians. Everybody is so sensitive about their pensions that to now raise flags about clawing back benefits or changing the age just creates a negative feeling.

Honourable senators, I should like the minister to confirm, bearing in mind the clawback on the age credit now being debated in the other place, that Mr. Walker was speaking for the government? Can the minister also advise the Senate of what other options are being considered to eliminate the annual deficits with a view to reducing the federal government's massive debt? As well, could the minister put to rest rumours of a special tax on money in RRSPs, or reductions to the RRSP limits?

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, with respect to the reduction of the deficit, the government's intentions remain clear and firm: The deficit will be reduced to 3 per cent of GDP in three years. In our exchange of last week, I also added that the ultimate goal of this government is to eliminate the deficit.

I have indicated in this house that there is a study in progress on the question of pensions and how Canadians can honour their obligations in future years. The intention of that study, as stated by others, including the Prime Minister, is not one that would affect current pensioners.

However, I am aware of the senator's questions on clawbacks and on RRSPs, and I must say that I cannot, nor would I attempt to, read the mind of the Minister of Finance at this point. We must wait until the budget.

Senator Jessiman: Can the Leader of the Government please tell us whether or not David Walker was speaking for the government when he gave the answer that I quoted?

Senator Fairbairn: Senator Jessiman, I want to check the statement and refer back to my colleagues.

NATIONAL DEFENCE

PROPORTION OF NON-MILITARY ITEMS IN DEPARTMENTAL BUDGET—GOVERNMENT POSITION

Hon. John Sylvain: Honourable senators, my question is to the Leader of the Government in the Senate. It is not about what is in the Auditor General's report but what is not, and should have been, in my opinion.

Representatives of the Auditor General's department appeared before the Special Joint Committee on Canada's Defence Policy and indicated that the defence budget contains a significant portion of non-military items devoted towards regional development. This led the representatives to describe the defence budget as "a defence budget plus". The reference is to pages 2719 to 2722 of the transcript of the testimony.

Will the Leader of the Government tell us what proportion of the defence budget this "plus" represents, and what it is spent on? In other words, leaving aside the amount for regional development, how much is actually spent on the military defence of this country?

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I thank Senator Sylvain for his question. I will be pleased to pass on your question to the Minister of National Defence and return with an answer.

REVENUE CANADA

CHANGES TO EXCISE TAX ON TOBACCO PRODUCTS—INEQUALITY OF TREATMENT OF PROVINCES—GOVERNMENT POSITION

Hon. Mira Spivak: Honourable senators, when the government lowered the federal excise tax on tobacco products in February, it created a highly distorted and inequitable tax system. It not only lowered the federal tax by $5 per carton throughout the country, it also told the provinces that it would match, dollar for dollar, any reduction in provincial tobacco taxes that the provinces chose to make, up to a maximum of $10 per carton.

As a result, Canadians from the Manitoba-Ontario border west and in Newfoundland have been paying almost double the federal tax paid by those who purchase tobacco products in Ontario, Quebec or Prince Edward Island. For almost ten months now, smokers in Manitoba, for example, have paid $10.85 in federal excise tax for a carton of cigarettes and a further $2.80 GST, while consumers in Quebec have paid $5.85 in excise tax and $1.75 GST. Smokers in Ontario have paid a total of $7.66 in federal taxes each time they purchased a carton of cigarettes, while those in B.C. have paid $14.13.

The government justified this degree of inequity with the need to curb cigarette smuggling, largely in central Canada. In fact, smuggling has waned dramatically. With the passage of Bill C-11, the government is giving police forces the tools to combat a resurgence.

My question to the Leader of the Government in the Senate is this: Will the government act promptly to correct this imbalance by raising the excise tax levied in those provinces where it is far too low? When will the government act to remove what amounts to a perverse reward for smokers in those provinces where the bulk of contraband cigarettes were purchased?

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I thank Senator Spivak for her questions, which are very detailed. I will pass on those details and find out what kind of an answer I can obtain for her.

ORGANIZATION FOR ECONOMIC COOPERATION AND DEVELOPMENT

APPOINTMENT OF DONALD JOHNSTON AS SECRETARY-GENERAL—LENGTH OF TERM—GOVERNMENT POSITION

Hon. W. David Angus: My question is for the Leader of the Government in the Senate. Can you comment upon press reports of an hour ago that Mr. Donald Johnston has succeeded in becoming the next Secretary-General of the OECD, but on a watered-down basis whereby he will have to wait for 18 months before he assumes office, and also that his term will be shortened by 18 months?

Hon. Joyce Fairbairn (Leader of the Government in the Senate): Honourable senators, Senator Angus is a jump ahead of me. I have been concentrating on our new senators and I have missed this news bulletin. However, I will certainly seek it out and confirm it for you.

Senator Angus: At the same time, will the Leader of the Government clarify for us whether there indeed has been some diminution of the function because of the compromise which is alleged to have been worked out?

Senator Fairbairn: I will be pleased to find that information for you.

ANSWERS TO ORDER PAPER QUESTIONS TABLED

SCOTIA SYNFUELS PROJECT—GRANDFATHERING OF INVESTMENT TAX CREDIT

Hon. William J. Petten (Acting Deputy Leader of the Government) tabled the answer to Question No. 27 on the Order Paper—by Senator MacDonald *(Halifax)*.

KOREAN AND SECOND WORLD WAR—INFORMATION FROM SOVIET ARCHIVES ON DISPOSITION OF ARMED FORCES PERSONNEL MISSING IN ACTION

Hon. William J. Petten (Acting Deputy Leader of the Government) tabled the answer to Question No. 11 on the Order Paper—by Senator Marshall.

ORDERS OF THE DAY

MARINE TRANSPORTATION SECURITY BILL

THIRD READING

Hon. Willam J. Petten (Acting Deputy Leader of the Government) moved the third reading of Bill C-38, to provide for the security of marine transportation.

Hon. William M. Kelly: Honourable senators, I appreciate this opportunity to speak to Bill C-38, which is the Marine Transportation Security Bill. In essence, this bill follows through on commitments made by Canada in ratifying the so-called Montego Bay Convention of 1982, an initiative of the International Maritime Organization which arose as a direct consequence of the *Achille Lauro* affair.

My colleague Senator St. Germain recounted the history of this initiative during his remarks at second reading, and also commented, quite properly I think, on the 12 years it has taken from the signing of the convention through to Canada's ratification and, finally, to this bill.

The bill addresses gaps or inadequacies in our current legislative framework and, as such, it is only a first step. However, it is an important first step.

I will not forget, honourable senators, during the hearings of the Senate committee on terrorism, when asked how the government would respond to a specific type of terrorist incident, officials would rhyme off the applicable statutes and trot out their flow charts and diagrams to show how things would work. The problem was that when committees analyzed what really happened in actual terrorist incidents, things had not worked that way at all.

Too often, in government, we think we have solved the problem if we simply pass new legislation. New legislation is a physical manifestation of having done something, but legislation is almost always only one step in the process, and not necessarily the most important step.

My point is that this legislation is meaningless unless the government backs it up with effective enforcement and intelligence systems, response mechanisms, and works out jurisdictional overlaps and uncertainties which are bound to arise should there be, for example, a terrorist incident on a ship in a Canadian port. I will return to that point in a moment.

Honourable senators, I do support this legislation. The Senate committee on terrorism tried to hammer home three fundamental principles: First, we should get ahead of terrorism and terrorist incidents and not allow ourselves to be constantly in a reactive mode. Second, we should straighten out the jurisdictional overlaps and uncertainties which exist and which are endemic to our system of government but which detract from our ability to respond to acts or threats of violence. Third, let us make sure that the tools we need to respond to acts of violence are available when we need them.

One of the tools — and, I repeat, only one — is a modern, coherent and comprehensive legislative framework. This bill does get ahead of things. There have been no recent maritime incidents affecting Canadians. This is not to say that there is no threat. About 85 per cent of all passengers on cruise ships which dock at Canadian ports or traverse Canadian waters are U.S. citizens. We all know the kind of unwanted attention Americans can attract in this increasingly fragmented and hostile world where the U.S. is the only remaining superpower and, often, international policeman. We have an obligation to assure reasonable safety and security for all foreigners who traverse our waters and visit our ports; no less an obligation than that owed to our own citizens.

• (1440)

We must also be wary of and vigilant against the increasing threat from ecoterrorism. Ecoterrorism includes the threat of piracy and destruction of ships carrying ecologically damaging materials such as oil, nuclear waste and liquid natural gas. Can honourable senators imagine the attractiveness and the use to which a target along the lines of the *Exxon Valdez* could be put by terrorists? A recent publication by CSIS concluded that ecoterrorism has now entered "the list of threats to national and international security." Bill C-38 comes none too soon!

