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**Thursday, May 9, 1996**

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THE HONOURABLE GILDAS L. MOLGAT  
SPEAKER

## CONTENTS

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

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## THE SENATE

Thursday, May 9, 1996

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

Prayers.

### SENATORS' STATEMENTS

#### TRANSPORT

RESIGNATION OF SENIOR OFFICIALS  
AT PORT OF SAINT JOHN, NEW BRUNSWICK

**Hon. Erminie J. Cohen:** Honourable senators, patron Liberal appointees now fully control the Port of Saint John, New Brunswick. Last week, for the third time in a matter of weeks, the port lost another senior official.

Last month, Mr. Ken Krauter, the CEO and general manager of the port, said he was leaving his position after 10 years. The director of marketing, Mr. Peter Clark, also announced his departure; and recently, the assistant general manager, Mr. Adam McBride, said that he, too, will leave in June to take a new position with the Port of Delaware.

Honourable senators, it is no coincidence that the Port of Saint John has lost three of its top officials in a matter of weeks. It appears that officials have left because of irreconcilable differences and sometimes interference with a qualified and knowledgeable decision by the officials.

This is Canada's fourth largest port in shipping volume. Last year, the port achieved an 8-per-cent increase in total traffic, including a significant increase in cruise ship traffic. Revenue increased by 5 per cent, while operating expenses fell by 10 per cent. Since its incorporation in 1986, the Port of Saint John has seen a major redevelopment of its facilities, improved profitability, and growth in marketing cruise ships and promotional programs. With all three top officials gone, that progress is in jeopardy.

• (1410)

Major changes are about to take place to Canada's port authorities. The government's recently announced marine strategy indicates that ports like Saint John will be privatized. Ports will now be required to pay for services like navigational aids, ice breaking and dredging. Now is the time when we need experienced and qualified people who know the industry inside out, not a time for political appointees to interfere with the day-to-day operations of the port.

I am told that the terminal operators at the port are dealing directly with the appointed chairman of the board. I am deeply concerned that, at such an important transition period, our port will not have at the helm qualified, experienced people who have a keen knowledge of port operations.

I wonder, honourable senators, if the federal government wants full control over the Port of Saint John? If so, it has it now — and look what has occurred! It has influenced the departure of seasoned professionals who have been responsible for the phenomenal growth at the port.

Honourable senators, it sounds like a mutiny to me, and the new captain does not have the capacity to steer the ship.

I urge the government to ensure that, in the future, political appointees do not usurp the positions of the qualified people who are there to run the business, maintain its profitability and operational effectiveness.

#### ROTARY INTERNATIONAL

CALGARY TO HOST EIGHTY-SEVENTH ANNUAL CONVENTION

**Hon. Dan Hays:** Honourable senators, I should like to draw your attention to an event that will occur in Calgary from June 23 to June 26 of this year, namely, the eighty-seventh annual Rotary International Convention. It is the first time that it will be held in Western Canada.

Rotary International is not that old. Founded in 1905 as a service club, it has grown to 1.2 million members, spread among 27,000 clubs, in 154 countries of the world. In Canada, the Rotary Club began in Winnipeg in 1910, and we now have approximately 30,000 members in 600 clubs across the country.

Rotary International, a non-governmental organization, has had a long and proud history of working with the federal government to benefit citizens of the world. My Rotary district has been involved in a number of projects and continues to work with the Canadian International Development Agency, arranging matching grants for international projects in various parts of the world. Similarly, the federal government, the Rotary Club and Connaught Laboratories have worked in partnership on the Polio Plus Project, an initiative started by Rotary 10 years ago and which has resulted in the immunization of over 500 million children throughout the world community.

The city of Calgary will welcome between 25,000 and 30,000 Rotarians to the convention. That convention will be opened by our former colleague, now the Governor General of Canada, His Excellency, Romeo LeBlanc.

I should like to offer my sincere thanks to my colleagues in both Houses of Parliament for their generosity in providing a total of 30,000 Canadian flag pins from their allotments.

[Translation]

Thanks to the efforts of our parliamentarians, Rotary International will be able to present each delegate with a souvenir of our wonderful country. Congratulations and a big thank you to my honourable colleagues in both Houses for this demonstration of goodwill.

[English]

I wish to extend a special thanks to honourable senators who provided flag pins, as you provided most of them. I am much in your debt and very grateful for allowing me, as one of your representatives, to assist Rotary International and its Canadian members in hosting in such a fine way their guests from around the world.

## HEALTH

### COMMISSION OF INQUIRY ON THE BLOOD SYSTEM—WITHDRAWAL OF OBJECTIONS BY FORMER HEALTH MINISTERS OF NOVA SCOTIA

**Hon. Finlay MacDonald:** Honourable senators, I have some interesting news from Nova Scotia. Yesterday, three former Nova Scotia health ministers withdrew their challenges to the Krever inquiry, expressing the hope that all opposition to the inquiry will cease. The former Conservative health ministers, Joel Matheson, Ron Russell and Gerald Sheehy, told the press they no longer feel under siege from the law. Matheson said: "I will take my chances with the Krever inquiry and its results." He was the Nova Scotia Health Minister from December 1987 to January 1989.

Premier John Savage has hinted broadly that the Government of Nova Scotia will abandon its bid to stop the Krever inquiry from laying the blame for the infection of thousands of Canadians with tainted blood. Premier Savage said he would announce his decision by tomorrow. If his decision is as he hinted, it will be interesting to see which provinces will follow.

## FOREIGN AFFAIRS

### ISRAELI-HEZBOLLAH CONFLICT— NECESSITY FOR WESTERN INPUT INTO NEGOTIATIONS

**Hon. Nicholas W. Taylor:** Honourable senators, as you will perhaps recall, about one week ago His Honour said that there were only four minutes remaining under Senators' Statements. The first lesson I learned is that you can stretch that out to five or six minutes. I realized that only after I heard Senator Simard speak. He has taught me how to handle the time.

I wanted to comment today on what my good friend Senator Prud'homme raised a week or so ago concerning the Lebanon-Israel conflict. I thought that if his report or statements were left unchallenged — and, although by and large he was very close on the general appeal — one could be left with the thought that the blame should be placed on the Israelis.

I worked for 25 years on both the Israeli and the Arab side. For many years, I had offices in both Cairo and Tel Aviv, and it involved less than an hour's flying time between the two cities. However, when leaving Cairo, for example, I would have to fly to Rome and then on to Tel Aviv. That is probably no worse than the plane connections between Edmonton and Ottawa, which go through Toronto. Nevertheless, at that time, I was chairman of the Egyptian-Canadian Businessmen's Association. I am also proud to say that, at the same time, I was chairman of the largest private oil company exploring for oil in Israel.

Golda Meir once said that Moses knew where he was taking the people; unfortunately it was to the only place in the Middle East that did not have oil. As a goy, or a non-Israeli, I had a chance to work with both the Arabs and the Jews. They are lovely people. As to why the conflicts occur there, it is lost in antiquity. We only have to look at Northern Ireland, Yugoslavia and other places, to realize that other nations seem to be adept at shooting themselves in the foot. Semitic peoples live very much in a modern day civilization, but they still quarrel amongst themselves. I think it is an oversimplification to say that an overenthusiastic Israeli group attacked Lebanon.

Progress is being made in the Middle East. When I was first there, they did not get along. There was friction between Jordan and Israel, as well as between Egypt and Israel. That seems to be settled. The big problem now is the northeast frontier, the Golan Heights which is controlled by Syria and the occupied zone in South Lebanon. Contrary to what some people might have heard, occupation has not stopped the rockets, but it has stopped the marauding bands that would cross the border from time to time.

I do not think there will be real peace in Lebanon until we solve the friction with Syria. Syria is not happy with the situation in the Golan Heights. Consequently, they keep financing an army of the Hezbollah. Someone might argue that the Israelis are financed and armed by the Americans and other countries.

• (1420)

However, at this time, instead of laying blame on either the Israelis or the Hezbollah, perhaps we should lay some blame on the Western World, which has not done as much as it could to promote talks with Israel, and also especially with Syria, on these matters. That is something we should be doing. We should not wait until friction erupts, and then try to blame one side or the other.

## HUMAN RESOURCES DEVELOPMENT

### UNEMPLOYMENT INSURANCE REFORM LEGISLATION— NEED FOR SOCIAL AFFAIRS COMMITTEE TO GATHER EVIDENCE ACROSS THE COUNTRY

**Hon. Brenda M. Robertson:** Honourable senators, Bill C-12, respecting employment insurance in Canada, will soon be before the Senate. Following debate on second reading, the bill will probably then go to the Standing Senate Committee on Social Affairs, Science and Technology.

Most of you will remember that the previous federal government attempted to amend the unemployment insurance legislation, and when the resulting Bill C-21 was before the Senate, the now government members who then sat in opposition insisted that a special committee of the Senate be struck to travel to the areas most seriously affected by those modest amendments.

I trust that honourable senators opposite have not dramatically changed their views, and that they are still concerned with the plight of those Canadians most affected by the bill. I hope, therefore, that they will support a motion for that committee to travel to those areas of the country in order to hear such concerns for themselves.

[ Senator Hays ]

I sincerely ask all members of the Standing Senate Committee on Social Affairs, Science and Technology to support such a motion with respect to Bill C-12, so that citizens will have the appropriate opportunity to express their concerns regarding this bill, which, I might say, is causing serious apprehension in many parts of Atlantic Canada.

## FOREIGN AFFAIRS

### CONFLICTS IN MIDDLE EAST— REFLECTIONS ON POLITICAL SITUATION

**Hon. Marcel Prud'homme:** Honourable senators, I knew that, sooner or later, someone else would speak on this matter, but I did not expect that it would be my long-time friend Senator Taylor. I will not answer my friend today. I will only say to him, "Welcome to the politics of the Middle East."

I am talking to you as a non-businessman interested in or travelling in any one of these countries. I am sure you will want to participate in a group that we have set up called Middle East Discussions. That is the best way to learn.

I do not have any profound disagreement with what you said, but there is no doubt that, for those of us who have been working for 30 years to ensure peace and security for all, "all" always meant all. Some of us have totally devoted our lives to human rights. My father said, "If you want to talk about human rights, do not pick and choose." Human rights apply to everyone, and they apply to all countries of the Middle East.

Security applies to all, including the State of Palestine, which I promoted for so many years. That was a crime in my caucus, in the Liberal Party and among all of my friends. I was down. You do not know, senator, what you have touched on today, as far as I was concerned.

Nevertheless, I bid you welcome, senator. We will have beautiful exchanges of views in the years to come, and I hope that you and I can go to the Middle East, as I have done before with many senators and many members of the House of Commons.

Again, senator, I knew you were about to do something because I heard some conversation a few weeks ago. However, it has nothing to do with our relationship. It did with others, but not with you. I do not have a profound disagreement with what you said, but I am a little surprised to hear you say that you want to get a better picture of what is happening in the Middle East. I always felt that I was defending Canada's equilibrium in the Middle East; peace and justice for all, human rights for all, and nothing else.

