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THE HONOURABLE GILDAS L. MOLGAT
SPEAKER

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THE SENATE

Wednesday, June 19, 1996

The Senate met at 1:30 p.m., the Speaker in the Chair.

Prayers.

THE HONOURABLE ALLAN J. MACEACHEN

TRIBUTES ON RETIREMENT

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, in spite of all the warning signals, retirement day for Allan J. MacEachen comes suddenly, unthinkably, and irresistibly, but it also creates a opportunity for all of us to pay a hearty tribute to him and to say a fervent "Thank you."

Over the past 34 years on Parliament Hill, I have reported as a journalist on the activities of this gentleman. I have toiled behind the scenes with him as an associate both in government and in opposition. I have shared with him the highs and the lows of election campaigns. For the last 12 years, I have worked with him in this house as a colleague.

Honourable senators, I am enormously proud to have Allan MacEachen as a friend.

This is a man who came to Ottawa with a purpose and a vision. That purpose and that vision were rooted back in Inverness on Cape Breton Island where his father worked in the coal pits for more than 40 years.

A young Allan J. left his home for St. Francis Xavier University where the cause of social activism was embedded in his conscience by the legendary teacher and founder of the Antigonish movement, Monsignor Moses Coady, who inspired in him a life-long conviction that things could be changed.

In a recent interview, he talked about what he thought government was meant to be. He said:

Helping those who need help most was, and still must remain, a government principle of action.... It constitutes a beacon in the shifting sands of public taste and we ought to always keep it in mind in assessing the legitimacy of public policy.

Throughout the 43 years of his life he has spent on Parliament Hill, he has steadfastly put those words into action.

In addition to being the finest and most eloquent parliamentarian I have ever witnessed in either house, Senator MacEachen has been a central player in every major piece of progressive social legislation passed through Parliament in the last three decades.

As Minister of Health in the Pearson government in the mid-1960s, he was at the very heart of the debates on health care. If anyone ever wonders who the real father of Medicare was, let there be no doubt: He is sitting right beside me, the Honourable Allan J. MacEachen.

• (1340)

Honourable senators, he also placed his mark on the Canada Pension Plan, the Canada Assistance Plan, the Guaranteed Income Supplement for needy seniors, and on the Canada Labour Code.

Back in 1963, *The Toronto Star* once described him as "probably the ablest labour minister Canada has had," but I have a better source, honourable senators. Prime Minister John Diefenbaker growled his approval to me one day, confiding: "That young MacEachen is the best minister in Pearson's cabinet."

It has been said that Senator MacEachen has held more cabinet portfolios than any other minister of the Crown in Canada's history. This includes his masterful role in leadership of the House of Commons with Prime Minister Trudeau; his two terms as Minister of External Affairs; and a rather tempestuous stint as a finance minister whose controversial 1981 budget was, nonetheless, a true effort to liberate Canadians from the twin evils of abnormally high interest rates and inflation. He also was Canada's very first Deputy Prime Minister.

But, perhaps, honourable senators, what is not yet fully appreciated is the very real change which flowed from his leadership in this Senate. For over a decade, he has challenged us to inject a sense of activism in our work. When he arrived here as Leader of the Opposition in 1984, he resisted the notion, advanced by some members, that ours is an advisory role only. In one of his early speeches, he said:

When I came to the Senate, I assumed I was entering a legislative body... The modern Senate of Canada ought to mean more than quiet diplomacy and persuasion.

Honourable senators, Allan J. practised what he preached. The evidence that his views have prevailed is borne out by what has occurred over the last two years in the important bill on which we will be voting later today. This process would have been unimaginable in the Senate 12 years ago.

Throughout all these years of excitement, of tumult, of accolades, of lively criticism, Allan J. has always found his strength, not in the centre of power, but in his beloved eastern Nova Scotia where his family settled after emigrating from the Western Isles 200 years ago. The culture, the language, the music, the laughter, the friends, and the beauty of the land, that is where he draws his strengths.

Recently, Allan J. said, "I would rather be remembered for the achievements that I helped to bring about in that part of the country." Honourable senators, I believe his contributions will be remembered far beyond Cape Breton Island and Nova Scotia, beyond this Parliament, which he has served so well, and beyond the Liberal Party of Canada whose ideals he upheld and whose goals he helped to shape. He will be remembered by citizens throughout Canada and in other lands where he left his message of compassion, fairness and hope.

Those in our Senate caucus thank you, Allan, for giving us and your country so much of yourself. Our respect and our admiration is exceeded only by our affection.

In the words of the poet Robert Browning:

We, that had loved him so, followed him, honoured him,
Lived in his mild and magnificent eye.
Learned his great language, caught his clear accents,
Made him our pattern to live and to die.

Those words may be emotional, slightly excessive, but they are, nonetheless, true.

We hope you will enjoy an active future of new challenges, good health and continued friendships and, for heaven's sake, get to work and write a book!

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, in "Julius Caesar," that fascinating play about what happened one day in another senate, Shakespeare tells us to beware the Ides of March. But, as Sheila Copps would say, that was then and this is now.

In this Senate, we should perhaps be more concerned with the pre-penultimates of June. Certainly in my case, honourable senators, I learned very soon after arriving here to beware the pre-penultimates of June, and certain occurrences last week have only increased my apprehension.

Surely I am not the only one here to notice that Senator Cools was impeccably correct on Thursday last week when she gave notice of her inquiry into the life and times of Allan J. MacEachen. Am I the only one in this exalted chamber to be worried about the prospect of a technically correct Cools inquiring into our lives? Alternatively, what about the technically incorrect Senator Forrestall, attempting to devise an elected Senate by offering his own ballot for the Cape Breton constituency now held by Senator MacEachen?

Upsetting as these harbingers might have been, honourable senators, they gave me nothing like the start I got when the Leader of the Government in the Senate told us, "I passionately do not want to lose the incumbent Cape Bretoner; he should be staying in this place." This will no doubt remind Senator MacEachen and others of a song that was popular a few years ago — "Whatever Lola wants, Lola gets."

Is that the way it is going to be? Is the Minister of Justice, in his charming way, about to restore the lifetime incumbency without reference to the number of previous convictions for gross contradictions?

Is that the way it is going to be, with Allan J. having his second whirl at taxing the rental value of the house you own and live in? Are we about to enter a time of circumvented déjà vu with Allan J. running once more for the Liberal leadership against Trudeau? And this time winning!

Honourable senators, when will the question be heard? Does the Deputy Leader intend closure? When will the vote be held? What of Royal Assent? If Allan J. is back, or indeed has never gone away — and Senator Stewart will certainly quote authorities on which way it is to be — whatever; Senator Kinsella will rebut.

What of the Leader of the Opposition? Steadfast, certainly; forthright, certainly. Supportive? Let me answer with an unshakable "maybe," for I too have my price.

Let me hasten to add, colleagues, I would not have a price for just anyone on the other side. We have to be talking "prime" senator. Honourable senators, that takes a man big enough to seek the leadership of his party, wily enough to survive his colleagues, wise enough to respect his foes, and cunning enough to second-guess his friends. It takes a man big enough to be trusted with his country's most important jobs — leadership of the House of Commons; and responsibility for such ministries as finance, health and foreign affairs. It takes a man sufficiently agile to be selected for the leadership of the Senate when it became his party's only bastion of leadership on the hill.

Like an orchestra conductor, Allan J. led his players to perform with as much harmony as one can expect from a Senate caucus. He himself, however, was never to ring a cow bell, never to play a kazoo and never even to blow a horn. He was generous enough to let his deputy have full credit for authoring "Hoods on the Hill," a book about the GST that some people called "Love's Labour Lost."

As I have said, I have my price for supporting a Faustian return to the Senate of Senator Allan J. MacEachen, so let me take you back, honourable senators, to June 30, 1987 when Senator MacEachen made the following statement:

This is a chamber of sober second thought, whose purpose is to examine legislation when the examination in the House of Commons has been completed. That is when we begin our work. It was never intended that the Senate should do its work simultaneously with the House of Commons, because by following such a course of action, the Senate would lose its rationale.

• (1350)

Remember, this is in 1987 when Senator Lowell Murray was the government leader. He rose immediately, looked at Senator MacEachen, and said:

On numerous occasions during the winter and early spring, we proposed to Honourable Senators opposite that those bills be pre-studied and, on each occasion, our proposal was turned down. I think it is quite unreasonable.

Senator MacEachen answered back:

Pre-study will become even more exceptional in the future. Take that as notice.

As Charles Dickens said of Ebenezer Scrooge, Senator MacEachen was as good as his word.

Sometimes it may have been a good thing that some bills were not heard by the two Houses consecutively. More often, though, the total separation of thinking produces greater divisions, more misunderstandings and less quality repair of legislation than the older pre-studied arrangements devised by Liberal Senator Salter Hayden.

As a matter of fact, in July, a couple of years ago, an article appeared in the *Parliamentarian* magazine under the joint bylines of two Speakers: then, Roméo LeBlanc and Gilbert Parent, who wrote, "Pre-study is a way of improving the legislative process and enhancing Parliament." Therefore, in any deal for Senator Allan J. MacEachen's return to the Senate as a newfangled life member, my price is that he be made to promise to fix the pre-study process he broke in 1987.

If, however, the retirement of Senator MacEachen is inevitable, then he must be prepared for the well-deserved showers of compliments that have already started raining upon him as he prepares to leave.

Those who heard him a short time ago will not soon forget Senator MacEachen's description of the anxieties of the Cape Breton miners as they awoke every morning and waited to hear the whistle from the mine owners, the number of whistles telling them whether or not there was to be work for them that day.

On July 6, he will hear a last whistle, telling him that, after 43 years, there is no longer a place for him in Parliament. Whatever our differences, and they are many, they are as nothing compared to the unanimous sentiment of sadness at his having to leave this place. I certainly wish him well as he prepares to leave but not without much regret as we will deeply miss those unique contributions to Canadian parliamentary life which are still within him to make.

Hon. Senators: Hear, hear!

Hon. B. Alasdair Graham (Deputy Leader of the Government): Honourable senators, where to begin and how to end when talking about an individual who has had such a gargantuan influence on Canada and on me?

There are many who walk in our country's Hall of Honour. Allan MacEachen walks with the finest statesmen of this time and of all time. Historians will chronicle his remarkable talents and many achievements. He will be lauded as one of the finest and most effective speakers. They will talk about his command of so many and varied ministries. They will refer to his mastery of parliamentary procedure.

No less an authority than John George Diefenbaker said to me one time:

You know, young man, there are parliamentarians and other parliamentarians and then there is Allan MacEachen.

I have been privileged to work with Allan for close to four decades. He was my economics professor at Saint Francis Xavier University, my first and finest political mentor. He is not just a fair-weather friend. He is with you when the times are good and when they are not so good. He never forgets but he is very forgiving.

Let me give honourable senators an example. In 1958, the year of the Diefenbaker sweep, I was the Liberal candidate in the federal constituency of Antigonish-Guysborough. Allan was the standard bearer in the neighbouring riding of Inverness-Richmond. Saint FX University was located in my constituency. At least 25 identifiable student Liberal supporters from Allan's riding were in residence. Because of the electoral law, they were eligible to vote at home or at the university. It was felt that I needed the votes more than Allan. He generously agreed that they should stay in Antigonish and vote for me. I lost by 931 votes. MacEachen lost by 16. Miraculously, our friendship survived.

Among many footnotes to that story there is only one I will mention today. My campaign manager at Saint FX was a young student from Newfoundland by the name of Richard Cashin, later an MP and, latterly, president of the Newfoundland Fishermen's Union. The Tory campaign manager was another young student, this time from the province of Quebec, by the name of Martin Brian Mulroney. To this day, Cashin boasts that he beat Mulroney on campus.

Allan MacEachen is, first and foremost, a passionate defender of the rights of the little guy. Conscience has been the engine of his intellectual honesty and his commitment to a better world.

His kind of idealism is a road less travelled, as the great Robert Frost once wrote, but it is a road which has made an enormous difference in the life and times of our country. That road has begun and always goes back to the communities where Allan was raised and lived; that road has always begun from and returned to the beautiful Island of Cape Breton where, in the words of Allister McGillivray's *Song of the Mira*, "If you come back broken, they will see that you mend."

As the father of Devco, he understood that nothing short of public ownership of the coal mines could alleviate a potentially disastrous social problem on the island for many Cape Breton families and their communities. He spent his life trying to free ordinary people from hardships and insecurities from all the unseen forces that control the lives of the people he represented. One could refer to the modernization of the Sydney steel plant, the construction of the coast guard college, the Sydney airport, the countless breakwaters and wharves and the new harbours he built to accommodate those breakwaters and wharves.

I watched him in the Great Lakes labour dispute, a national railway strike, as architect of the Canadian Labour Standards Code. I heard his advocacy on behalf of the Canada Assistance Plan and the Guaranteed Income Supplement and countless other social measures designed to help those who needed help most.

However, I believe, as has been mentioned, that his finest hours were spent in hammering out the system of Medicare for the comprehensive universal access to health care in Canada which is the envy of the world. I had a front row seat as MacEachen crossed the country explaining the principles of the program with patience, passion, eloquence and conviction. I saw the vigorous opposition that he struggled against, which would have made many lesser men weaken. I was with him when he started the tour in Vancouver, and I remember so well the cool reception he received when he outlined the plan to the medical society at Halifax.

The struggle for medicare, honourable senators, fought three decades ago, is really a struggle for our citizenship. It was a struggle for our identity as Canadians. In many ways, it has proven to be the biggest spike in the Canadian national dream. At the time of its enactment, Allan MacEachen, more than anyone else, had the hammer in his hand.

If we want to reflect on the MacEachen legacy, I believe we have to look at the foundation of medicare nationally and Devco locally because that was all part of Allan's conviction that our political culture had to be built on respect for people. He believed that Canada had to be a country where, "if you came back broken, we would see that you mend."

In this way, Allan MacEachen brought the heart and soul of Cape Breton to Canada. He gave to Canada the best of his birthplace, and I believe this is the greatest tribute any Cape Bretoner can pay to another.

Hon. Lowell Murray: Honourable senators, needless to say, I have looked forward to this day. I used to think about it a lot. I used to imagine the day when Senator MacEachen would go out those doors for the last time and I would shout one last verbal salute, one caustic farewell line, too late for him to get a reply into *Hansard*.

• (1400)

Now that the day has come, I am almost at a loss for words. If I really wanted to make him squirm, if I really wanted to torment him beyond endurance, I would shower words of praise and thanksgiving upon his head. I would call down divine blessings on his old grey head. I would pay such fulsome tribute, and I would lay it on so thick that he would flee from the chamber in a state of terminal embarrassment — but, honourable senators, I just cannot do it.

