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**Thursday, March 28, 1996**

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THE HONOURABLE GILDAS L. MOLGAT  
SPEAKER

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

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## THE SENATE

Thursday, March 28, 1996

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

Prayers.

benefits of science and technology, innovation and entrepreneurship for their own future careers and the future of Canada.

### SENATORS' STATEMENTS

#### SCIENCE AND TECHNOLOGY FOR THE NEW CENTURY

**Hon. M. Lorne Bonnell:** Honourable senators, the national and international reputation of post-secondary institutions in Canada is, in part, determined by the performance of students, the quality of teaching, the support of alumni, the competitive sports teams and the innovative research and development. The R&D carried out in our universities and college campuses performs an important role not only for each campus but for the entire country. In 1993, over one-quarter of the R&D conducted in Canada was by a university or college researcher helping to provide for advances in science, medicine, engineering, technology and the humanities. In the past, research in Canada has received a low funding priority from the private sector, forcing governments, mainly through universities, to make up the shortfall significantly.

In 1993, government financed 42 per cent of all Canadian expenditures for R&D — considerably more than Germany, Japan, the United Kingdom or the United States. This trend cannot continue. In order to get the deficit under control, our government has had to make a number of difficult decisions. Last year, \$107 million was cut from the three national research granting councils for universities and colleges. In addition, the research budget of government departments such as agriculture, environment, health and Solicitor General were also reduced. This has added new pressure to what was already fierce competition for federal research dollars.

With this new federal strategy, "Science and Technology for the New Century," the government has given priority to developing innovative partnerships with private sectors as a means of sustaining financial support for higher education researchers. For example, four new networks of centres of excellence which focus on advanced material technologies, the environment, health and technology and base learning were recently established. A collaboration between universities, industry and government, these centres of excellence, now numbering 14 across the country, are designed to assist in the transfer of technology to the private sector, develop Canada's economy, and improve the quality of life for our citizens.

Honourable senators, let us challenge all universities, colleges, governments and private sectors to follow this fine example of cooperation in allowing students to see and understand the

### VISITORS IN THE GALLERY

CANADIAN STUDIES PROGRAM—  
STUDENTS FROM UNIVERSITY OF VERMONT

**Hon. Marcel Prud'homme:** Honourable senators, I have the privilege today to continue a great tradition, namely, to welcome a group of students from the University of Vermont who are involved in the Canadian studies program. This program has been in existence on the Hill for over 30 years. You may recall that our friend Senator Macquarrie looked after them for many years. It is with joy that I continue this long tradition, at their request.

• (1410)

They are accompanied by the director of the program, Dr. William Metcalfe. Unfortunately, Your Honour, they are not sitting in front of you because of the renovations going on in the Speaker's Gallery. They are sitting behind you.

Honourable senators, if one, two or three of you would kindly join me tomorrow morning at nine o'clock in the Francophonie Room for the annual return of information, they will be highly honoured to receive you at that time. The meeting will be conducted in English and there will be no translation. I hope that some senators will come and meet with them. This is one of the best programs started in the Senate in many years. I welcome them on your behalf.

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

### ROUTINE PROCEEDINGS

#### LAW COMMISSION 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-9, respecting the Law Commission 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 Graham, bill placed on the Orders of the Day for second reading on Tuesday next, April 2, 1996.

[Translation]

## BORROWING AUTHORITY BILL, 1996-97

### REPORT OF COMMITTEE

Leave having been given to revert to presentation of reports of standing or special committees.

**Hon. Pierre De Bané**, Deputy Chairman of the Committee on National Finance, presented the following report:

Thursday, March 28, 1996

The Senate Standing Committee on National Finance has the honour to present its

### THIRD REPORT

Your Committee, to which was referred Bill C-10, An Act to provide borrowing authority for the fiscal year beginning on April 1, 1996, has, pursuant to the Order of Reference of Wednesday, March 27, 1996, examined the said Bill and now reports the same without amendment.

Respectfully submitted,

PIERRE DE BANÉ,  
*Deputy Chairman*

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

On motion of Senator De Bané with leave of the Senate and notwithstanding rule 58(1)(b), bill placed on the Orders of the Day for third reading later this day.

[English]

## QUESTION PERIOD

### HEALTH

#### SAFETY OF BLOOD SUPPLY—CHALLENGE TO RED CROSS BAN ON DIRECTED DONATIONS—GOVERNMENT POSITION

**Hon. Richard J. Doyle:** Honourable senators, my question is for the Leader of the Government in the Senate. If I may be so bold, this question is what journalists would call one of a series.

Last June, I drew the Senate's attention to declining faith in the Canadian blood supply and asked what steps the government was taking to deal with a crisis in confidence anticipated as a result of the Krever commission's investigation of the tragic contamination of the eighties. Senator Fairbairn, noting the "urgency" of my questions, promised to obtain a "quick

response." Just over three months later, in 10 well-written paragraphs, the great provider of delayed answers said:

The government has taken action and will continue to act to strengthen the safety of the blood supply. Others are acting in their own ways to restore public confidence.

I do not want to exaggerate the enormous relief that this message generated among those of us who have been, from time to time, dependent upon donations of blood from a system which had knowingly risked contamination and carelessly endangered lives but which, according to the great author of delayed answers, "today is dynamic and undergoing changes at a rapid rate."

In the period between questions and answers, the "system" has also witnessed legal challenges to the commission's right to recommend changes or eliminate risks — or even attach blame for tragedies. There are fears that Judge Krever will never be permitted a full report on the horrors his witnesses have disclosed.

This very week, the administration of the blood supply has been back in the headlines. This time, the issue has been the refusal of the Red Cross to allow the provision of blood from a safe family source to a gravely ailing child and then, in the later headlines, that the sought-after procedure which was before the courts would be permitted by a change of heart or tactics on the part of the Red Cross.

In such a "dynamic" situation, could the Leader of the Government tell us if the Ottawa government has been a player or even an observer, as our concerns deepen and multiply?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I thank the honourable senator for his question. The government here in Ottawa is enormously concerned about the issues that have been raised and continue to be raised at the Krever inquiry. I think that was one of the reasons why, approximately one week ago, the Minister of Health, the Honourable David Dingwall, indicated that he would be facilitating the coming together of the major players in the blood system. Through discussions to begin next month, they will start to prepare themselves to respond to the recommendations from the Krever inquiry when it finishes its work.

• (1420)

From a perusal of the interim reports that have been put out by that commission, it was the view of Mr. Dingwall that there were indications of where governments and stakeholders in the system need to be directing their attention, and he wanted to get discussions started as quickly as possible.

This is not, I know, a sufficient answer for my honourable friend, but I hope that those discussions will begin, and will produce direction for the kind of changes and protections in the system that my honourable friend wants, as I am sure do all of us.

**Senator Doyle:** By way of supplementary, while Mr. Dingwall is thinking about what he might do, I hope he is giving some consideration to the lists that Mr. Krever has published of those individuals, including some provincial health ministers, who are doing their damndest to silence his commission.

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

## FISHERIES AND OCEANS

### FRESHWATER INSTITUTE—CUTS TO FUNDING— GOVERNMENT POSITION

**Hon. A. Raynell Andreychuk:** Honourable senators, my question is to the Leader of the Government in the Senate. The Freshwater Institute in Winnipeg is well known for the work it has done, and for its efficient use of resources. More important, that institute has a mandate involving a fundamental resource in Canada, fresh water, which has ramifications for absolutely every region of this country.

The Freshwater Institute deals with environmental concerns. It also deals with health concerns, and with the subsistence food supply of aboriginals and others in many areas of Canada. In light of all of this, on what basis would the government even consider making the Freshwater Institute bear more than its fair share of any cutbacks?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, my honourable friend is absolutely correct in extolling the excellence of the Freshwater Institute. By the same token, my honourable friend is obviously well aware of the cutbacks and reductions that have taken place within the Department of Fisheries and Oceans.