## ROUTINE PROCEEDINGS

### LAW COMMISSION OF CANADA BILL

#### REPORT OF COMMITTEE

**Hon. Sharon Carstairs,** Chairman of the Standing Senate Committee on Legal and Constitutional Affairs, presented the following report:

Thursday, May 9, 1996

The Standing Senate Committee on Legal and Constitutional Affairs has the honour to present its

#### FIFTH REPORT

Your Committee, to which was referred Bill C-9, An Act respecting the Law Commission of Canada, has, in obedience to the Order of Reference of Tuesday, April 23, 1996, examined the said Bill and now reports the same without amendment.

Respectfully submitted,

SHARON CARSTAIRS

*Chair*

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

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

#### ADJOURNMENT

**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 next, May 14, 1996, at 2 p.m.

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

**Hon. Senators:** Agreed.

Motion agreed to.

#### CAPE BRETON DEVELOPMENT CORPORATION

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

**Hon. Lowell Murray:** Honourable senators, I give notice that on Tuesday next, May 14, 1996, I will move:

That the Special Senate Committee on the Cape Breton Development Corporation have power to sit on May 28, 1996 at 3:30 in the afternoon, even though the Senate may be sitting, and that rule 95(4) be suspended in relation thereto.

#### THE SENATE

##### ANSWERS PENDING FROM PREVIOUS SESSION— STATEMENT OF SPEAKER

**The Hon. the Speaker:** Before I call Question Period, honourable senators, I should like to make a report on a request for a ruling that was made some time ago by Senator Nolin.

[Translation]

Honourable senators, on Thursday, March 28, 1996, Senator Nolin put a question to the Deputy Leader of the Government regarding the status of some questions that were still unanswered when the first session was prorogued. The senator pointed out that there were now 91 questions awaiting a reply and most of them were from the previous session. The Deputy Leader replied by saying that the government was trying to answer all questions as promptly as possible. Senator Graham also noted that questions asked during the previous session of Parliament are not automatically restored.

[English]

This position was contested immediately by the Leader of the Opposition. Senator Lynch-Staunton asked for a ruling from the Chair. He explained that it was his understanding that delayed answers do not fall from the government's agenda as a result of prorogation. He went on to state the practice that was followed when he held the position of Deputy Leader of the Government in the previous Parliament. According to him, it was his practice to provide answers to all unanswered questions within two weeks. As he put it:

... with one or two exceptions, we held to that unwritten rule.

[Translation]

On Tuesday, April 30, Senator Comeau sought an answer during Question Period from the Leader of the Government on the matter of exports of groundfish from southwestern Nova Scotia. In putting his question, he noted that it had been originally placed on the Order Paper as a written question last autumn. In her answer, Senator Fairbairn indicated that she was awaiting a decision from the Speaker on the issue of outstanding questions from the previous session.

The original issue was raised again last Thursday, May 2, by Senator Nolin. Thus is the Speaker sometimes reminded of his duty. I apologize to the House for taking so long to make a ruling.

• (1430)

[English]

Before going any further with my ruling, I want to make clear what I have been asked to rule on. Senator Nolin has asked about the status of delayed answers which arise when notice is taken of an oral question asked during Question Period, as stipulated under rule 24(3). The information Senator Comeau is seeking, on the other hand, is based on a written question that was given to the clerk to be placed on the Order Paper until answered in accordance with rule 25.

Orders for Returns comprise a third category by which information can be solicited from the government. This involves a procedure whereby the Senate itself adopts a motion to obtain information from the government. While this practice is long established, it is not often used, but it is recognized in our written rules under rule 131.

[ The Hon. the Speaker ]

One further note: The responses to written questions are not printed in the *Debates of the Senate*. They are simply tabled with the Clerk. The decision I have been asked to make concerns only the status of delayed answers and written questions following a prorogation.

[Translation]

I have reviewed the authorities and discussed this matter with the Table Officers in charge of preparing the Senate's records, including the Order Paper and the Notice Paper. The authorities and the Table Officers both confirm that virtually all items standing on the Order Paper die with a prorogation. Erskine May and Beauchesne describe the consequences of prorogation in identical language.

The effect of a prorogation is at once to suspend all business until Parliament shall be summoned again. Not only are the sittings of Parliament at an end, but all proceedings pending at the time are quashed.

This is from Erskine May, 21st edition, page 222 and Beauchesne, 6th edition, citation 235, page 66.

[English]

The only exception relates to Orders for Returns. Since they are an order of the Senate itself, an Order for Return will remain on the Order Paper from session to session within a Parliament until an answer has been provided. This practice is confirmed in Beauchesne at citation 451(2) at page 132.

Written questions, on the other hand, are among the casualties of prorogation and they disappear from the Order Paper. Like bills, they must be reintroduced; they are not reinstated automatically.

Delayed answers fall into another, but similar, category to written questions. In fact, they are more ephemeral since they never actually appear as a specific item on the Order Paper, and they do not have any existence except in the understanding between the government and the opposition. With respect to both written and delayed answers, there is nothing in our rules obligating the government to provide a response within a certain period of time, if at all, and there is certainly no provision for their automatic reinstatement after a prorogation.

[Translation]

It is my understanding, however, that the House of Commons and some provincial jurisdictions have incorporated procedures into their practice through specific Rules or Standing Orders that require the government to provide responses within a set time during a session, at least with respect to written questions. Standing Order 39 in the House of Commons states that a member may request that a written question be answered within 45 days. If the answer to such a question is not given by the end of that time, the member may seek to raise the substance of the question on the adjournment of the House. A written question can also be transferred to Notices of Motions or, if the minister agrees, be made an Order for Return.

[English]

In the Legislature of Saskatchewan, there is a rule which requires the government to respond to a written question within

five sitting days. If the government cannot meet this deadline, it can request that the question be converted into an Order for Return and, according to another rule, the Order for Return must be brought down by the government within 180 calendar days.

The Standing Orders of the House of Commons and the Rules of the Saskatchewan Legislature are silent on the subject of delayed answers and when they should be provided, though both houses allow ministers to take notice of questions.

As I already noted, in his explanation as to how he managed delayed answers, Senator Lynch-Staunton stated that it was the government's policy when he was deputy leader to answer questions within a set period of time. This was an unwritten rule which he recommended to the consideration of the leadership of the current government. This statement fairly reflects the nature of the problem and defines my role with respect to its resolution. If the opposition is dissatisfied with the disposition of written questions and delayed answers that remain outstanding from a previous session, it can perhaps approach the government and work out a solution. As Chair, I have no explicit authority to rule on the issue.

## QUESTION PERIOD

### GOODS AND SERVICES TAX

#### HARMONIZATION WITH PROVINCIAL SALES TAXES— EFFICACY OF AGREEMENT WITH ATLANTIC PROVINCES— GOVERNMENT POSITION

**Hon. John Lynch-Staunton (Leader of the Opposition):** Honourable senators, once again the Liberal government has not only adopted a conservative policy which, like so many others, its supporters maligned during the election campaign of 1993 — I speak, of course, of the goods and services tax — but it has augmented it by more than doubling the GST on services in three maritime provinces, since the rate in those provinces will be 15 per cent as of next April 1, compared to 7 per cent now. In addition, a number of goods which were exempt from the provincial sales tax will be subjected to a federally imposed sales tax of 15 per cent as of April 1 next year.

Will the Leader of the Government in the Senate not agree that, as a result of these developments, the Liberal Party is not only breaking its repeated election promise to get rid of the GST, and its Red Book pledge to replace it, as stated on page 22 of the English version and on page 20 of the French version, it is expanding that tax by introducing and increasing it, as the case may be, on a wide variety of goods and services. By the same token, the government is penalizing Canadians in a part of the country which, ironically enough, gave the leader's party massive support by believing what, as has become evident to everyone, is a false and broken promise.

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I will not respond as my honourable friend has suggested. We have had a number of discussions on this tax during Question Period in the Senate. I repeat that the harmonization of taxation with the three Atlantic provinces is the

first step in fulfilling the government's promise to attempt to replace the GST with a fairer and simpler tax, a tax that would involve the same amount of revenue collected, and a tax that would reflect cooperation and harmonization with that of the provinces.

With respect to my honourable friend's assertion that the tax has been extended, he will know that harmonization, vis-à-vis the arrangement entered into with great enthusiasm by the provinces of New Brunswick, Nova Scotia and Newfoundland, has enabled the tax rate actually to come down in total in those three provinces. The federal portion remains the same. As a result of harmonization in those three provinces, the level of taxation will be reduced.

**Senator Lynch-Staunton:** I am in admiration of the leader's desperate attempts to rationalize the contradictions of her Prime Minister. That is her role, and I admire her for it, but I would like to pay attention to the facts, and not to the contradictory eloquence.

• (1440)

Now that the GST has been confirmed as part of the fiscal program of the Minister of Finance and the government as a whole, will the Leader of the Government in the Senate now be open to suggestions that we revisit some of the amendments to Bill C-62 which she and her colleagues presented during the debate on the GST itself?

I am asking in particular whether the leader will indicate that she and her colleagues are ready, now that the GST has been confirmed as Liberal policy, to bring in amendments in keeping with Liberal concerns during the debate on the GST in the fall of 1990?

**Senator Fairbairn:** Honourable senators, the GST has not been confirmed by any means as Liberal policy. The Liberal government has made —

**Senator Simard:** Made a mess!

**Senator Fairbairn:** — a very strong and positive beginning in the three Atlantic provinces to replace that tax with a fairer, more simple tax, a tax that will be easier for consumers and small business people to accommodate, a tax which will bring in equivalent revenue and will do so in a process of cooperation and harmonization with the provinces.

I repeat, it is a disappointment to the federal government that it is unable at this point to announce a nationwide sales tax. The process has begun with Atlantic Canada. The government is confident that other provinces in the country will respond in the same fashion to harmonization into a national sales tax.

#### POSSIBLE AMENDMENTS TO STRUCTURE—GOVERNMENT POSITION

**Hon. John Lynch-Staunton (Leader of the Opposition):** Honourable senators, the confusion persists and deepens. In a news release by the Minister of Finance explaining the agreements of the three provinces, there is what is called a "backgrounder." These are questions and answers prepared in the Department of Finance to help us better appreciate what the government is attempting to do. The first question is:

Why did the federal government not eliminate the GST as promised during the last election?

By stating the first question in that way, the Department of Finance is admitting that they did not eliminate the GST.

Now, the Leader of the Government is saying that they have eliminated it. We do not call it the GST, but the Department of Finance calls it the GST. It is not a question of semantics; it is a question of credibility. Let me read another question about the tax base:

Will harmonizing provinces be adopting the GST base?

The answer is yes. So it goes on, all the way through the document. Another question:

How can you call this replacing the GST when all you have done is make it bigger by folding in provincial taxes?

All this is found in the Department of Finance's own question and answer backgrounder.

My own question is this: Now that the GST is in place to stay, surely the Leader of the Government in the Senate and her colleagues — there were 51 of them at the time, and over 30 are still in this chamber today — would agree to bring in amendments to the GST to conform to the policies they were advocating at the time.

I can think of one amendment made by Senator MacEachen on October 31, 1990. In a most eloquent speech in support of Senator MacEachen's amendment, the Leader of the Government gave many reasons specific to the Canadian publishing industry on why we should not begin to tax printed material.