Of the years we spent facing each other as Leader of the Opposition and Leader of the Government, it is true that there were some fundamental differences of approach. The most fundamental — and Senator Fairbairn has referred to it —

concerned the role of the modern Senate. I wanted to uphold a tradition that I thought had been building for almost 50 years, of a Senate that provided advice and guidance to the government and the elected chamber; a Senate that suggested changes and improvements to government legislation through such techniques as pre-study; a Senate that avoided confrontation with the Commons, and exerted its influence by means of quiet diplomacy, moral suasion, and good example.

Senator MacEachen would have none of it. He wanted a Senate to exercise to the full its power as a legislative body — to amend, to delay, even to defeat a government measure. You know, honourable senators, now that I have had a couple of years to reflect on it, I think he had the right idea.

Some Hon. Senators: Hear, hear!

Senator Murray: While much has been said today, said well and said properly, about Senator MacEachen's career and his contribution to Canada, I want to say a word about two facets of his political persona: one is his oratorical style, and several speakers have referred to this. I think that his splendid talent as an orator owes a great deal to his Celtic blood, and in particular to his familiarity, which is shared, I think, by none of us here, with the Gaelic language.

Several years ago, a wonderful book appeared called *Island Voices*, in which people from a part of the world that Senator MacEachen knows well, the Hebrides of Scotland, spoke in their own words about their lives and about their islands. One such person, a Free Church minister by the name of the Reverend Angus Smith, spoke about Gaelic as a much more musical language than English. He said:

I find the English singing more artificial. You see, when you sing in English, you learn the tune exactly as it is. In Gaelic you use so many grace notes and everybody can be slightly different but it all merges together into a kind of shimmer. And, to me, it's like the sound of the sea, or the sound of the wind, or all the sounds of nature merging into one.

Honourable senators, I think that is not a bad description of some of Senator MacEachen's speeches, especially the part about the sound of the wind and the sea, and all the sounds of nature merging into one — and the kind of shimmer that is over the whole thing.

Finally, as a fellow Cape Bretoner, I must note the deplorable inability of most political journalists to refer to a Cape Bretoner as anything but dour, solitary, or secretive. Senator MacEachen has come in for more than his share of these hackneyed clichés. It is considered almost antisocial in Ottawa if you do not drop a cabinet secret or a caucus confidence into ordinary conversation. More damage has been done to governments and, in fact, to the country by people who do not know when to keep their mouths shut than by people who do, like Senator MacEachen. Those who want to learn how to belong to the latter group, people who know when to be quiet, could select no better role model than Senator MacEachen.

I want to pass on one final word from the Hebrides on this point. The speaker is Canon Angus John MacQueen of South Uist, and he speaks of the Hebrideans as a solitary people. He says:

Now, city people tell me the most terrifying thing is the thought of getting to know themselves. But Hebrideans know themselves from their earliest days. They will go off to the hill, or off to the shore, or off somewhere and spend hours on their own. And it's when you're on your own that you get to know yourself and what you're all about.

So, that is the philosophy of mind of the Celt. That is the first thing you learn. You are at peace in your own mind. You are you, and whether you like yourself or not, you have got to respect yourself...And you treat others with the same great respect.

In a word, what we have to remember about Senator MacEachen is that he has never had an identity crisis. He knows who he is. He knows where he comes from. He knows where he is. Nervous breakdowns have come to people who were fool enough to try to figure him out.

Honourable senators, the only anecdote that I want to add to the rich lore of anecdotes about Senator MacEachen comes from 1978, on the morning after the Liberal government in Nova Scotia had been defeated — defeated, as it happens, by the Conservative Party under our friend, John Buchanan. The next morning, Senator MacEachen was going into a meeting of the cabinet or caucus, and the Parliamentary Press Gallery scrummed him: “What is your explanation, Mr. MacEachen, for the defeat of the Liberal government in Nova Scotia last night?” Senator MacEachen said, “I don't know,” and, as he turned to go into the cabinet chamber, he said over his shoulder, “Who the hell knows anything about politics, anyway?”

Truer words were never spoken.

In wishing him well, I know that he will have a productive and enjoyable retirement. Even if, or more likely when, he is snowbound in Lake Ainslie, we can reassure ourselves with the knowledge that Allan MacEachen's company is never boring.

Hon. John B. Stewart: Honourable senators, in 1953, Allan MacEachen was elected Member of Parliament for Inverness-Richmond. In 1968, that constituency, a Cape Breton constituency, was combined with most of Antigonish-Guysborough, the most easterly constituency on the mainland of Nova Scotia, to form a new constituency, Cape Breton Highlands—Canso. In 1968, Allan MacEachen was elected Member of Parliament for Cape Breton Highlands—Canso.

• (1410)

Honourable senators, I would bore you if I undertook, in true academic style, to demonstrate that Allan MacEachen has had one of the most notable careers in the history of Canada's

Parliament. Lilies need no gilding. Perhaps we should ask why he has been so successful. Our analysis may serve to guide those who wish to follow him. Senator Murray made a beginning on such an analysis this afternoon.

Senator MacEachen began with the right ingredients: a quick mind, a willingness to spend hours perfecting his extemporaneous remarks, and a keen concern for the well-being of his people. There were other things.

First, he began young and worked his way up. This meant that he did not suffer the disadvantage, which some have of finding themselves at the peak without having first traversed the foothills and climbed the slopes. In this he reminds us of Sir John A. Macdonald, Sir Wilfrid Laurier and Mackenzie King — not bad company.

Second, Allan MacEachen managed to do the indispensable: He got re-elected — again, and again, and yet again. On this point, only half the credit goes to him; the other half goes to the electors of Eastern Nova Scotia — first to the people of Inverness-Richmond; afterwards to the people of Cape Breton Highlands—Canso.

Third, he did something very unusual for a parliamentarian these days: He made it his business to master the rules of parliamentary procedure.

Fourth, he studied the art of political leadership. He rejected reliance on authority; instead, he sought to convince and to persuade by sound reasoning, reinforced by eloquence.

Fifth, he kept an open mind. Let me cite the obvious example. In 1984, John Turner made a major mistake: He did not insist that Allan MacEachen seek re-election once more to the House of Commons. Think what would have happened in that House of Commons after 1984 with Allan MacEachen as the opposition house leader. The result was that MacEachen came to the Senate. Transfiguration followed. The great House of Commons man became the advocate, the practitioner of sober second thought, of sober better thought. The notion that the Senate was a kind of reading club was swept away. Even Senator Murray has confessed to a conversion on this point.

Senator MacEachen fought 11 elections as a candidate; six of those were very tough elections. Indeed, as Senator Graham said, he lost in 1958 by 16 votes. In those days, Liberals in Nova Scotia were up against both a federal Progressive Conservative Party revitalized by John Diefenbaker and the formidable Stanfield machine. Thereafter, beginning in 1972, victories were easier.

Honourable senators, I want to alert you to the illusion — and perhaps successful politicians tend to attract this illusion — that around his entire constituency, MacEachen built one long wharf, or was it one long breakwater? That notion is false. Come and see the evidence, honourable senators. You will learn that Highlands—Canso is a rural constituency. It is the kind of constituency in which there are few, if any, sinkholes for public money.

The basic reason Allan MacEachen was returned to the House of Commons again and again is that his electors were proud to be represented in Ottawa by a man whose abilities and integrity had won their respect, by a man who they knew had won the respect of the people of Canada.

Hon. John Buchanan: Honourable senators, I have known Allan J., as he is affectionately known throughout not only Cape Breton but all of Nova Scotia, for over 25 years.

Senator Murray made mention of the fact that in 1978 we won the election and thus the right to govern Nova Scotia. I do not know what Allan J. said here, other than what Senator Murray just said, but I do remember one thing. As a new premier, you receive a lot of congratulatory messages. Most of them are from people within your own political party, but I did get a few from people of the other political party — that is, the Liberal Party. One of them was from Allan J., congratulating me on the win and stating that he looked forward to working with the Government of Nova Scotia over the years on the many projects of importance to the province.

There is no doubt in my mind that Allan J. was, is, and continues to be, probably the best-known politician in Cape Breton and, yes, in Nova Scotia. I doubt if one could go anywhere from Cape North to Yarmouth Light and find people who would not know of Allan J. MacEachen and his contribution to the province of Nova Scotia.

His responsibilities over the years were Canada wide through many governments, but he was always focused on his native Cape Breton. He never forgot his roots, particularly those in the Inverness-Richmond area but also throughout industrial Cape Breton.

Honourable senators, my relatives on both my father's and my mother's side — and, he is laughing because he knows what I am about to say — come from Inverness County, Victoria County and Richmond County, all three of which he served. I will make a confession here which is certainly no secret in Cape Breton: They all voted for Allan J.! It was incredible. I could not get one of those relatives to vote otherwise than for Allan J. Whenever I would visit my Uncle Dan in North River, particularly if he knew that I was coming, I would open the door to his little kitchen in his home in North River Bridge to be confronted by two pictures: One of Monty MacMillan, who had been a Liberal MLA; and the other, a smiling Allan J. He would say to me, "Now John, this is just to remind you that there is to be no political talk while you are here." Well, as Allan J. knows, there is no way I would ever dare to discuss politics with Uncle Dan. There is no question that he was and continues to be a very loved individual in Cape Breton and other parts of eastern Nova Scotia.

Over the years, from 1978 to 1984 — that is, for six of the 13 years that I was the premier of Nova Scotia — I was privileged to work with Allan J. on many projects throughout Nova Scotia. We signed agreements on Sysco; we worked together on Devco and still are working together on Devco. We signed agreements on the Synfuels project, which Allan J. and I will see come to fruition one of these days.

• (1420)

We attended many functions throughout eastern Nova Scotia; we marched across the Canso Causeway in 1980 to commemorate the 25th anniversary of that causeway. He, of course, was present when the causeway was opened in 1955.

We also attended many Gaelic mods at the Gaelic College and other places where Allan J. and I were resplendent in our kilts. The only question was which of us had the better knees for a kilt. I always said that as we were both of Scottish ancestry, we both looked excellent in our kilts, our "Bonnie Prince Charlies" and our green afternoon coats.

What else can be said about Allan J.? There is no question in my mind that his social conscience with regard to Cape Breton and eastern Nova Scotia was unmatched by any politician. He had the grassroots in mind at all times. That is quite evident from the fact that it was just about impossible to defeat him at the polls, except in 1958 when, as Senator Graham said, he lost by only 16 votes. From then on, it was impossible to defeat Allan J. MacEachen in his federal riding in Cape Breton and in eastern Nova Scotia. That says much for the man.

People have great affection for Allan J. A good example of that is the annual meeting of the Nova Scotia Liberal Association, which was held recently in Cape Breton at Centre 200. By the way, part of the that annual meeting was held in a room in Centre 200 named after another very distinguished Nova Scotian. It is called the Buchanan Room, after me. When the government was defeated in 1993, the plaque was left in place. That annual meeting was cancelled for Friday because of demonstrators opposing the Devco plan. However, on Saturday night, the Liberal Party held a tribute banquet for Allan J. MacEachen, and not one demonstrator dared to show up there. That shows the respect which all people in Cape Breton have, and have had over the years, for Allan J. MacEachen.

We are here today to say goodbye to a great Nova Scotian and a great Canadian who will officially leave politics after having one of the most distinguished careers of any Nova Scotian from 1953, when he was first elected, to the present.

Allan J., I speak for a vast majority of Nova Scotians when I say to you: Well done, good and faithful servant of the people of Canada, but primarily of the people of Cape Breton and eastern Nova Scotia. You are a credit to Cape Breton; you are a credit to Nova Scotia; you are a credit to Canada and you are a credit to Scotland. Not once did I travel to Scotland for various functions, including the opening of Gatherings of the Clans or energy conferences, without many people asking me, "How is Allan J. MacEachen?" He was extremely well-known in Scotland.

Allan J. MacEachen took a great interest in anything that related to Scotland and to Cape Breton, including Nova Scotia House in Menstrie, Scotland, the ancestral home of Sir William Alexander who, in 1621, was presented with the Charter of Nova Scotia and, in turn, presented it to the baronets of Nova Scotia.

Should you go to Edinburgh and visit the castle, look to the right as you enter. You will see a plaque placed there by the late Angus L. Macdonald, Premier of Nova Scotia. On that site, James I of England, also known as James VI of Scotland — he was given two titles because the Scots did not want an English king — by royal declaration made that piece of ground a part of Nova Scotia — New Scotland — in order that he could present the Charter to Sir William Alexander of Menstrie on Nova Scotian soil.

Allan J., may the road rise up to meet you; may the wind be always at your back; may the gentle rains fall on your fields; may the sun shine on your countenance and may the good Lord hold you, our friend Allan J. MacEachen, in the palm of his hand forever.

God bless you, Allan J.

Hon. Michael Kirby: Honourable senators, we had a retirement party for Senator MacEachen the other night. In his remarks at the end of the various speeches, he quoted Wayne Gretzky. It therefore seems to me appropriate that I begin my remarks with a quote from another hockey player, although one not nearly as well-known as Wayne Gretzky.

Tiger Williams was, for many years, the so-called policeman for the Toronto Maple Leafs. Tiger Williams was always getting into fights, losing far more than he won. He was interviewed one night on television on *Hockey Night in Canada*. The interviewer asked him why he continued to get into fights even though he did not win very many. Tiger Williams' response was, "It's not how many fights you win that counts, it's how many you show up for."

In many ways that summarizes a great deal of the contribution that Allan MacEachen has made to the public life of Canada, to the Liberal Party of Canada, and indeed to the people of Canada. The difference between Allan MacEachen and Tiger Williams is, of course, that Allan MacEachen won almost every fight he got into.

He fought on behalf of the disadvantaged regions of the country, and not only Cape Breton. He was instrumental in implementing regional development programs, starting with ARDA in the mid-1960s, and continuing with DREE and various other programs.

Allan's fights for the disadvantaged regions and people of the country are legendary. He laid the foundation for the redistribution of income from the people and regions in Canada that have wealth to the people and regions that are poor. It is that redistribution program which does much to set Canada apart from the United States, and it stems from work which Allan J. MacEachen did, not only in his own portfolios but by persuading ministers in other portfolios to adopt that kind of attitude.

Nearly all of those gains and contributions to public life took place in the House of Commons, the "other place" as we are fond of saying here. Today, however, I want to say a word or two

about his contribution to this chamber, and his contribution to me, personally, as a young Nova Scotian growing up and getting involved in politics. Indeed, Allan MacEachen has been my advisor and mentor for almost 30 years.

Senator Fairbairn and Senator Murray commented from two different perspectives on Senator MacEachen's approach to making this chamber a relevant legislative body.

• (1430)

It is quite right that when he became the Leader of the Opposition in the Senate, the Senate was regarded — if it was regarded at all — as an advisory body consisting of people who were in large measure asleep, or who at least had been put out to pasture. What Senator MacEachen set out to do was change that notion and convert the Senate into a legitimate legislative body in the Parliament of Canada. The fact that he succeeded is well known.