However, I should indicate to her that the department intends to maintain a core freshwater science program in the central and Arctic regions, including the Freshwater Institute in Winnipeg and the Experimental Lakes Facility in north-western Ontario. The details of this core program are currently being examined.

**Senator Andreychuk:** I understand that what will be maintained is the kind of data collection that has been going on for 30 years, and that is not sufficient.

I was recently part of a delegation to a conference of parliamentarians from all Arctic regions of the world. These parliamentarians are very worried about mercury contamination of the water in their areas. At that conference, we heard from scientists and aboriginal people who told us that that contamination is at a danger level. People in these regions have no alternative food supply. Must we wait until there is a blood supply contamination, or a mad cow disease, before we decide to get on with the research that will protect Canadians?

I can think of no other institute which needs additional resources more than does the Freshwater Institute. If we allow this resource to decline, it is our future generations who will pay the costs.

I would ask the Leader of the Government in the Senate whether she is prepared to go back to cabinet with this concern. Is she willing to work to have this matter placed on a higher priority, and thus benefit the environment, as well as the health of aboriginals and others in northern communities, giving them some assurance that these issues are important, and that the future of our freshwater lakes will be protected? The cost of clean-up is phenomenal compared to the cost of this institute in the performance of its world-renowned work. Will the minister go back to cabinet and ask that this issue be reconsidered?

**Senator Fairbairn:** I am aware of the meetings which my honourable friend attended, and I believe some of my colleagues were there as well. They have certainly been listening to the discussions and encouragements that were offered at that meeting. I will certainly take my honourable friend's comments and convey them to my colleagues, particularly those with such responsibilities.

**Senator Lynch-Staunton:** Will you support them? She wants support. She does not want a messenger.

## GOODS AND SERVICES TAX

### HARMONIZATION WITH PROVINCIAL SALES TAXES—REMARKS OF LIBERAL MEMBER OF PARLIAMENT—GOVERNMENT POSITION

**Hon. Gerald J. Comeau:** On *The National* news program last evening, one of the government leader's colleagues made a comment, after a special caucus meeting, that it would be perfectly acceptable to have Canadians pay \$1 billion to harmonize and rename the goods and services tax. Could the minister tell us exactly where this \$1 billion would come from? Would this mean higher taxes for Canadians, cuts in health care and education, or perhaps cutbacks to the freshwater research station in Manitoba? Perhaps she would tell us exactly where this money will come from.

**Senator Lynch-Staunton:** What price harmony?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, first I should like to know the origin of the comments.

As my honourable friend knows, I have said many times that there have been continuous consultations between the Minister of Finance and his colleagues across the country. Those, if anything, are being accelerated at this point.

However, my honourable friend's comment is certainly not one with which I am familiar, but I will be glad to look at it and see whether I can understand it better.

**Senator Comeau:** I should like to advise that I heard that comment on *The National*, the CBC news program, last evening, and it was made by a member of Parliament by the name of Carolyn Parrish, if the leader wishes to check. It happened on television at around 10:15 last evening. The figure Ms Parrish gave was \$1 billion.

Given those facts, would the Leader of the Government in the Senate assure honourable senators in this chamber that she will distance herself completely from any such spending as a cost of harmonization? As our leader on this side has said, "What price harmony?"

**Senator Fairbairn:** I can guarantee to my honourable friend that I will be listening closely to the Minister of Finance in his efforts to reach a conclusion on a replacement for the GST, and it will be his comments around which I will be focusing my interest, and indeed my support.

**Senator Forrestall:** Honourable senators, the soon-to-be senator from Nova Scotia came home the other day with \$200 million, so it would not take long to find out where \$1 billion would come from.

## HUMAN RESOURCES DEVELOPMENT

### FIRST MINISTERS CONFERENCE ON JOB CREATION— REQUEST FOR PARTICULARS

**Hon. J. Michael Forrestall:** In that vein, coming from a province which has just lost some 6,000 to 8,000 permanent jobs, with an unemployment rate close to 12 per cent, and in light of the firm undertaking in the Speech from the Throne to call a first ministers conference to deal with job creation, I would ask the minister whether she is now in a position to tell us the date of that conference and the site of it?

**Hon. Joyce Fairbairn (Leader of the Government):** My honourable friend seems to have some extraordinary insight or knowledge into areas that my friend the Deputy Leader and I do not. As I said yesterday, I am finding it very difficult to come to grips with what will occur on July 6. Therefore, I will listen with interest to my friend's speculation, but I will be more in a mode of grieving, I think, at that point.

As to whether I can give my friend a specific answer on where and when that particular conference will take place, the answer is no, I cannot. However, I know it is a high priority for the Prime Minister.

**Senator Forrestall:** If it is a question of high priority for the Prime Minister, why has a date not been set?

• (1430)

Many in the country believe that we could very well be into a national election before this year is over. We are already heading into the Easter break. These things take time to arrange. It is rather interesting that, in other conversations, some premiers are finding it difficult to attend certain things in August because they are expected to be elsewhere for other reasons. Presumably it is the first ministers conference on jobs.

I am surprised that the minister does not know whether a date has been set or if the venue has been set.

Would the Leader of the Government use her good offices and respond to the urgency that is beginning to attach itself to this

government's failure to come to grips with one of their fundamental promises in the Red Book — to create jobs, jobs, jobs? The soon-to-be Lieutenant Governor of Alberta sat on the other side of this place day in and day out and rubbed it in: "Jobs, jobs, jobs." Perhaps the leader should consider the number of times Senator Olson rose on that issue. If sincere, and I believe he was, why did he do that? Because he wanted jobs.

Why is the government not responding to that urgent need? Why is it waiting so long to call the first ministers conference?

**Senator Fairbairn:** Honourable senators, as indicated in the Speech from the Throne and the budget, the government is very serious about job creation in this country. I do not suppose there is another issue about which it is more concerned. This issue underlies the health of the entire country. In a sense, it has become a very potent national unity issue as well.

I will not bore my friend by going into a lengthy dissertation, but the Minister of Finance has, for this very reason, gone to extraordinary lengths in his commitment to get the national finances and the fiscal arrangements of this country in order so that interest rates will drop. They are dropping. The short-term interest rates are now below those of the United States. The inflation rate is well within the lower end of the limit which has been set by the Bank of Canada.

**Senator Lynch-Staunton:** Under Mazankowski!

**Senator Forrestall:** Don't tell me you are giving Paul Martin credit for that?

**Senator Fairbairn:** Of course I am giving him credit for that. Every action taken by the Minister of Finance has been to strengthen the fundamentals of our economy so that they will provide for an atmosphere of job creation.

In the last three months, many new jobs have been created in this country. Honourable senators can rest assured that all of these efforts are being made in the interests of young Canadians, unemployed Canadians and people who need extra assistance to get into the job market. All of these efforts have at their centre the need to provide the atmosphere and the support system for private sector job creation, with assistance from the federal government.

That is what the Minister of Finance and the Prime Minister are doing, and the premiers of this country are cooperating in trying to achieve those goals. That is why we are carefully setting the groundwork for a positive and successful first ministers conference.

I cannot tell my honourable friend the date because the date has not been set, pure and simple. When it does take place, it will be a positive, constructive and important conference.

**Senator Simard:** Perhaps in 2002.

**Senator Lynch-Staunton:** It will be after the GST is replaced.

## FINANCE

POSSIBILITY OF PERMITTING BANKS TO PARTICIPATE  
IN AUTOMOBILE LEASING MARKET—GOVERNMENT POSITION

**Hon. Terry Stratton:** Honourable senators, the Bank Act will be coming up for review in 1997, and I want to ask the Leader of the Government in the Senate about changes which may be made to that act.