Bill C-38 is a positive step in resolving jurisdictional problems that historically bedevil the security enforcement sector. The current legislative framework relating to maritime incidents of violence is fragmented. Different acts apply depending on the ship's flag, the type of vessel, the port, the waterway or marine facility, whether the ship is inside or outside Canadian territorial waters, and so on. As was identified by the Senate committees on terrorism, the use of the various legal frameworks results in different security regimes, more confusion amongst authority, less compliance and higher costs. The variety of legislation delays frustrates rather than expedites responses to threatening situations.

Bill C-38 addresses all of that, but, I repeat, arrangements, protocols or memoranda of understanding must be in place at the working level, or the legislation will be for naught.

I am reminded of the Senate committees' review of the Security Act, which clearly vests responsibility for the protection of so-called "internationally protected persons" within federal jurisdiction, largely the RCMP. A number of provincial and municipal police forces, one after the other, appeared before the committee and, in effect, said, "It doesn't matter. If there is an incident in our territory, it's ours to handle." These turf battles can simply not be allowed when lives, property and national interests are at stake.

I chose to speak at third reading because I support the bill in principle and detail and have nothing to add to its contents. However, I do want to convey a message to government and to government officials at this time: With passage of this bill, do not rest on your laurels. The job is not done. Resources must be committed; agreements and understandings must be reached; response mechanisms, systems and procedures must be put in place; private sector operators and associations must be engaged. There still is much work to do.

For example, during the debate on this legislation in the other place, a government member stated that Bill C-38 would allow Canada to intervene in incidents in international waters involving a Canadian flagship or a ship with Canadian passengers. I ask my colleagues who represent the government: Do we have the military capability to do so? If not, and I suspect that that is the case, what is being done to create and test that capability? Without that work and without that backup, Bill C-38 can simply become a symbol of intent without real substance.

It has taken us over a decade to follow through on our commitments under the Montego Bay Convention. I can imagine no reason for this delay, other than complacency. Complacency appears to be a feature of this area. In 1987 and 1989, the Senate committees identified many areas in which work had to be done and in which reforms should be made. Some things have been done. Many things remain undone.

I sincerely hope that it does not take a repetition of the bloody acts of terrorism that we experienced not too long ago — the explosion of an Air India plane, the Turkish Embassy incident and the attempted assassination of a Punjabi minister — to shake our system out of its complacency and lethargy and ensure that everything that needs to be done is being done to ensure the safety of Canadians and of visitors to Canada.

Hon. William J. Petten (Acting Deputy Leader of the Government): Honourable senators, I should like to compliment Senator Kelly on his remarks on the bill, to assure him that we are not being complacent and that we are working to move this legislation along quickly.

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

Motion agreed to and bill read third time and passed.

DEPARTMENT OF NATURAL RESOURCES BILL

SECOND READING

The Hon. Colin Kenny moved second reading of Bill C-48, to establish the Department of Natural Resources and to amend related acts.

He said: Honourable senators, Bill C-48 is enabling legislation for the new Department of Natural Resources which amalgamates two previous departments — the Department of Energy, Mines and Resources and the Department of Forestry. This is a logical and practical step which demonstrates the government's commitment to Canada's resource industries. The amalgamation of these two departments has already saved $16 million.

Senator Bonnell: Where is it?

Senator Kenny: Well, it is floating around out there.

The energy, mining and forestry sectors make important contributions to Canada's economic health and standard of living. Together, these industries represented 14 per cent of Canada's gross domestic product in 1992. They provide jobs for 1 in 13 Canadians and sustain the economies of almost 500 communities across the country.

Bill C-48 calls for the amalgamation of two existing acts of Parliament; acts which have been in existence in one form or another for many years. It does not extend additional powers to the Government of Canada. The duties, powers and functions conferred upon the department and the Minister of Natural Resources are only in areas over which Parliament has already given jurisdiction. This new department will continue to work in partnership with the provinces to make our natural resource sectors both sustainable and competitive.

There have been many examples of such partnerships, honourable senators. For instance, the Canada Council of Forest Ministers has recently agreed to a framework for future cooperation in areas of science and technology, international trade issues, regional development, aboriginal forestry and national coordination. Another example of successful partnership has been in the field of geomatics. Under the five-year, $16-million Geographic Information Technology Development program, the federal and provincial governments have shared equally in the cost of acquiring digital mapping data. This program, which was instituted by Geomatics Canada, has been so successful that it has now been extended and expanded to include partnerships with utilities in the private sector. In the mining sector, the Whitehorse Mining Initiative Leadership Accord was signed recently in Victoria. This accord sets out principles and goals to assist all interested parties in their efforts to ensure a prosperous mining industry that is committed to sustainable development.

Honourable senators, Bill C-48 makes explicit reference to the minister's duty to foster the sustainable development of Canada's energy, mineral and forest resources. This means that the government's economic, social and environmental objectives will be factored into all decisions about resource development, management and use.

• (1500)

One way that the department will pursue sustainable development is through the work of its scientific branches. Natural Resources Canada will continue to have the science and technology arms through the Canadian Forest Service, the Geological Survey of Canada, the Canada Centre for Mineral Energy and Technology, and Geomatics Canada.

In the energy area, the department is working closely with the provinces and other groups to develop a national action program that achieves Canada's goals with respect to climate change. In addition, a major responsibility of the new department is to promote energy efficiency as a means of limiting greenhouse gas emissions.

Finally, honourable senators, Bill C-48 is a housekeeping bill that combines two separate departments. The bill emphasizes cooperation with the provinces that own the natural resources so Canadians can obtain maximum benefits in the future.

Hon. Eric Arthur Berntson (Deputy Leader of the Opposition): Honourable senators, it is my intention today to speak to several pieces of legislation at the same time in the interests of efficiency and brevity. These are bills that are either before us or will be brought before us dealing with reorganization of government. Some of them can be expected at any time, and they all deal with reorganization, in one way or another, with various departments.

You will notice that I said "reorganization of government" and not specifically "this government". That is because in reality what we are debating here today is an initiative begun by the previous Progressive Conservative government, and shamelessly adopted with some adjustments and implemented by this Liberal government.

The bills are: Bill C-46, to establish the Department of Industry, Bill C-48, to establish the Department of Natural Resources, Bill C-52, to establish the Department of Public Works and Government Services. That last one we are watching very carefully because there are some provisions in it that essentially deal with privatizing and allowing certain components of this department to compete with the private sector. If it arrives here in its present form, you may be assured that it will not receive a smooth ride. As well, we can expect Bill C-53, to establish the Department of Canadian Heritage.

These four bills, honourable senators, plus two other bills, Bill C-49, to establish the Department of Agriculture and Agri-food, and Bill C-35, to establish the Department of Citizenship and Immigration, which have already passed through this chamber, make up the enabling legislation required to accommodate a restructuring of the various ministries and government departments.

Honourable senators, while I will not dwell at length on the issue of dropping the requirement for these departments to report on an annual basis to Parliament, it will be raised in the committees dealing with these reorganization bills. It is rather curious that this would happen. Members of both houses are interested in knowing why that provision is not there. Previously, these departments reported on an annual basis to Parliament. In the case of the bill before us, the provision is not dropped completely, but it becomes a discretionary matter for the minister.

Honourable senators, it is important to put into perspective today what exactly we are being asked to do in passing these pieces of legislation.

On June 25, 1993, then Prime Minister Kim Campbell ushered in what was to be recorded as an historic reorganization in the way the federal government operated in this country. At the time, the Prime Minister said that it:

> ...represents a first step toward providing Canadians with a leaner, more accessible and more efficient government to meet the challenges facing Canada over the balance of the decade and into the 21st century.

The key changes announced in June 1993 included a reduction in the number of cabinet posts from 35 to 25 — 10 positions were eliminated, including all "Minister of State" positions. This brought the size of the federal cabinet to its lowest level since 1963.

With a smaller cabinet, the cabinet decision-making process could be streamlined. Six cabinet committees were eliminated, including the Priorities and Planning Committee. The Progressive Conservative government's efforts at restructuring did not stop there. They took aim at the size and complexity of the bureaucracy, and by merging and redesigning several government departments, the total number was reduced from 32 to 23. Eight departments were created or fundamentally redesigned, three received new mandates, and another 15 were merged or broken up. No department was spared this streamlining exercise.

Honourable senators, allow me to remind you of some of the changes announced in June of 1993: the creation of a new human resources and labour portfolio that included the Department of Labour, responsibility for employment and training, income support programs and post-secondary education transfers. In addition, the new portfolio was responsible for immigration settlement programs and would have played a key role in the setting of target levels and selection criteria.