What is really interesting, though, is the very careful, strategic way he accomplished that task. Senator MacEachen increased the legitimate legislative role of the Senate in a way that brought the public along sufficiently so that a strong legislative role for the opposition in the Senate became accepted. Senator MacEachen clearly understood the importance of this goal. Over a four- or five-year period, he slowly ratcheted up the use of the legislative power of the majority in the Senate; a majority of the opposite party to the majority in the other place.

As some will recall in those days, the first confrontation with Senator Murray and his colleagues in the Senate was over a borrowing authority bill. There are not 500 people in Canada who know what a borrowing authority bill is all about. Nevertheless, MacEachen picked this fight to be the useful first step in laying the groundwork for the Senate to exercise legislative authority. That was in 1985.

A year later, the Senate was faced with a bill that again did not have a high degree of public opinion associated with it. It was a bill dealing with the release of dangerous prisoners. On this bill, Senator MacEachen moved from the delay tactics of the borrowing authority bill to the point of amending bills and insisting on those amendments.

A year later, in 1987, his strategy moved this chamber one step up the line in terms of the Senate exercising its legislative authority. Bill C-22, the pharmaceutical bill, went back and forth between the House of Commons and the Senate three times in dealing with amendments. Finally, in 1988, Senator MacEachen led the Liberal opposition in the Senate to take the position that they would not vote on the free trade bill until after the election was held; in other words, until after the government had received a mandate for free trade.

Honourable senators, during that four-year stretch, the genius of Allan MacEachen is apparent. The opposition in the Senate could never have taken a major piece of government legislation and sat on it until after an election had Senator MacEachen not carefully gone through a series of ratcheting-up strategic moves to generate public support for Senate intervention.

It is quite interesting that when the decision was announced that the Liberals in the Senate would not pass the free trade bill until the election had been held, for about 72 hours Prime Minister Mulroney tried to put pressure on us by making the Senate an issue. Very quickly, that issue dissipated in public opinion, and indeed the bill was not passed until after the election.

Honourable senators, I say to both sides of this chamber that we owe a debt to Senator MacEachen. Had Senator MacEachen not gone through that step-by-step process of increasing the legitimacy of this chamber, it would be impossible for senators opposite to delay and to amend bills as they have done in the last two years. Senator Murray's comment on the use of the power in the Senate reminds me of the old line — where you stand depends on where you sit.

In fact, I think the most striking example of public acceptance of the political legitimacy of this chamber has been the fact that the redistribution bill, which was twice passed by the House of Commons was, in effect, defeated by Conservative senators with absolutely no public opposition.

Indeed, we all have Senator MacEachen to thank for a statement made in a newspaper article I read about a year ago. That article was reflecting on Senator MacEachen's history as a leader in the Senate, and said that by the time Senator MacEachen's term as leader of the Liberals in the Senate was over, the Senate had become, and I quote, "a relevant legislative body that has a conspicuous and effective role in the legislative process." I think we all owe a tremendous debt of gratitude to Senator MacEachen for his achievement here in this chamber.

I owe a personal debt of gratitude to Senator Allan MacEachen. Unlike Senator Graham, I never worked for Senator MacEachen, but I have relied on his advice and counsel on a wide variety of issues over a long period of time.

Early on in my career, I had to learn how to understand what Senator MacEachen was saying when he gave me a piece of advice. As I think most honourable senators know, Allan's wisdom is not normally given in straightforward language. One first must learn how to decode what he says.

I relied on his advice back in the late sixties and early seventies when I was managing provincial Liberal election campaigns in Nova Scotia, and on to the time when I was principal assistant to the premier of Nova Scotia. At that time I was attempting to find ways of getting additional funds for Nova Scotia out of the federal bureaucracy or federal ministers. Almost inevitably, Senator MacEachen would have some sage piece of advice with respect to the exact approach I should take that would be most effective with a particular minister or a particular department. I was able to get a great deal of money for Nova Scotia, based on his advice.

Honourable senators, Senator MacEachen was not only sage in his advice in respect to issues relating to Nova Scotia. One of the most profound comments I have heard occurred at the first

Liberal cabinet meeting following the 1974 federal election. That was the election that gave the Liberals a majority government, after having been a minority government for two years. The Prime Minister went around the table asking each of his ministers what they thought were the major problems facing their departments. The last person he asked for his opinion was Allan MacEachen. The Deputy Prime Minister, as he was then, simply looked around the table at his colleagues and said, "Prime Minister, the thing that concerns me most is whether I can trust these guys with a majority government."

Of course, Senator MacEachen's ability to influence his colleagues on cabinet issues is legendary. It went way beyond the department he happened to be running. In particular, during the constitutional period of 1980-81, there was an occasion during December 1980 when the government was about to make a change in its constitutional strategy, a change that I think inevitably would have cost the government of the day the support of the Ontario and New Brunswick governments. The entire constitutional exercise would have been done in. Faced with the fact that the decision was about to be made, Senator MacEachen weighed in with the Prime Minister, and the other two or three ministers responsible for the Constitution, and single-handedly had the decision changed. The strategy was then back on the rails and, in my view, he ultimately saved the entire exercise which led to the patriation of the Constitution and the inclusion of the Charter of Rights and Freedoms.

What has often been ignored in many of the books written about those negotiations was the impact that Allan J. MacEachen had on the content of the Charter. Once the government made the decision to include a Charter of Rights and Freedoms in the patriation package, Allan MacEachen was one of the two or three strongest supporters in the cabinet for making the Charter a truly liberal — small "l" liberal — Charter. His interventions at several cabinet meetings resulted in a significantly more comprehensive and better Charter of Rights than would have occurred had he not been there.

• (1440)

Honourable senators, not only do we in this chamber owe a debt of gratitude to Allan MacEachen for what he has done to restore the legitimacy of the Senate, but the people of Canada owe a debt of gratitude to Allan for his work on our Constitution, and for the tremendous body of work that he has undertaken in public life. Both as a minister in his own departments, and as senior minister in the government, all the programs that underlay the redistribution policy to both regions and governments of this country for 30 years, were developed by Allan MacEachen.

On a personal note, I should like to say thank you to Allan for all he has done for me. The advice he gave me on many tough issues which I have had to deal with over the years has been invaluable. Allan, I will miss having you here in the chamber.

I know, however, that we will continue to have our long lunches when we will discuss a combination of politics and public policy. I look forward to continuing to have your advice on a whole range of issues for a long, long time to come.

Finally, may I echo Senator Fairbairn's words: Of all the retired politicians I know who could write a book to cover such a span of Canadian political history, Senator MacEachen could write a memoir — or whatever he decided to call it — which would make absolutely fascinating political reading. It would be read not just by people active in politics, but by the many Canadians who would like to better understand the background of public policy decisions which were taken by governments over the years. I urge you, Allan, to please sit down and write the book. We all promise to buy an autographed copy. More important, however, such a book would surely make a great and important contribution to Canadian political literature. Write it.

Thank you again for all the help you have given to me. Even if it means coming as far as Lake Ainslie to have dinner with you, I will be happy to do that.

Hon. Jeremiah S. Grafstein: Wherein, honourable senators, lie the roots of our national disunity? Failure of memory: failure of historic memory and, worse, disrespect for public figures and public institutions that were precisely and politically constructed to bind Canada together.

If those in public life must bear their share of culpability for the falling esteem of public service, the national media in the Press Gallery must be considered amongst the most pedestrian, if not the most vitriolic, collaborationists of this unhappy trend. Few in the media today display even a passing knowledge of Canadian history or any historic memory whatsoever beyond this year's headline or even, if I might say it, last week's headlines.

Youth, inexperience, revolving chairs in the national media, combined with the distortion brought about by electronic sound bites; grounded in the new world of virtual reality, in the era of musical clips — all of these so distort and fragment our memories that the history lessons that we transmit to this and the next generation become almost surreal. The uses of history require reiteration of history, and the repetition of historic facts. The absence of historic fact, and the displacement of context relegates the authenticity of history to the electronic trash bins of limited recall, and in the process, demeans public service.

The Senate can keep the historic record straight; that's what I believe we are doing today. I am sure you will forgive me if I take a few moments to deal with this subject while focusing on our friend and colleague, Allan J. MacEachen.

A telling example is a rather dyspeptic newspaper column, published last week, on the retirement of Allan Joseph MacEachen, penned by one of Canada's leading journalists who perhaps was still suffering from jet lag. Weeks before, this same journalist described his chagrin at the provincialism and parochialism which he found in media coverage of events since his return to Canada after a brief sojourn covering events in the Middle East.

This column caused me to review more acutely the legendary record of public service of Allan Joseph MacEachen. What I found was both astonishing and refreshing. I thought I knew everything about Allan J. MacEachen but I had actually forgotten most of it. Out of my study emerged a diamond record of service, dazzling in all its many aspects. Senators on both sides today

have spoken of the many brilliant sides of Allan MacEachen's career. I hope not to detract from the essential, for amongst Allan's most endearing traits is his modesty, while the hallmark of his leadership has always been the avoidance of hyperbole and exaggeration.

Yet from any fair retrospective of Allan J. MacEachen's career, as one traces the highlights of a legendary parliamentary career, what emerges, without exaggeration, is the profile of the greatest Canadian parliamentarian of this or any century.

On a comparative basis with British parliamentary history, Allan J. MacEachen might be compared with such greats as Edmund Burke, James Fox, Richard Cobden or John Bright. While Allan's Canadian canvas was smaller, he looms all the larger in comparison.

Can there be any question? Is there any member in this chamber who, having witnessed Allan's craftsmanship, cannot say that he is simply Canada's outstanding parliamentarian? Allan has spawned, as others have said, a generation of parliamentary protégés who have kept the tradition of Parliament alive and well both here and in the other place. He has served in public life with great distinction both as a member of cabinet and as a parliamentary leader. He has served in more ministerial portfolios and in a more striking fashion than any other Canadian since Confederation, perhaps save one. He has held more different cabinet posts than any other Canadian spanning nine Prime Ministers from St. Laurent to Chrétien, except perhaps for Mr. Chrétien himself who, I believe, held nine portfolios before assuming the Prime Ministership.

Time allows me only to brush-stroke a few of Allan's unique contributions to Canadian life which, from my vantage point, I have had observed firsthand.

As others have said, Allan MacEachen is the father of medicare, now cherished by Canadians from coast to coast as the distinguishing social feature of our Canadian profile and of our national cohesiveness.

I recall very well the crushing policy battles within the Liberal Party culminating at the 1966 Liberal convention that paralleled similar battles that went on in the Pearson cabinet. On one side there was Allan MacEachen, supported by young Liberal activists including Lloyd Axworthy, David Smith and myself. If Senator Prud'homme were here at this moment he might confirm his presence there too. If my memory serves me correctly, the resolution on Medicare did not pass by an overwhelming margin. The cabinet was deeply divided with Allan, Walter Gordon and John Munro and others on one side facing opposition from the likes of that other great Nova Scotian, Robert Winters.

Opportunity remains for historians, perhaps Senator MacEachen himself, to more deeply probe this split which ultimately ended in victory for Medicare proponents. Many of those who were opposed to Medicare have since become avid supporters, both within our party and across the way. Medicare transformed the Liberal Party; it transformed Parliament, and it transformed our national identity. Allan led and won that fight. Medicare forever changed our public dialogue.

In 1979, as House Leader and Deputy Prime Minister, Allan's parliamentary brilliance and his tactical finesse, which many scorned and scoffed at then, brought down the Clarke government, ushering the return of Pierre Trudeau which, in turn, led to the passage of the Charter of Rights which is now enshrined in the Constitution. The Charter of Rights has become inseparable from our daily political lexicon. We hear the demand for and the respect for rights virtually every day here in this chamber and in the other place and beyond, across the country, whenever any touchy issue of public concern is debated. The Charter is now a part of our language, our common parlance.

Political genius is the ability to transform radical ideas into conventional wisdom. In 1981, one apparent political disaster at the time became part of the conventional dialogue just a few years later. When Allan MacEachen, as Minister of Finance, introduced his first budget in 1981, it was replete with measures to close tax loopholes and redress the imbalance in our national finances. Vested interests clobbered that budget. The press clobbered it as well. Allan and the Trudeau government were forced to retreat under attack.

Today, honourable senators, virtually every one of those tax reforms has become law. Had that budget been implemented at the time, the sorry state of public accounts would have been transformed sooner and with less distress to the public good. Again, Allan led the way.

• (1450)

Honourable senators, no one today has touched on the fact that as Minister of Foreign Affairs in the Trudeau government, Allan's global strategy led to a transformation in our public preoccupation from the east-west dialogue to the north-south dialogue. Again, it was radical thinking at the time. Allan's radical thinking transformed itself into conventional wisdom, into conventional thinking.

Allan also led with his belief that Canada's future security as a trading nation required the philosophy and the practice of balanced trade to counter our heavy dependence on trade with the United States. Look towards Europe and other markets, he argued, convinced it was in Canada's interest to secure more balance in our trade, and a greater security in our trade patterns through diversity.

He moved towards closer bilateral relations in Europe. In his quest, he believed stronger relations with Germany — that giant of Europe — were essential. The work he did then, and the bridges he has built more recently through the Atlantischer Brücke brought Canadian-German relations to their highest level of bilateral cooperation. It is clear to those of us who attended with Allan in Europe with the Foreign Affairs Committee, while pursuing our study of Canada and its relations with the EU, that Germany is now Canada's best advocate in Europe, surpassing our traditional relations with both the United States and France, and again Allan has led the way.

Honourable senators, all in this chamber have watched Allan, first as Leader of the Government and then as Leader of the opposition, bring radical reform to the Senate. By discarding the

practice of pre-study and insisting that every bill, with rare exception, be referred to committee, he brought about a slow return to the original principles of this chamber of second sober thought, allowing the Senate to re-emerge, to regain some of its legislative legitimacy, if not credibility. His choice of issues slowly moved the Senate's public opinion to a greater acceptance of the Senate's exercise of its legislative powers.

Indeed, if our recent distress on this side with the opposition aggravates us, it is precisely because it was consistent with the principles of reform introduced by Allan into the Senate. It is a most appropriate legacy of his Senate leadership.

Last week, we held a dinner for Allan MacEachen, at which he made a marvellous speech. In that speech, he reminded us that politics was not a game; it was serious public business. Probably, we can reduce his career to three words: people, party, and Parliament. Possibly, Allan, a fourth word can be added: partisanship — a fitting tribute to an outstanding Canadian for this or any generation.

Allan MacEachen leaves public life much as he entered it over four decades ago, with his lively mind, his passion for reform, his concern for people, his modesty, his wit, his love of country, his patriotism, his honour — above all, his honour — and his principles intact. Therefore, honourable senators, let us praise him, let us adorn him with a garnet of accolades, for in doing so we add lustre to Parliament and the Senate.