Over the years, banks have been lobbying the federal government for permission to be allowed into the area of automobile leasing. My concern is that the banks' entry into this market would undermine the viability of many leasing companies, including most car dealers across the country. In addition, banks are already extensively engaged in the business of financing car dealers. They are also in the business of providing consumer automobile loans. If, on top of this, banks were to go into the car leasing business, there would be, no doubt, questions of conflict of interest.

Honourable senators, given that this issue has been around for some time now and has been raised in the past, will the Leader of the Government tell the Senate what the current federal government's policy is on the issue? Does the government support allowing banks entry into the leasing market?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators will know the government's response to the question of banks getting involved in the insurance market. As far as the rules on car leasing, no decisions have been made. Some very productive committee hearings have taken place on some of these issues. These issues are causing wide interest in this country and great — I was about to use the word "controversy" but in some cases it is stronger than that.

I cannot give my friend a definitive answer but the issue is under examination. The discussions are being followed actively by the federal government. No decisions have been made but when they are, it will be through the Minister of Finance.

**Senator Stratton:** Honourable senators, there is a perception that a deal has been made. In other words, if the banks back off on insurance, they will get auto leasing. Could the leader perhaps tell us why that perception is out there? What is her reaction to that growing perception?

**Senator Lynch-Staunton:** It is the first time a budget amended the Bank Act.

**Senator Fairbairn:** Honourable senators, there may be that perception out there, motivated by heaven knows whom. There will be a white paper on these issues. The Senate Banking Committee has been holding hearings. The Department of Finance will seek, and is seeking, submissions from interested parties. Then the decisions will begin. There may be speculation about some *quid pro quo*. Perhaps the honourable senator could examine the issue himself to determine where those speculations originated.

## CANADA-U.S. RELATIONS

TIMING OF REPLACEMENT OF MR. JAMES BLANCHARD,  
FORMER U.S. AMBASSADOR—GOVERNMENT POSITION

**Hon. Norman K. Atkins:** Honourable senators, my question is for the Leader of the Government in the Senate.

Certain aspects of Canada-United States relations are currently subject to serious discussion. Canada is being challenged on a territorial front in British Columbia. The United States is taking Canada to task over efforts to protect its cultural sovereignty. Now we are being told by the Americans with whom we can and cannot have trade relations.

With the recent return to Washington of Mr. James Blanchard, former U.S. ambassador to Canada and someone who did an excellent job here, has our government expressed its strong desire that he be replaced as quickly as possible? There is some speculation that this post will remain vacant until the American national election in November.

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I cannot answer the question as to when the former ambassador will be replaced. That surely is a highly important position for Canada, and I should fervently hope that it is, as well, for the United States.

• (1440)

May I say that whoever will succeed Mr. and Mrs. Blanchard will have one heck of a job cut out for them, because they have been extraordinary representatives of their country in Canada, and of our country to the President and people of the United States. They have taken the trouble to learn about Canada by travelling across this nation, and I think they have done an absolutely extraordinary job. We will miss them, and I am sure they will miss us.

My honourable friend will understand that I cannot comment on when they will be replaced because, in large measure, that is a decision of the United States. Naturally, this country is always anxious to have the closest possible connections with the United States, particularly, as Senator Atkins pointed out, at a time when we have very difficult issues, frictions and irritants between our two countries.

Mr. Blanchard's efforts were extremely helpful in those moments, so the vacancy will be felt.

[Translation]

## THE SENATE

DELAYED ANSWERS TO ORAL QUESTIONS ANSWERS PENDING  
FROM PREVIOUS SESSION—GOVERNMENT POSITION

**Hon. Pierre Claude Nolin:** Honourable senators, I would like some clarification from the Deputy Leader of the Government. Last week, I pointed out to this house that we had not had answers to 74 of our questions; since then, 17 other questions have been added to the list. This leaves 91 of our questions still awaiting answers. May we therefore know if anything is being

done about this, and when we may expect the pending answers to our questions?

[English]

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, the questions that were asked in the previous session of Parliament, of course, are not automatically restored.

**Senator Berntson:** Yes, indeed they are.

**Senator Lynch-Staunton:** Since when?

**Senator Graham:** However, efforts are being made to have those questions, and all of the questions asked in this new session of Parliament, answered as promptly as possible. I assure the honourable senator that every effort is being made, but we must depend upon authorities and ministers in the other house to provide those answers.

**Senator Nolin:** Do I understand correctly that questions posed in the first session are not automatically carried forward to the second session? Is that the rule? If it is, I am not aware of it.

**Senator Lynch-Staunton:** Since when? We need a Speaker's ruling on this issue.

**Senator Graham:** As with everything else, unless they are specifically restored, they are not automatically restored to the Order Paper.

**Senator Lynch-Staunton:** Since when? Where is the rule? This is not the House of Commons. This is the Senate of Canada.

**The Hon. the Acting Speaker:** Orders of the day.

#### POINT OF ORDER

**Hon. John Lynch-Staunton (Leader of the Opposition):** Honourable senators, on a point of clarification, the deputy leader has informed us that delayed answers fall from the government's agenda as a result of prorogation. I would like a ruling on this issue. My assumption is that this has not happened before, although I may be wrong.

**The Hon. the Acting Speaker:** If the Honourable Leader of the Opposition will be patient, I could possibly cite a ruling on this matter.

**Senator Lynch-Staunton:** We can wait for an answer until after the Easter break.

However, I want to take this opportunity to point out to the deputy leader that, when I was in his position, we made a point of answering all unanswered questions within two weeks of their being asked. I think, with one or two exceptions, we held to that unwritten rule. Now we find out that the rule of the government is to answer one or two questions within 15 days, and leave the rest unanswered for an indeterminate period. I would ask the leader to rethink the way in which she answers questions that cannot be answered at the moment they are asked.

## ORDERS OF THE DAY

### BORROWING AUTHORITY BILL, 1996-97

#### THIRD READING

**Hon. Pierre de Bané** moved third reading of Bill C-10, to provide borrowing authority for the fiscal year beginning on April 1, 1996.

Motion agreed to and bill read third time and passed.

### CANADA LABOUR CODE

#### BILL TO AMEND—SECOND READING

**Hon. Peter Bosa** moved the second reading of Bill C-3, to amend the Canada Labour Code (nuclear undertakings) and to make a related amendment to another Act.

He said: Honourable senators, it gives me great pleasure to rise in the Senate today to discuss Bill C-3, to amend the Canada Labour Code and another related act. This bill is designed to promote efficient and stable labour relations at Canada's nuclear power stations.

In essence, a 1993 Supreme Court of Canada decision has presented Parliament with an opportunity to demonstrate that federalism is a flexible system that values and promotes the efficient administration of Canadian labour law. The 1993 Supreme Court decision was the end result of a number of legal proceedings that began in 1988. At that time, the Ontario Labour Relations Board found that it did not have the jurisdiction to deal with an application for certification filed by the Society of Ontario Hydro Professional and Administrative Employees.

The court ruled that Part I of the Canada Labour Code, which governs industrial relations, applied to nuclear workers at Ontario Hydro. It was also evident that Part II and Part III of the Canada Labour Code and the Non-smokers' Health Act applied to these workers. Part II of the code deals with occupational safety and health matters, while Part III covers labour standards.

This decision resulted in a rather complicated situation whereby two sets of labour laws, one provincial and one federal, applied to employees at Ontario Hydro. This dilemma of a split jurisdiction with respect to labour law at Ontario Hydro results in a number of inefficiencies. For example, Ontario Hydro and the unions must deal with two conciliation processes in negotiating collective agreements. In another instance, two slightly different sets of occupational safety and health rules exist and produce essentially the same results regarding protection for workers.