Growing public concern over the protection of society was reflected in the creation of a new Ministry of Public Security, and that included federal police, security, corrections, and parole responsibilities. The new portfolio also included those parts of the immigration program relating to operations abroad, application processing, and enforcement. It was envisioned that this portfolio would eventually include customs responsibilities related to border control.

Next is the creation of a new Industry and Science Ministry that was responsible for telecommunications policy and programs, business framework, competition, and consumer protection. In addition, the Minister of Agriculture was re-mandated to reflect the additional responsibilities of food processing and manufacturing. The portfolio was renamed Agriculture and Agri-food.

Federal programs supporting a distinctive sense of Canadian identity were brought together in a new Canadian Heritage Ministry. It combined the responsibility for official languages, arts, culture, broadcasting, parks and historic sites, and programs in areas of multiculturalism and citizenship, amateur sport and the National Capital Commission.

The resource responsibilities of the federal government were reorganized into a Natural Resources portfolio combining the Departments of Forestry and Energy, Mines and Resources. A new Government Services portfolio was created by combining the former Departments of Public Works and Supply and Services.

Honourable senators, that was the new picture of government in this country beginning June 25, 1993. There is no denying the fact that it was a major initiative with dramatic effects. At the time, our friends opposite were not impressed with Ms Campbell's efforts. Paul Martin, our future Minister of Finance, stated shortly after the unveiling of the Campbell government:

> They have created complete chaos in the place. Government departments do not know which way is up.

Mr. Martin went on to add that Ms Campbell had no mandate to make such substantial changes and that the Liberals disagreed with a number of them. Others, like Marcel Massé, former Privy Council Clerk and now minister in the Chrétien cabinet, claimed that restructuring was done too quickly, that there was no plan.

Honourable senators, while we knew at the time that it was simply opposition posturing, it was not long before it became very clear that the Liberals did, in fact, agree with the Tory plan.

With the election of the Red Book Liberals in October, and given their opposition to Kim Campbell's restructuring efforts, there was naturally some interest in the shape of Prime Minister Chrétien's first cabinet. On November 4, 1993, the Prime Minister announced his cabinet and, in so doing, outlined his vision of how he saw the country being governed in the next four years. What a disappointment for those Liberals who were expecting a new, dynamic vision of how the country should be run. What we got, and what is being debated here today, is a confirmation that Kim Campbell was on the right track with her reorganization initiatives. Prime Minister Chrétien has adopted almost 90 per cent of the Campbell model for the federal government, and where he differs reveals a return to the old-style, big-government liberalism.

An examination of the organization bills currently before this Parliament is revealing. Bill C-46, a bill establishing the Department of Industry, creates a ministry almost identical in its responsibilities to that of the previous Department of Industry and Science, with one exception: Instead of a minister responsible for science and small business, there now is a Secretary of State (Science, Research and Development). I will have more to say about that Secretary of State position later. I was amused with the second reading remarks of Dennis Mills, Parliamentary Secretary to the Ministry of Industry, who, after reading out the new list of responsibilities for the reorganized department, commented:

> Never before has there been such a comprehensive revamping.

He could not have read Prime Minister Campbell's press release any better.

Bill C-48, which is before us today, establishes the Department of Natural Resources, creating an identical department to the one announced by Kim Campbell on June 25 of last year, without even a suggestion of gratitude.

With regard to Bill C-49, to establish the Department of Agriculture and Agri-food, Prime Minister Chrétien made as many changes to this department, as established by his predecessor, as he made to the NAFTA agreement prior to his signing it; that is to say, nil.

With Bill C-52, to establish the Department of Public Works and Government Services, the Liberal government has taken the bold initiative of adding the words "Public Works" to the original department name of "Government Services" announced by Ms Campbell. Perhaps this had to do with wanting to ensure the maintenance of the Liberal tradition of spending "public" moneys on various private "works".

Bill C-53, to establish the Department of Canadian Heritage, is still responsible for official languages, arts, culture, multiculturalism, parks, and amateur sports, as was the case in Ms Campbell's administration. The difference is that responsibility for the Registrar General is now with the Department of Industry, and responsibility for citizenship is combined with the immigration portfolio.

Honourable senators, I said earlier that the Chrétien structure of government is almost identical to that of his predecessor — almost, but not quite. There are two areas of notable divergence. These are the dismantling of the Department of Public Security, in order to recreate the Departments of Immigration and Citizenship and the Solicitor General, and the introduction of secretaries of state.

The establishment of the public security portfolio was, at the time, probably the most controversial aspect of the Campbell restructuring initiative. The common cry from our friends opposite was that by placing some immigration programs within this new ministry, the government was signalling a shift to tougher enforcement and a "keep the people out" mentality. The then Leader of the Opposition called this:

> ...a cynical manipulative move. The message sent out to immigrants goes against the traditional Canadian approach of tolerance and openness to immigration.

Of course, nothing could be further from the truth.

Senator Lynch-Staunton: Who was the Leader of the Opposition?

Senator Berntson: I believe the Leader of the Opposition at that time is now the Prime Minister of Canada.

This reorganization brought together under one roof functions which in the past had always complemented one another and allowed for greater integration of those functions. For example, customs officers have always played an important role at the border in identifying and referring people to immigration officers, and immigration officials have always relied on the support of people from the Solicitor General's portfolio to carry out their duties. Close cooperation is the key.

The Progressive Conservative government, as honourable senators here will recall, had recently set out its immigration policies in Bill C-86, continuing its commitment toward three key policy objectives: reuniting families, offering refuge to those who need Canada's protection, and selecting immigrants who can benefit Canada's economy. This did not change with the establishment of the Department of Public Security.

The new Liberal regime thought otherwise and hastily reverted to the old, original departmental formula of Immigration and Citizenship and Solicitor General. It is of course their choice, but I find it ironic that no sooner is the stand-alone immigration portfolio reborn than the new minister is bringing in the most restrictive set of policies seen in recent memory, striking at the heart of Canada's immigration system, family reunification, not to mention contradicting a Red Book promise of increasing levels to 1 per cent of the population. I wonder which government is being "cynical and manipulative" now? I would hate to think that Canadians were duped into believing that what was important in the field of immigration was not the policy itself but how that policy was to be delivered.

The second area of significant difference between the Campbell government and the Chrétien government was the advent of secretaries of state. On June 25, 1993, Prime Minister Kim Campbell announced that all minister of state positions had been abolished. On November 4, 1993, Prime Minister Chrétien brought them back with a twist. The secretaries of state, as he called them, would not be members of cabinet but would be members of the ministry and, as such, would be bound by collective responsibility. In describing the role of the secretary of state, a press release issued on November 4 reads:

> The new position of Secretary of State has been created to provide additional support to Cabinet Ministers...
>
> Secretaries of State will be paid 75% of a Cabinet Minister's salary. In addition to their staff as members of Parliament, they will have two special assistants and a secretary. All other support staff will be provided by the office of the portfolio Minister or by the department to which they have been assigned, as appropriate.
>
> For legal purposes the Secretaries of State have been formally appointed as Ministers of State to Assist.

Honourable senators, it is my belief that the introduction of secretaries of state, or the reintroduction of ministers of state, is simply a shell game. Publicly, the Prime Minister claims to have the smallest cabinet in recent memory while in reality, with 30 members, full-time and part-time, he is nowhere close.

• (1520)

Prime Minister Campbell understood that a smaller cabinet would increase the workload for individual ministers. To compensate, she indicated a desire to increase the role of parliamentary secretaries. "Parliamentary secretaries will play a stronger and more visible role in support of ministers," states the press release of June 25, 1993. There is no role mentioned for parliamentary secretaries in the unveiling of the Chrétien cabinet.

My friends opposite will say I am wrong, that a secretary of state is not the same as a cabinet minister. However, let us look at the facts: Do the secretaries of state travel, as do their cabinet colleagues, on government jets? The answer is yes. Do they have access to government car pools? The answer is yes. Do they have the ability to play a role in the cabinet decision-making process? The answer is yes. Are they called honourable ministers? The answer is yes.

My last point, honourable senators, is really a technical question regarding the position of secretary of state. Under what auspices have these positions been created and how are they being funded? The press release of November 4 indicates that legislation is required to formally establish these positions. It has been over a year since their inception and, to my knowledge, nothing has been passed nor is anything forthcoming of which I am aware. Formalizing these positions would at least allow the government to introduce an original piece of legislation, not something which has been brought out of the past, drafted by the previous Campbell and Mulroney governments.

Honourable senators, you may ask what then is my point? What does it matter how many members make up the Chrétien cabinet? It matters because, while in opposition and now while in government, the Liberal Party and the Liberal government has taken great delight in extolling how they are so different than those terrible Tories. A Liberal government would be smaller. Ministerial office budgets would be slashed and the staffs of these offices would be greatly reduced.