When I look back on this wonderful career, I think Allan made one mistake — one small mistake — which we could have corrected. Allan chose never to seek election in the Province of Ontario. Had he done so, who knows, he might have achieved the one political prize that eluded him: the leadership of the Liberal Party and finally the Prime Ministership of Canada.

I must end, Allan, on a personal note. I will miss the pleasure of your company, and we will all miss your gentle leadership and your irreplaceable wisdom.

Hon. J. Michael Forrestall: Honourable senators, I will be brief. I rise because, so far, no one from the other place has come to his feet on this very memorable occasion.

I want to say to colleagues, as one who has known Allan for 30 or 35 years, perhaps even longer, that history will be written, in truth, by those scholars who will go through his papers at his beloved St. Francis Xavier University. That is where the truth will come out. What we have heard today, Allan, need not embarrass you. It is just friends saying they love you, respect you and wish you well.

The truth varies, as you and any historian well know. For example, colleagues, Allan MacEachen did have his peers, does have them. I could start with Sir John Sparrow David Thompson, distinguished Member of Parliament for Antigonish, who preceded Allan in that riding a long time ago. There are others, one of them still, thank God, penning away out in Rockcliffe: Robert Lorne Stanfield. That is where the truth will come from, and it will be interesting to read Senator MacEachen's contribution alongside that.

On a serious vein, I want to say to honourable senators that what you have said about Allan is probably true. I painfully witnessed minority Parliaments, directed, orchestrated — successfully, I might add — by the then Government House Leader in the other place. There were two or three members of Parliament in my years, in the 1960s and 1970s, who always attracted an audience in the chamber. Among them, of course, was Allan MacEachen. Perhaps apart from John Diefenbaker, Allan was the only man that I bothered to go to the House deliberately to listen to, without even knowing what it was that he would be speaking about, knowing only that it would be a great lesson. I was faithful in that practice, and I did in fact learn from those occasions.

There were other great orators, such as Joe Greene, perhaps one of the best stand-up politicians this country has ever seen: a good mind, a quick grasp of issues, ready with witty solutions, and always working for the betterment of his party and whatever the cause of the time might have been. David Lewis was another man who attracted my attention to the chamber. Unless people get the wrong impression with all these socialists that I followed closely in the other place, as I say, I was learning. Bob Stanfield was still my mentor and taught me so that I need not go seeking the error of my ways. There were others.

We had an opportunity in the other place to witness a great national debate. The question had always been, and still remains: Where is the left and who are they; where is centre and who are they; and where is the right? I often thought that having Allan MacEachen and Bob Stanfield sitting in judgment of a debate between Pierre Elliott Trudeau and David Lewis, God rest his soul, might have been an excellent process for this country of ours. It was not to be, of course, but other times will come. It was just the uniqueness of it that was recognized by so many in the House of Commons, that no matter what the outcome of that debate, it would have been tempered by the wisdom and the caring and the basic honesty of a MacEachen and a Stanfield.

• (1500)

I remind colleagues that, indeed, he has had a great political career. With respect to the truth in politics, I suppose it matters not very much, but let me tell you, without any equivocation whatsoever, the breakwater may not have stretched from one end to the other, nor the pier, but every cove had one, whether or not it had a fisherman. Every picket fence around every church was white, shiny and bright. A tourist would never drive by and make the comment, "The churchyard needs cleaning up." The churchyards were always tidy, as were the playgrounds. When Senator MacEachen asked why his plane could not land at the airport at Port Hawkesbury he was told the runway was 1,000 feet too short. He replied, "We will fix that!" And he did.

I pay tribute to you, Senator MacEachen. I feel a little inadequate rising among the eloquent speakers who proceeded me, but I do so with sincerity. Our years of association in the House of Commons were good ones for me. They were years that I will remember and cherish for a long time.

Hon. Stanley Haidasz: Honourable senators, it is a great privilege to join my colleagues in this chamber to express my admiration and gratitude to a colleague who has rendered much service to Canada and to parliamentary service in our country. I regard as my best political mentors in this chamber, Arthur Roebuck, David Croll, Paul Martin, and now Allan MacEachen.

On this occasion, I wish to say how much I admire him for his work and service to the Canadian people. Above all, I admire him for culminating the health insurance policies of the Liberal government and, on July 12, 1966, introducing the legislation with a resolution, which I will read into the record. It states:

That it is expedient to introduce a measure to authorize the payment of contributions by Canada toward the cost of insured medical care services incurred by provinces pursuant to provincial medical care insurance plans.

In his speech introducing the medicare bill, he announced the four main principles of medical care: Comprehensive service, universality, public administration and transferability. It was actually the hospital insurance plan, introduced by his great leader, Louis St. Laurent, when the Liberal government brought in the hospital diagnostic insurance services that inspired me, as a young practising physician in Toronto, to enter politics. I was asked to seek the Liberal candidacy in Trinity in 1957.

All Canadians are deeply indebted to Allan MacEachen for that effort and for the sacrifices he made to introduce to Parliament and to make available to the Canadian people the medical care insurance that we still enjoy today.

As government leader during the minority government of Pierre Elliott Trudeau from 1972 to 1974, he kept the government alive when, as a colleague in the cabinet with Senator MacEachen, I remember we waited with great impatience until he would come to us towards the end of each full cabinet meeting to announce whether or not we would still be in power in the afternoon of the same day. It was he who, with his great political skill, enabled that minority government of Mr. Trudeau, from 1972 to 1974, to last at least two years.

I wish to join you, honourable colleagues, in wishing Mr. MacEachen the best of health and happiness in his retirement, as well as success in any adventure or venture he will undertake during his retirement. I am sure that he will be an active person as far as not only keeping up with what is being said here in the Senate and in the other place is concerned, but also throughout Canada, for he has excelled in all of the constitutional debates that we have held not only in this chamber but also in the House of Commons.

My dear colleague, it is with great regret that we see you on the verge of leaving us in a few weeks, but we will have very fond memories of your great service to Parliament and to Canada.

Hon. Peter A. Stollery: Honourable senators, I want to join in this afternoon's tributes from the perspective of one who — as is the case with many of us here — got into politics in an unusual situation in that I was the only Liberal to defeat a sitting Conservative west of Quebec in 1972. In that time of Stanfield, the candidate I ran against as a Liberal had been a Liberal but had become a member of the Conservative Party.

I arrived here in 1972, like most MPs, broke. The results of the election were “even Stephen,” except for a recount in an Ontario constituency when Mr. Cafik, who had been defeated in the election, won on the recount. The fate of the nation was decided by a narrow margin of two or three votes in a constituency in Ontario. As a newly-elected member, I found myself caught up in this turmoil. Like all of the others, as Senator Haidasz has just said, I did not know whether another election would be called on short notice. I knew nothing about parliamentary procedure or Parliament. I arrived here concerned about how I would get through the upcoming period.

I came to Ottawa and I went to my first caucus meeting knowing no one; and knowing nothing about the whole procedure. I looked around me and I said to myself, “Who of these people will save my bacon?” At the first meeting, the only person that made sense to me was one of the men sitting at the head table, a minister, Mr. MacEachen. I may even have talked to a newspaperman, although my memory of that is quite unclear because this occurred 24 years ago. I said, “This is the man. I am sticking with him, because he will save me.” Honourable senators, I was right, he did stick with me, and I am still here. He saved me for all of these 24 years. I always knew where to put my money. I never changed my mind.

Nothing will ever equal the excitement for me — even the day when we defeated the Clark government in the House led by Senator MacEachen — I experienced in that House of Commons. What has not been described in the tributes is Senator MacEachen's ability to electrify the House of Commons and the Senate, because that is what happens, an electrification process takes place and the entire parliamentary precinct seems to go about a mile in the air. The first time I experienced this was when Senator MacEachen arranged to have an item in the Main Estimates on Information Canada defeated in the House of Commons, and the government did not resign because of the way it was all done. The item for Information Canada, if I recall, was approximately \$1,500 or \$3,000. I can still hear him as he jumped to his feet. David Lewis was on his feet; Erik Nielsen hesitated. MacEachen moved like lightning and explained to us how unreasonable it would be for the government to resign over an item of a few thousands dollars when the Main Estimates of many millions of dollars had just been passed.

• (1510)

I have never forgotten that. David Lewis was practically out in the aisle. There was a bit of confusion in the Conservative ranks. Mr. Nielsen did not move quite fast enough. Senator MacEachen was on his feet. That victory gave us the time to recover for the 1974 elections.

Of course, we will all miss him. His ability to inspire his troops is a marvel to see. It is an ability which comes to few. He has that ability to electrify the chamber.

On one occasion, when I was chairman of the national Liberal caucus I went to see Mr. Trudeau. It was at a time when Mr. MacEachen was not the house leader. I said, “Our troops need the inspiration that only Allan MacEachen can give.” This was many years ago and only a few years after I had the experience of observing him in action and being defended by him in the House of Commons.

After the 1972 election, a party was held at the Prime Minister's house. I was nervous about having to come up with the money to go through another election campaign. I had never met any of the personalities at the party before and was trying to judge who was doing what. It did not escape me that when we were leaving, Mr. Trudeau went off with Mr. MacEachen. I thought to myself, “Well, Mr. Trudeau must know something,” and I have some respect for him.

I did not hear described the other night at the dinner given on behalf of Senator MacEachen and Senator Davey that tremendous gift of Senator MacEachen to inspire his supporters, who have absolute confidence in his ability to see them through, and to bring that sense of electricity to a legislative chamber.

Hon. Philippe Deane Gigantès: Honourable senators, without democratic politicians of excellence, governments would be savage. I have had the privilege of observing many such politicians. For some I felt affection; for some I felt admiration. Allan J. MacEachen is the only one for whom I felt admiration, affection and reverence.

Hon. Anne C. Cools: Honourable senators, I shall be very brief. I rise to join colleagues in paying tribute to the Honourable Allan J. MacEachen and to say goodbye to him.

Allan J., a Cape Breton Islander, enters a constitutionally enforced retirement on July 6, 1996. Educated at St. Francis Xavier University and the University of Chicago, two universities known for their social animation and activism, Allan J. MacEachen's politics reflected this training.

A knowledgeable and experienced man with a well-stocked mind, Senator MacEachen is a great credit to the maritime provinces. He contributed much to social justice for all Canadians.

Allan J. MacEachen, in my mind born to serve, made his presence known, demonstrating strong leadership with strong personal and moral character and led with great industry, great humanity and great passion.

I thank him. I, like many, feel indebted. Allan J., I hold you in great regard and high esteem. I wish you God speed and I wish you well in your retirement years. I will speak more at length about the life and times of Allan J. MacEachen later on this afternoon.

Hon. William J. Petten: Honourable senators, I would like to associate myself with the remarks of those senators who have spoken before me. What can one say about A.J. MacEachen which has not already been said? I would, however, like to recount an episode that took place in A.J.'s office shortly after he arrived in the Senate.

On his appointment as leader, he invited our former colleague, the Honourable Royce Frith, to continue as deputy leader and me to continue as Whip. During one of our daily meetings, I made what I thought was a humorous remark. There was no reaction on his part. I said, "A.J., haven't you got my Newfoundland sense of humour yet?" I then got that famous MacEachen smile, and our friendship was cemented.

It has been rewarding to be associated with such an outstanding Canadian. Allan, all the best in your retirement. As we say in Newfoundland, long may your big jib draw.

[Translation]

Hon. Roch Bolduc: Honourable senators, I would like to pay tribute to an alumnus of the University of Chicago, Senator MacEachen. He had little time for the teachings of that famous university's economists. No doubt his roots got the better of him.

I would like to mention his very important contribution to the Senate Foreign Affairs Committee, particularly on international trade issues, where his opposition to free trade gave us a chance to probe more deeply into a number of questions related to these very important matters. I wish him a successful retirement.

[English]

Hon. M. Lorne Bonnell: Honourable senators, it is a sad day when we lose Senator MacEachen. I recall that when I was a young elected politician, this young boy from Cape Breton was elected for the first time, and I wondered what he might do. Some years later, he had the privilege of speaking for me in the House of Commons as the cabinet minister representing Prince Edward Island. We could not seem to elect a Liberal to the federal House and had to rely on A.J. MacEachen from Cape Breton to represent us.

As two islanders, we seemed to get along very well. In fact, I had the privilege, in about 1953, of signing the agreement between Prince Edward Island and Canada on the Canada Assistance Act. I also signed the agreement for the Hospitalization and Diagnostic Services Act. We later worked through the Medicare Insurance Act.

While Allan J. MacEachen was doing all those great things for Canada and Cape Breton, I was on the big island. Once that bridge is finished we will be connected to the rest of Canada. Cape Breton became a peninsula when it was connected to the mainland by a causeway. It is now no longer the island of Cape Breton. Of course, Newfoundland is now Newfoundland and Labrador. However, we are still "the island" and we were ably represented by A.J. MacEachen.

I was honoured to sit in the same Parliament with Senator MacEachen when he came to the Senate some years after I did.

He has followed me wherever I have gone. I am afraid that in a couple of years I will have to follow him and leave this place.

As Senator MacEachen told some of us not too long ago, he agreed to the change to the Constitution which ensures that we leave here at age 75. However, the Constitution does not say that one cannot go back to the House of Commons. Perhaps he and I will run again for the House of Commons and thereby be able to stay in Parliament to represent my province, Cape Breton and Canada.

• (1520)

A.J., you have been a great supporter of Prince Edward Island. When Alexander Campbell was our premier, and you were looking to win the leadership of the Liberal Party of Canada, Mr. Campbell was there pushing for you. All his support was for A.J. Here was me, a little humble fellow in the cabinet, who saw this other light called Pierre Elliott Trudeau with sandals on. He looked almost like a hippie. However, he seemed to speak well. He did not want to know what was going on in the bedrooms of the nation, or anything else. He went across Canada as Minister of Justice, and he impressed me.

At that time, we had only a majority of one in the legislature in Prince Edward Island. I said to Premier Campbell, "I am going to Pierre Trudeau's party tonight to see if I can get some support for him." Premier Campbell said, "No, we are all going to back A.J. MacEachen, the whole cabinet and all our delegation is for A.J." I said, "I do not know A.J. that well. I signed a few agreements with him, and I guess he is a nice chap, but I kind of like Pierre Trudeau." I said, "If you do not want to close down the house so that I can go to the party, then you can lose your government because I am walking out and there goes your majority." They had to close down the house so that I could go to Trudeau's party.

Later on, we went to the big convention. I was backing Trudeau. I did not know A.J. as I know him now, or I would have backed him then. Campbell was backing MacEachen.

Senator MacEachen: Much too late.

Senator Bonnell: With those few votes that I gathered up for Trudeau, he might have been the Prime Minister instead of Trudeau.

Senator Doody: It is all your fault.