In early 1994, federal and provincial officials began consultations designed to rectify and simplify this state of affairs. Initially, the talks, which included Ontario Hydro and the unions, focused on occupational safety and health law, but as the talks progressed, both levels of government agreed that, from a practical standpoint, it would be logical to have all provincial labour law apply to Ontario Hydro as well as any ad hoc labour legislation the Province of Ontario might adopt in the future.



• (1450)

It is important to note that the Supreme Court decision also had implications for the Point Lepreau generating station in New Brunswick and Gentilly-2 in Quebec. Both provincial Crown corporations appear to be in a void for purposes of labour law, although in practice provincial laws continue to be applied. In the case of Gentilly-2, this void was confirmed by a 1995 Federal Court of Appeal decision.

The solution to these difficulties is the bill before us today. The bill provides for an incorporation-by-reference mechanism. This allows the application of provincial labour law to provinces with nuclear undertakings regulated by the Atomic Energy Control Board.

Honourable senators, I should now like to discuss briefly the role of the Atomic Energy Control Board. The mandate of the board is to ensure radiation safety in Canada's nuclear power plants. This responsibility does not change with the passage of this bill. It is only conventional safety and health legislation which is affected by this bill. Indeed, conventional or non-nuclear related occupational safety and health legislation administered by the provinces has coexisted with the provisions of the Atomic Energy Control Act for many years. This bill merely reinstates the status quo which existed before the 1993 Supreme Court ruling.

Now that I have outlined the problems and the solution to the split jurisdiction at Ontario Hydro, I wish to outline some specific provisions of the bill. I am sure honourable senators will agree that the bill solves a number of problems and makes sense in terms of promoting efficient and stable labour relations at nuclear facilities. By amending the Canada Labour Code and the Non-smokers' Health Act, Bill C-3 will provide a mechanism that allows for the application of provincial labour law at nuclear facilities.

The bill provides a mechanism to eliminate the split jurisdiction at Ontario Hydro, and can also be applied to the nuclear facilities in New Brunswick and Quebec after Crown immunity has been lifted. As well, the mechanism may be applied to uranium mines in Saskatchewan, which are also regulated by the Atomic Energy Control Act.

The provisions contained in Bill C-3 would eliminate the split jurisdiction at Ontario Hydro in the following manner: first, the company is exempt from having to comply with the Canada Labour Code. At the same time, it is made subject to provincial labour laws which are incorporated with reference to federal regulation. The mechanism may be triggered by passing regulations dealing with industrial relations, including ad hoc or emergency legislation, occupational safety and health, labour standards or workplace smoking rules and regulations. Once the regulations are in place, provincial labour laws can be applied to the nuclear facility.

On the subject of occupational safety, the bill provides that provincial occupational safety and health inspectors may carry out on-site inspections. The bill also allows a provincial labour

relations board to hear and determine cases in respect of labour relation laws applying to these nuclear facilities. I wish to emphasize, honourable senators, that passage of this bill makes no significant changes to occupational safety and health standards for workers at nuclear facilities.

With respect to collective bargaining, this bill ensures that any bargaining agent that was recognized under Part I of the Canada Labour Code remains the bargaining agent. This ensures successor rights to the bargaining agent and prohibits other unions from applying to represent that bargaining unit outside regular procedures. The rights, privileges and duties of both parties to the collective agreement remain intact. Any collective agreement concluded under Part I of the Canada Labour Code continues in force until expiration of the contract.

Other provisions of this bill deal with the application of the regulations, administration, the penalty for committing an offence, responsibility for prosecutions and the disposition of any fines that may be levied. The federal government is committed to sound fiscal management and efficient administration. Flexible federalism allows us to put into place systems and processes that make the most sense for the people who use them.

What is the point, for example, in replacing all electrical plugs and outlets at nuclear facilities because federal and provincial rules differ slightly? The rules may not be exactly the same, but the effects are virtually identical. It makes no sense at all, honourable senators. That is just one example of a split jurisdiction that is inefficient, costs companies and governments money and does not produce any significant benefits.

In closing, I wish to emphasize that this bill in no way undermines the authority and responsibility of the Atomic Energy Control Board. We are simply returning to business as usual in Ontario, or the situation that existed prior to the 1993 Supreme Court decision. The system worked well.

For these reasons, I ask honourable senators to support passage of this bill.

**Hon. Marjory LeBreton:** Honourable senators, I rise to speak on second reading of Bill C-3.

In 1993, the Supreme Court of Canada determined that the Canada Labour Code does apply to administrative, scientific and professional engineering employees within Ontario Hydro's nuclear facilities. As a result of that Supreme Court decision, there arose the problem of creating two processes for negotiating collective agreements within Ontario Hydro whereby 40 per cent of employees are covered by federal labour law, and the remaining employees are subject to provincial labour law. For 50 years, previous to the Supreme Court decision, the collective bargaining relationship was solely under provincial jurisdiction.

Bill C-3, to amend the Canada Labour Code relating to nuclear undertakings, is the result of talks between the federal government and the Government of Ontario since 1994 in an attempt to resolve the problems of a two-tier collective bargaining process. Bill C-3 provides a mechanism for applying

provincial labour law to nuclear facilities regulated by the Atomic Energy Control Act. This mechanism is only applicable after consultation with the province; it does not apply automatically.

The passage of this legislation has three benefits: first, it would restore the same bargaining relationship with the province that existed before the Supreme Court decision of 1993; second, it would promote more stable industrial relations; third, it may allow other nuclear facilities to apply provincial labour laws. The Atomic Energy Control Board's mandate to ensure the same use of nuclear energy in Canada will not be affected by the proposed amendments.

On the surface, Bill C-3, while technical, does not appear to be contentious. The only way to know for sure is to refer this legislation to committee, and have the appropriate experts before the committee in order to subject the bill to a thorough review.

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 Bosa, bill referred to the Standing Senate Committee on Social Affairs, Science and Technology.

• (1500)

## CANADA TRANSPORTATION BILL

### SECOND READING

**Hon. Lise Bacon** moved second reading of Bill C-14, to continue the National Transportation Agency as the Canadian Transportation Agency, to consolidate and revise the National Transportation Act, 1987, and the Railway Act, and to amend or repeal other Acts as a consequence.

She said: Honourable senators, I am pleased to rise on second reading debate to bring to your attention an important piece of legislation, Bill C-14, a bill to enact a new Canada Transportation Act.

Safe, efficient and effective transportation has always been essential to Canada's competitiveness and economic well-being as a trading nation. To compete in the new global economy, our transportation systems and policies must be retooled to better help our industries. Today, honourable senators, we need to take a business approach to the future of Canadian transportation. This means establishing realistic objectives that can be met with available resources and within reasonable time frames. It

includes changing or eliminating outdated and unnecessary legislation and regulations, reducing excess or unnecessary infrastructure and services, and generating a better balance between operating costs and revenues, and between user-pay and user-say, commercializing many of the traditional operational activities of Transport Canada, and reducing or eliminating transportation subsidies.

To make that vision a reality, honourable senators, Transport Canada is pursuing a strategy for change in each mode of transportation: air, surface and marine. The bill now before you is an important part of these initiatives. While the bill deals with all modes, there is no doubt that the most talked about provisions deal with the rail industry.

[*Translation*]

Honourable senators, the reason is that some 30 railways currently operating in this country are standing at a crossroads. Like other Canadian railways, CN and CP, the two major carriers dominating freight service, managed to survive the last economic recession.

Vigorous cost-cutting measures were taken. Since 1983, CN and CP have abandoned 20 per cent of their lines. Total use has dropped by some 40 per cent. The main line rail network is vastly overbuilt: 84 per cent of CN and CP traffic travels on one-third of the network. It is estimated that about 50 per cent of CN and CP lines are surplus to the needs of major carriers. To get ready for the 21st century, our railways must adjust to changing trends, increased competition and the need to cut costs.