Let us look at the promises and the reality: a smaller government? As already explained, with 22 full-time cabinet ministers and eight part-timers, the Liberal government can hardly claim a victory on that promise. Next, slashed office budgets and less political staff? An examination of the Main

Estimates for 1992-93 and 1994-95 reveal some interesting statistics. In 1992-93, the last full fiscal year of the Mulroney government, it cost $39.8 million to support 39 ministers. This breaks down to an average of $1.02 million per minister. For fiscal 1994-95, the Chrétien government has budgeted $25 million for 22 full-time cabinet ministers, not including secretaries of state. That works out to an average of $1.1 million per minister. So much for the slashed budgets for political staffers and operating costs. The Prime Minister can still claim the Red Book promised savings of over $10 million, but it is thanks to his predecessor who showed him the way to do it.

Senator Lynch-Staunton: Hear, hear!

Senator Berntson: As for political staff, some ministers have been quite ingenious at circumventing this restriction, going through the back door. As has been reported, a popular route is to use departmental funds to hire political staffers. In this fashion, the hiring does not show up in a ministerial office budget.

I wish to be clear here, honourable senators. I am not against the hiring of political staff when required, or the need for a cabinet with secretaries of state. That should be the choice of the government of the day. I do, however, disagree strongly with the juxtaposing of these decisions in a holier-than-thou attitude with those of the previous government. In the last campaign, the Liberal Party made all sorts of promises relating to the size and operational aspects of its government, should it be elected. Canadians are now witnessing a systematic reversal of all of these promises. "A different structure to government" is really the same as presented by Kim Campbell. "A smaller cabinet" is really larger. "A smaller ministerial office budget for political staff" has not become a reality. In fact, the use of departmental budgets that can be almost limitless makes this type of hiring more difficult to monitor.

Colleagues, the rhetoric and the hypocrisy from the new government will soon have to end. The Liberal Party was elected to govern Canada for the next four years and, as we know only too well in this chamber, their first year has not been very productive, to say the least. They were elected on a series of promises: A Liberal government would scrap the GST. I have three questions, honourable senators. What will replace it? When? Where? A Liberal government would renegotiate NAFTA. Whoops! Did I say "renegotiate"? A Liberal government would review the appointment process. Is that before or after Justice Hugessen's inquiry into the Immigration and Refugee Board? A Liberal government would end double dipping. When?

We are well aware of the promises, but where is the action? Where is the legislation? If it were not for Kim Campbell's initiative in June of 1993, the few bills that are trickling before us would not be here. This government should stop trying to make borrowed ideas look like their own, whether they be trade policy or the structure of government, and get on with the business of governing Canada.

Some Hon. Senators: Hear, hear!

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 Kenny, bill referred to the Standing Senate Committee on Energy, the Environment and Natural Resources.

• (1530)

EUTHANASIA AND ASSISTED SUICIDE

EXTENSION OF FINAL REPORT DATE— REPORT OF SPECIAL COMMITTEE ADOPTED AS AMENDED

The Senate proceeded to consideration of the third report of the Special Senate Committee on Euthanasia and Assisted Suicide, presented in the Senate on November 24, 1994.

Hon. Joan Neiman moved the adoption of the report.

She said: Honourable senators, last February, when this house approved the formation of a committee to study the legal, ethical, and social aspects of euthanasia and assisted suicide, it directed us to make our final report on December 15 of this year. At that time, of course; the deadline seemed realistic and achievable. In the interim, our committee has worked long hours and heard from numerous witnesses. To date, we have heard somewhere over 100 witnesses.

Part of our mandate has been to involve and inform the public. We have had an enormous public response, to the extent that at this point we are having to tell people who want to come before us and give us their opinions that we no longer have the time. We are trying to select witnesses who bring a perspective that we have not already heard sometimes two and three and four different times. At this point, we still have witnesses, and we will be hearing from them during the next few weeks. In the final week before the House adjourns on December 16, we will be hearing from both the Minister of Health and the Minister of Justice.

We are therefore asking for an extension until March 15, 1995, in order to give us sufficient time to prepare the kind of report that this subject deserves.

Before asking for your approval, with leave, I should like to amend my original motion of the other day, as follows:

> That the report be amended by adding the following words: "and that the Committee retain all powers necessary to publicize the findings of the Committee contained in the Final Report until March 30, 1995."

I am asking to amend the original motion on the advice of some of my colleagues, who tell me that when we do make our final report on March 15, the committee will be *functus* and can no longer operate. This causes difficulties, particularly in trying to complete the publicity attendant to the tabling of the report. This amendment will give us a couple weeks' cushion to tidy up that part of the necessary sequence to the tabling of the report.

Hon. Consiglio Di Nino: Would the honourable senator take a question?

Senator Neiman: Certainly, senator.

Senator Di Nino: Will the extension to the time also require an extension to the budget?

Senator Neiman: Yes, it will. We will be putting a supplementary budget before the Standing Committee on Internal Economy, Budgets and Administration for consideration. It will be quite small in comparison to what is usually asked for when dealing with such reports.

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

Hon. Senators: Agreed.

[*Translation*]

Hon. Eymard G. Corbin: Honourable senators, I would like to speak to the motion.

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

Hon. senators: Agreed.

Senator Corbin: Honourable senators, I wish to address the request for an extension. It is clear that this Senate committee, which is examining the issues of euthanasia, assisted suicide and, although this was not mentioned in the order of reference, the question of palliative care, is doing groundbreaking work. So far, no parliamentary committee, in the House of Commons or in the Senate, has considered these issues, which are a matter of considerable public debate.

The committee received its order of reference in February, if I am not mistaken, and has been very diligent in its analysis of these issues and all the considerations and parameters involved.

Personally, I would not really mind if the chair of the committee were to come back to the Senate in February or March and ask for another extension.

As I said just now, we are doing groundbreaking work in this area. These are literally matters of life and death. They are fundamental issues that go to the very heart of our social values, of the kind of country we want. They concern our relationship with others as individuals, the relationship of the individual with society, and the respect society should have for the individual and for life itself.

Of course I will support the motion of Senator Neiman, the chair of the committee. I do not want the committee to feel rushed to finish its work. I do not think deadlines should be set, because the question is too important to be treated superficially. The committee and its members should have a chance to consider all the aspects and repercussions of this question.

I agree, and we humbly admit, that we do not have the expertise to explore certain areas in committee, except perhaps for Senators Keon and Desmarais who are both physicians and are following our progress most diligently. Senator Desmarais is not an official member of the committee, but he has taken it on himself to follow very closely the debate on these issues within the committee.

We do not have specific expertise in pharmaceutical research, for instance, including the development of substances that would reduce human suffering, especially in life's last stages when the pain is sometimes unbearable.

There is also the matter of jurisprudence. Senator Beaudoin is more knowledgeable than I am, since he himself is an eminent legal expert. Therefore, there are areas that will require further research and, in any case, our committee will be making recommendations to that effect.

I think that the committee should feel free, not necessarily to take undue advantage of the time and resources granted by the Senate, but to continue its work beyond the date requested, if necessary. In other words, I am giving advance notice that if we have to ask for another extension, I would not want anyone to wonder what is going on in this committee. Did they not have enough time to do their job and do it well?

It is not a matter of time or money we are dealing with here. It is not an environmental issue, although consideration of environmental issues requires a great deal of time and substantial resources. The question of euthanasia, assisted suicide and palliative care is such a fundamental one. It touches on morals, ethics, the law, as well as other sectors. The committee should have all the freedom it needs to feel comfortable and submit the best possible report in the circumstances.

There is no doubt that this report will have a very serious impact on public opinion, which is now rather confused by all kinds of decisions made by our courts, and by truly regrettable and tragic incidents. The role we want to assume in studying this issue is to shed light on the various concepts of euthanasia, assisted suicide and palliative care.

That is why, in supporting Senator Neiman's motion, I urge the authorities in place, who sometimes put pressure on committees to work faster and submit their reports to the Senate, to go easy this time.

We will probably manage to complete our investigation and draft our report by March 15. That is very likely, and would be desirable. This is not a subject we want to be immersed in indefinitely, believe me! It is enough to face the vital problems of daily life without being wrapped up in death and dying for weeks and months at a time. I am anxious to get it over with. I, too, will have to die someday, and that will be enough.

That said, we want to do a good job for the Senate and for all Canadians. Therefore, do not put too much pressure on us, and please give us all the time we need to do a good job.

[*English*]

The Hon. the Speaker: It was moved by Senator Neiman, seconded by Senator Roux, that in amendment the following words be added to the report:

> ...and that the committee retain all powers necessary to publicize the findings of the committee contained in the final report until March 30, 1995.

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

Hon. Senators: Agreed.