Senator MacEachen proposed an amendment to protect and safeguard printed materials against the GST. Senator Fairbairn at the time enthusiastically supported it. A vote was taken. She and all her colleagues supported it. Thirty-one of those colleagues are still with us today.

Now that the GST is in place and confirmed, and to be, at least, consistent with their original position on the tax, are honourable senators opposite ready now to reintroduce that amendment? I can assure them that many on this side of the chamber will support that.

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I repeat, over the last two and a half years, the federal government has been making a strong effort to replace the GST with an integrated, harmonized national tax. It has had its first success in Atlantic Canada and expects the rest of the provinces, in time, to negotiate a similar arrangement, so that we in Canada can have a harmonized national sales tax.

My honourable friend raises issues of which we are all aware in this house. There is no question that I and others have often wished for a different arrangement on reading materials, particularly books. I have said so in this house. The question for the government now is not amendments to the tax of the former

administration but to negotiate a replacement of that tax. It has begun to do so with its efforts in Atlantic Canada.

**Senator Lynch-Staunton:** Honourable senators, I hope the leader will speak with her colleague the Minister of Finance about getting their vocabulary in order because, while the wording and the explanations between the official text of the Department of Finance and the utterances of the leader may not be diametrically opposed, they are startling in their differences.

Less than four years ago, on September 23, 1992, Senator Frith, who was then Leader of the Opposition, speaking on behalf of the Liberal caucus in the Senate, introduced Bill S-14 which showed how strongly the Liberals at the time felt about the issue. The bill as introduced would have, in effect, according to the explanatory note, excluded all reading material from the application of the goods and services tax. Let us accept, for the sake of discussion, that the tax does not exist any more under that name, although in three maritime provinces it does exist on the books and will continue to exist for some time in seven other provinces.

Will the minister give us support? Should we introduce this bill, will she give us today a pledge to support that which her former leader supported, that which she supported, that which the entire caucus supported and that which we are ready to introduce in this house for total support?

**Senator Fairbairn:** Honourable senators, I will give my pledge to work closely with my colleagues to do anything that I can to further the cause of a national, integrated, harmonized tax. With that integrated tax and the removal of embedded costs in the provincial taxes in Atlantic Canada, and soon elsewhere in Canada, the cost to consumers on a variety of goods will come down.

That is the pledge I give to my honourable friend. I will work closely with my colleagues in any way I can in the integration, harmonization and simplification of a national sales tax.

**Senator Lynch-Staunton:** But no exemption.

**Hon. J. Michael Forrestall:** Honourable senators, once the government has put its program in place, I might ask the leader to get rid of that dastardly extra 0.7 per cent burden which will be suffered by the long-suffering maritimers. It is not 18 per cent; it is really 18.7 per cent.

#### ATLANTIC CANADA OPPORTUNITIES AGENCY

CORNWALLIS PARK DEVELOPMENT AGENCY—  
IMPLEMENTATION OF RECOMMENDATIONS IN REPORT  
OF AUDITOR GENERAL—GOVERNMENT POSITION

**Hon. J. Michael Forrestall:** Honourable senators, I, together with Senator Comeau, am pleased that the Auditor General has responded in some depth to our requests to undertake an audit with respect to the Cornwallis agency. We are pleased that the report has brought to light the lack of control on the part of the former minister for ACOA over the disbursement of millions of taxpayers' dollars handled by this agency. We are also conscious of the fact that that report raises many questions.



Could the Leader of the Government shed some light on why the Auditor General is unable to investigate, to look into and report on the expenditures made by the Cornwallis agency?

• (1450)

I ask this question because, after all, this involves public money. It is money that has been put into the hands of an agency with a board, a chairman of the board, albeit they were named by the minister responsible for ACOA. Nevertheless, it is taxpayers' money. It is very difficult for some of us to understand the reason for this lack of power to investigate on the part of the Auditor General when, in other circumstances, he has been able to reach out and ensure proper handling of taxpayers' money. Could she shed any light on that particular situation?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I agree with my honourable friend on the usefulness of the reporting of the Auditor General. Certainly, he focused in on an issue that was of particular interest to senators. It is useful to have the more frequent reports, enabling these kinds of issues to receive special attention.

My honourable friend will know that in this case there was a freezing of funding, which was then lifted. As the Auditor General's investigators discovered during the course of their investigations, the Cornwallis Park Development Agency now has prepared a long-term business plan. It has adopted new policies in procurement, staffing and conflict of interest. As a result, the regional agency, the Atlantic Canada Opportunities Agency, is negotiating a revised agreement with the Cornwallis Park Development Agency which will contain more detailed guidelines on costs. Therefore, the funding has been resumed. ACOA will continue to work with the development agency in order to monitor its progress.

With reference to the other investigations, it is my understanding that there were certain concerns about the removal of assets. Those concerns were raised in this chamber. We understand from National Defence that that matter is now under investigation by the military authorities.

**Senator ForreSTALL:** Honourable senators, perhaps I could set the leader's mind at ease with respect to that matter. We were equally pleased to learn that the military police, after having investigated, found nothing wrong and so have dropped the matter. There is obviously a conflict of interest in having the military police investigating itself and military matters, so at some point there will be a need to ask whether the national police force, the RCMP, might not want to look into this question.

Honourable senators, I come back to my question: My concern is the process with respect to the Auditor General. These are moneys given by a Crown agency — ACOA — which is subject to federal audit, to a non-profit society which is not subject to federal audit, albeit the funds are federal funds. If you consider the funds that were transferred, not just the ACOA funds but the defence funds, and funds from several sources, we are talking about a great deal of money, and yet the Auditor General cannot investigate that situation. Perhaps the leader might shed some light on that question.

Is there a deficiency in the Auditor General Act? Does the act need amending in order to give the Auditor General authority to

investigate how public money is being spent? Do we need an amendment to the Auditor General Act to give him this power?

**Senator Fairbairn:** Honourable senators, I think the Auditor General has extensive powers to do his job. However, I will take my friend's questions and review them to see if I can come up with a more direct answer.

CORNWALLIS PARK DEVELOPMENT AGENCY—  
FINDINGS OF AUDITOR GENERAL—RESPONSIBILITY  
OF LOCAL MEMBERS OF PARLIAMENT—GOVERNMENT POSITION

**Hon. Gérald J. Comeau:** Honourable senators, my question is also regarding the Auditor General's report and his findings regarding the Cornwallis Park Development Agency. I appreciate the Auditor General's comments regarding the shortcomings of ACOA in not ensuring that the funding agreement with the Cornwallis Park Development Agency met all Treasury Board guidelines. However, to lay the blame solely on ACOA is shortsighted. This is not the first community-based initiative managed by ACOA, and previous such attempts have all worked out very well. They have been quite successful.

Does the minister not agree that the minister responsible at the time, the Honourable David Dingwall, and the local member of Parliament should accept responsibility for this financial and administrative fiasco?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I could not express agreement with my honourable friend on that point. I think the issue has been dealt with in a very straightforward manner by the Auditor General in his report, and the deficiencies in the process that he has outlined in relation to the failure of the agreement between ACOA and the local agency have been corrected, are being corrected, and will be corrected — and, it is to be hoped, with a very positive outcome.

However, I certainly do not agree with my honourable friend in relation to the laying of blame on individuals.

**Senator Comeau:** By way of supplementary, honourable senators, how does the Leader of the Government in the Senate then explain that ACOA has had those kinds of previous management arrangements in the past? One example is the Pictou Development Fund. Those moneys were put in place and there has never been a problem, but now problems have occurred under the Cornwallis agency. The only difference between the Pictou Development Fund and this one is that the players have changed, and the ministers have changed. I might add that the political stripes of the ministers have also changed.

My honourable colleague Senator ForreSTALL was referring to the fact that we have identified a flaw in the process which we might want to correct for the sake of future endeavours when the Government of Canada is in the process of closing military bases. This is not the first base to close, and, from what I understand, there will be many more. The government is in the process of downsizing and closing up departments. Would it now be appropriate for the Government of Canada to provide the kind of support that the Auditor General needs in order for him to examine the way in which assets are being disposed of by the government at this time?

**Senator Fairbairn:** Honourable senators, I could certainly pass on my honourable friend's question. As we focus on this particular situation regarding a particular agreement with ACOA, I am pleased with my honourable friend's comments on the degree to which similar kinds of agreements over the years have been handled successfully. In this case, there were some problems. ACOA itself recognized the problems and began the process of addressing them, and is addressing them. That was recognized by the Auditor General.

• (1500)

## NATIONAL REVENUE

### IMPLEMENTATION OF CHANGES TO INCOME TAX ACT— REPORT OF AUDITOR GENERAL—GOVERNMENT POSITION

**Hon. Jean-Maurice Simard:** Honourable senators, the Auditor General, Mr. Desautels, and his predecessors have expressed on many occasions their dismay concerning the length of time it takes for the government to make changes to the Income Tax Act.

In an attempt to mislead and fool Canadians prior to the 1993 election, the leader of the Liberal Party of Canada, who was then the Leader of the Opposition, released a statement, the title of which is "Reviving Parliamentary Democracy: The Liberal Plan for the House of Commons and Electoral Reform." That document, if we can believe the Red Book at this point, was part of the Red Book itself. In that document, Mr. Chrétien told us that the "credibility-stretching tradition" of not passing actual tax measures until many months after a budget, often even after the measure has come into effect, must, within the context of a suitable system of consultation, be ended, and the doctrine of budget secrecy reconsidered.

Honourable senators, we know that the other place has yet to commence debate on legislation that will make into law the income tax changes announced in the budget of February 1995. Yet the deadline for filing 1995 income tax returns passed one week ago. When will the government honour its promise to end what just three years ago it called a "credibility-stretching tradition"?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I will transmit the question of my honourable friend and my colleagues on the other side. In his preamble my honourable friend talked about suggestions concerning greater openness in the budget-making process. Over the past two years, the Minister of Finance has undertaken extensive public and parliamentary consultations prior to preparing his budget. In fact, the budget process has been opened up considerably. That is a good thing, and something which he will continue to do.

With respect to the issue raised by my honourable friend, I will look into it and try to find an answer for him.

## GOODS AND SERVICES TAX

### LEGISLATION TO IMPLEMENT ALLEGED CHANGES— GOVERNMENT POSITION

**Hon. Jean-Maurice Simard:** Honourable senators, my second question relates to the 1995 tax changes announced in the 1995 budget and the memorandum of agreement dealing with harmonization of the provincial sales taxes and the GST in three of the four Atlantic provinces. Just 10 minutes ago, the Leader of the Government in the Senate referred to the fact that the GST has disappeared, that it has been scrapped and that it is gone, just as Mr. Chrétien announced in 1993 that it would be gone — as if by black magic, or Liberal magic, it would disappear. The Leader of the Government also told us 10 minutes ago that this is a new tax, that the GST is gone. Perhaps it will be called a national tax or a "tax-to-come." If she really means that it is a new tax or, perhaps, an improved GST, when can we expect legislation to deal with this new tax?