Through this bill, honourable senators, the government is doing what it can to support the railways' efforts by streamlining the regulatory process for day-to-day operations. The bill simplifies rationalization of rail lines, which used to be a long process likely to discourage new operators from acquiring lines abandoned by major railways.

First of all, the process focuses on the sale of rail lines to companies that are cheaper to operate on local lines, known in the industry as short-line railroads. Selling to short-line railroads will allow service to shippers and communities, which would otherwise be discontinued, to be maintained.

Second, if a line must be preserved for public purposes, any provincial or municipal government may step in to take the future of the line under its responsibility. They will have ample opportunity to determine if it would be appropriate for them to do so.

Third, this bill gives railways the assurance that, if no other party, be it another railway or a government, wants a line, they can abandon operations. This new assurance will probably be a great comfort to railways and investors alike.

[English]

Honourable senators, the bill will also encourage a more commercial and direct relationship between carriers and the some 25,000 shippers that rely on them. The bill will promote resolution of disputes through businesslike negotiations. A regulatory solution should not be the first resort.

I wish to emphasize that access to the agency will not be curtailed or diminished, as some have contended. The agency will continue to have all the powers of a superior court, and the agency must inquire into any complaint within its jurisdiction that is laid before it. The agency must decide the matter, and must do so with dispatch. There is no discretion in these two respects.

To assist the agency in performing its duties, the bill gives it traditional enforcement powers. In other words, the agency is hardly hamstrung. Where regulatory or arbitration decisions are sought, the bill ensures that they will be speedier. The bill gives guidelines to the agency in rendering its decision. We want to ensure a viable, coast-to-coast rail system that makes sense. A healthy rail industry best serves shippers, communities and Canada as a whole, not just the railways themselves.

[Translation]

Honourable senators, all the key shippers' rights have been preserved, and even improved. The government carefully considered all concerns raised by shippers at earlier stages of the bill, and many of these concerns have been addressed.

While dealing with rail, the bill also updates regulations respecting the other modes of transportation by removing superfluous or outmoded provisions and by modernizing the legislative framework to take into account modern realities. For instance, there was no point in continuing to regulate air service in the north, given the current competitive environment and other modes of transportation. The air transportation sector as a whole will benefit not only from looser regulatory control of air service in the north but also from enhanced protection for both international and domestic passengers.

In the past, some consumers have incurred losses when a novice air carrier proved unable to provide the service, either on a given date or at any time. In the future, applicants for a licence to operate air services within Canada will have to meet not only safety requirements, but also financial requirements to get a licence. This means that no more plane tickets will be sold to consumers for services that do not meet these requirements.

[English]

As government deregulates transportation modes and rolls back day-to-day agency oversight, the bill ensures that the government can still act, should an unforeseen, potentially damaging set of circumstances come together to disrupt an effective national system.

In turn, the bill clarifies and realizes the role of the regulatory agency: Less regulation is better. Overall, the bill makes the legislative framework more logical, shorter and understandable.

Honourable senators, I believe the government has introduced a bill that is efficient, effective and fair. In business, standing still has always been tantamount to falling behind, and that is more applicable today than it has ever been.

The rules of international business are changing. The federal government understands that it must do its part to assist Canadian business wherever possible, and is moving forward with cohesive, comprehensive strategies.

• (1510)

In summary, we have a bill that replaces the National Transportation Act, 1987, the Passenger Ticket Act, the Government Railways Act, elements of the Railway Act, and streamlines and shortens the current process for rail line rationalization, making it commercially oriented, less adversarial, and more conducive to sale or lease of surplus rail lines to new operators. The bill restricts government involvement in the day-to-day affairs of the rail industry, cutting red tape and reducing railway administrative costs; continues current protection and rights for shippers using railways in order to ensure that adequate levels of service are provided at reasonable and competitive prices and clarifies and better balances the role and powers of government vis-à-vis those of the regulatory body, renamed the Canadian Transportation Agency. Consistent with the government's regulatory reform thrust, the bill removes unnecessary or duplicative regulatory provisions and processes; places greater reliance on general business laws, such as the Canada Business Corporations Act and the Competition Act, and completes the deregulation of the domestic air sector by removing unnecessary vestiges of economic regulation in the north. The bill also introduces a minimum financial entry test for new air carriers and a prohibition on selling tickets prior to licensing. It removes the unnecessary economic regulation of motor carrier transport, northern marine supply services and mergers and acquisitions, and it simplifies and updates the overall legislative framework.

The bill will not please everyone. Some say we have taken rail deregulation too far; others, not far enough. Neither shippers nor railways are entirely happy, although both, when asked, said they would rather have this new bill passed than remain under the existing National Transportation Act. Perhaps this proves that the bill strikes a suitable balance. After all, compromise is the Canadian way.

This bill, honourable senators, is important for all Canadians. It complements other transportation initiatives the government has taken with respect to air and our new marine sector policy. It is another important element of an overall effort to bring Canada's transportation system into the 21st century for the benefit of all Canadians.

**Hon. J. Michael Forrestall:** Honourable senators, this is a bit of déjà vu for me. I wish to join Senator Bacon in addressing for a few moments the National Transportation Act that is now before us in the form of Bill C-14.

Honourable senators, back in the mid-1970s, when the concept of economic deregulation in transportation first began to surface, it did so in the office of a westerner steeped in the Crow traditions and in the historic problems of transportation in Canada, particularly from the rail perspective. Few understood, as Don Mazankowski did then or does today, the full and vital role that rail transportation plays in the lives of all Canadians.

Honourable senators, I have paid some tribute to Don Mazankowski. I have also paid tribute to his professional staff and their efforts to apply the concept of deregulation not only to rail but, to some extent, to air and marine in light of the fact that the act would be extensively reviewed after five years of service. The industrial base that relies on transportation, in whatever form, was exposed to the probing of sensitive public servants who wanted, in the review, to ensure that the successor bill was an act that Canada could rely upon, with some adjustment, well into the next century. I commend Mr. Mazankowski for having started what we now have in front of us today.

The measure was debated fully in the other place. Over 100 witnesses appeared. As my colleague suggests, there are strong divisions and arguments held equally by shippers and carriers, particularly in rail.

As the honourable senator has said, a great deal of compromise has taken place already. However, a great deal of room for compromise and negotiation still remains eminently possible. As the honourable senator suggests, this bill is preferable to the old act, and there is no question about that. It was 100 years old. We are making progress.

Politicians of goodwill, seized with national problems that confront the main line strengths of our nation, can identify the difficulties and propose solutions. More important, they can press for those solutions. Where there is a will, it will work.

Honourable senators, we will not deal in great depth with this bill today. I hope it will go fairly quickly to the appropriate standing committee, where we will have an opportunity to discuss in some detail the continuing concerns of shippers and carriers. Possibly, we will hear some new insights and directions that might benefit the current thinking on transportation in this country. We can do that at a slower pace in committee. I hope that the bill will go to the Standing Senate Committee on Transport and Communications so that we might call witnesses to get on with this piece of work.

I should like to assure the government on the benches opposite that this is a bill in which we take some degree of pride. This is a piece of legislation that we do not intend to delay unduly, although we will want to take a very long, hard look at it. We will also want to listen intently to those who wish to put forward their ideas. Hopefully, by the latter part of the session this spring, we will be able to report back to this chamber and send to the

House of Commons, if required, an unamended bill, but only if good amendments are put forward.

When good ideas come along, you use them. I have always believed that one of the greatest forms of pollution is the discarding of good ideas before they have achieved their useful purpose.

Honourable senators, we welcome this bill. I have some pride in it. Many nights, I sat until one, two, or three o'clock in the morning trying to sort out what "economic deregulation" meant. When you have a dream and you work at it in opposition — and some of you in this chamber will realize this — without the benefit of a learned civil service structure to help you, you must use your own talents. Sometimes, you wonder where you are going.