The Hon. the Speaker: It was moved by the Honourable Senator Neiman, seconded by the Honourable Senator Roux, that this report be adopted as amended now.

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

Hon. Senators: Agreed.

Motion agreed to and report adopted, as amended.

STATE OF CANADIAN FINANCIAL SYSTEM

CONSIDERATION OF REPORT OF BANKING, TRADE AND COMMERCE COMMITTEE ON STUDY—DEBATE ADJOURNED

The Senate proceeded to consideration of the thirteenth report of the Standing Senate Committee on Banking, Trade and Commerce, entitled "Regulation and Consumer Protection in the Federally-Regulated Financial Services Industry: Striking A Balance," tabled in the Senate on November 22, 1994.

Hon. Michael J. Kirby: Honourable senators, in rising to comment on this report, I wish to begin by making a couple of observations.

First, the recommendations in the report represent a very strong consensus among committee members on both sides of the chamber, although, as you will gather from a number of other comments which will be made in this debate, not necessarily complete unanimity. However, there was certainly a strong consensus on every one of the recommendations.

Second, I wish to thank Senator Angus. He and I were assigned the task of drafting the final report. Senator Angus, I have discovered, is an extremely meticulous lawyer. I am neither a lawyer — for which I am often grateful — nor am I as meticulous as he is. The many days he spent editing the report led to a document which is considerably more readable than it would have been had he not been working with me.

Honourable senators, I want to address three major issues in the report that have led to considerable comment, partly in the media, partly by special interest groups. Then I will leave to other senators, who I know intend to participate in the debate, explanations of some of the more detailed subjects in the report.

Before addressing these three issues, however, first I want to establish the principles upon which the report was founded. Essentially, we tried to strike a balance on two very difficult issues. The first is the extent to which the regulatory system governing Canada's financial institutions, both deposit-taking institutions and the life and health insurance firms, ought to be strong and, on the other hand, flexible.

The problem with an excessively rigid system is that while it ultimately guarantees that there will never be failures, it also guarantees that it will be impossible for Canadian financial institutions to compete in an increasingly competitive and global business. In other words, to tie the hands of Canadian businessmen in the financial services sector is to make it impossible for them to compete internationally.

On the other hand, if your regulatory system is too weak or too flexible, you inevitably end up with too many failures. The result of that is a significant cost on Canadian consumers, whether they be depositors or people who are buying products from life and health insurance companies.

In this report we have tried to strike a reasonable balance between those two extremes: a too rigid regulatory system and a too weak one.

The second balance we attempted to achieve was between consumer protection on the one hand and consumer responsibility on the other. We wanted to increase somewhat the responsibility of Canadian consumers for decisions they make as to where they deposit their money and where they buy their life and health insurance policies. At the same time, we recognize that there is a public policy responsibility to protect particularly unsophisticated consumers. Our recommendations try to offer that protection, and also ensure that sophisticated consumers have adequate information on which to make their decisions. The recommendations in this report attempt to achieve a balance between how we give adequate consumer protection on the one hand and, at the same time, begin to transfer some responsibility to consumers for decisions they make.

Honourable senators, with reference to these two balances, I now wish to comment on three specific issues in the report. The report contains 42 recommendations. Obviously, I am not coming anywhere near covering that number when I say I will simply talk about three major issues in the report.

The first major issue that the report deals with is deposit insurance. The current situation in Canada is that if you deposit money in a deposit-taking institution such as a bank or a trust company, and if that bank or trust company goes into receivership or goes bankrupt, you are guaranteed to get your money back, up to a maximum of $60,000. In other words, the first $60,000 deposited is 100 per cent insured.

I might add parenthetically that if you know how to manipulate the system, you can get substantially more than $60,000 insured. We have in the report an illustration of how, if you adjust your funds correctly, you can insure over $500,000 because of the way the rules currently read. We have proposed measures to eliminate this problem, known as "stacking."

Most significant, we have proposed a very important change in the level of deposit insurance. Under our recommendations,

only $30,000 will be 100 per cent insured, instead of the current $60,000. On the next $35,000, Canadians will get 90 per cent insurance. In other words, under this proposal 10 per cent of your money between $30,000 and $65,000 is at risk.

Why did we recommend that measure? It was done because the committee feels that Canadian consumers do not place their money arbitrarily in the financial institution offering the highest rate of interest. Consumers have to make their own choices and accept some responsibility for the decisions they make with respect to where they place their money.

It is not surprising that this co-insurance proposal should come forward at this time. Those who have been in this chamber for some time know that this is the fourth time in the last decade that the Banking, Trade and Commerce Committee has recommended an element of co-insurance. The proposed limits were changed this time because we had information that was not previously available.

CDIC statistics show that over 80 per cent of Canadian depositors have less than $30,000 in any single financial institution. Therefore, by saying that 100 per cent of the first $30,000 is insured, 80 per cent of depositors are automatically protected. People who are able to put more than $30,000 in a single financial institution must begin to accept some responsibility for their choices.

The report states that once the principle of co-insurance is accepted, the limits may change over time. What may occur is a move from a 10 per cent risk factor — that is, a 90-per-cent insurance factor — down to 80 per cent, or even 75 per cent.

We fundamentally believe that by introducing this element of risk, by forcing Canadian consumers to be more aware of where they are putting money, it will have a significant impact in terms of improving not only the regulatory system, but competition among institutions, which will have to compete for consumers on the basis of their financial soundness.

Other elements of co-insurance were also mentioned during the hearings. Perhaps I ought to comment on them, because of comments in the media since the report was tabled last week. First, some people argue that there should be no co-insurance; others argue that the current system should be continued, with $60,000 being fully insured. The latter argument is usually based on the theory that the $60,000 figure is a necessary element to encourage competition. The committee's response is that there is nothing magical about $60,000. If $60,000 helps competition so does $30,000. In point of fact, there are a whole variety of other ways of preserving competition in the Canadian financial services sector without using such artificial means as deposit insurance.

A minority of the committee believed that there was merit in having co-insurance start at the first dollar. In other words, instead of saying that your first $30,000 would be 100 per cent insured, you would receive only 90 per cent coverage from the first dollar put in.

That view was rejected by the majority of the committeee, in part on practical grounds that it was a politically unsalable proposition, and in part because it is important from a public policy standpoint to protect the unsophisticated investor. The unsophisticated investor who is putting a small amount of money in a bank or trust company should not be at risk from the beginning.

The other proposition discussed by the committee was the idea that instead of having a 10-per-cent risk factor, as we have proposed, a deductible system be put in place. Under this proposal you would get all your money back except, for example, the first $500 or the first $1,000.

That proposition was rejected by the committee on the grounds that it is extremely regressive. If the person who has $59,000 deposited loses $1,000, that is a much smaller penalty than the individual who has $5,000 in an institution and loses $1,000. A deductible system, by its very nature, is inherently regressive.

In summary, we have tried with our proposal to simultaneously put some burden on consumers for their decisions, thereby increasing the element of market discipline among depositors and thereby over time, thus helping to reduce the number of failures, and, at the same time, protecting the unsophisticated depositor.

The second major issue I want to discuss concerns the life and health insurance industry in Canada. At the moment, if you purchase a life and health insurance policy in Canada, you are protected by CompCorp, which is an abbreviation for the Canadian Life and Health Insurance Compensation Corporation.

CompCorp protected insurance policyholders from losing everything after the collapse of Les Coopérants and Sovereign Life. Those companies failed in 1992 and 1993 respectively. In 1994, Confederation Life failed. After the failure of Confederation Life, the life and health insurance industry argued before the committee that they wanted to replace CompCorp with a Crown corporation. Their argument was based on three principles. I wish to discuss each of those principles. The committee rejected two of them categorically and accepted only the third. We, therefore, came to quite a different conclusion than the one the industry wanted.

The first argument of the industry was that there is a need for a level playing field. That argument is based on the fact that the insurance industry now sells a lot of products similar to those sold by banks and trust companies. Since banks and trust companies have their own Crown corporation providing them with insurance, namely the CDIC, the insurance industry is entitled to the same protection.

The committee rejected this argument. First, since most of the large insurance companies have their own trust companies, and since trust companies are insured by the CDIC, an insurance company that is producing a product virtually identical to one produced by a bank or a trust company need only sell that product through a trust subsidiary. By doing so, they would be assured of the same kind of protection that the CDIC now offers.

The minute you say that you want a level playing field or fairness, people are inclined to endorse the idea without thinking through the logic of the argument. The committee took the view that, as politically catchy as the level playing field approach might be, from the insurance industry standpoint it does not logically hold water.