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, I invite my honourable friend to read tomorrow the *Debates of the Senate*. The words he is attempting to put in my mouth were certainly not uttered by me.

Indeed, what I have been saying is that the government has been in the process of trying to replace the GST with a simpler tax, a tax that will bring in the same amount of revenue, that is fairer to consumers and small business and that is coordinated and harmonized with the provinces. We are in the beginning stages of accomplishing that.

I did not utter the words suggested by my honourable friend. I am sure he will find that out when he reads the *Debates of the Senate* tomorrow.

With respect to the question that my honourable friend has asked about when there will be legislation, that is up to the Minister of Finance, and I am sure he will decide as he proceeds with his task.

### HARMONIZATION WITH PROVINCIAL SALES TAXES— EQUALIZATION AGREEMENT WITH ATLANTIC PROVINCES— REQUEST FOR INVESTIGATION BY AUDITOR GENERAL

**Hon. Jean-Maurice Simard:** Honourable senators, I realize now that I have made a mistake in the way I interpreted the response of the Leader of the Government in the Senate. I would like to qualify my excuse, though.

As far as those three Atlantic provinces are concerned, the tax has disappeared already, so much so that, ever since the announcement in early April, the Leader of the Government in the Senate, the Minister of Finance and the Minister of Human Resources Development have repeated continually that this announcement is so great that the economy has started to pick up. "Surely," they say, "it will pick up more in the coming months before those efforts bear fruit."

Senator Fairbairn keeps talking about those efforts. Thus far, those efforts have created a mess in the minds of people. They have not created any jobs in Atlantic Canada, contrary to what they try to convey in their messages.

We know that if the government cannot keep up the pressure it has created over the GST and harmonization mess, it may change its mind before April 1997. If the legislation is not passed, if the GST is still here for 10 provinces, although the system may change for three provinces in April 1997, what justification did the Minister of Finance have to charge a bribe of \$961 million to the 1995-96 deficit to realize, in part, their election promises?

• (1510)

**Hon. Joyce Fairbairn (Leader of the Government):** Honourable senators, as I have said so many times in this house, I find it quite offensive to hear the word “bribe” used in the context of an agreement that was reached with three provinces. The leaders of those provinces, in their wisdom, entered into this agreement, which will benefit those provinces in the future.

As the federal government has done on many occasions over the years when there have been structural changes in various regions of this country, it has offered transitional adjustment. This is what the government is giving to the provinces of Atlantic Canada under a clear, open and transparent formula. This transition will take place over a four-year period. The provinces are sharing equally in that transitional adjustment. This will be for the benefit of the consumers and businesses in Atlantic Canada, as it will be, we hope, for the benefit of Canadians throughout the entire country, as other provinces follow the vision and good sense of the premiers of New Brunswick, Nova Scotia and Newfoundland.

By the way, I met with the Premier of New Brunswick last week. He is anticipating the future with pleasure under the new arrangement to which his province has agreed because it will benefit the people of New Brunswick. That is why the Government of Canada has been attempting to initiate this change in taxation policy for the rest of the country as well. The government reached an agreement with those three provinces in March, and the necessary amount of transitional assistance was booked in that period of time. That arrangement will stretch over the four years of transitional adjustment with Atlantic Canada.

I hope that at some time in the future my honourable friend will be able to concede that this has been a very good and very sound move in public policy for the people of his province.

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

**Senator Simard:** Senator Fairbairn told us that she met with the three Liberal premiers of Atlantic Canada last week. It must have been quite a party. They must have been laughing at Canadians.

Rest assured that I have no problem with the federal government's transferring any funds to Atlantic Canada, and to my province in particular, whether it is called a dividend, an equalization payment or part payment. However, the government had warned those three premiers that their equalization formula would be changed or frozen in the very near future, although the amount paid by the central government in absolute dollars would not decrease. To say that they would not equalize things, and that we should be celebrating with them, is a scam.

I point out to the Leader of the Government in the Senate that she has not answered my question —

[*Translation*]

**The Hon. the Speaker:** Honourable senators, question period ended ten minutes ago. Could I ask you, Senator Simard, to wrap up your question?

[*English*]

**Senator Simard:** I should like to finish by serving notice on the Auditor General that I will be asking him and his office to investigate that fudging of the books. The government is guilty of charging an equivalent or partial amount to reimburse three of the Atlantic provinces for amounts they might have collected from April 1997 to 2001. I serve notice on the government and on the Auditor General that they should look into this matter. Perhaps the government should correct its actions in order that Canadians and investors can maintain their confidence in the government, at least on this point, and believe its financial statement.

**Senator Fairbairn:** First, there has been no fudging of the books. The process has been absolutely transparent, and is known to everyone from coast to coast in this country. There is absolutely no fudging of the books.

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

**Senator Fairbairn:** The question of equalization is quite separate. On this development in Atlantic Canada, the Minister of Finance and others have said that the positive results that will come in terms of economic growth, exports and jobs in Atlantic Canada will lift the provinces of Atlantic Canada to a level where they will not require the same equalization from the rest of Canada, which will help every province in this country, including that of my honourable friend.

To further set the record straight, honourable senators, I did not indicate that I had been meeting with the three Atlantic premiers last week. I said that I had met with Premier Frank McKenna in Fredericton, New Brunswick. It was a joyous occasion because we spent the whole day welcoming a new state-of-the-art technology to New Brunswick which will provide a base for all of Canada to receive proper information on the subject of literacy. It is a marvellous advance in technology, and it has been brought into New Brunswick by the premier.

We also spent time congratulating a number of businessmen. Over 300 businesses and corporations in the province of New Brunswick have been partners in literacy. That province has done more than any other province in Canada on this issue through Frank McKenna and Richard Hatfield.

Your province has a record, my friend, of which you should be proud, instead of your demeaning the present premier, the previous premier or my friend the legendary premier of New Brunswick, Senator Louis Robichaud.

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

## ANSWER TO ORDER PAPER QUESTION TABLED

FISHERIES AND OCEANS—VEHICLES PURCHASED—  
REQUEST FOR PARTICULARS

**Hon. B. Alasdair Graham (Deputy Leader of the Government)** tabled the answer to Question No. 21 on the Order Paper—by Senator Kenny.

## THE ESTIMATES, 1996-97

INVITATION TO CHAIRMAN OF INTERNAL ECONOMY, BUDGETS  
AND ADMINISTRATION COMMITTEE TO APPEAR  
BEFORE HOUSE OPERATIONS COMMITTEE ON VOTE 1

**The Hon. the Speaker:** Honourable senators, I wish to inform the Senate that a message has been received from the House of Commons as follows:

Thursday, May 9, 1996

ORDERED,—That a Message be sent to the Senate inviting their Honours to give leave to the Chair of the Standing Committee on Internal Economy, Budgets and Administration, to appear before the Standing Committee on Government Operations in relation to the Main Estimates 1996-97 respecting the Senate — (Vote 1 under Parliament) which were referred to the Committee by the House of Commons on Thursday, March 7, 1996.

ATTEST

ROBERT MARLEAU,  
Clerk of the House of Commons.

• (1520)

## VISITORS IN THE GALLERY

**The Hon. the Speaker:** Honourable senators, I draw your attention to the presence in the gallery of distinguished visitors from the Province of Saskatchewan. There you can see two of our former colleagues, the Honourable Senator Buckwold, accompanied by Mrs. Buckwold, and the Honourable Senator Barootes. Welcome back, honourable senators; we are very pleased to see you.

**Senator Graham:** It is an appropriate day for you to be here.

## ORDERS OF THE DAY

## DEPARTMENT OF HEALTH BILL

THIRD READING

**Hon. Eymard G. Corbin** moved third reading of Bill C-18, to establish the Department of Health and to amend and repeal certain Acts.

Motion agreed to and bill read third time and passed.

## CRIMINAL CODE

BILL TO AMEND—SECOND READING—DEBATE CONTINUED

On the Order:

Resuming the debate on the motion of the Honourable Senator Cools, seconded by the Honourable Senator Haidasz, P.C., for the second reading of Bill S-4, to amend the Criminal Code (abuse of process).—(*Honourable Senator Kinsella*).

**The Hon. the Speaker:** Honourable senators, this order was adjourned in the name of Honourable Senator Kinsella. Is it agreed that Honourable Senator Wood may speak now?

**Senator Lynch-Staunton:** Certainly.

**Hon. Dalia Wood:** Honourable senators, I rise in this chamber today to support Senator Cools' Bill S-4, to amend the Criminal Code, abuse of process.

Our technological reality presents us with a problem that is begging for a solution. News reports concerning judicial proceedings are now common, as news agencies scramble in their attempt to satisfy the public's apparently insatiable interest in the administration of justice. Reporters are constantly asking the nation's solicitors to speak of their client's interests, of their own opinions as to the evidence presented to date, or as to the likely outcome of the cases in which they are participating. This has had the effect of placing solicitors in an extremely interesting, if not tempting, position. Not only have they a perfect opportunity to bring their clients' interests to light, but also the opportunity to destroy the opposing side's case, all while making themselves a little better known in the process. In the very best of times, human nature is very hard, if not impossible, to resist and control, especially if there are no sanctions put into place condemning unacceptable and damaging behaviour.

As Mark Orkin, the author of a book entitled *Legal Ethics* points out, a lawyer is supposed to be:

... more than a mere citizen. He is a minister of justice, an officer of the Courts, his client's advocate, and a member of an ancient, honourable and learned profession. In these several capacities it is his duty to promote the interests of the State, serve the cause of justice, maintain the authority and dignity of the Courts, be faithful to his clients, candid and courteous in his intercourse with his fellows and true to himself.

They must therefore subscribe to a code of ethics more strict and demanding than that adhered to by the ordinary citizen. However, these ethics sometimes get in the way of winning — another human weakness.

Bill S-4 deals with these weaknesses and the impact that media has had on them. The preamble of the bill reads as follows:

WHEREAS the pervasive, intrusive and instantaneous nature of modern media news coverage increases the pressure on counsel in judicial proceedings to participate publicly in news events in the interests of their clients or in other ways extend their activities as counsel to include conduct considered unethical under the rules of their profession;

AND WHEREAS it is in the public interest that conduct of that kind be made criminal and not merely unethical in order to prevent the administration of justice being adversely affected;

Honourable senators, we must not allow our present social situation to chip away at the integrity which underpins our legal system. Bill S-4 proposes to create three new offences in the Criminal Code as follows: First, make public statements outside the tribunal that are known by counsel to be false or that counsel fail to take reasonable measures to ascertain were false; second, institute or proceed with proceedings known by counsel to be brought primarily to intimidate or injure another person; or, third, knowingly to deceive or participate in deceiving the tribunal to rely on false, deceptive, exaggerated or inflammatory documents.

Our nation's solicitors have been put on a pedestal above all other mere mortals. They have also been allowed to regulate their own profession. Their behaviour has therefore been shielded by many of their profession's tools, such as privilege.

I agree with Senator Cools when she stated the following on December 5, 1995:

... common law evolved barristers' privileges to support and promote justice based on the premise that privileges would not be misused. The trend has been that the common law has expanded bit by bit, case by case, the exercise and extent of these privileges. In short, the profession simply takes what it needs as it needs it. Judges and courts have summary jurisdiction over the conduct of barristers as officers of the court, but their reluctance to exercise this jurisdiction leaves these questionable behaviours to the law society, which takes no action. The result is: no censure.