Senator Bonnell: When we got to the convention, A.J. shifted over. He did not wait until the last. He dropped out. He shifted his support to Trudeau. Premier Campbell shifted as well. I had a big banner put up in that convention hall which stated, "Campbell Backs Trudeau."

A.J., I must apologize to you. But for me, you could have been Prime Minister of Canada.

I wish you well, my friend, and God speed. I hope we are still friends. I hope that you will still come to Prince Edward Island to visit us. I will go to Cape Breton to see you, perhaps even to Antigonish.

Hon. Senators: Hear, hear!

Hon. Sharon Carstairs: Honourable senators, I was 11 years old when Allan MacEachen was first elected to the Parliament of Canada. However, I was growing up in Nova Scotia, and you could not grow up in Nova Scotia and be a Liberal and not know the legacy of Allan MacEachen.

Despite all the accolades that have been given today, the legacy was simple: Always watch out for those who are unable to watch out for themselves. Make sure that you care about the vulnerable. Make sure that you care for the less fortunate. You will then be a Liberal in the true sense of the word.

Hon. Senators: Hear, hear!

Hon. Allan J. MacEachen: Honourable senators —

Hon. Senators: Hear, hear!

Senator MacEachen: — at a meeting earlier today, I mentioned that I would be making the last parliamentary speech of my career in the Senate this afternoon. I also mentioned that I had made my first speech in Parliament in 1953, as a new member elected in the election of August 10 of that year. In the intervening 43 years, the Parliament of Canada has been my workplace. That will terminate, of course, on July 6. It will be a sharp break in my pattern of life. However, I bear it with equanimity; if not spontaneous equanimity, then at least disciplined equanimity.

I have had much more preparation for my departure from the Senate than I had for my arrival in the Senate. In a certain sense, my coming to the Senate was somewhat sudden and unexpected. In a sense, I was swept up in the rapidly moving events that occurred in the change of prime ministership in 1984.

Since coming to the Senate I have, I think, thrown myself wholeheartedly into the work and life of the Senate. People have said that I was a critic of the Senate. I still am, because I believe it can be improved. Certainly, the best respect I could pay to the institution was to participate in its deliberations to the full, and to participate in the work of its committees.

A few years ago, in the course of Peter Gzowski's *Morningside* show, the subject of the Senate came up. It was dealt with unfairly and summarily, in my opinion, by one of the participants, who could only identify a single senator of merit. That senator happened to be deceased.

I was called to the Senate on June 29, 1984. On the same day, other colleagues were also part of that summons, including Pierre De Bané, Joyce Fairbairn, Daniel Hays, Colin Kenny, Roméo LeBlanc and Len Marchand. A few days later, three others were called by Prime Minister Turner, including Eymard Corbin, Tom Lefebvre and Charles Turner. The latter two, unhappily, are no longer with us. Later in the year, there were called William Barootes, Finlay MacDonald, and Brenda Robertson. Then, early in the following year, there was called Richard J. Doyle.

All of those mentioned, and those who were here before, were, in the mind of that contributor to the discussion of the Senate,

without merit. The only senator who had merit was a deceased senator. That incident has remained in my mind because there must be some psychological, political blockage, or some other serious blockage, which prevents otherwise fair, intelligent and informed people from seeing the Senate whole; seeing its positives as well as its negatives.

• (1530)

We know from our experience in the Senate that this institution has not been fully accepted into the Canadian political system. The reason for that is because it is a non-elected body. That is a reality. It is in that sense a handicap and a negative we must work with, because there is no chance in the foreseeable future that this Senate will be other than what it is — an appointed body and an integral part of the parliamentary system with legislative powers.

On the other hand, honourable senators, the Senate has positives. As an institution, the Senate is not idle; as an institution, it is productive; as an institution, it performs well for the country, and at times it is courageous. The Senate provides good analysis and gathers on a continuous basis evidence on key policy issues through its committees.

Senator Bolduc has already referred to the outstanding work, in my opinion, that has been performed over the years in the examination of foreign policy issues.

The appointment of women in greater numbers is also a positive development for the Senate.

Hon. Senators: Hear, hear!

Senator MacEachen: Female senators now have within their power the ability to improve dramatically the image of the Senate in the country as a whole. Within the Senate, they have an opportunity to have a powerful influence on the habits and the orientation of the Senate. I think that is a big positive.

The next issue I wish to speak about has been dealt with by a number of other senators, and that is the legislative role of the Senate. The Senate still continues to flex its legislative muscles. They were in atrophy for some time. A number of senators have referred to the borrowing bill. In a sense, we got into that because of what one might call a technical parliamentary objection. It was not a big policy objection in terms of the country. Because the Senate chose to delay that bill and amend it or defeat it, there was a tremendous reaction. I am trying to be factual rather than political; I do not want to block my coffee-table book after all this praise. However, there was a tremendous reaction. It indicated that this sleeping giant, if I may describe it as such, was expected to continue to sleep. That was the first exercise of parliamentary power.

As has been pointed out, honourable senators, 12 years later the Senate has quietly put aside a major piece of legislation — the redistribution bill — without any tremor in the political system. To take that on in the Senate required confidence and a certain courage, which is worthy of notice.

If anyone is in doubt about the ability of the Senate to act decisively on a measure of far-reaching importance against the wishes of the House of Commons, they should recall that this body defeated, in an atmosphere of high drama, the far-reaching measure on abortion. Imagine! The House of Commons passed the bill and the Senate defeated it!

In mentioning any of these items, honourable senators, I am not arguing the rightness or wrongness of the actions taken by the Senate, but they do exemplify the exercise of legislative power by the Senate and the apparent willingness of all players, including the public, to accept a more activist role for the Senate. It goes without saying that the Senate should survey the ground carefully and deliberate prudently, as I have heard it said, in exercising its legislative powers.

Honourable senators, anyone who has moved from the House of Commons to the Senate, as I have done, knows that the roles are somewhat different. For example, as a senator, I have had no electors. I was not mandated by a body of electors to represent them in Parliament. Persons such as myself who move from the House of Commons to the Senate recognize that reality. We also recognize that the absence of the direct link of accountability with electors created through an election affects one's authority to speak in Parliament, in caucus and elsewhere.

In the Senate, of course, we do have a source of authority. It is not as easily explained because our authority comes from the fundamental law of the land — the Constitution. The powers we have come from that Constitution. However, whom do we represent? I have always asked that question — Whom do I represent in the Senate? I do not represent electors, because I do not have any. My designation, however, puts me in Nova Scotia, so I represent that region, but that is still somewhat vague. I find it easier to say that I represent regional interests, and my duty is discharged in the process of assessing all policy issues, whether in legislative form or in public policy pronouncements in the light of their impact on the citizens and province of Nova Scotia. At a certain point, that obligation to examine the regional interest in the process of legislation and policy must be carried further and in consideration of the national interest.

I believed when I came into the Senate as I do now, that the Senate has a legislative role and the authority to amend and to defeat; but, in doing so, it must make all those careful calculations that will ensure that it is not bringing opprobrium upon itself in so doing.

Honourable senators, anyone who has been surprised at the zeal many of us have for politics ought to have that surprise removed today by the series of speeches that have been made, not because they refer to me, but because they reveal the network of relationships that exist in political life. This network includes not only one's own party; it occasionally extends into important relationships with members of other parties.

• (1540)

As I listened to the recollections of all of you today, my own gratitude has been renewed for the life I have led in politics and

for the opportunities and experiences I have had. How true it is that no other profession has such excitement, such responsibility and such risks as does political life.

Among those who spoke was Senator John Buchanan, with whom I worked as a federal minister when he was premier. In my obligation to please my own following in the Liberal Party, and in my obligation to ensure that we worked cooperatively for the province of Nova Scotia, I developed a rule which extended to my relationship with John Buchanan. Every year I would go to Halifax to address the annual meeting of the Nova Scotia Liberal Association. In that speech, I would make the welkins ring with my criticisms of the Government of Nova Scotia, its misdeeds, its weaknesses, until my friends were inflamed with resentment at the dreadful premier and his government. When that was over, the rest of the year would be spent working cooperatively with the Government of Nova Scotia.

Senator Buchanan: And so we did.

Senator MacEachen: When I came to the Senate, my closest associate was the Honourable Royce Frith. I did not make a eulogy for him when he left the Senate because, as I wrote to him in a letter, "I could not speak through my tears." I was so sad to see Royce leave. There could not have been a better associate and colleague because he was able, eloquent, hard-working, vigorous and loyal.

My worthy opponent, as Leader of the Opposition, was the Honourable Duff Roblin. I greatly admired his style and his presence. It was a joy to observe his quick intelligence, his turn of phrase, and his fiery responses in debate. It was great fun.

Ultimately, Senator Roblin was replaced by Senator Murray, who had different but equally formidable talents as Leader of the Government. You might say that the relationship between Senator Murray and I, which goes back many years, was temporarily estranged during some of those difficult days in the Senate. Happily, all of that has been healed. We continue to maintain a friendship which, I believe, came through in the very generous remarks he made this afternoon.

I want to say a word about my own leader and deputy leader. Senator Fairbairn is doing an outstanding job with competence and courtesy. She is blazing a new trail in how to conduct the leadership of the Senate, ably assisted by Senator Al Graham.

I have learned that the most underpaid group in the Senate is the Leader of the Opposition and his deputy leader.

Senator Berntson: Thank you.

Senator MacEachen: Very few people understand the burden of responsibility which is discharged daily by those not only on the government side, but also by those who lead in opposition. They have very little reward except the joy of doing the job. I particularly thank the Leader of the Opposition, Senator Lynch-Staunton, for his kind remarks and for his unique way of introducing the subject.

To all the others who spoke, I should like to take each one of you and speak my mind about you. However, I can only say that each one of you has struck a deep, responsive cord in my heart by recalling so many events of the past. Thank you all very much. I am leaving Parliament after 43 years. I wish all of you good health, happiness and satisfaction in the work of the Senate.

Hon. Senators: Hear, hear!

ROUTINE PROCEEDINGS

INFORMATION COMMISSIONER

ANNUAL REPORT TABLED

The Hon. the Speaker: Honourable senators, I have the honour to table the Annual Report of the Information Commissioner for the year 1995-96.

ECONOMIC ADJUSTMENT IN SELECTED COASTAL COMMUNITIES

REPORT OF CANADIAN INSTITUTE FOR RESEARCH ON REGIONAL
DEVELOPMENT TABLED

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I wish to table today a report entitled, "Economic Adjustment in Selected Coastal Communities" prepared by the Canadian Institute for Research on Regional Development and, with it, a statement from the Honourable Lawrence MacAulay entitled, "Federal Government Affirms Commitment to Rural Communities."

[*Translation*]

CIVIL AIR NAVIGATION SERVICES COMMERCIALIZATION BILL

REPORT OF COMMITTEE

Hon. Lise Bacon, Chair of the Standing Senate Committee on Transport and Communications, submitted the following report:

WEDNESDAY, June 19, 1996

The Standing Senate Committee on Transport and Communications has the honour to present its

FIFTH REPORT

Your Committee, to which was referred Bill C-20, An Act respecting the commercialization of civil air navigation services, has, in obedience to the Order of Reference of Monday, June 10, 1006, examined the said bill and has agreed to report the same with the following amendment:

Page 51, new clause 109: add, immediately after line 28, the following:

"COMING INTO FORCE

Coming into

force

109. Sections 11, 13 and 100 come into force on the transfer date."

Respectfully submitted,

LISE BACON
Chair

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

Senator Bacon: Honourable senators, with leave of the Senate and notwithstanding rule 58(1)(g), I move that this report be placed on the Orders of the Day for later this day.

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

Hon. Senators: Agreed.

On motion of Senator Bacon, report placed on Orders of the Day for consideration later this day.

[*English*]

• (1550)

AGRICULTURE AND FORESTRY

PRESENT STATE AND FUTURE OF AGRICULTURE—REPORT OF
COMMITTEE PRESENTED AND PRINTED AS APPENDIX

Hon. Dan Hays: Honourable senators, I have the honour to present the second report of the Standing Senate Committee on Agriculture and Forestry, which requests that the committee be empowered to incur special expenses pursuant to the *Procedural Guidelines for the Financial Operation of Senate Committees*.

I ask that the report be printed as an appendix to the *Journals of the Senate* of this day.

(*For text of report, see today's Journals of the Senate, Appendix A, p. 468.*)

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

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

PRESENT STATE AND FUTURE OF FORESTRY—REPORT OF
COMMITTEE PRESENTED AND PRINTED AS APPENDIX

Hon. Dan Hays: Honourable senators, I have the honour to present the third report of the Standing Senate Committee on Agriculture and Forestry, which requests that the committee be empowered to incur special expenses pursuant to the *Procedural Guidelines for the Financial Operation of Senate Committees*.

I ask that the report be printed as an appendix to the *Journals of the Senate* of this day.

(*For text of report, see today's Journals of the Senate, Appendix B, p. 475.*)

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

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

LEGAL AND CONSTITUTIONAL AFFAIRS

CHANGES TO TERM 17 OF CONSTITUTION—REPORT OF
COMMITTEE PRESENTED AND PRINTED AS APPENDIX

Hon. Sharon Carstairs: Honourable senators, I have the honour to present the twelfth report of the Standing Senate Committee on Legal and Constitutional Affairs, which requests that the committee be empowered to incur special expenses pursuant to the *Procedural Guidelines for the Financial Operation of Senate Committees*.

I ask that the report be printed as an appendix to the *Journals of the Senate* of this day.

(*For text of report, see today's Journals of the Senate, Appendix C, p. 481.*)

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

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

[*Translation*]

OFFICIAL LANGUAGES

REPORT OF STANDING JOINT COMMITTEE PRESENTED

Hon. Jean-Louis Roux: Honourable senators, I have the honour to present the second report of the Joint Standing Committee on Official Languages.

I ask that the report be printed as an appendix to the *Journals of the Senate* of this day.

(*For text of report, see today's Journals of the Senate, Appendix D, p. 483.*)

The Hon. the Speaker: When shall this report be taken into consideration?

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

INTERNATIONAL ASSEMBLY OF FRENCH-SPEAKING PARLIAMENTARIANS

REPORT OF MEETING OF CANADIAN SECTION
HELD IN PARIS, FRANCE

Hon. Pierre De Bané: Honourable senators, pursuant to Standing Order 23 (6), I have the honour to present to the House, in both official languages, the report of the Canadian Section of the International Assembly of French-Speaking Parliamentarians, as well as its financial report, concerning the meeting of the policy and general administration commission and of its executive, held in Paris on March 18 and 19, 1996.