• (1520)

In any event, whatever it was finally came through the hands of experts to what we have here today. I am somewhat proud to have been present, not at the conception of the bill but certainly at its caesarian birth. Now we must reconstruct things a bit, but I am quite confident that, well into the next century, the basis that is set forward in this piece of legislation will serve Canada's ground, marine and air transportation industries and serve them well. It will do so because it recognizes that those who use it are perhaps the best ones to run it. It recognizes that compromise is possible. Given the Canadian spirit, compromise in fact will take place.

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 Bacon, bill referred to the Standing Senate Committee on Transport and Communications.

## DEPARTMENT OF PUBLIC WORKS AND GOVERNMENT SERVICES BILL

SECOND READING

**Hon. Pierre De Bané** moved second reading of Bill C-7, to establish the Department of Public Works and Government Services and to amend and repeal certain acts.

He said: Honourable senators, it gives me great pleasure to rise today to speak on Bill C-7.

[Translation]

This bill might be described as consolidating all of the government's joint service organizations within one and the same department, with a view to further rationalizing government mechanisms, making services more efficient and effective, and better meeting the needs of Canadians.

[English]

One major component of the new department is the former Department of Supply and Services, which was the government's internal service organization. The other major component is the former Public Works Department, which administers a wide range of federal buildings and properties. The department also incorporates the former government telecommunications agency and the Translation Bureau.

The new department means improved service to other government departments and agencies, and it means improved service to Canadians. Taxpayers save money, government departments have one-stop shopping for all their service needs, and there is a single window to the government for suppliers and contractors across the country.

The Department of Public Works and Government Services came into being on June 25, 1993 as part of an extensive restructuring of a number of departments undertaken by the previous government. The amalgamation was achieved by orders in council, but this bill is required to create the new department in statute.

[Translation]

The objective of the bill is to put a framework into place which will, thanks to the new organization's synergy and dynamism, help us to simplify service delivery to both the government and the Canadian public while making it more cost-effective.

Honourable senators, no matter how common services are organized, efficiency will always be the key to success. To attain efficiency, we have to reduce duplication and overlap everywhere in government and to have a core of expertise whose efforts will be focussed on creating new methods and technologies for service delivery.

The net result of this will be: first, savings for the taxpayer; second, a multi-service centre for client departments; third, specialized expertise accessible from anywhere within the government; fourth, a single window approach for suppliers and contractors doing business with the government; fifth, enhanced government capacity to serve the people of Canada.

[English]

The creation of a single Department of Public Works and Government Services will generate significant savings for Canadians. The budget is being reduced by \$353 million over three years. That is no small piece of change for hard-pressed taxpayers.

[Translation]

Honourable senators, I must make it clear that all of these savings will be the result of our eliminating duplication, simplifying systems and making greater use of technological innovation.

None of this will have any negative impact whatsoever on the quality of service presently being provided to the department's clientele and the general public.

[English]

Let me take a few moments to outline the responsibilities of the new department and to explain how it affects the way the government operates and how it affects Canadians. The Department of Public Works and Government Services is the Government of Canada's chief purchasing agent, publisher, banker, accountant, paymaster, and provides office accommodation, real estate, design and construction, telecommunications, and translation services for the government. The department issues about 193 million payments a year on behalf of the Canada Pension Plan, Old Age Security, the GST, the child tax benefit, the public service payroll, as well as to suppliers, by cheque and direct deposit. When I had the honour to serve as minister of that department in 1978, the department issued close to 10 per cent of all the cheques issued in Canada per year. The department banks and disperses all public money received by the Government of Canada, maintaining the accounts.

As the principal purchasing agency for the government, the department buys some \$8.6 billion worth of products and services each year and works on major acquisition projects. It issues, on average, 120,000 contracts to the private sector annually. The department handles the purchase of 17,000 categories of goods and services. Procurement ranges from frigates and satellites to medical supplies and food aid, to weather balloons and information technology. The department buys for more than 150 federal departments and agencies. It is obvious that having the expertise to negotiate contracts within one department is much cheaper than trying to replicate that expertise in every single department.

The government telecommunications and information service is the lead agency in moving the government toward the better service and lower cost which can be achieved through automation and electronic interaction.

• (1530)

Translation is provided in the official languages of Canada and some 150 other languages and dialects. Our experts also provide interpretation services for some 40 languages, including sign language. The department fields over 150,000 queries every year regarding precise terminology.

The department is the largest real estate agency in Canada, providing work space for 160,000 government employees across the country. It also runs all federal properties not under the jurisdiction of any other department.

The department holds an estimated \$6.8 billion of real estate on behalf of the people of Canada. The primary holdings are office buildings and common-use facilities. It is also, however, the custodian of national landmarks, laboratories, warehouses, residences, bridges, highways, a lock, dams and dry docks.

Honourable senators, as you can see, there is a tremendous number of services provided by this department. By integrating all of these activities into one department, we are making it easier for Canadians to deal with the government, and we are making it cheaper for the government to function.

[Translation]

The integration of skills and resources, the rationalizing of systems and the adoption of new methods of service delivery are, in fact, already making savings and quality improvement possible.

[English]

The department can bring a more streamlined approach to many aspects of government administration and services as well. For example, it is expanding the use of direct deposit for government employees and all Canadians who receive cheques from the federal government. By the end of 1994-95 — and we are at the end of that fiscal year — the department was saving \$28 million annually in postal and administration costs while also providing increased security and privacy for recipients of government payments. Following an information campaign, more than 1.7 million people signed up, saving the department an additional \$7 million annually.

Honourable senators, I think we all know how important it is for small- and medium-sized businesses to know how government works and to be able to compete on a fair footing. The department has put in place the OBS, an electronic open bidding system, that enables Canadians from every part of the country to bid on government contracts, and to know what contracts, have been given to whom and for how much money. The system is now available at the flip of a computer switch in every place in the country. Every business in Canada is able to compete on much simpler and much fairer footing for government work. For those who do not have a computer, this information is also available in a publication called "Government Business Opportunities," issued three times a week.

All Canadians know that a more competitive contracting system means a better deal for taxpayers. The majority of federal departments and Crown corporations, as well as a number of provincial governments — New Brunswick, Quebec, Ontario, Alberta, Manitoba, and Saskatchewan — have chosen to advertise their procurement requirements on the OBS, so anybody who has a computer and a modem can see each day what services the different governments in Canada want to buy, can type in a bid, and, within minutes, see who has won the bid and for how much.

Honourable senators, I am sure that most of you will be aware of other measures taken by the department to make it work for the benefit of Canadians. The Translation Bureau is now operating on a cost-recovery basis. A special committee is looking at the privatization of the Canada Communication Group. Government office space will be reduced by 10 per cent over the next five years.

Bill C-7 restructures the government in order to help get government right. It helps bring the size and the structure of

government into line with what can be afforded. By focusing on value for money, by focusing on core services, by focusing on taking advantage of new technologies, by focusing on partnering arrangements, and by focusing on rationalizing operations, Public Works and Government Services will provide better service to Canadians at a cost we can afford.

By passing this legislation, Parliament will establish in law a new department which better meets the realities of government and better responds to the needs and desires of Canadians.

[Translation]

The government has made a firm commitment to all Canadians to provide an administration that is at the same time equitable, efficient, innovative and accessible.

[English]

Canadians are rightly concerned about the cost of government at all levels. They are aware that overlap, duplication and poor coordination have contributed to the tax burden they must bear. They expect and demand that we take every measure possible to streamline our operations, reduce administrative costs, cut out red tape, and improve our service delivery in implementing government programs.

Honourable senators, the creation of the new Department of Public Works and Government Services, initiated under the former government and confirmed by our government, responds directly to that challenge.

[Translation]

Bill C-7 will make it possible to implement more coordinated and standardized methods and policies. It will also make it possible to use state of the art technologies to simplify existing processes and to provide potential suppliers with a clearer picture of the organization with which they are doing business.