The second argument the life and health insurance industry made was that many of the products sold by them have an element of protection — that is, an element of insurance and an element of savings. Since these elements cannot be separated, and since you insure savings products in banks and trust companies, these products should be insured as if they were savings products. These products, however, would not be sold by banks and trust companies. If the first level playing field is truly not level, it is being replaced with another.

The committee in its report strongly takes the position that the primary reason for deposit insurance in the first place is essentially to protect the Canadian payment system so as to ensure the stability of the Canadian banking system. Insurance policies are not part of the payment system. If an insurance company goes under, it does not have a direct effect on the Canadian payment system in the way the collapse of a bank or trust company would. Therefore, to use the level playing field argument in that way does not work either, because the justification for deposit insurance does not apply to the insurance industry. Thus, the committee rejected categorically the level playing field argument of the industry.

The third argument the industry made was that the nature of CompCorp needed to be changed so that it would be able to accomplish things it cannot accomplish at present. Number one, CompCorp or its replacement needs to be independent of the operating companies.

At the moment — and this is somewhat of an incredible situation — board members of CompCorp are actually called upon to make critical decisions about the survivability of financially troubled members of their industry; that is, their competitors. Members of the CompCorp board are active members of companies that are actually competing with each other. Clearly, there is a significant conflict of interest in the current make-up of CompCorp. This conflict of interest is recognized by the industry itself. Therefore, the industry argued that whatever replaced CompCorp needed to get around that conflict of interest problem.

Second, it needed the legal authority and the financial capacity to deal with troubled companies at an earlier stage in order to do a work-out, a going-concern solution, rather than being brought in at the end after the company was essentially bankrupt.

The committee totally agreed with these two positions from the industry. Indeed, these positions were argued by many of the witnesses, not just industry witnesses but public interest witnesses and government witnesses as well.

Accordingly, we have recommended that CompCorp be replaced by an organization which we call the "Life and Health Insurance Policyholder Protection Fund." The "fund" would have three key characteristics: First, its board of directors would be absolutely independent of operating life and health insurance companies so that the conflict of interest problem would be dealt with. Second, the fund would have the ability to levy annual dues on existing companies in the industry, thereby building up a fund which the policyholder protection fund could use to deal with situations arising with respect to troubled companies prior to an actual bankruptcy.

Third, the primary role or objective of the policyholder protection fund would be to become involved at an early stage. The fund would also need access to information from the regulator at an earlier stage than is now possible for CompCorp because of the conflict of interest problems which are inherent in its organization.

The committee thus agreed unanimously with the industry's recommendations for this new CompCorp structure.

The committee did not, however, agree with the argument advanced by the industry for a Crown corporation to back life and health insurance firms. Under our proposal, the industry would turn to the policyholder protection fund. The CDIC, however, can borrow money from the Consolidated Revenue Fund; the policyholder protection fund cannot. The industry thus argued that they, too, needed to be able to borrow money from the Consolidated Revenue Fund.

The committee argued against this point in the report because we believe it is quite possible for companies, through the policyholder protection fund, to go into the private markets to borrow money. They do not need to borrow money from government sources. They do not even need government guarantees of any kind. This is a case where the private sector is able to solve its own problems.

For those who argue against this point of view, we cite two very important examples in the report. First, the model we propose with the policyholder protection fund is similar, but by no means identical, to the guarantee associations that exist in the United States. The life and health insurance industry there is regulated at the state level, not the national level. In many states, including the larger states, there are guarantee associations which would function similarly to the proposed policyholder protection fund.

In addition, these guarantee associations in the United States have no difficulty obtaining substantial lines of credit from financial institutions. They are able to do this because they can levy fees on member companies and, by legislation, every life and health insurance company must be a member of the fund. Thus they are able to borrow the money needed on the open market without having to access funds from the government.

That is precisely how the system operates, not only in the United States but also in the U.K. In both the United States and the United Kingdom, there are deposit insurance schemes that are very similar to the Canadian schemes. The Federal Deposit Insurance Board in the United States borrows from the U.S. government in exactly the same way that the CDIC borrows from the federal government. The Bank of England plays the same role as the Consolidated Revenue Fund in Canada. Yet, in both those jurisdictions, the corresponding protection organizations for life and health insurance policyholders are not allowed to borrow from government sources.

If one accepts the non-level playing field argument advanced by the industry with respect to non-access to the Consolidated Revenue Fund, then precisely the same non-level playing field exists both in the United States and in England. The committee concludes, therefore, that it is wrong to claim that the current system is unfair.

During the hearings, the committee members made a point of asking witnesses to give public policy reasons for the life and health insurance industry to have access to the Consolidated Revenue Fund. We understood why they would like to have access to the Consolidated Revenue Fund: There are 27 million Canadians who would like access to that fund. We understood the public policy reason for treating banks and trust companies differently; in other words, protection of the Canadian payment system. We wanted to know the public policy reason for treating this industry differently from any other industry in Canada. Not one single witness who came before the committee was able to address that question directly in any substantive way. They had only arm-waving answers. We, therefore, rejected their arguments.

The committee arrived at its conclusions with respect to the policyholder protection fund for these reasons: It gets around the conflict of interest situation which now exists with respect to CompCorp; it offers solid protection to Canadians who buy life and health insurance policies; it creates an institution through legislation; it creates an organization which will be able to assist considerably in achieving going-concern solutions for financially troubled companies before they actually go bankrupt.

The report explicitly recommends that legislation regarding the fund be introduced and passed in the first six months of next year. We have thus accepted a part of the industry's solution to its own problems, but specifically rejected all of their so-called equity issues.

The third area of the report upon which I want to comment concerns our proposals for significant additional powers for the Superintendent of Financial Institutions.

Currently, the superintendent only has two alternatives: essentially, an on/off switch. He can decide either to regulate, to jawbone, try to get people to make the changes he wants, or he can liquidate. Under current legislation, he cannot say to a troubled financial institution, "You must do this." He can say that he thinks they ought to do something or that he wishes they would do it. He can tell them that if they do not do something, dire things will happen. However, he has no range of powers other than non-intervention or liquidation.

Evidence before the committee showed that in several jurisdictions in the United States, there are statutes providing for rehabilitation. A rehabilitation scheme gives the regulator a series of steps, all the way from non-intervention to a second series of steps, all the way through to ultimately liquidating the company. The purpose of this series of steps is to allow the regulator to take action, frequently under the jurisdiction of a court, so that a company can be rehabilitated, resurrected, and then either placed under new management or sold to someone else. You frequently hear of this process under so-called Chapter 11 actions in the United States.

There is a process in Canada for companies which find themselves in similar trouble called the CCAA Act; however, it explicitly excludes financial institutions.

Clearly, the regulator needs a series of powers which will allow him to step in and facilitate an orderly transition of a company without having to go to the extreme action of seizing the assets, and yet still keep seizure as a step of last resort. One hopes that that would not have to happen often.

We recommend, then, that the regulator be given this range of rehabilitation powers and that the government take action in that area very quickly. As long as the current system exists, if a company finds itself in trouble the regulator has only the choice of non-intervention or liquidation. Clearly, a much wider range of powers can delay the Draconian step of liquidation of a company until a series of other measures have been tried.

• (1610)

Honourable senators, the report talks about three or four other issues upon which I will not comment. There is a significant amount in the report concerning the need to provide additional information to consumers. If we begin putting some of the responsibility on consumers for their purchase decisions, there is a need for them to have more information.

Several issues related to corporate accountability and corporate governance are also included in the report, and I will not touch on them today, either. I know some other senators intend to touch on those issues.

Returning to the two principles I stated at the beginning of this speech, I repeat that by imposing a small element of responsibility on consumers — just enough to force consumers to start thinking about the decisions they have to make with respect to where they deposit their money and buy their life and health insurance policies — the committee believes that this development will create a significant impact in terms of market discipline. The regulatory system will improve significantly.

On the other hand, with respect to ensuring that the regulatory system is not too rigid, there will be failures down the road. Only an excessively rigid system can prevent all failures. That is not desirable.

By giving additional powers to the regulator and moving significantly in terms of increased public information being made available, and by creating the policyholder protection fund, there will be a much wider range of options available to insurers and regulators for dealing with financially troubled companies. It is to be hoped that the Draconian situation in which ultimately a company is put into receivership can be avoided.

The implementation and establishment in law of a range of powers for the regulator will be a significant step forward in terms of helping an orderly transition and orderly consolidation of the insurance industry in Canada. Evidence has easily shown that there needs to be some modest consolidation in the industry.

Between the new policyholder protection fund and the new powers for the regulator, this transition can be achieved in a way that is not only better for shareholders of companies, but also better for policyholders of insurance companies and deposit holders in financial institutions, and thereby better for all Canadians.

Hon. Senators: Hear, hear!