The search for truth and justice are at the foundation of our legal system and should be protected as well as promoted. Canadians look toward the justice system to help them resolve their conflicts in a just and equitable manner. They must be able to count on the fact that what is brought before the court and relied upon to come to a decision is true — that the lawyer who is drafting these affidavits actually believes that there is evidence to support the allegations contained within that affidavit.

We must not condone or permit the use of perjury to become any more rampant than the Civil Justice Review has affirmed that it has by stating as follows:

We were told... that perjury in these affidavits is rampant.... it is clearly a perception... that such perjury goes unpunished.

Many judges have begun to speak out against the use of false allegations, especially those contained in sworn documents such as affidavits. One of the most famous was Mr. Justice Peter Cory in his judgment *Hill v. Church of Scientology*. There was also a Judge Carr from the Manitoba Court of Queen's Bench, Family Division, in the case of *Plesh v. Plesh*. Senator Cools made reference to this case in her second reading speech on March 26, 1996, but I would like to revisit it for a moment. This is a case where access to a child was the main issue. The mother

wanted access to their child to be supervised while the father requested regular access. The case headnote sums up the case as follows:

• (1530)

Out of spite and a desire for revenge...the mother alleged that he had sexually abused their child and denied him access. A psychologist's report confirmed that the father had been abused as a youth and recommended supervised access to assist and protect the father against false accusations, then proceeding to unsupervised access.

Honourable senators, the judge goes on to inform us that these accusations had been brought forward to punish the father. The mother and her attorney, it would seem, continued to make the allegations even though it was clear that there was no evidence to support such allegations. In this case, not only did the father suffer, but so did the child. He was kept from having a normal relationship with his father because of these allegations.

Honourable senators, those judges who are brave enough to speak out about such abusive practices are few and far between. Many victimized parents are never publicly vindicated and never get to re-establish relationships with their children.

I have received correspondence from many such victims in support of this bill. Their suffering, and the need for legislative action comes through in the very words they write. One father wrote:

As a victim of false affidavits during the custody litigation concerning my daughter...and my subsequent loss of all contact with her, I feel very strongly that this Bill should be passed as quickly as possible. I feel that every day delayed produces more parents and children being denied basic justice.

I received a letter from an organization called "Kids Need Both Parents" which reads, in part:

We fully endorse this Bill because...we have become aware of the abuse of the law by counsel involved in judicial proceedings. In our opinion, lawyers have turned the legal system into a sick-joke circus. We believe it is essential for our democratic system to subsist as such to have some sense of respect for it brought back. We also presume that people's trust in a fair justice system is fundamental in any healthy society. Presently, we conclude that this confidence has been completely eroded...Please, do not play politics with the souls of our children, support Bill S-4!

Another letter reads as follows:

The parties involved get carried away because the lawyers can't be held accountable. Bill S-4 will help to get this under control and put the focus back on "The Best Interests of the Child."

Honourable senators, something must be done to address these issues and the concerns expressed by these individuals.

As Senator Cools stated in her speech of December 5:

It is an abuse of process when court processes and judicial proceedings are employed to inflict malicious injury and pain on individuals for the purpose of advancing another's interests or obtaining another's advantage during civil litigation. That some lawyers assist and benefit from such abuses is troubling and a terrible problem that must be remedied.

This bill plans to bring such remedy to pass. It would seem by the correspondence I have been receiving that the public has confidence in this initiative. I, therefore, lend my support to Bill S-4 and urge honourable senators to do the same.

**The Hon. the Speaker:** Honourable senators, is it agreed that this order will remain standing in the name of Honourable Senator Kinsella?

**Hon. Senators:** Agreed.

Motion agreed to and debate adjourned.

### VISITORS IN THE GALLERY

**The Hon. the Speaker:** Honourable senators, before we proceed to the next order, I should like to draw to your attention some distinguished visitors in our galleries. They are representatives of the Foreign Service Community Association and the spouses of foreign service officers. I was pleased to receive them in my chambers briefly before the session began, and I am happy to introduce them to you now.

### INTERNAL ECONOMY, BUDGETS AND ADMINISTRATION

#### FIRST REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the first report of the Standing Committee on Internal Economy, Budgets and Administration (Guidelines for Senators' Research), presented in the Senate on February 28, 1996.

**Hon. Colin Kenny,** Chairman of the Standing Committee on Internal Economy, Budgets and Administration moved the adoption of the report.

He said: Honourable senators, first, I should like to table a copy of the guidelines which relate to the use of these expenditures.

Honourable senators will see, as these guidelines are passed out, that they are extracts from the thirty-sixth report of the Standing Committee on Internal Economy, Budgets and Administration which was adopted by the committee on April 28, 1988 and adopted by the Senate on May 3, 1988, and again on April 18, 1989. They were further amended by the Senate on April 1, 1991. I am tabling an extract which the clerk prepared from those reports.

[ Senator Wood ]

Briefly, honourable senators, this report was first tabled on February 28 of this year. It has been a while and some senators may not have a copy of it handy. To refresh your memory, it is the first report of the standing committee. It reads:

The Guidelines for Senators' Research Expenditures were established as a pilot project in 1988 and, after eight years, the program has proven successful.

Your committee believes that the program would be more effective if peer review were eliminated and the research and general office budgets combined, while retaining the flexibility of the two previous budgets.

Senators have commissions to discharge their duties and it is inappropriate to perpetuate the concept of having a Senator's research projects reviewed by his or her colleagues.

Your committee therefore recommends that, effective April 1, 1996, Senators no longer be requested to submit applications for their research allowance. It also recommends that research and general office expenses be combined, and that the flexibility of the two previous budgets be retained.

I know that some senators had some concerns that the guidelines were not put forward at the time of the report. Your committee felt that, inasmuch as they had been in existence and been used by senators every time they issued a contract to one of their employees, senators by now would be familiar with the guidelines. In the event that they are not, I believe by now every senator has a copy of them as they were adopted on April 1, 1991.

**Hon. John Lynch-Staunton (Leader of the Opposition):** Honourable senators, I should like to get some clarification from the chairman. These are the guidelines for research expenditures and the conditions under which a researcher can be hired. As I understand it, the amounts that can be allocated to research run up to \$50,000. Is that correct?

There are also guidelines for office expenses, what used to be called a discretionary budget, which was \$20,000. Where are the guidelines for those?

If I am not understanding this correctly, I hope I will be corrected. Each senator is allowed more flexibility in how he or she authorizes the \$50,000 which all senators have at their disposal. In other words, we are not increasing the amount; we are making it more flexible to meet individual situations.

• (1540)

Within that \$50,000 allocation are included amounts for office expenses or, to put it another way, what can be spent for purposes of the office outside of research needs. My question to the chairman of the committee is: Where are those guidelines which, with these guidelines tabled, will complete the information necessary for each senator to know exactly to what end he or she can make use of that annual amount?

**Senator Kenny:** Honourable senators, we have before us the only guidelines that the Senate has dealt with or approved of. There are no further guidelines that have ever come to this chamber for approval.

**Senator Lynch-Staunton:** I would point out that this document makes reference to another allowance, namely (h). This is lifted from current guidelines. If this is approved, it is no longer enforceable. It says that:

Senators may share the costs of an individual or firm under contract out of their \$20,000 discretionary allowance...

Under this motion, the discretionary allowance will be gone.

**Senator Kenny:** That is true, honourable senators. The limit for sharing would still be \$20,000. If you are of the view that it should be raised to \$50,000 —

**Senator Lynch-Staunton:** No. Contrary to what people might expect, I am trying to be helpful to the chairman of the committee. I should like to know if senators are still allowed up to \$20,000 for office expenses. Does that remain?

**Senator Kenny:** No, sir. As the report read, there would be full flexibility of the two previous budgets.

**Senator Doyle:** Where are the guidelines?

**Senator Lynch-Staunton:** Just when I thought I had it, I fall back into confusion.

Does that mean that there is complete discretion to spend the \$50,000 exclusively for office expenses?

**Senator Kenny:** Yes, that is correct. If I may elaborate on that, a new senator coming in, for example, would have far greater need for equipment in his or her first year or two, while they were setting up shop, whereas once they had established their office, the tendency has been for the money to be spent far more on research and on personnel costs.

The profile of spending that has occurred over the past five years has shown a tendency principally towards expenditure on office equipment in the first few years, and then principally towards personnel and research in subsequent years.

You will recall that the general office expenses budget could be spent for both equipment and research. Once senators had the equipment they needed, they tended to spend that money on research.

**Senator Lynch-Staunton:** Accepting the argument that in the initial years a senator would have to allocate more toward office expenses than to research, if we want to ensure that that money is expended wisely, there should be some guidelines as to how it can be spent, and some limits as to what it can be applied to, in order to ensure that the carpet is not changed every six months, or the curtains are not cleaned every four months, and so on. Surely, to help the senator — and the Senate's reputation — guidelines concerning office expenses should also be included with this document.

This document is fine, in my view. I think it is clear and to the point. It should be amended somewhat, but that is just nit-picking. However, there is nothing here to help a senator to ensure that his or her spending for office expenses, discretionary as it may be, is not excessive and subject to justifiable criticism, despite his or her best intentions.

**Senator Kenny:** The onus has been on individual senators to defend their own purchases and to be accountable for them. That seems to be a reasonable principle to follow; that is, each individual should be prepared to defend what he or she is doing.

**Senator Lynch-Staunton:** You are asking us, in all innocence, to fall into a trap instead of using the experience of the Internal Economy Committee to guide senators. There is already a handbook somewhere — I do not know why it is not part of this presentation — indicating the type of equipment, the number of cellular telephones, fax machines, computers, furniture, and so on that one can have. It is all there somewhere. Why not bring it out, have a look at it, ensure that it is still valid, and approve the two together? I think we would all feel more comfortable.

Instead, we are now told, "Here are the conditions on hiring of research help," which is fine. We approve it. It is upfront. It is transparent. However, we are also told, "As far as office expenses go, you are on your own, and if you are criticized, tough." I do not think that is fair for a new senator who, in all innocence, might go beyond what the committee would feel is normal.

**Senator Kenny:** I understand what you are asking now, Senator Lynch-Staunton. I do not believe it is a trap. There is a list that the Internal Economy Committee adjusts from time to time, with respect to the equipment that individuals get. That is the purpose of having an Internal Economy Committee. Your side has members on that committee, as does this side. They review the list from time to time and make adjustments to it.

It has been the position of the Internal Economy Committee, ever since the research budget has been in existence, that that was a matter that was appropriate to be dealt with at committee level, and that has been the case ever since we brought in the research budget.

That information has never been brought into the chamber. It was seen as a management matter, and that is the purpose of having committees here, not to have the entire chamber managing the Senate. The policy is here, the principles are here, and, presumably, you have a committee to manage the details.

**Senator Lynch-Staunton:** I think we should be grateful for having a committee to do that. It is an onerous job. I thank the committee members for serving on such a committee. In return, I think they should be thankful that some of us who are not on the committee are also trying to be helpful.