REPORT OF MEETING OF CANADIAN SECTION
HELD IN OUAGADOUGOU, BURKINA FASO

Hon. Pierre De Bané: Honourable senators, pursuant to Standing Order 23 (6), I have the honour to present to the House, in both official languages, the report of the Canadian Section of the International Assembly of French-Speaking Parliamentarians, as well as its financial report, concerning the meeting of the Assembly's cooperation and development commission and of its executive, held in Ouagadougou, Burkina Faso, on March 22 and 23, 1996.

[*English*]

CODE OF CONDUCT

SPECIAL JOINT COMMITTEE AUTHORIZED
TO EXTEND DATE OF FINAL REPORT

Hon. Donald H. Oliver: Honourable senators, with leave of the Senate and notwithstanding rule 58(1)(f), I move:

That, notwithstanding the order of reference adopted by the Senate on March 21, and by the House of Commons on March 12, 1996, the Senate extend the reporting date of the Special Joint Committee on a Code of Conduct to Friday, November 29, 1996, and that a message be sent to the House of Commons requesting that House to unite with this House for that purpose.

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

Hon. Senators: Agreed.

Motion agreed to.

FOREIGN AFFAIRS

COMMITTEE AUTHORIZED TO MEET
DURING SITTING OF THE SENATE

Hon. John. B. Stewart: Honourable senators, with leave of the Senate and notwithstanding rule 58(1)(a), I move:

That the Standing Senate Committee on Foreign Affairs have power to sit at 5:00 p.m. today, Wednesday, June 19, 1996, even though the Senate may then be sitting, and that rule 95(4) be suspended in relation thereto.

The Hon. the Speaker: Is leave granted?

Hon. Senators: Agreed.

Motion agreed to.

BUSINESS OF THE SENATE

Hon. B. Alasdair Graham (Deputy Leader of the Government): Honourable senators, I do not have any delayed answers, but I wish to say with respect to Bill C-28 that there have been discussions between the leadership on both sides, and there is agreement that all votes necessary with respect to Bill C-28 will take place at 4:30 this afternoon, and that the bells will commence ringing at four o'clock.

I should also add that as soon as all of the votes necessary with respect to Bill C-28 are disposed of, we will be back to the Order Paper, and it is anticipated that the Senate will continue for some time, perhaps into the early evening. It may be that we will not see the clock. This procedure is the result of discussions with the Deputy Leader of the Opposition in order to dispose of the legislation and the matters on the Order Paper that are before us.

Hon. Eric Arthur Berntson (Deputy Leader of the Opposition): Honourable senators, I have in fact agreed to what has been put on the record by the honourable senator.

ORDERS OF THE DAY

PEARSON INTERNATIONAL AIRPORT AGREEMENTS BILL

CONSIDERATION OF REPORT OF COMMITTEE—
MOTION IN AMENDMENT NEGATIVED

On the Order:

Resuming the debate on the motion of the Honourable Senator Carstairs, seconded by the Honourable Senator Gauthier, for the adoption of the Ninth Report of the Standing Senate Committee on Legal and Constitutional Affairs (Bill C-28, An Act respecting certain agreements concerning the redevelopment and operation of Terminals 1 and 2 at Lester B. Pearson International Airport, with

amendments and observations), presented in the Senate on June 10, 1996.

And on the motion in amendment of the Honourable Senator Lynch-Staunton, seconded by the Honourable Senator Berntson, that the report be not now adopted but that it be referred back to the Standing Senate Committee on Legal and Constitutional Affairs for further consideration; and

That the Committee be instructed not to proceed with the said consideration until all court proceedings relating to certain agreements concerning the redevelopment and operation of Terminals 1 and 2 at Lester B. Pearson International Airport have been completed.

The Hon. the Speaker: I understand it is agreed that the bells will ring at four o'clock, and that the vote will be at 4:30 p.m.

Since it is now approximately 1 minute to 4:00, unless there are some urgent matters, I propose that we now proceed to have the bells begin to ring.

Call in the senators.

• (1630)

In accordance with rule 65(5), motion in amendment negatived on the following division:

YEAS THE HONOURABLE SENATORS

Andreychuk	Johnson
Angus	Kelleher
Atkins	Keon
Balfour	Kinsella
Beaudoin	Lavoie-Roux
Berntson	LeBreton
Bolduc	Lynch-Staunton
Buchanan	MacDonald (Halifax)
Carney	Meighen
Charbonneau	Murray
Cochrane	Nolin
Cogger	Oliver
Cohen	Ottenheimer
Comeau	Phillips
DeWare	Rivest
Di Nino	Roberge
Doody	Robertson
Doyle	Rossiter
Eyton	Simard
Forrestall	Sparrow
Ghitter	Spivak
Grimard	Stratton
Gustafson	Tkachuk
Jessiman	Twinn—48

NAYS
THE HONOURABLE SENATORS

Adams	Lewis
Anderson	Losier-Cool
Austin	Lucier
Bacon	MacEachen
Bonnell	Maheu
Bosa	Marchand
Bryden	Milne
Carstairs	Molgat
Cools	Pearson
Corbin	Petten
Davey	Pitfield
De Bané	Poulin
Fairbairn	Prud'homme
Forest	Riel
Gauthier	Rizzuto
Gigantès	Robichaud
Grafstein	Rompkey
Graham	Roux
Haidasz	Stanbury
Hays	Stewart
Hébert	Stollery
Hervieux-Payette	Taylor
Kirby	Watt
Landry	Wood—48

ABSTENTIONS
THE HONOURABLE SENATORS

Nil

The Hon. the Speaker: Honourable senators, we are now on the main motion, which is the motion for the adoption of the report of the committee.

In accordance with rule 65(5), motion negatived on following division:

YEAS
THE HONOURABLE SENATORS

Adams	Lewis
Anderson	Losier-Cool
Austin	Lucier
Bacon	MacEachen
Bonnell	Maheu
Bosa	Marchand
Bryden	Milne
Carstairs	Molgat
Cools	Pearson
Corbin	Petten
Davey	Pitfield
De Bané	Poulin
Fairbairn	Prud'homme
Forest	Riel
Gauthier	Rizzuto
Gigantès	Robichaud
Grafstein	Rompkey
Graham	Roux
Haidasz	Stanbury
Hays	Stewart
Hébert	Stollery
Hervieux-Payette	Taylor
Kirby	Watt
Landry	Wood—48

NAYS
THE HONOURABLE SENATORS

Andreychuk	Johnson
Angus	Kelleher
Atkins	Keon
Balfour	Kinsella
Beaudoin	Lavoie-Roux
Berntson	LeBreton
Bolduc	Lynch-Staunton
Buchanan	MacDonald (Halifax)
Carney	Meighen
Charbonneau	Murray
Cochrane	Nolin
Cogger	Oliver
Cohen	Ottenheimer
Comeau	Phillips
DeWare	Rivest
Di Nino	Roberge
Doody	Robertson
Doyle	Rossiter
Eyton	Simard
Forrestall	Sparrow
Ghitter	Spivak
Grimard	Stratton
Gustafson	Tkachuk
Jessiman	Twinn—48

ABSTENTIONS
THE HONOURABLE SENATORS

Nil

THIRD READING—MOTION NEGATIVED ON DIVISION

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

Hon. Michael J. Kirby: Honourable senators, I move that the bill be read the third time now.

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

Some Hon. Senators: Yes.

Some Hon. Senators: No.

The Hon. the Speaker: Will those honourable senators in favour of the motion please say “yea.”

Some Hon. Senators: Yea.

The Hon. the Speaker: Will those honourable senators opposed to the motion please say “nay.”

Some Hon. Senators: Nay.

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

And two honourable senators having risen.

The Hon. the Speaker: According to the agreement of the house, the vote shall take place immediately.

In accordance with rule 65(5), motion negatived on the following division:

YEAS
THE HONOURABLE SENATORS

Adams	Lewis
Anderson	Losier-Cool
Austin	Lucier
Bacon	MacEachen
Bonnell	Maheu
Bosa	Marchand
Bryden	Milne
Carstairs	Molgat
Cools	Pearson
Corbin	Petten
Davey	Pitfield
De Bané	Poulin
Fairbairn	Prud'homme
Forest	Riel
Gauthier	Rizzuto
Gigantès	Robichaud
Grafstein	Rompkey
Graham	Roux
Haidasz	Stanbury
Hays	Stewart
Hébert	Stollery
Hervieux-Payette	Taylor
Kirby	Watt
Landry	Wood—48

NAYS
THE HONOURABLE SENATORS

Andreychuk	Johnson
Angus	Kelleher
Atkins	Keon
Balfour	Kinsella
Beaudoin	Lavoie-Roux
Berntson	LeBreton
Bolduc	Lynch-Staunton
Buchanan	MacDonald (Halifax)
Carney	Meighen
Charbonneau	Murray
Cochrane	Nolin
Cogger	Oliver
Cohen	Ottenheimer
Comeau	Phillips
DeWare	Rivest
Di Nino	Roberge
Doody	Robertson
Doyle	Rossiter
Eyton	Simard
Forrestall	Sparrow
Ghitter	Spivak
Grimard	Stratton
Gustafson	Tkachuk
Jessiman	Twinn—48

ABSTENTIONS
THE HONOURABLE SENATORS

Nil

CONTROLLED DRUGS AND SUBSTANCES BILL

REPORT OF COMMITTEE ADOPTED

Leave having been given to proceed to Reports of Committees, Item No. 1:

The Senate proceeded to consideration of the eleventh report of the Standing Senate Committee on Legal and Constitutional Affairs (Bill 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, with amendments and recommendations), presented in the Senate on June 13, 1996.

Hon. Sharon Carstairs moved the adoption of the report.

She said: Honourable senators, first, I should like to apologize for speaking to this report yesterday, somewhat out of order. Honourable senators must have been listening extremely carefully to my speech since I was halfway through it before anyone realized that I was talking about drugs rather than about Pearson airport.

In moving the adoption of this report, honourable senators, I should like to make a few comments on the amendments to Bill C-8, the Controlled Drugs and Substances Bill. Many of the amendments are technical, to correct drafting errors, renumbering errors and to bring the French and English texts into line.

I do not wish to review those amendments with honourable senators this afternoon. However, some new clauses were added to the bill. They were clauses 65(1), 76(1), 83(1), 93(1) and 93(3), which were consequential amendments to other acts. These amendments were made necessary by the passage of certain pieces of legislation which had not been passed when the bill was originally drafted, for example, the Firearms Act. Normally, such amendments would have been introduced as part of an omnibus bill, but the committee decided that the bill should be amended at this stage so that the changes would be as up-to-date as possible.

I also draw the attention of honourable senators to the amendment to clause 55 on page 39 of the bill, to change the word "use" in the English text to the word "application." This amendment was in response to the concern of the Canadian Medical Association about the term "medical use of drugs" which, in reality, refers to the context of medicine as opposed to scientific and industrial use. The French version of this clause uses the term "application".

Perhaps the most substantive amendment made by the committee was the one proposed by Honourable Senator Milne, and supported unanimously by the committee, to Schedule II of the bill. This amendment excludes mature cannabis stalks, but not the leaves, flowers, seeds or branches and fibre derived from such stalks from the application of this act. This amendment was in response to the testimony received from representatives of the hemp industry who illustrated a variety of marketable products that could be produced from hemp but which, without this amendment, would be a controlled substance under the act.

Your committee held 10 meetings on Bill C-8, and heard from more than 40 witnesses representing a variety of legal, medical and social concerns. It heard testimony that Canada's present drug strategy is ineffective and unfairly applied across the country. It also heard from witnesses who pointed to the harm reduction policies implemented in other countries, such as the Netherlands, and said that drug use and abuse should be dealt with as issues of health. Many witnesses felt that Canada's drug strategy was too prohibitionist and should be more closely focused toward a harm reduction policy.

Canada's role in the United Nations drug conventions and our obligations as a signatory to these conventions was also questioned by many of the witnesses.

Witnesses called for decriminalization and some even called for legalization of the simple possession of marihuana, arguing that marihuana use is less harmful than alcohol and tobacco use, and that the punishment for using marihuana is much too harsh.

Others called for further research to determine if marihuana has a harmful or beneficial effect on a user's health. Most importantly, many witnesses agreed that a comprehensive review of Canada's drug policy was needed, the last review having been almost 30 years ago.

In response to this testimony, your committee recommends that a joint committee of the Senate and House of Commons be struck with a mandate to review Canada's drug policy. This mandate would include a review of the effectiveness and fairness of Canada's drug policy, and the development of a national harm reduction policy which minimizes the negative consequences associated with illicit drug use and views drug use and abuse primarily as a health and social policy issue.

The study of harm reduction models in other countries and their effectiveness and desirability for implementation in Canada should also be studied. We should study Canada's roles and obligations under the UN drug conventions, exploring the health effects of cannabis use and the possible effects of decriminalization. We should explore the use of the government's regulatory power under the Contraventions Act as an additional tool to implement a harm reduction model.

Your committee, although aware that the health committee in the other place is preparing to undertake such a study in the fall, felt that such a study would be better undertaken by a joint committee of both houses.

Finally, your committee also recommends the following in reference to regulations drafted under Bill C-8. Based on testimony from the Assembly of First Nations, your committee recommends that all regulations drafted under Bill C-8 be respectful of aboriginal people's spiritual and medicinal practices.

Your committee recommends that the regulations clearly provide that needle exchange programs, which are designed to cut the spread of AIDS and hepatitis, are not caught by the definition of a controlled substance in clause 2(2) of the bill.

Your committee recommends that the Canadian Medical Association be consulted regarding the drafting of regulations pertaining to the medical application of drugs.

Honourable senators, I wish to close by thanking senators who served on the committee during the study of this bill. The cooperative and collegial approach to the study of this legislation is reflected in the thoughtful and considered recommendations which comprise your committee's report.

Honourable senators, I urge you to support the adoption of this report.

Hon. Lorna Milne: Honourable senators, I rise to share with you some background information on the only amendment to this bill that was not put forward by the government, as my colleague Senator Carstairs has so ably explained.

Since amendment number 15 in the committee's report was put forward for consideration by myself, I would like to lead you through the committee's reasons for adding it to the bill.

Two groups appeared before the committee to talk about hemp. Hempline has been granted licenses by Health Canada to grow crops for research purposes. The Canadian Industrial Hemp Lobby also gave evidence. It rapidly became apparent that the growth of fibre hemp, fibre cannabis, as an agricultural crop, presented us with a win-win-win situation.

Hemp is a non-narcotic cash crop which will be a significant boon to farmers all over Canada, particularly in the area of southwestern Ontario where it will serve as a badly needed replacement crop for tobacco which was grown in the sandy soils there.

Hemp is a non-narcotic, non-polluting crop which actually improves the condition and the tilth of the soil. A non-narcotic Canadian hemp crop will replace that hemp which Canada must presently import for its needs.

Non-narcotic hemp can be used for so many purposes and has so many spin-off benefits that it is impossible to estimate them in any other way than to say, "Jobs, jobs, jobs."