[*Translation*]

Hon. John Sylvain: Honourable senators, I would like to take this opportunity today to speak to the latest report of the Committee on Banking, Trade and Commerce, entitled: "Regulation and Consumer Protection in the Federally-Regulated Financial Services Industry: Striking a Balance".

I would like to start by commending the entire committee on this report, and especially Senator Kirby, who guided us throughout this study. Senator Angus, my colleague on this side of the house, contributed his talents as a writer and editor, which were greatly appreciated. I want to thank him for performing this task on my behalf when I had to take part in the proceedings of the Canadian NATO Parliamentary Association.

The Chair explained that this report was the result of two series of related hearings. In accordance with the committee's schedule, this spring we discussed deposit insurance and the relevance of the structure of CompCorp. These discussions were purely theoretical. However, after the unexpected bankruptcy of Confederation Life, Senator Kirby and I considered whether it might be necessary to go back and explore the practical problems raised by this bankruptcy.

In other words, we have a real and important problem to consider, compared with our previous study which was purely theoretical.

[*English*]

My comments are meant to be taken as alternative thoughts to some of the recommendations contained in the report. The report's recommendations were reached through consensus, and I support them. However, senators both Liberal and Progressive Conservative felt that there were alternatives which in some cases could go further than the recommendations in the report. I accept the political reality that we had to make some first steps, but I wish to state on record other considerations which might be helpful.

There are three main areas I wish to address in my remarks today. They correspond with the three main parts of the report: co-insurance; the protection fund; and the relationship of CDIC and OSFI and, coincidentally, the new powers which are proposed for OSFI.

The reason for co-insurance is to introduce an element of market discipline in the public, and this discipline will spill over to the financial institutions themselves. Perhaps because of my business background, I would have gone further than the committee on this recommendation. I would have started with the deductible at dollar zero, and round it at 5 per cent right through to $60,000 — a maximum penalty, therefore, of $3,000. Deductibles and co-insurance have been part of automobile and household insurance, medical insurance and dental insurance for years in order to keep both the costs and the premiums down. They are understood by the public, and accepted.

It has been argued that co-insurance puts an undue responsibility on the small investor to look at the financial viability of the institution in which he or she is depositing money. How will an unsophisticated depositor know which institution is safe when government regulators, with all their attendant powers, cannot stop failures from occurring? These are the same people who spend $10,000 to $30,000 for a car without being automotive engineers. Most read consumer reviews on cars, discuss the matter with friends and ask their mechanics. These are the steps that have improved the quality of cars immeasurably in the past years. Would this sort of market discipline not be good for the financial sector as well?

I do not hold the opinion that fully insuring the first $30,000 of a deposit will have any great effect on the mentality of the market-place. Anyone can see that splitting a $60,000 RRSP in two will eliminate any co-insurance penalty. Since our report indicates that 80 per cent of the deposits are under $30,000 in any event, it is hard to see what has been accomplished from a practical, rather than a symbolic, point of view.

On behalf of the trust industry, the criticism is that depositors, faced with co-insurance, will simply do the same thing and move their money to one of the "too big to fail" six banks. This argument by the trust industry just does not stand up to scrutiny. It is time that the trust industry started to emphasize the new and imaginative directions which some of its members have taken, and the attractiveness of the small, well-managed trust company. They have contributed much in the past and will continue to do so in the future. The industry itself will become stronger with the adoption of our recommendations, and people who are making deposits or investments will better inform themselves because of our recommendations.

In relation to the proposed Life and Health Insurance Policyholder Protection Fund, its proposed structure addresses many of the complaints levied against CompCorp. During our hearings, it became evident that because CompCorp is made up of representatives of the insurance industry, it begins to work with a troubled insurance insurance company with the perception that there could be a conflict of interest. This needed to be eliminated, and I think that the board of the new fund does just that.

We have also recommended new powers for OSFI which will allow the regulators to intervene in order to effect a going-concern type of solution. This is also good.

Where I part company with the recommendations is in relation to the proposed source of money for the new protection fund. It is proposed that the fund be able to borrow on the capital markets if it cannot immediately finance its losses. While this is an improvement over CompCorp, it still tilts the playing field in the direction of banks and trust companies.

Borrowing on the capital market, especially when the banks could eventually be your competitors, has the potential to be a harrowing experience. The cost will evidently be much higher than for CDIC, since the lender would know that low-cost government funds are unavailable. The question of whether loans would be available at all is also raised.

• (1620)

One of the premises of the report is that deposit insurance was instituted to preserve the payment system in Canada. If that argument ever had any credibility, it was only to allow the federal government to get into the field of deposit insurance rather than leaving it to the provinces. That premise is used as a reason for the insurance industry not having the same government guarantee as the banks and the trust companies, since a failure of a major insurance company would not threaten the payment system.

Certainly the Honourable Doug Peters, Secretary of State for International Financial Institutions, in his address to the Canadian Institute last November 21, did not think highly enough of this argument even to allude to it in his fine speech. He did, however, repeat, over and over again, the phrase "policyholders' and depositors' protection" as the reason for insurance. That is the argument: We must give both the policyholders and the depositors equal protection and equal access to government support.

Let us talk about the government support. We are dealing with insurance here, and this is an area with which I feel reasonably comfortable. We have recommended paying losses to policyholders and depositors in the claims area of CDIC operations.

Let us talk about collecting the premiums. The huge amount of money that the CDIC borrowed from the Consolidated Revenue Fund will have to be paid back at the rate government borrows plus one-eighth of a percentage point. We can assume that the government will take a substantial profit. An eighth of a point on millions of dollars amounts to serious money. The banks and trust companies will not raid their treasuries to repay this money. Instead, the bank and trust customers for whom the scheme was invented will quite naturally pay the loss, as well as all the expenses associated with running the CDIC. They will pay it through their bank charges, their fees and their interest rates, as they should. That is why controlling losses by market discipline and co-insurance is so important, and why access to low-cost loans is so important.

Investing in life insurance products usually calls for the assistance of a professionally licensed advisor. I suggest it is an even more difficult decision because of the time element involved in the policy or the annuity. Why should policyholders who are, to a great percentage, the same people as the depositors, be treated differently on two different financial transactions and asked to bear higher costs in their premiums?

Our report suggests that because insurance company products contain deposit elements, they should be issued by a subsidiary trust. That seems to point us back to the days of the four pillars of the financial industry, and I doubt that that is the intention. Since CompCorp seems to be able to protect all the product lines, I am sure that whatever replaces it will develop the skills necessary to do the same.

Honourable senators, I also do not buy the argument that the establishment of a CDIC-II, which would be the equivalent of the CDIC for insurance companies, would be a drain on the taxpayers. CDIC, as presently constituted, is fully funded by the institutions which belong to it. It is not a drain on the public purse. A comparable body for the insurance industry, guaranteed by the government, would also pay its own way, just like the CDIC does. The coverage afforded policyholders would match that allowed depositors.

Another argument advanced is that the insurance industry "has the capacity to resolve its own insurance problems." This poses the argument that the banks and trust companies do not possess the same capacity, an argument with which I do not agree.

The report, however, does partly rejoin my thoughts when it says that the government should protect the policyholders. However, it adds that that should be done only after all other private sector solutions have been attempted and failed. Can you imagine the worry caused by this delay to perhaps thousands of people held in interminable suspense as to whether or not they have protection, the thousands of business deals dependant on life insurance being in force, being delayed or abandoned, and elderly annuitants wondering whether their cheques will arrive?

In regard to OSFI and CDIC, I am pleased that we recommended new powers for OSFI which will allow it to perform a rehabilitation role in relation to the insurance companies. As well, we recommended that OSFI have the power to intervene in a troubled financial institution at an earlier time than is now permitted. Both of these are positive steps and will help consumers. My concern is that we have missed a golden opportunity to recommend that these two agencies be combined.

The committee heard plenty of evidence over the past year on squabbles between the two institutions. In the last few years, the CDIC has been allowed to grow and take on some functions of the regulator. I believe that the relationship between these two institutions has deteriorated to the extent where the public is not being well served. The tension between them is counter-productive. My colleagues are convinced that the new leadership at the helm of OSFI will eliminate the duplication of function, the overlap, the additional costs, and the turf wars. I remain to be convinced. The heads of both these organizations will be back before the Banking Committee in the spring, and we will see how relations have progressed at that time.

I look forward to seeing the government's white paper on this subject, and I hope that it will address some of the points that I have mentioned.

Hon. Consiglio Di Nino: Honourable senators, I wish to ask a few questions of Senator Kirby, if that is appropriate.

Senator Kirby: Certainly.

Senator Di Nino: I intend to take part in the debate on Thursday, after I have had a chance to read the honourable senator's remarks. However, in your report you mention a term, "too big to fail." That remark is probably in reference to the six big banks, although one could probably include other financial institutions as well.