For example, it would be helpful for the committee to make these guidelines public. We should make it a public document. After all, this is taxpayers' money. They have a right to know what their elected and appointed representatives spend their money on. For the protection of the committee and for the help of the senators, all I am asking is that the chairman let us know publicly into what areas a senator can go when it comes to

improving the facilities of his or her office. We have now done that with research expenditures. I cannot understand why the Internal Economy Committee would want to put itself in the vulnerable position of keeping it so private that we have to pry it out of them. It should be put on the table, and then all Canadians will know that senators felt it was essential for the proper performance of their responsibilities to have certain amounts available for certain eligible expenditures. Otherwise, we are being told, "You can do this but if you want to spend it on other things, come and see us," because the list is only available to a few people. I find that you are not helping yourselves by presenting that argument.

**The Hon. the Speaker:** Honourable senators, to keep the matter within the rules, I presume that what you are doing, Senator Lynch-Staunton, is asking questions.

**Senator Lynch-Staunton:** Of the chairman, yes.

**The Hon. the Speaker:** What we have before us is a motion. Questions can be asked of the senator who is moving the motion, or there can be a debate, but we should not engage in a debate in this manner. However, a question is perfectly in order. I believe Senator Maheu also has a question.

• (1550)

**Hon. Shirley Maheu:** Honourable senators, I have a question for clarification. I am a new senator. My office has every imaginable piece of equipment that I can think of, at least today. I am wondering to what the Leader of the Opposition is objecting. Is he anticipating that if I, as a new senator, should desire a research paper on any issue at all, I must ask for the approval of the Internal Economy Committee? I am trying to understand.

I suppose this is a question for the chairman of the committee. Perhaps he can clarify what the Honourable Senator Lynch-Staunton is getting at. Is it the fact that I, as a senator, may want more equipment? I cannot think of another thing that could be brought into my office. Everything has been readily supplied by the Senate. The items came out of my discretionary budget.

What I am worried about is this: Do we have to apply to the Internal Economy Committee to justify every subject we wish to research?

**Senator Kenny:** Honourable senators, in response to Senator Maheu, the purpose of this report is to eliminate the need for senators to come to the committee to ask permission to study a certain subject. For many years now, the members of the Internal Economy Committee have found this exercise to be an offensive intrusion into the business of their colleagues. They were of the view that it was appropriate for senators to manage their own affairs and to conduct their own research without the committee looking over their collective shoulder.

**Senator Lynch-Staunton:** Honourable senators, since the question was asked of me indirectly, I wish to say that I have no objection to senators being given the resources needed to carry out their responsibilities.

**The Hon. the Speaker:** Is this is a question, Senator Lynch-Staunton?

[ Senator Lynch-Staunton ]

**Senator Lynch-Staunton:** This is debate on the motion, Your Honour.

I have no objection to each senator being given the resources to carry out his or her responsibilities. I could even argue that the resources allocated for many, if not all, are insufficient. However, that is a topic for another time.

Now that we have approved a change in the format of how the existing amounts available can be expended, senators are entitled to know in what areas they are allowed and not allowed to spend those moneys. This will ensure that out of total innocence a senator does not expend an amount in an area which is not covered by a guideline. The chairman of the Internal Economy Committee has agreed that sometimes these guidelines have been violated.

Certainly, every senator need not appear before a committee of his or her peers to argue in favour of hiring an individual who he or she feels can be helpful. I find that rather demeaning, the same as I find having my attendance checked to be rather childish. However, those are the rules which have been accepted and by which we abide.

When it comes to spending taxpayers' money, each member of Parliament and each senator has the right, if not the obligation, to be told into what areas he or she can or cannot go. We know about the research side and how far we can go, and I think we will accept that. When it comes to other spending, we do not know where we can and cannot go, and I think that the Internal Economy Committee should tell us.

**Senator Kenny:** As the honourable senator well knows, any time he —

**The Hon. the Speaker:** Honourable senators, I regret to interrupt the Honourable Senator Kenny. However, the Honourable Senator Lynch-Staunton stated that he was debating the motion. Therefore, if the Honourable Senator Kenny speaks now, he remarks will have the effect of closing debate on the motion.

I have to open up debate to other honourable senators. However, the honourable senator is entitled to ask a question of Senator Lynch-Staunton.

**Hon. Eymard G. Corbin:** Honourable senators, I should like to ask some questions of the chairman of the Internal Economy Committee. First, is there an inventory of all the furniture and equipment in each senator's office? Second, is there not an information booklet telling senators what they are entitled to in terms of furniture, type of furniture, equipment and computers? Are there not limits put on the number of things that can go into a senator's office? Third, how does this policy compare with the policy of the House of Commons, if they have such a policy?

**Senator Kenny:** Honourable senators, I will try to deal with those questions as best I can.

First, there is a scale of entitlements for senators' offices which is public and available.



As to the equipment that individual senators are entitled to have, senators are aware that before they can purchase an item they must send a memo to the finance department stating that they wish to purchase the item. They are then advised whether or not the item is appropriate. A list is kept by the Director of Finance, Ms Aghajanian, which is updated and changed periodically by the committee. The reason it is done that way is that the list changes regularly. For the past five years it has been the view of this chamber and the committee that these details need not be reported to the Senate every time the list changes. In the past, at least, the Senate has had confidence in the committee to handle this list. The members of the committee are from both sides of the chamber. The meetings of the committee are open to all senators. Any senator wanting to know whether an item is appropriate may simply pick up the phone to check. That is all I can say in that regard.

As far as the other place goes, my understanding is that the Board of Internal Economy does not permit people to attend its meetings. It meets in secret. Its members are under oath not to disclose what is discussed. From time to time they issue instructions to their colleagues indicating what they may and may not do. They do not come forward with a report. Therefore, they cannot have a discussion of the sort we are having now. Their meetings are not open to their colleagues. Their meetings have never been held in public. While we do periodically have meetings *in camera*, we only do so when we are discussing personnel matters or when we are preparing a report. Even when we are involved in such matters, any member of this chamber is welcome to participate in the discussion.

**Hon. Philippe Deane Gigantès:** Honourable senators, I should like to ask the chairman of the committee whether there should be guidelines, for instance, governing the size of computer screens. I have vision problems; I need a larger screen. Is it proper to get into such detail now?

**Senator Kenny:** Honourable senators, in answer to Senator Gigantès, the committee deals with requests all the time. Frankly, a lot of time is spent reviewing requests. The committee endeavours to accommodate senators as best it can. At the same time, we try to ensure that there is a fair approach. New technology frequently comes along; adjustments are made in how people work. The committee endeavours to deal with those types of matters on an ongoing basis.

The purpose in having a committee manage these affairs is that a body of the size of the Senate does not lend itself to dealing with such matters. Candidly, even a committee of 15 is pretty big when it comes to dealing with all these problems. Thus far, at least, the committee is the servant of the chamber. We will do what the chamber wants. To date, we have had the impression that the chamber wanted us to manage this level of detail, and that is what we have been doing. We will continue to do so until we are directed otherwise.

• (1600)

**Hon. Richard J. Doyle:** Honourable senators, I have a question or two to ask the honourable senator.

It is my understanding that for some time now in the research division, it has been the practice of senators seeking funds for

research to approach the committee and ask for approval, and after they have been checked, the money has been forthcoming. Last week, I was distressed to hear that that is no longer the case and that some of our research workers, who are answerable to both sides of the chamber, had not been paid. I was told the reason was that they would not be paid until this matter had been resolved in this chamber — that is, the question of lumping the two together. Senator Lynch-Staunton and I have our own thoughts about the virtue of lumping that money together. One way or the other, it does not have much to do with the agreements we have already made with the researchers. Could you explain that to me? I hope you can tell me that I am wrong, that everyone is being paid and that there is no problem.

**Senator Kenny:** Honourable senators, I would be pleased to deal with that question. First, I should draw to your attention the fact that this report was tabled on February 28, 1996.

**Senator Doyle:** February 28, in the course of business in this chamber, is not a terribly long time ago.

**Senator Kenny:** With respect, senator, I venture to say that it is the longest period of time that a report from the Standing Committee on Internal Economy, Budgets and Administration has sat on the Order Paper, at least in my time in the Senate.

The report was presented on February 28. In fairness, I was away ill for part of that time, but other senators could have moved the report forward, had they chosen to do so.

I reflected long and hard about our staffers and, like my honourable friend, had some concern about how they would be paid. However, as the rules stand now, every senator has access to \$20,000. Since we are just past the start of the fiscal year, there is no reason why my honourable friend, or any other senator who wished to do so, could not have paid their researchers. In fact, a great many senators have paid their researchers out of the \$20,000 available to them.

I may be mistaken but, inasmuch as the report was dealt with twice by the committee and passed unanimously, I had the impression that there would be support for it in this chamber. It is clearly a step forward. It liberates senators from the humiliating process of disclosing to their colleagues the work they are doing. It eliminates the committee from the charade — which my honourable friend Senator Doyle, as a former member of the committee, knows only too well — of reviewing the applications. My honourable friend served on the committee long and hard. He knows that deliberation on the applications was no better than a charade. This is a step in the right direction.

If staffers have not been paid, it is because their senators have chosen not to use the funds available to them, or else they are being paid more than \$20,000 a month, since merely a month has passed since the start of the fiscal year.

**Senator Lynch-Staunton:** Honourable senators, I thought that Question Period had ended. I find this whole thing extraordinary. We are being told by the chairman of the Standing Committee on Internal Economy, Budgets and Administration that because a report is before this Senate regarding research expenditures, the system that has been in place for years has now been abandoned.

**Senator Kenny:** No, on the contrary.

**Senator Lynch-Staunton:** Yes. We are being told that we cannot use our research funds to pay our researchers, and that we must use our discretionary funds.

**Senator Kenny:** That is not so.

**Senator Lynch-Staunton:** That is exactly what we have just heard.

**Senator Gigantès:** No, that is not what you heard.

**Senator Lynch-Staunton:** That is exactly what we have been told.

**Senator Gigantès:** Have you been sleeping?

**Senator Lynch-Staunton:** We have just been told that every senator can dip into his or her \$20,000.

**The Hon. the Speaker:** Honourable senator, is this a question?

**Senator Lynch-Staunton:** It is a question, but it needs a preamble. I ask for your patience.

We were just told by the chairman that each senator could dip into the \$20,000, but he or she has a month on the assumption that if the researcher is being paid more than \$20,000, the senator would not have enough money. Therefore, the chairman cannot deny what he just said.

My question to him is how can he, unilaterally and without approval from this chamber, abandon a system which has existed for years regarding the payment of researchers and await the approval of this report?

To reword the question, if we disapprove of the recommendation that is before us, or stand it for another month, does that mean that research applications before the committee that have been there since before the start of the fiscal year will still not be approved?