The proposal to facilitate the cultivation of this non-narcotic crop is in no way radical. There is support from Health Canada. We know that Europe and the United States are already moving in the same direction. In fact, Europe has been considering taking this step for years.

Hemp — as I feel forced to keep repeating for educational purposes — is a non-narcotic crop. Since this last point is probably the one that causes most concern to my colleagues, let me address it first. Many people associate hemp with marijuana and drug use. I want to put any concerns of my colleagues at rest on this point. The association is inaccurate. In that regard, I would refer to a publication of Agriculture Canada which was released in December 1994.

Mr. Gordon Reichert, the author, reports that the hemp plant is distinct from the marijuana plant. Indeed there are many different varieties of the cannabis sativa plant. He states:

Although hemp and marijuana are from the same plant species, they have different uses and physical characteristics. Hemp generally refers to the fibre-producing strain of Cannabis. Marijuana usually refers to a mixture of leaves and flowers that is used for the drug...

The familiar name for that drug "THC."

...A THC level of 0.3 per cent is specified in some studies as delimiting narcotic and non-narcotic strains of Cannabis, although narcotic strains generally average three to five per cent THC, about 10 to 15 times the delimiting value.

We have evidence before the committee that strains have been developed in France that have levels of THC as low as 0.1 per cent by weight. That means that such a plant would have one thirtieth or less of the THC content of marijuana which is typically consumed for narcotic purposes. This variety of hemp would be worthless in the market for narcotic substances.

In the form in which it was presented by the government, Bill C-8 set out that all products of the cannabis plant be considered controlled substances by definition, just as if they were actually marijuana or hashish. This approach was consistent with the existing drug control regime, but it does not seem reasonable when we consider that many non-narcotic products and substances are caught by this definition.

That leads me back to my first point. Hemp is a profitable crop at the farm gate. It is a cash crop. It promises to offer a viable alternative to farmers who currently grow tobacco in sandy soils. In the west, the crop also has a great deal of promise. I am sure that one of the members on the other side of this house intends to tell us a little more about its possibilities out west. Hemp is frost-resistant and it has already been grown as far north as Edmonton.

The original bill authorized the minister to regulate "the industrial uses and distribution of controlled substances," and to develop a licensing strategy for the commercial cultivation of hemp. Consequently, the government amendments already exempt non-viable seeds of the cannabis plant from the definition of cannabis. The hemp amendment, which, as Senator Carstairs as mentioned, was accepted unanimously by the committee, adds a second exemption to this definition to also exclude from the operation of the act, "the mature stalk of a cannabis plant and products made from its fibre."

The mature stalk of any cannabis plant — exclusive of the leaves, flowers and seeds — contains only trace elements of THC. It is this innocuous stalk which is a source of valuable hemp fibre. It is the fibre, I repeat, that is the primary source of revenue from this crop in which farmers are interested.

The amendment will add this mature stalk to the exemption for non-viable seeds and remove a significant statutory impediment to the development of hemp as a viable alternative cash crop for farmers.

Without the amendment, the stalks, fibre and the fibre products derived therefrom, such as paper, would continue to be treated as though they were narcotic substances simply due to the definition in the bill. Many of our early historic documents in this country have been printed on hemp paper.

In general, the hemp plant is environmentally friendly for it is very pest and weed resistant, greatly reducing the need for pesticides and herbicides.

Hemp is one of the few crops that actually improves the tilth of the soil in which it is grown and leaves that soil in good condition because it adds humus and nutrients while reducing wind and water erosion.

My third point is that we already import great quantities of hemp into Canada in the form of paper and textiles. If the bill were passed as originally introduced in the other place, these products would continue to be controlled substances. Since this technicality is currently ignored in relation to the importation of hemp products, there is no reason to retain these products within the definition of controlled substances. By removing such products derived from hemp from the status of controlled substance, we would enable our agricultural sector to compete for the lucrative markets developing in this country as well as abroad.

Fourth, hemp can be used to make literally thousands of products. Its revival as a —

The Hon. the Speaker: Honourable senators, if I may interrupt, I suggest we suspend the sitting at this time.

The sitting of the Senate was suspended.

• (1720)

The Hon. the Speaker: Honourable senators, the sitting is resumed. Honourable Senator Milne has the floor.

Senator Milne: Honourable senators, after an episode such as that, some of the antics in this chamber seem rather silly and very unimportant. However, hopefully my good friend Senator Gigantès will be back with us very soon. I know he has been suffering from pleurisy, and we want him back.

I will continue speaking on my fourth point about the benefits of hemp as an agricultural crop. Its revival as a commodity will have an impact on every market from agriculture to textiles to building materials to cosmetics and plastics and agricultural machinery. Fibre from the stalk has almost infinite uses. It can be

used to make building materials such as particle board, and even the pulp and the paper industry is examining it as an alternate source of fibre. All of these products will be in demand, given the desire of today's markets for natural and organic products, particularly oil from the seeds in the cosmetics industry, because hemp materials are often less expensive than the materials already available. Hemp could also revitalize the textile industry in Canada. There is a great demand for hemp clothing.

Although this amendment will not result in the planting of thousands of acres next year, it will allow organizations such as Hempline to continue their research and market development and to ensure that the crop will be a viable one economically. I know that we cannot grow cotton in Canada, but we are way ahead of the United States in the development of fibre hemp crops. By passing this amendment now, the Senate will ensure that Canada keeps that lead.

Once the know-how is reestablished and domestic markets for Canadian hemp products are developed, I expect there will be much investment in hemp-related industries. Although it is not possible to predict hard numbers for employment, this crop does have an enormous spin-off potential for jobs.

Fifth, I point out that we are not radicals in our thinking, honourable senators. This amendment has the support of the Minister of Health and his department. In fact, department officials drafted the text of this amendment for me. It also has the support of the Ontario wing of the Liberal Party of Canada, given that a resolution supporting exactly this endeavour was passed at the LPCO meeting in April of this year.

Moreover, this initiative is already in place in some European countries, including England, and a number of American states are moving toward allowing and even promoting the cultivation of hemp. Current American legislation, equivalent to our Narcotic Control Act, specifically excludes the mature stalk of the plant from its definition of cannabis. The European and American agricultural industries are poising themselves to leap into this rapidly developing market. We here in the Senate have a real and rare opportunity to help Canadian farmers lead the way.

In conclusion, on a personal note, when my interest was tweaked by a presentation made to the committee in April about the possibilities of fibre hemp as an agricultural crop, I had no idea that just two weeks ago I would come across a family connection to it. A document from the Public Records Office in London describes a group of my direct ancestors who fled as refugees from the Palatine area of Germany in 1709 to London. They were relocated in Ireland on their way to North America, and they were described as “excellent husbandmen —” — in those days, that meant farmers — “and notable growers of hemp and flax.”

Honourable senators, I suggest we toot our own horn a bit. I have already said in this chamber that I have been impressed by the quality of the work done by the Senate and its committees, and I believe that in this bill you have before you another example of that. The committee deliberated long and hard on an extremely complex and difficult issue, and I think its recommendations should be accepted.

As Senator Carstairs has outlined for us, the committee was asked, through me, to correct drafting errors and to make other minor amendments to the bill which had already been identified by the Department of Health. I acknowledge on the record the work of our own acting law clerk, Mr. Mark Audcent, and Deborah Palumbo, legal counsel in his office. Our own law officers identified drafting errors in the very amendments that were designed to correct drafting errors. I am pleased to know that we have such vigilant people in our employ. I would not like to think I had a hand in writing badly drafted law.

Honourable senators, the Senate demonstrated its value by catching these flaws and correcting them. In the conclusion of this speech, I had planned to ask what the House of Commons and the government would do without us, but after this afternoon I must admit that I suspect they would cheerfully do without us.

Hon. Mabel M. DeWare: Honourable senators, Dr. Keon wished to speak to this matter, but he will be detained for just a few more minutes on professional duties.

Hon. B. Alasdair Graham (Deputy Leader of the Government): I believe we have other speakers on this bill, and it would be possible for Dr. Keon to speak on third reading.

Hon. Eric Arthur Berntson (Deputy Leader of the Opposition): Certainly.

The Hon. the Speaker: It is my understanding that a number of honourable senators wish to speak on third reading. Are you ready for the question now on the adoption of the report?

Hon. Senators: Agreed.

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

Hon. Senators: Agreed.

Motion agreed to.

THIRD READING

The Hon. the Speaker: When shall this bill, as amended, be read the third time?

Senator Carstairs: With leave, now.

Hon. Duncan J. Jessiman: Honourable senators, let me say at the outset that I am and always have been and always will continue to be very much opposed to persons using drugs except for medical purposes. Having said this, however, having read a great deal about how the war against drugs is being conducted and having heard from several witnesses, including representatives of our government, members of the Canadian Bar Association, the Canadian Medical Association and several others, I am now of the strong view that the thrust of most governments, including the Canadian government, in criminalizing the possession of drugs is wrong.

Although the whole world is very much concerned with drugs and their abuse, the policy of criminalization for use of drugs in the United States starting back in 1914 with the passing of the Harrison Act — that is 82 years ago — is definitely not working.

At a symposium conducted by the National Review in the United States this past February, a number of eminent scholars came to the conclusion that making the use of drugs a crime or even making it illegal is as fruitless as prohibition was regarding alcohol. The persons that gave papers at this symposium were William F. Buckley Jr., a famous writer, broadcaster and scholar; Ethan A. Nadelmann, formerly in the political science department of Princeton, now director of Lindesmith Centre, a drug policy research institute in New York City; Kurt Schmoke, mayor of Baltimore since 1987, a graduate of Yale and a Rhodes scholar; Joseph D. McNamara, Ph.D. from Harvard and a former police chief, currently research fellow with Hoover Institution; Robert W. Sweet, District Judge in New York City, previously deputy mayor of New York City, and a graduate of Yale Law School; Thomas Szasz, M.D., Department of Psychiatry, Syracuse University; and Stephen B. Duke, Law of Science and Technology professor at Yale Law School.

Making the mere possession and use of drugs a criminal offense has not in any way reduced the use and abuse of drugs. The present system breeds crime. It is imperative that a new approach be found and it is my view that the use and abuse of drugs must be treated as a health problem.

The strict enforcement against users of drugs, as in the United States, has not reduced the use of drugs and, furthermore, it results in more serious crime being committed, such as users stealing and killing to pay for their habit and traffickers fighting and killing each other to protect their markets. As a result, in the United States \$750 billion per year is spent on enforcement of drug laws; \$700 billion per year is spent by consumers of drugs; 400,000 police are used in attempting to enforce the law respecting drugs; 50 per cent of the persons in jail are there for drug violations; and 50 per cent of the court time is spent on hearing drug-related cases.

As far back as 1972, the LeDain Commission reported to our federal government that the criminalization of the use of drugs was wrong, and many others have said the same thing since. The Canadian Bar Association is on record as saying that drugs, particularly soft drugs, should be legalized. The Canadian Medical Association has said the same thing, although the present president, who appeared before our committee, did not confirm that to us. Nevertheless, other literature indicated that to be the case.

The enforcement of the laws respecting simple possession of marihuana in Canada is most inconsistent. The evidence we received is that in Vancouver, certain parts of Toronto and Montreal, the laws are not enforced at all, whereas in some of our smaller communities where the police have more time on their hands, it is enforced. If we cannot enforce our laws consistently across the country, the law should be changed.

We are told that between two and three million people in Canada smoke marihuana. If that is correct, we have two or three million more potential criminals because most of them have never been charged, never mind convicted. The unfairness of it is to those who are charged and convicted, because they get a criminal record for the rest of their lives. It could result in such persons being deprived of the right to obtain a passport, just because they smoked soft drugs at some point in their lives. Other countries are trying to approach the problem from a different point of view.

For example, in Holland, although it is still on their statutes that it is a crime to possess marihuana, there are 4,000 coffee houses where one can purchase up to five grams of marihuana and smoke it without fear of being charged. That approach was first introduced in 1976 and, as a result, the use of cannabis for persons between the ages of 17 and 18 has been reduced from 13 per cent in 1976 to 6 per cent in 1985. Monthly reports on prevalence of cannabis use by Dutch high school students in 1985 was around 5.4 per cent compared with 29 per cent in the United States. Prime Minister Chrétien said the other night on television that when his father said he was old enough to smoke cigarettes, he quit. Forbidden fruit may, indeed, be the sweetest.

In respect to the City of Frankfurt, another area where new methods of controlling the use of drugs are being tried, *The Globe and Mail* reported on April 18 this year as follows:

...a group of officials from the German City of Frankfurt politely demonstrated just as hapless we Canadians are when it comes to dealing with this terrible scourge. They outlined the results of a radical civic program that long ago gave up trying to win the war on drugs and instead embraced policies designed to reduce the harm they cause.

Frankfurt has become famous for "health rooms" where drug users can inject themselves safely and hygienically, for the widespread availability of clean syringes and methadone, and for a large residence and treatment centre where homeless drug users can find refuge and safely indulge their habit.

Here is an outline of what the city has achieved:

Complete elimination of the open-air drug market that formerly blighted the downtown; a 20 per cent reduction in street robbery and robberies from cars; reduction in the number of drug-related emergency calls from three a day to two a week; continual declines in drug-related court cases; and declining rates of HIV infection among drug users, the only segment of the local population to experience such a decline.

Within the last couple of months, the Australian medical and legal professions have both advocated that drugs should be legalized.

This is a worldwide problem and may not have an easy resolution, but it is clear from all the evidence that our committee was given that the present enforcement policy is not working. It does not matter how many policemen are engaged, the

production of drugs will never be stopped. The only hope is to convince people not to use them. We were told that for every \$7 spent on enforcement, it would take only \$1 to achieve the same result by helping those who become addicted.

There is no doubt we have been partially successful in reducing the use of tobacco, which, according to what I read, is much more addictive and deadly than marihuana. Approximately 10 per cent of those who smoke cigarettes die of cancer of the lungs, while there is no evidence that anyone has died from smoking marihuana.

Let me quote from an article entitled "The War on Drugs," which was published in the *British Medical Journal* on December 1995. It states:

One simple argument for decriminalizing drugs is often used by governments in the context of tobacco: that the state has no right to interfere with what individuals do in private so long as they don't harm others. Another argument is that legalisation would cut the huge costs of enforcement, prosecution and imprisonment. Thirdly, a legal market could allow quality control of drugs and education on how to avoid them or use them more safely; drugs might more predictably be prevented from reaching the young and vulnerable. Finally, many of the adverse health effects of drugs stem from criminalization rather than from the drugs themselves.

A study released today, June 19, 1996, has provided some dramatic results on the true cost of tobacco, alcohol and drug use. According to the study, the financial cost of tobacco, alcohol and drug use in Canada is \$18.5 billion. I have a table that shows that the total cost to society for alcohol abuse is \$7.5 billion; tobacco, \$9.6 billion; and illicit drugs, \$1.37 billion.