In your opinion, senator, if one of these major financial institutions — let us say one of the major banks — were to get itself in trouble, do you feel that the Canadian government would allow this institution to go down the drain?

Senator Kirby: Honourable senators, I cannot remember a specific reference to "too big to fail". If it is in the report, I do not remember where it is. It would just be a passing reference.

Let me deal with the honourable senator's specific question. Legally, in the current situation, if any deposit-taking institution that is federally chartered, a bank or trust company, failed, the CDIC would have responsibility for providing deposit insurance. That is what the current law says. If the honourable senator's question is as to whether the government would intervene at some point prior to it actually failing, but while it is still in serious financial trouble, that gets into the realm of speculation. Periodically over the years, industries have had troubles, and periodically governments have taken decisions to step in and save them. It is impossible to predict.

I would also argue that it is impossible to predict what the federal government would do if a Triple-A rated insurance company got into trouble. From the evidence presented to the committee, most of those big companies are so sound that it is a purely hypothetical question.

In direct answer to the honourable senator's question, if it were a bank, it would be insured by the CDIC, and if it were an insurance company, it would be insured by the policyholder protection fund that we have proposed be established.

• (1630)

Senator Di Nino: If one of the major banks were to get itself into trouble, even accepting today's limit of $60,000, such a collapse would affect institutions and governments, both domestic and foreign. I propose to you that your recommendations in this report would likely mean that the taxpayers of this country would bear a large cost of the bailout process.

Honourable senators, I can give you three instances in the last 10 years in which the taxpayers of this country, notwithstanding that our institutions are so big, had to pick up a portion of the fallout from the mistakes made by these institutions. I do not believe that would occur if the financial institution was a small one.

Do you think there is a level playing field when we talk about spending taxpayers' money to protect the integrity of the system as it relates to large financial institutions versus small financial institutions?

Senator Kirby: I am at a bit of a loss. I think I am aware of every financial institution that has failed in Canada, at least in the last 10 years and going back to the post-depression period. I do not know of any case where taxpayers' dollars have been spent. I absolutely accept the fact that the CDIC has stepped in. I absolutely accept the fact that taxpayers' dollars have been spent to rescue companies outside the financial services industry. However, we were not talking about those companies. We are not talking about what happens if Dome Petroleum goes under, which is one example where taxpayers' dollars were involved. I know of literally no case.

In the decade that I have been a member of the Standing Senate Committee on Banking, Trade and Commerce, we have looked at every case since 1984. That covers four or five cases. We received detailed histories on those and previous cases. While there were CDIC dollars expended, there were no taxpayers' dollars. The CDIC borrowed from the federal Consolidated Revenue Fund, and those funds are in the process of being repaid.

The only industries I can think of where taxpayers' dollars were used when a large company went under, are not in the financial services sector but rather in the natural resources sector. In my part of the country, one thinks of steel mills and coal mines. In other places, perhaps, one thinks of oil companies. However, I cannot think of any financial institution.

Senator Di Nino: I will give you more detailed information when I make my presentation on Thursday.

I should like to ask a question for clarification with respect to the issue of stacking. Are you suggesting that stacking be eliminated? Are you proposing that the insurance would cover deposits in a bank, trust company or other financial institution, up to a maximum of $30,000 prior to the co-insurance kicking in. Then up to a maximum of $65,000 there would be the 90-per-cent coverage that you are recommending, for the total of all deposits of that one individual in that institution?

Senator Kirby: I am glad you raise that question, because we wrestled with that point.

The intent of current deposit insurance is that if you had money in a single financial institution, you would be insured up to $60,000. You could have $60,000 in another bank or trust company, and another $60,000 elsewhere. However, the $60,000 limit would be the limit in a single institution. Given the way the rules are written, it is possible for you to put money into the same institution — $60,000 into an RRSP, $60,000 into a chequing account, $60,000 into a joint account with your wife, et cetera. The CDIC provided us with the example whereby a couple could get nine times $60,000 insured and still be within the same family of companies, which clearly violates the intent and spirit of the law.

Equally, what you cannot do under the current rules is stop someone from insuring $60,000 in Trust Company A and another $60,000 in Trust Company B, where A and B are unrelated. We understand that. In fact, we think that is good for competition. We do not propose to stop this sort of behaviour. In fact, by going from $60,000 to $30,000, you encourage people to move their money among institutions. We wanted to stop the clear violation of the spirit of the law, which is inherent in having a family of related companies insure a single depositor.

Senator Di Nino: You are saying that the insurer — the CDIC — would cover to the maximum for that particular individual in that one institution?

Senator Kirby: Or a related company, or a family of related companies.

Senator Di Nino: You are saying that if my wife and I each had $30,000 in an institution that failed, the CDIC would only cover $30,000?

Senator Kirby: We did not deal with the related-persons problem.

There was a specific example of someone who had $60,000 in a bank that failed. The bank had a trust subsidiary or financial institution subsidiary. Therefore the individual in that case wound up receiving somewhere in the neighbourhood of over $200,000, and yet the institutions were clearly all the same institution. They happened to be incorporated somewhat differently. They were closely related. That is the problem, and that situation clearly violates the spirit of the law.

It would be desirable because, on the competitive side, we believe that you want to encourage people to break $150,000 up into five $30,000 chunks and put it into five unrelated institutions. You do not want to encourage people to get around the spirit of the law by putting the $150,000 into five institutions that are all part of a 100 per cent closely-held family.

On motion of Senator Di Nino, debate adjourned.

PRIVILEGES, STANDING RULES AND ORDERS

SECOND REPORT ADOPTED

The Senate proceeded to consideration of the second report of the Standing Committee on Privileges, Standing Rules and Orders, presented in the Senate on November 17, 1994.

Hon. Brenda M. Robertson: Honourable senators, in speaking to the adoption of this report, I wish to point out that the report does one thing: It strikes rule 26 of the *Rules of the Senate*. Your committee found that rule 26 is in contradiction to rule 24(4) and rule 43.

Rule 26 states:

> A preamble to a question, whether it is asked orally or in writing, is out of order.

Rules 24(4) and rule 43 allow for a brief explanatory remark.

Honourable senators, your committee is now faced with the problem of defining "brief". I am sure that we have all wondered from time to time what is meant by a "brief explanatory remark" when we are listening to long preambles to questions.

Senator Berntson: That is the Speaker's job.

Senator Robertson: That is what this report suggests, and I ask that it be adopted.

Hon. Eymard G. Corbin: Honourable senators, as one of the members of the committee, I wish to endorse the report made to the house by the chairperson of the committee.

Your committee had a brief discussion of the matter. The proposal makes eminent sense, but as Senator Robertson has indicated, the report does not deal with long preambles, which on many days sound more like speeches than anything else.

I can well understand that in times of dire crises, such as we have had in the past, that sort of technique could be used to filibuster government initiatives or for other reasons, but in the normal course of events individual senators are the best judges of how long a preamble to a question ought to be. There are certainly circumstances in which it behooves the person who puts the question to make the circumstances in the situation as clear as possible, so as to elicit a proper reaction or response from the government.

Having said that, senators who are bent on obtaining rapid and concise answers to questions could probably consider taking an initiative which has sometimes been used in other jurisdictions and, indeed, on the other side of the house, and that is to simply drop a note to the minister or the minister's staff indicating the intention to put a specific question. Of course, if the name of the game is to catch the minister off guard, you do not do that sort of thing, but if a senator's purpose is to get as much information as rapidly as possible, a little note to the minister is not only useful but productive. It is an indication that the system works, and that is to the good of the institution and the public as well.

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

Hon. Senators: Agreed.

Motion agreed to and report adopted.

BUSINESS OF THE SENATE

Hon. Eric Arthur Berntson (Deputy Leader of the Opposition): Honourable senators, there are several questions standing in the name of Senator Marshall in the *Minutes of the Proceedings of the Senate* under "Questions". I believe that Senator Marshall would like to have at least some of these questions answered in order to complete some of his files.

Therefore, with the consent of the Senate, I move that the questions standing in the name of Senator Marshall now stand in my name.

Hon. Eymard G. Corbin: Honourable senators, I do not see that there is a necessity to do this. The questions stand regardless, do they not?

Senator Berntson: I understand that they do not.

Senator Corbin: I always thought that they did. I remember that when former colleagues left this house their questions remained on the Order Paper. I certainly have no objection to them standing in the honourable senator's name, if the purpose is to safeguard their retention.

Senator Berntson: You may be right. I am open to advice. Assuming that they cannot stand in his name, I would be more than happy to have them stand in my name.

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

Hon. Senators: Agreed.

The Senate adjourned until Wednesday, November 30, 1994 at 1:30 p.m.