**Senator Kenny:** That is a hypothetical question.

**Senator Lynch-Staunton:** No, it is not. It is a practical question. I know of six which are there now.

**Senator Kenny:** I have not finished my question.

**Senator Lynch-Staunton:** It is not a hypothetical question. That was your answer.

**Senator Kenny:** If you know my answer, then you are ahead of the game.

**Senator Lynch-Staunton:** My advice to the chairman is that he listen to himself when he answers a question, remember the answer when it is reacted to, and listen to the question which results. Mine is not a hypothetical question; mine is a factual statement on which a question is based: Why are researchers not being paid under the present system, a system which has yet to be abandoned?

**Senator Kenny:** My answer to the honourable senator's question is that the current system is still in place. Senators all have access to \$20,000, which should cover their expenses now.

**Senator Lynch-Staunton:** Those are not research funds, though.

**Senator Kenny:** We have received research applications, but the committee has not dealt with them yet.

**Senator Lynch-Staunton:** There we are! Why is the committee not dealing with those research applications?

**Senator Kenny:** For starters, honourable senators, I was away. I was ill in hospital for a period of time. In addition, my honourable friend's personal objections only materialized recently. I have been going to my honourable friend on a daily basis, asking him where he stood on this matter.

On the day that the report came forward, I went to him and asked if he was on side. He said "no." It was only a couple of days ago that he indicated that he wished to see some guidelines. Those guidelines have been brought forward and circulated to your caucus. Senator Nolin advised me of that fact. Frankly, there was an assumption on the part of the committee, as it was ordering its affairs, that the Senate would proceed with this report. If the Senate is not willing to proceed, let us know and we will go back to the old system.

**Senator Lynch-Staunton:** Honourable senators, this issue becomes more confusing all the time. My views on the motion have nothing to do with penalizing researchers. To lay the onus on me because I may have questions about the motion that the chairman made at the end of February has nothing to do with the research applications before the committee.

Did I hear correctly that if we do not go along with this report, we will go back to the old system? If that is what I heard, then let me ask: How can you go back to a system which has not been abandoned?

**Senator Kenny:** That is precisely the point.

**Senator Lynch-Staunton:** Yes.

**Senator Gigantès:** You cannot go back to a system that has not been abandoned.

**Senator Kenny:** We have not left it.

**Senator Gigantès:** We never left the old system.

**Senator Lynch-Staunton:** Senator Gigantès says that we have not left the old system. The question is this: If we have not left the old system, why do you not approve the research requests?

**Senator Kenny:** Because no one on the committee, right now, thinks that that is appropriate.

**Senator Lynch-Staunton:** Senator Di Nino is deputy chair of that committee. He thinks it is appropriate. If Senator Nolin were here, I think he would tell you that it is appropriate. I think the senators whose research grants are being held up certainly feel it would be appropriate.

**Senator Kenny:** You, sir, are holding up the grants, not the committee. You are doing it, not the committee. Senator Di Nino joined in, saying that he found the process offensive, and he will tell you that in this chamber.

• (1610)

**Senator Lynch-Staunton:** The question is not whether we find the process offensive, acceptable, obscene or otherwise. The question is why researchers are being made the victims of the chairman's obstinacy in order to push through his suggestion — which we are willing to accept, be it today, next week or in a few minutes. However, in this period between the end of February and today, why are the innocent researchers being penalized? Do not worry about my feelings. Why should they be subjected to that treatment? I will not accept that I am responsible for this. I have only given my view on it.

**Senator Kenny:** No one has any doubt that you are responsible for it.

**Senator Lynch-Staunton:** You said that I was responsible for them not being paid?

**Senator Kenny:** Exactly; you are responsible for it. It is you who are holding it up. If you are in favour of this action, support it and let us move on.

**Senator Lynch-Staunton:** That, in a most unparliamentary term, is called blackmail. The chairman is saying that if I do not approve this motion, the researchers will not get paid. I will let him live with that statement.

**Senator Gigantès:** He never said that.

**Senator Lynch-Staunton:** He said that I was responsible for the researchers not being paid. This is a point of order, sir. I am being accused of behaviour which is penalizing employees of the Senate. They are contractual employees, but still employees of senators. I deny that, and I ask the senator to retract that accusation.

**Senator Kenny:** There is not a chance of me retracting it.

**Senator Lynch-Staunton:** I am not surprised.

**Senator Kenny:** Good.

**Senator Lynch-Staunton:** And that is not hypothetical, either.

**Senator Kenny:** We have come to you, or to your deputy leader, every day that we have been here and asked whether there was a consensus to move ahead on this issue. The deputy leader told me yesterday that there would be support for this motion today. When I asked him, he said, "Not today, Colin; tomorrow."

**Senator Lynch-Staunton:** Obviously the chairman wants to hear only what he wants to hear. Other senators and myself are getting quite frustrated with this discussion.

I should like to know, and perhaps I will find the answer by reading *Hansard*, what any objection to this motion has to do with researchers not being paid. To be told that if we do not

approve this motion, they still will not be paid, I find not only objectionable and reprehensible but completely lacking in appreciation of what a senator's work is all about.

**Senator Kenny:** Senator Lynch-Staunton, you are a master at distorting what I say. I said that I was concerned about researchers. I said that senators have the capacity to pay them with their discretionary funds. I said that the current system is in place. I said that the Committee on Internal Economy, Budgets and Administration has not dealt with the applications because there was a feeling in the committee that this report would be approved. If this report is not approved, the committee has obviously misjudged, and we stay with the current system.

**Senator Lynch-Staunton:** The government also supposed that Bill C-22 would be passed. This is typical Liberal arrogance. I look forward to reading the blues, and we may return to this discussion next week.

**Senator Doyle:** I find myself with still one or two points to clear up. You mentioned that this matter has been before us since February 24 or 26.

**Senator Gigantès:** It was February 28.

**Senator Doyle:** Will you consider couching that in a different way? That is, how many sitting days are left? There have not been many sitting days. Many senators have not been aware of the deliberations in your committee over this matter. I have been here every sitting day, and some days when we were not sitting, and knew nothing about this business on pay until two days ago, at which time I asked and was told that the money simply was not there. I offered to put up money of my own for this purpose, because while you, sir, may find it demeaning — and I think your word was "humiliating" — for senators to have to come before a committee to get approval, I find it grossly humiliating to ask our employees to beg for their salaries. That is disgraceful. We should be known by the way we treat the people who work for us, not for the way we always treat each other.

**Senator Lynch-Staunton:** Good points.

**Hon. Dalia Wood:** Did I hear Senator Doyle say that members of his caucus were not aware of this? You have representatives on the Committee on Internal Economy. I find it strange that no one in your caucus knew what was going on when your representative on the Committee on Internal Economy told us that you were all in agreement with this action. There is something wrong somewhere.

**Senator Doyle:** I said that I was not aware that the payments to the researchers had been held up. If the members of my caucus who sit on the committee deliberately withheld that information, I will say to them every word that I have said to you.

**Senator Gigantès:** They deserve to hear it.

**Senator Kenny:** Honourable senators, I must say that not only have we been advised that this matter had been discussed —

**The Hon. the Speaker:** Senator Kenny, are you answering a question?

**Senator Kenny:** No, sir; I am speaking.

**The Hon. the Speaker:** I am sorry, but there is a problem therein. There is a motion before us. Questions are allowable, but if you speak now, Senator Kenny, you will be closing the debate.

**Senator Kenny:** I am speaking now, sir.

**The Hon. the Speaker:** I must then ask: Do any other honourable senators wish to speak? If Honourable Senator Kenny speaks now, his speech will have the effect of closing the debate on this matter.

**Senator Lynch-Staunton:** But we can still ask questions.

**Senator Kenny:** Honourable senators, I must say with sincerity that I regret that the debate has taken the turn which it has. I respect my colleagues opposite. The concern they have expressed about having the guidelines is a reasonable concern. No one on the committee, myself in particular, wanted to deprive any staff members of their salary. We made a point of ensuring that anyone who wanted to continue an employee on contract could do so through their general office expense budget. Many of our colleagues have done exactly that.

Obviously, if the situation had continued on in time, this would not have been a practical solution. However, the committee's work has been delayed to some extent by my absence. Countless senators from both sides of the house have come to me and asked, "Why are we not moving with the report? Why not deal with it? Everyone is on side with respect to it." I have been asked this from both sides of the house. In good faith, I have been waiting for a signal from the leadership on the other side. I respect them and their responsibility to manage their affairs. It is for that reason that I have not raised the issue sooner.

• (1620)

I received information yesterday that if I tabled the guidelines in existence, it would satisfy the concerns of members of the house on both sides. That is why I went to the trouble of doing so, notwithstanding the fact that the guidelines are in every member's office and every member has been using these guidelines every time they issued a contract to their employees.

This proposal is a step forward for the Senate. It will give honourable senators more flexibility in allocating their resources. It eliminates the charade we were going through of dealing with the applications. We will be cutting down on paper work, and we will not be intruding on each other's business as a senator.

I urge your support for this report.

**The Hon. the Speaker:** It was moved by the Honourable Senator Kenny, seconded by the Honourable Senator Lewis, that this report be adopted now. Is it your pleasure, honourable senators, to adopt the motion?

**Honourable senators:** Agreed.

Motion agreed to and report adopted.

## NATIONAL UNITY

MOTION TO APPOINT SPECIAL COMMITTEE—DEBATE ADJOURNED

**Hon. Gérard-A. Beaudoin,** pursuant to notice of Thursday, May 2, 1996 moved:

That a special committee of the Senate be appointed to examine and report upon the issue of Canadian unity, specifically recognition of Quebec, the amending formula, and the federal spending power in areas of provincial jurisdiction;

That the committee be composed of twelve Senators, three of whom shall 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;

That the papers and evidence received and taken by the Special Committee of the Senate on Bill C-110, An Act respecting constitutional amendments, during the First Session of the Thirty-fifth Parliament be deemed to have been referred to the committee established pursuant to this motion;

That the committee have power to sit during sittings and adjournments of the Senate;

That the committee submit its final report no later than December 15, 1996; and

That, notwithstanding usual practices, if the Senate is not sitting when the final report of the committee is completed, the committee shall deposit its report with the Clerk of the Senate, and said report shall thereupon be deemed to have been tabled in this Chamber.

He said: At the end of the last session, that is, at the beginning of February, I presented a motion to establish a special committee of the Senate on renewed federalism. With the advent of the new session, the motion died on the Order Paper. I come back to that today.

[*Translation*]

On March 19, in his reply to the Speech from the Throne, the Leader of the Opposition said:

The Senate can play a major role in developing a federal position.

He added:

[...] the fact remains that being part of the federation is what the vast majority of Quebecers want, and it anxiously awaits the federal government's recommendations in light of long-standing demands by Quebec federalists, as opposed to separatists, and other provinces.

[*English*]

Last Thursday, I gave notice of a motion to establish a special committee of the Senate to consider the question of national unity and to report, at the latest, at the end of the present year.

The two federal houses have voted a resolution on the distinct society and have adopted a statute on the five regional vetoes. I believe, however, that we should study more deeply three main questions: The rebalancing of federalism and the exercise of the federal spending power in the provincial fields of power; the formula of amendment; and the recognition of Quebec in the federation of tomorrow.