[English]

The government has stressed again and again that the operations of government must be responsive and geared to action and results rather than to bureaucratic processes. In the current climate of fiscal restraint, the pursuit of efficiency and economy in government operations is clearly not a luxury; it is an absolute necessity.

My final words are to say that, in view of the impressive savings and efficiencies that have already been achieved and the even greater ones that lie ahead, it is obvious that passage of Bill C-7, initiated by the former government, will allow the government today to get better value for its money. That is what Canadians expect and that is what Canadians deserve.

**Hon. Finlay MacDonald:** Would the honourable senator permit a question? You were gracious enough to refer to the fact that the substance of this bill was initiated by the previous government. Is it the same bill? Is it pretty well identical to that which was introduced earlier? I think you used the date of 1993.

**Senator De Bané:** If my memory serves me well, honourable senators, that reorganization was initiated and considered by the Mulroney government and announced by the Campbell government. As honourable senators know, government reorganization can be enacted through order in council. However, the Government Reorganization Act requires that whatever changes are made must be confirmed at a later stage in a statute. How the Campbell government introduced the bill, I do not remember, but the merger of the two departments was made through order in council on the occasion of the swearing in of that government. I stand to be corrected, but I think the bill itself was introduced after the election.

• (1540)

**Senator MacDonald:** I do not remember that particular bill. It is my recollection that it was a budget bill which was defeated. Does the honourable senator recall anything of that nature? It was one of the few defeats that the Senate imposed upon the House of Commons, not because it was that particular bill but because there were other aspects of the budget bills which were brought in that were distasteful to this house. Can the honourable senator shed any light on that matter?

**Senator De Bané:** Honourable senators, as you know, the merger of the two departments, plus the other specialized services, such as telecommunications and translation, is already a reality. It has already been done, some of it by a minister appointed under the Kim Campbell government. I believe it was the member from Nepean who was the minister.

The merger of the Department of Supply and Services, Public Works and different agencies is a reality. What we have to do now, subject to the approval of Parliament, of course, is to give it stability.

**Hon. John Lynch-Staunton (Leader of the Opposition):** Honourable senators, the substance of this bill will certainly be discussed before the committee. However, I am troubled by the fact that the sponsor of this bill, who is a renowned supporter of the equality of the two official languages, would bring us a text which does not recognize that in more than one section.

I point out to the honourable senator, and to others who will bother to read the bill, that in the English version of the interpretation clause there are definitions for Crown corporation, department, federal real property, minister and public work. However, in the French version there is no definition of minister. This is sloppy drafting, something which we have brought to the attention of this chamber more than once on other occasions.

I should like also to draw to the attention of the honourable senator clause 16 of the bill. The English version states:

The Minister may do any thing for or on behalf of —

Subparagraphs (a) and (b) are then set out. The French text is much different.

Finally, I draw to the attention of the honourable senator page 15 of the bill. Clause 45 is not the same in both languages.

Unfortunately, I have the feeling that the more I read this bill, the more flaws I will find in it as far as respect for the equality of languages go.

Honourable senators, this is not the first time that bills showing a lack of respect for the requirements of Parliament, insofar as the Official Languages Act is concerned, have come before this house. If we cannot set an example in this regard, then we should not complain when others do not.

I would like Senator De Bané to tell us why he can sponsor a bill which in three places — and no doubt there are more — flaunts the requirement that both languages be treated with equal respect.

**Senator De Bané:** Honourable senators, I am not myself a professional translator. However, I can assure the honourable senator that his remarks concerning deficiencies in translation will be brought to the attention of those who are in charge of translation.

If the Leader of the Opposition is right and there are mistakes in the translation, then I apologize and tell him that the mistakes must be corrected. According to the Interpretation Act, both versions have the same force and effect. Great care must be brought to the drafting of legislation. We must have identical versions of bills in both languages. I am sure that the opinion and the remarks of the Leader of the Opposition will be considered with a high degree of urgency.

[Translation]

**Senator Lynch-Staunton:** I would also like his assurance that the corrections will be made during the committee examination, and we will not be offered the usual excuse that we need to wait for an omnibus bill, at which time it will be done. I would like the House of Commons to be told that we are certainly prepared to carefully examine any government bill, provided that this can be done in both official languages, and that the English and French versions properly reflect each other. In the three examples I have referred to, such has not been the case. I believe that the Senate ought not to have to deal with such a failing — although that term is perhaps too erudite.

[English]

**Hon. Noël A. Kinsella:** Honourable senators, with the complete understanding that this bill is a piece of machinery-of-government legislation, perhaps there is a tendency to look at it more lightly. In addition to the glaring and inexcusable errors that were pointed out by the Leader of the Opposition, my first question is on issues of principle.

What are the power relationships that might be affected by this bill? In asking that question, I turn immediately to the part of the bill which deals with the power of the minister, that is, clause 7. Given that this department will be dealing with significant

purchases and a significant amount of money, as Senator De Bané has pointed out, it is most important that the legislation give clear instructions to the minister as to how he or she must exercise their authority and power. Therefore, one looks at the limitations that are placed upon that power.

Given the amount of money that the minister of this new department will have, does the honourable senator not agree that we should be very careful to circumscribe that power in the act of establishing the ministry?

**Senator De Bané:** Honourable senators, having had the honour of serving as minister responsible for procurement some 18 years ago, what has struck me over the years, both under Liberal and Conservative administrations, is that hundreds and thousands of contracts are awarded on a daily basis. As the honourable senator has noticed, we rarely hear suppliers complaining that they did not get a contract because a competitor had an unfair advantage. You never see any complaint in the press about it. The system is transparent. The winner of every contract is published along with the amount bid.

• (1550)

When I was the minister of that department, the people who had the authority to sign the contracts were below the level of senior management. Senior management made the policies and other people implemented them.

I think the best court to go one step further and say what the minister can and cannot do is the court of public opinion. I believe that having everything published and transparent has been a better safeguard.

As you know, in every department the authority rests with the minister. If he uses that authority unwisely, it will become known immediately that he has abused his power; that he has taken advantage of his position. Past experience shows that the open, transparent and competitive system we have in Canada works satisfactorily.

When I was the Minister of Supply and Services, a member of the opposition complained to me that one of his constituents was unhappy about not being awarded a contract. I invited the officials who did the evaluations to explain the process to him. After listening to the explanations, he fully supported the decision.

I am not sure that it is right to put the minister in a strait-jacket. When I was minister, officials told me that I could give a contract to whomever I wanted, with the proviso that I would have to sign the contract personally; an official would not sign it. I think that keeps ministers wise and prudent.

**Senator Kinsella:** Honourable senators, the fact that this bill seems to deviate a little must be a matter of some concern and principle. With regard to the exercise of powers, clause 7(1)(b) requires that the minister acquire materiel in accordance with regulations. There is no statutory provision in the bill that the minister must acquire materiel in accordance with statute.

However, we know that regulations can be changed with the stroke of a pen. That seems to go against the argument you were making.

Do you think there may be a flaw in the bill with regard to the limitations it places on the minister, that not only must he or she follow the regulations but also must follow statute in the acquisition of materiel?

The department that is being created by this bill is quite different from the department of which our honourable friend was once the minister. In my view, it would be better to have, in this kind of legislation, some type of mission statement of a new ministry, or a preambular paragraph that would tell us a little bit more, because they are putting together, some might argue, disparate parts. The way in which those responsibilities interact might be quite different from the old regime of simply acquiring materiel or services through the tendering processes.

**Senator De Bané:** Honourable senators, I hope that when this bill is referred to committee, Senator Kinsella will give to the committee the benefit of his wisdom, and that we will have a frank exchange with the minister and his officials.