Next year, a conference on the formula of amendment will be held before April 17, 1997. We must do some work in 1996 to that effect. This whole debate cannot be left entirely to people outside Parliament. In Parliament, this role cannot be left only to cabinet. The legislative branch of the state should be seen to be at work on these issues. That is why I propose a special Senate committee on the subject.

[Translation]

This is not the first time we suggest setting up a special committee. The Senate has spent a lot of time and energy reviewing very important issues.

[English]

We have a recent precedent. In 1994-95, we studied euthanasia and assisted suicide for several months. We studied the pros and the cons. The report was generally well received by the press because of its scientific value. I am told that it is very useful. The question will come back in due course, I am sure. We should do the same for national unity.

[Translation]

We cannot, in the time available, consider all the ins and outs of the constitutional reform. We must do the most urgent things first: rebalancing federalism, protecting Quebec in the amending formula, the concept of a unique or distinct society. I feel we must focus on these three points.

[English]

Last Saturday, Confederation 2000 made a report in Ottawa on national unity. After two months, 100 participants reached a consensus on a possible definition of "distinct society," on rebalancing the legislative powers, on the place of Quebec in the Canada of tomorrow.

The first point is that in the field of division of powers, we do not need a constitutional revolution. On the contrary, we could start with what does not require constitutional amendment, such as the respect of the actual division of powers as established by the Fathers of Confederation in 1867 and as interpreted by the courts for more than a century, and the withdrawal of Parliament from the field of provincial powers. The core of federalism is the division of power in the way it is drafted, interpreted by the courts and amended. We would do only that, and it would go a long way to solving our problems, especially in the field of social security and social programs.

[Translation]

We must also remember that when it comes to rebalancing federalism, much can be accomplished without constitutional amendments. Perhaps we should concentrate our efforts on this

area. One thing is certain: sooner or later, in fact sooner rather than later, constitutional amendments will have to be made; not many, but a few carefully chosen ones. We must be aware of that.

[English]

• (1630)

We should consider the exercise of the federal spending power in provincial areas. This is fundamental. We should note that on that issue, Quebec is far from being isolated.

The second point is the formula of amendment. The right of veto for Quebec, or for regions, or for all provinces in some selected fields, is unavoidable. The research has been done. The time has come to think and conclude.

[Translation]

Confederation 2000 did not, as such, look at the amending formula. Our committee will have to deal with this formula. Given that the 1997 compulsory meeting to review the amending formula is fast approaching, we have to make our own recommendations. Personally, I am open to two solutions: the five regional vetoes, or the Meech Lake Agreement formula concerning ten areas requiring unanimity.

[English]

Third, we cannot escape the question of the recognition of Quebec. This is fundamental. We must act as soon as possible.

[Translation]

Confederation 2000 released its report last Saturday. I was involved in its proceedings, and I must say that these business people, former ministers and prime ministers, experts, not to mention a few young people — the Group of One Hundred — made a good study of the constitutional issues. Their definition of a unique or distinct society seems acceptable and more articulate than previous ones. I feel this is a major step in the right direction. As for rebalancing federalism, Confederation 2000 dealt first with the issue of concurrent powers, which are few in our Canadian federalism and which should be developed to provide greater flexibility; second, with the issue of respect for the Constitution; and third, with giving back to the provinces the "six sisters": tourism, municipal and urban affairs, recreation, housing, mining and forestry. Such decentralization is necessary.

The "Group of 22," which is a group of professors, has also just prepared a report that will have to be taken into account, given the quality of its membership.

We must take advantage of these studies.

I am convinced that Canada has a great future and that, this time, we will reach an agreement on the three main issues I just mentioned. That is why I propose that a special Senate committee be established to look into this matter.

The October 30 referendum in Quebec made us aware of the need to quickly make major changes.

On motion of Senator Gigantès, debate adjourned.

[English]

### CAPE BRETON DEVELOPMENT CORPORATION

SPECIAL COMMITTEE AUTHORIZED TO PERMIT  
COVERAGE OF MEETINGS BY ELECTRONIC MEDIA

**Hon. B. Alasdair Graham (Deputy Leader of the Government):** Honourable senators, on behalf of Senator Rompkey, and pursuant to notice of May 8, 1996, I move:

That the Special Committee of the Senate on the Cape Breton Development Corporation be authorized to permit coverage by electronic media of its public proceedings with the least possible disruption of its hearings.

Motion agreed to.

### ABORIGINAL PEOPLES

COMMITTEE AUTHORIZED TO ENGAGE SERVICES

**Hon. Len Marchand:** Honourable senators, pursuant to notice of May 8, 1996, I move:

That the Standing Senate Committee on Aboriginal Peoples 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.

The Senate adjourned to Tuesday, May 14, 1994, at 2 p.m.

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**THE SENATE OF CANADA  
PROGRESS OF LEGISLATION  
(2nd Session, 35th Parliament)  
Thursday, May 9, 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	96/05/01	none	referred back to Committee 96/05/08		
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	96/04/23	Legal & Constitutional Affairs	96/05/09	none			
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-11	An Act to establish the Department of Human Resources Development and to amend and repeal certain related Acts	96/04/24	96/04/30	Social Affairs, Science & Technology					
C-13	An Act to provide for the establishment and operation of a program to enable certain persons to receive protection in relation to certain inquiries, investigations or prosecutions	96/04/23	96/04/30	Legal & Constitutional Affairs					

No.	Title	1st	2nd	Committee	Report	Amend.	3rd	R.A.	Chap.
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	96/05/08	none			
C-15	An Act to amend, enact and repeal certain laws relating to financial institutions	96/04/24	96/04/30	Banking, Trade & Commerce	96/05/01	none	96/05/02		
C-16	An Act to amend the Contraventions Act and to make consequential amendments to other Acts	96/04/23	96/04/25	Legal & Constitutional Affairs	96/05/02	none	96/05/08		
C-18	An Act to establish the Department of Health and to amend and repeal certain Acts	96/04/24	96/04/30	Social Affairs, Science & Technology	96/05/08	none	96/05/09		
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
C-28	An Act respecting certain agreements concerning the redevelopment and operation of Terminals 1 and 2 at Lester B. Pearson International Airport	96/04/23							
<b>COMMONS' PUBLIC BILLS</b>									
No.	Title	1st	2nd	Committee	Report	Amend.	3rd	R.A.	Chap.
C-275	An Act to establish the Canadian Association of Former Parliamentarians	96/04/30							



**SENATE PUBLIC BILLS**

<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>
S-2	An Act to amend the Canadian Human Rights Act (sexual orientation) (Sen. Kinsella)	96/02/28	96/03/26	Legal & Constitutional Affairs	96/04/23	none	96/04/24		
S-3	An Act to amend the Criminal Code (plea bargaining) (Sen. Cools)	96/02/28	96/05/02	Legal & Constitutional Affairs					
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							

**PRIVATE BILLS**

<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>
S-7	An Act to dissolve the Nipissing and James Bay Railway Company (Sen. Kelleher, P.C.)	96/05/02	96/05/08	Transport & Communications					

## CONTENTS

Thursday, May 9, 1996

	PAGE		PAGE
<b>SENATORS' STATEMENTS</b>		<b>QUESTION PERIOD</b>	
<b>Transport</b>		<b>Goods and Services Tax</b>	
Resignation of Senior Officials at Port of Saint John, New Brunswick.		Harmonization with Provincial Sales Taxes—Efficacy of Agreement with Atlantic Provinces—Government Position.	
Senator Cohen .....	297	Senator Lynch-Staunton .....	301
<b>Rotary International</b>		Senator Fairbairn .....	301
Calgary to Host Eighty-Seventh Annual Convention.		Possible Amendments to Structure—Government Position.	
Senator Hays .....	297	Senator Lynch-Staunton .....	301
<b>Commission of Inquiry on the Blood System</b>		Senator Fairbairn .....	302
Withdrawal of Objections by former Health Ministers of Nova Scotia.		Senator ForreSTALL .....	302
Senator MacDonald .....	298	<b>Atlantic Canada Opportunities Agency</b>	
<b>Foreign Affairs</b>		Cornwallis Park Development Agency—Implementation of Recommendations in Report of Auditor General—Government Position.	
Israeli-Hezbollah Conflict—Necessity for Western Input into Negotiations.		Senator ForreSTALL .....	302
Senator Taylor .....	298	Senator Fairbairn .....	303
<b>Human Resources Development</b>		Cornwallis Park Development Agency—Findings of Auditor General—Responsibility of Local Members of Parliament—Government Position.	
Unemployment Insurance Reform Legislation—Need for Social Affairs Committee to Gather Evidence Across the Country.		Senator Comeau .....	303
Senator Robertson .....	298	Senator Fairbairn .....	303
<b>Foreign Affairs</b>		<b>National Revenue</b>	
Conflicts in Middle East—Reflections on Political Situation.		Implementation of Changes to Income Tax Act—Report of Auditor General—Government Position.	
Senator Prud'homme .....	299	Senator Simard .....	304
		Senator Fairbairn .....	304
<b>ROUTINE PROCEEDINGS</b>		<b>Goods and Services Tax</b>	
<b>Law Commission of Canada Bill (Bill C-9)</b>		Legislation to Implement Alleged Changes—Government Position.	
Report of Committee.		Senator Simard .....	304
Senator Carstairs .....	299	Senator Fairbairn .....	304
<b>Adjournment</b>		Harmonization with Provincial Sales Taxes—Equalization Agreement with Atlantic Provinces—Request for Investigation by Auditor General.	
Senator Graham .....	299	Senator Simard .....	304
<b>Cape Breton Development Corporation</b>		Senator Fairbairn .....	305
Notice of Motion to Authorize Special Committee to Meet During Sitting of the Senate.		<b>Answer to Order Paper Question Tabled</b>	
Senator Murray .....	299	Fisheries and Oceans—Vehicles Purchased—Request for Particulars	
<b>Delayed Answers to Oral Questions</b>		Senator Graham .....	306
Answers Pending from Previous Session—Statement of Speaker.		<b>The Estimates, 1996-97</b>	
The Hon. the Speaker .....	299	Invitation to Chairman of Internal Economy, Budgets and Administration Committee to Appear Before House Operations Committee on Vote 1	
		The Hon. the Speaker .....	306
		<b>Visitors in the Gallery</b>	
		The Hon. the Speaker .....	306

	PAGE		PAGE
<b>ORDERS OF THE DAY</b>			
<b>Department of Health Bill (Bill C-18)</b>			
Third Reading.		Senator Corbin .....	310
Senator Corbin .....	306	Senator Gigantès .....	311
<b>Criminal Code (Bill S-4)</b>			
Bill to Amend—Second Reading—Debate Continued.		Senator Doyle .....	311
Senator Wood .....	306	Senator Wood .....	313
<b>Visitors in the Gallery</b>			
The Hon. the Speaker .....	308	<b>National Unity</b>	
Motion to Appoint Special Committee—Debate Adjourned.			
Senator Beaudoin .....			
<b>Cape Breton Development Corporation</b>			
Special Committee Authorized to Permit Coverage of Meetings by Electronic Media.			
Senator Graham .....			
<b>Aboriginal Peoples</b>			
Committee Authorized to Engage Services.			
Senator Marchand .....			
<b>Progress of Legislation</b> .....			
i			



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