May I also remind honourable senators that under the preceding government a very worthwhile initiative was taken to formally establish a sort of tribunal before which any supplier who feels he has been treated unfairly by those officials, who grant over 1,000 contracts per working day, can come forward and make a formal complaint. I understand that the same organization also deals with complaints related to NAFTA.

All sorts of safeguards have been added to the system over the years to enhance its fairness. I am sure that we will have ample occasion in committee to discuss the very worthwhile points brought forward by my colleague.

**Senator MacDonald:** Honourable senators, I do not wish to prolong the questions. Although my memory is a bit faulty, I am thinking back to the bill which you keep attributing to the previous administration. I get the impression that there are some things that have already been implemented for which you now want a piece of legislation in order to give effect to those things. I find that a little bit presumptuous. Bill C-7 has not received Royal Assent.

I do not expect you to answer the question now, but that may come up in the committee.

**Senator De Bané:** Honourable senators, I am not an expert in those matters. However, if my memory serves me correctly, the Government Reorganization Act says that the Prime Minister can change the structure of the government and implement it by order in council, effective immediately. That is what Prime Minister Kim Campbell did. However, the same statute says that the government must introduce in Parliament a bill in order to obtain the authority to make those changes permanent. I believe that is the spirit of the law; that it can be enacted immediately, but subject to later approval by Parliament. Of course, I stand to be corrected.



[Translation]

**Hon. Pierre Claude Nolin:** Honourable senators, from the questions my colleagues are asking, consideration of this bill in committee will be very interesting. I am more familiar with the Public Works Department Act. This legislation must be considered in terms of another piece of legislation that is also very important: the Financial Administration Act. I do not want to initiate committee consideration here, but a department cannot award contracts without following the provisions of the Financial Administration Act.

However, since we are at the principal stage, we should support all the principles underlying an act that aims to improve government efficiency.

On the other hand, Bill C-7 warrants close examination. This bill replaces an earlier bill from the first session of the present parliament; it has been on the Order Paper of the House of Commons since 1994, and it has stayed there for reasons that are not always obvious.

It will be the job of our committee to ensure that the bill is not creating a precedent and that the government and department officials will not use it to compete with the private sector. The former bill, Bill C-52, and the amended version of Bill C-7 would indicate that the Department of Public Works could, if the bill were interpreted strictly, compete with the private sector in providing services to Canada.

While we are looking at the principles of this bill, we cannot permit a federal department to compete with individuals or Canadian corporations that have to face the competition and deal with financial considerations that are very different from those of a federal department.

During consideration in committee, we will be able to clarify the situation and obtain some answers. I do not think a department should be able to act in this way.

I am not talking just about construction services; I am thinking of a whole range of services, which, at the moment, come under this new Department of Public Works and Government Services. I hope that study in committee will be quick, but to the point.

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 De Bané, bill referred to Standing Senate Committee on National Finance.

## ROYAL ASSENT

NOTICE

**The Hon. the Speaker** informed the Senate that the following communication had been received:

RIDEAU HALL

March 28, 1996

Mr. Speaker,

I have the honour 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 today, the 28th day of March, 1996, at 4:10 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

[English]

## ADJOURNMENT

Leave having been given to revert to Government Notices of Motions:

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, with leave of the Senate and notwithstanding rule 58(1)(h), I move:

That when the Senate adjourns today, it do stand adjourned until Tuesday, April 16, 1996, at 2 p.m.

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

**Hon. Senators:** Agreed.

Motion agreed to.

[Translation]

## BANKING, TRADE AND COMMERCE

COMMITTEE AUTHORIZED TO TABLE REPORT ON  
STUDY OF CANADIAN FINANCIAL SYSTEM

**Hon. Gerry St. Germain,** pursuant to notice of Wednesday, March 27, 1996, moved:

That the Standing Senate Committee on Banking, Trade and Commerce, which was authorized by the Senate on March 21, 1996 to examine the present state of the financial system in Canada, be permitted, notwithstanding usual practices, to deposit a report on the said subject with the

Clerk of the Senate, if the Senate is not sitting, and that the said report shall thereupon be deemed to have been tabled in the Chamber.

Motion agreed to.

The Senate adjourned during pleasure.

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### ROYAL ASSENT

The Right Honourable Antonio Lamer, Chief Justice 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 Speaker, the Right Honourable the Deputy Governor General was pleased to give the Royal Assent to the following Bills:

An Act to amend the Judges Act (Bill C-2, *Chapter 2, 1996*)

An Act to provide borrowing authority for the fiscal year beginning on April 1, 1996 (Bill C-10, *Chapter 3, 1996*)

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 supplies to enable the Government to defray certain 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 March 31, 1996 (Bill C-21, *Chapter 4, 1996*)

An Act for granting to Her Majesty certain sums of money for the public service of Canada for the financial year ending March 31, 1997 (Bill C-22, *Chapter 5, 1996*)

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.

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The sitting of the Senate was resumed.

The Senate adjourned until Tuesday, April 16, 1996, at 2 p.m.

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**THE SENATE OF CANADA**  
**PROGRESS OF LEGISLATION**  
**(2nd Session, 35th Parliament)**  
**Thursday, March 28, 1996**

**GOVERNMENT BILLS**  
**(HOUSE OF COMMONS)**

<b>No.</b>	<b>Title</b>	<b>1st</b>	<b>2nd</b>	<b>Committee</b>	<b>Report</b>	<b>Amend.</b>	<b>3rd</b>	<b>R.A.</b>	<b>Chap.</b>
C-2	An Act to amend the Judges Act	96/03/19	96/03/20	Legal & Constitutional Affairs	96/03/21	none	96/03/26	96/03/28	2/96
C-3	An Act to amend the Canada Labour Code (nuclear undertakings) and to make a related amendment to another Act	96/03/27	96/03/28	Social Affairs, Science & Technology					
C-7	An Act to establish the Department of Public Works and Government Services and to amend and repeal certain Acts	96/03/27	96/03/28	National Finance					
C-8	An Act respecting the control of certain drugs, their precursors and other substances and to amend certain other Acts and repeal the Narcotic Control Act in consequence thereof	96/03/19	96/03/21	Legal & Constitutional Affairs					
C-9	An Act respecting the Law Commission of Canada	96/03/28							
C-10	An Act to provide borrowing authority for the fiscal year beginning on April 1, 1996	96/03/26	96/03/27	National Finance	96/03/28	none	96/03/28	96/03/28	3/96
C-14	An Act to continue the National Transportation Agency as the Canadian Transportation Agency, to consolidate and revise the National Transportation Act, 1987 and the Railway Act and to amend or repeal other Acts as a consequence	96/03/27	96/03/28	Transport & Communications					
C-21	An Act for granting to Her Majesty certain sums of money for the public service of Canada for the financial year ending March 31, 1996	96/03/21	96/03/26	--	--	--	96/03/27	96/03/28	4/96
C-22	An Act for granting to Her Majesty certain sums of money for the public service of Canada for the financial year ending March 31, 1997	96/03/21	96/03/26	--	--	--	96/03/27	96/03/28	5/96

## SENATE PUBLIC BILLS

No.	Title	1st	2nd	Committee	Report	Amend.	3rd	R.A.	Chap.
S-2	An Act to amend the Canadian Human Rights Act (sexual orientation) (Sen. Kinsella)	96/02/28	96/03/26	Legal & Constitutional Affairs					
S-3	An Act to amend the Criminal Code (plea bargaining) (Sen. Cools)	96/02/28							
S-4	An Act to amend the Criminal Code (abuse of process) (Sen. Cools)	96/02/28							
S-5	An Act to restrict the manufacture, sale, importation and labelling of tobacco products (Sen. Haidasz, P.C.)	96/03/19	96/03/21	Social Affairs, Science & Technology					
S-6	An Act to amend the Criminal Code (period of ineligibility for parole) (Sen. Cools)	96/03/26							

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