This is not a partisan issue. The Standing Senate Committee on Legal and Constitutional Affairs came to the unanimous conclusion that a joint committee of both the House of Commons and the Senate should conduct an in-depth study on the use and abuse of drugs and come back soon with recommendations to the government. Some of us — and, I was one; Senator Doyle was another — would have recommended in the report that the mere possession of drugs, particularly marihuana, should be decriminalized. It was the consensus, however, that it would not, at this time, be viewed favourably by the Senate or by the House of Commons. It is my hope that in time — and, I hope, in a short time — this view will change and the law will change accordingly.

Hon. Wilbert J. Keon: Honourable senators, I should like to offer a few brief remarks on Bill C-8, the controlled drugs and substances bill.

I am strongly supportive of the committee's recommendation to establish a joint committee of the Senate and House of Commons to review all of Canada's existing drug laws and policies. In particular, I would comment on two areas of the proposed legislation which I believe demand further consideration.

First, if passed in its present form, Bill C-8 could seriously jeopardize the health of individuals and severely impede the duty of physicians to prescribe medicine in accordance with the best interests of patients.

Second, this bill only addresses the problem of drug use and abuse from a law enforcement standpoint and fails to consider the problem as a health and social policy issue.

During the committee hearings, the Canadian Medical Association adamantly opposed the Senate passing Bill C-8 in its present form. The foundation of their argument rests primarily on the bill's failure to strike an appropriate balance between illegal drug use and the legitimate use of drugs medically. This imbalance is the product of broad administrative functions bestowed upon the Governor in Council by the bill which attempts to control the medical use of drugs through federal criminal law power. I share the Canadian Medical Association's significant cause for concern.

Honourable senators, I draw your attention to some of the specific clauses in the bill which are cause for alarm in the medical community.

Clauses 30 and 31 respectively provide for the designation of inspectors and give them broad powers, for example, the authority to enter and search a physician's place of practice without a warrant. The Canadian Medical Association recommends that the bill be amended to require a warrant for any search made by inspectors.

Clause 33 gives unrestricted power to the Governor in Council to deem any regulation to be a designated regulation. The effect of this clause is very similar to the deeming clause included in the bill's predecessor, Bill C-7, which has since been removed. I should like to point out that the deeming clause was removed from Bill C-7 due to a lack of certainty and clarity.

Under clause 33, however, a violation of a designated regulation could lead to the loss of a licence issued pursuant to the regulations. In the event of such a loss, the Canadian Medical Association recommends that procedural safeguards be expressly provided in the bill to allow for more formal hearings than the bill presently permits.

Finally, the scope of powers of the Governor in Council to make regulations under clause 55 is overly broad. The Canadian Medical Association calls for significant restrictions on the regulation making power under the bill.

Honourable senators, I support the adoption of all of the aforementioned recommendations made by the Canadian Medical Association.

I turn now to my second cause for concern in Bill C-8 which is its failure to address the problem of drug use and abuse as a health and social policy issue. As you know, the committee heard from a number of witnesses who urged the Senate to abandon the traditional prohibitory criminal law approach. Instead, they championed for legislation which promotes harm reduction as the appropriate social policy for controlling drug use and abuse.

A study released in late March by the Canadian Centre for Justice Statistics indicates that there was an astounding 44-per-cent increase last year from the previous year in drug-related cases in youth courts. Dr. John Millar, British Columbia's chief health officer, recently admitted, with respect to the heroin epidemic plaguing the city of Vancouver, "It's time to admit that we've lost the war on drugs." Dr. Miller's comment is a familiar one; one which has convinced me that perhaps it is time to revisit the traditional approach to the control of drug use and abuse and to look at alternative approaches as possible answers.

During committee hearings, the Canadian Bar Association advocated for Parliament to adopt drug policies and laws which focus on harm reduction. In a noteworthy comment, they said:

In our view, drug use is primarily a health and social policy issue. There is genuine hypocrisy in deciding that the use of a certain relatively harmless drugs, like marijuana, deserves criminal sanction, while others, which we know cause numerous deaths and related illnesses each year, like alcohol and tobacco, are treated as health risks and not criminalized.

In light of the failed attempts to curb British Columbia's drug problem through criminal sanction, the provincial government has recently tabled a report which admits that heroin addiction is a health and social issue rather than a law enforcement problem.

Similarly, the Canadian Foundation for Drug Policy has advocated that a declaration that substance use is primarily a health and social issue be inserted into bill. Although the bill presently states the purpose of sentencing under clause 10(1), it has been criticized for being extremely illusory. It has been suggested that such a declaration would recognize Canada's commitment to reduce the harms caused by substances, that alternatives other than criminal law will be examined to deal with substance abuse, and that substances should be available for valid medical and scientific purposes.

To undertake this task, the Canadian Foundation for Drug Policy has recommended the appointment of a nonpartisan committee to review Canada's current drug laws and policies and to report and recommend on how to implement a harm reduction approach.

Honourable senators, I support the adoption of all of the aforementioned recommendations made by the Canadian Foundation for Drug Policy.

In conclusion, honourable senators, this bill, in its present form, gives significant cause for concern. First, it fails to strike an appropriate balance between illegal drug use and the legitimate medical use of drugs. Again, I voice my strong support for the establishment of a joint committee of the Senate and the House of Commons to review all the committee's recommendations. In particular, I believe that it is imperative for the Canadian Medical Association to be consulted in the drafting of all regulations pertaining to the medical application of controlled substances.

Second, in its present form, the bill fails to address the problem of drug abuse as a health and social policy issue. Developing a national harm reduction policy to minimize the negative consequences associated with illicit drug use must become a priority if this country is to beat the war on drugs.

Hon. Mira Spivak: Honourable senators, I have listened with interest to the debate on this bill. I would comment briefly on one aspect of Bill C-8 which I believe has particular relevance to western Canada, to agriculture producers in the near future and, perhaps in the long run, to the forestry industry which is accelerating its harvest in the west.

I refer specifically to the clauses of this bill which would allow the Minister of Health to devise regulations to license production of industrial hemp and the amendment proposed by Senator Milne. Industrial hemp advocates say that both are needed to encourage growth of this extremely useful agricultural crop in Canada.

I believe that anyone who takes an objective look at the history of hemp in North America could reasonably conclude that Canada tossed the baby out with the bath water in 1938. That was the year we followed the American example and made hemp illegal. Historical records tell us that hemp was native to North America. In the 16th century, Jacques Cartier wrote that the land was full of good, strong hemp growing wild. The first recorded planting in Canada was in 1606 at Port Royal, Acadia. For hundreds of years, hemp in North America, as in Europe, was a fibre source for sails, rope, twine and paper. The Latin name of the plant means "the useful plant." Some proponents of hemp estimate that there are up to 50,000 potential commercial uses. Hemp could replace everything from cotton, to timber, to petroleum.

For years, governments in Canada encouraged hemp production. There was even a hemp mill established in Manitoba. It was called the Manitoba Cordage Company.

Popular Mechanics, in a 1937 issue, reported that hemp was on the verge of being the billion-dollar crop. Later that year, the U.S. government proposed prohibitive taxes and then banned hemp production altogether.

• (1750)

One plausible explanation for that is that cotton producers saw the threat posed by hemp. Some writers suggest that William Randolph Hearst, through his newspapers, stirred the American public to a war on drugs because he and other industrialists were committed to wood and petroleum. Essentially, the reason is irrelevant. What matters is that Canada followed in lockstep behind the U.S. and banned hemp under the Opium and Narcotics Act of 1938. Both governments of the day made no distinction between industrial hemp and its valuable fibre-producing stocks and other varieties whose leaves and flowers contain high levels of THC which gives smokers their "high," something to which Senator Milne referred.

Bill C-8 also fails to make that distinction in its Schedule II. Senator Milne's amendment would remedy that by making it clear that mature hemp stocks and their fibre are not drugs. I certainly support such an amendment.

For the last several years, Canadian farmers have proven that they can produce good hemp in our climate. Last year, field trials in Ontario, Manitoba and Saskatchewan produced hemp that grows from 8 feet to 12 feet in one season. In England, where hemp is now grown legally, farmers are grossing \$2,000 an acre for fibre, seven times what a Canadian farmer gets for his corn. The price is much less if raw stocks are exported, which tells me that Canada also needs to have fibre extraction facilities. Hemp has the potential to be an alternative cash crop on the prairies, and a new source of jobs in extracting its fibre. Hemp is environmentally friendly. It is pest resistant. It does not require the pesticides needed to grow cotton. Paper can be produced from hemp without chlorine bleach, and we all know what chlorine products are suspected of these days. Hemp crops help prevent soil erosion and the loss of nutrients. Their tap roots go deep and draw nutrients from the subsoil. If only half of all that hemp enthusiasts claim for the plant turns out to be true, commercially and environmentally it still would be a wonder plant.

Of course, there are those who worry that once industrial hemp crops are legal, some producers will be tempted to skirt this bill by growing varieties for recreational drugs. I am confident those fears are groundless for two reasons. First, good licensing restrictions could ensure that hemp producers produce only the low THC varieties, such as those developed in France in the 1980s. That development eliminated the potential use of industrial hemp as a recreational drug. Second, I quote Geoff Kime, a director of the North America Industrial Hemp Council, who addressed the possibilities that growers would produce patches of marihuana in their fields. He told the Legal and Constitutional Affairs Committee:

People growing cannabis for marihuana want it to get bushy with lots of leaves, whereas we want the stocks. If someone wanted to put a plant right in the middle —

— of a hemp field —

— they would have to clear out a lot of space and what they were trying to do would become quite noticeable.... Ultimately the worst place to plant marihuana is in a hemp field.

If Canada takes seriously its potential as a hemp-producing country, in time we could have hemp-based clothing and textile industries that export fibre to the many countries that want it. We do not have to rely on U.S. grown cotton. Hemp could be an extremely attractive alternative to timber for paper and fibreboard. American companies are already looking at it very seriously, although U.S. law still prohibits production. Some hemp enthusiasts suggest it could be a cleaner, better alternative to fossil fuels.

If Canada plans to move from last year's field tests to full industrial production of fibre and products, we will need much more than this amended bill. We will need research and investment in proper farm machinery, in new mills, in export market development and in the redesign of textile, paper and fibreboard plants. Perhaps, Senator Taylor, we could ask some of these questions in our study on forestry.

I would like to see this government follow the example of the government of the early 1920s. I would like to see it encourage production, fibre extraction facilities and research by industry to realize hemp's potential. I would like to see Canada move ahead of the United States.

This bill and its amendment is an important first step to retrieving the baby we tossed out with the bath water in 1938. I compliment Senator Milne. The next step is to help that baby grow and mature.

Hon. A. Raynell Andreychuk: Honourable senators, I simply wish to place on the record that I agree this bill is not as timely or far-reaching as it should be and that a task force, in particular a joint task force on drug strategy, would be the appropriate way to go.

I looked with interest at what the committee recommended in terms of certain points of study. I believe that what is missing in those points of study is the suggestion that we take a clear look at what drugs are doing to the youth in our society. Rather than being preoccupied with how they affect adults, harm reduction studies are, perhaps, too late for this group. We should pay more attention to what the new generations and the future generations will be facing in the drug culture. If this study addresses that point, then I think we will be in the position to produce the proper and appropriate legislation. I trust that that can be worked into the framework.

I believe that no drug strategy is sufficient if it looks simply at today's conventions governing drugs on an international basis. The transfer and movement of people and drugs is the overwhelming factor in what is happening with drugs. It is not a national phenomenon; it is an international phenomenon. I believe that any task force should zero in on harm reduction strategies that will have some impact. In order to do that, we would have to look at the issue from an international perspective.

I am pleased that the committee has taken a broader, longer-range view. I hope that a more international, more youth-oriented study will come about as a result.

[*Translation*]

Hon. Pierre Claude Nolin: Honourable senators, I shall try to be very brief. Most of the arguments have already been raised by my colleagues. My words are mainly for those of you who did not take part in the work of the Legal and Constitutional Affairs Committee and who surely read or heard news reports and smiled to yourselves, thinking that some of your colleagues might have lost it. Let me assure that, no, we have not lost it, on the contrary,

we took our work very seriously. As Senator Jessiman has said, a number of us learned a great deal from what we heard from the witnesses and what was provided as documentation when we were examining this bill. So much so, that we felt examination by a joint committee was the most reasonable solution.

Some of us would have liked to have seen measures to decriminalize the mere possession of cannabis put into place immediately. For admittedly strategic reasons, I personally decided not to suggest such an amendment. I do not think that this House would have understood the importance of this measure. That is what I want to talk to you about tonight.

It seems to me that the level of information available to, and understood by, Canadian members of Parliament is not sufficiently high to allow Parliament to take such a decision today. This is not, however, a reason to never take it. It is nearly a matter of blindness, in some cases voluntary blindness. I am not speaking only of the honourable senators, but also of the members of the other place.

That blindness has led successive governments, regardless of political stripe, to never consider drug use in Canada as a health issue, only a criminal issue. You have heard recently of Mr. Kreiger, who went to Holland to get a prescription for cannabis, filling the prescription there and wanting to import it into Canada for strictly medicinal purposes.

Honourable senators, in Canada, cannabis and all other drugs are considered dangerous, evil. We have never considered this problem a matter of public health but a matter of criminal law.

The Department of Health is recognized worldwide as having an effective if not exemplary medication evaluation process. Could the Department of Health have put this process to good use to examine whether cannabis could have medical applications? No such study was ever undertaken. Why? Not because the substance is unknown to Canadians. More than 2.5 million and perhaps even 3 million Canadians use it annually. No such study has ever been undertaken because we continually refuse to face facts. Drugs are the work of the devil. We do not talk about them, we do not want to talk about them, we do not want to know anything about them.

There is no political advantage, in fact it is politically dangerous. Each successive government has systematically avoided discussing the issue. We should agree to an in depth study for the time being. The House of Commons announced that its national health and social welfare committee was going to do such a study. We recommended taking part in it. Let us not be naive. There is no guarantee that, because we have recommended a joint study, the House of Commons will make room for us. This means we should be extremely careful, because if the House of Commons does not agree to a joint committee, we will have to have our own committee to study the question for a very simple reason. Politically, it is dangerous. The House of Commons comprises elected individuals, who have a horror of politically dangerous issues.

Let us treat ourselves to the luxury of using our independence from the electorate to the benefit of Canadians and their health. We have not swept this very serious issue under the carpet.

[English]

The Hon. the Speaker: Before I recognize the Honourable Senator Carstairs, I would advise honourable senators that I understand there is an agreement in the Senate that I shall not see the clock and that we will continue through the dinner hour. The sitting will continue until we complete our work or until some other agreement is reached.

Hon. Sharon Carstairs: Honourable senators —

The Hon. the Speaker: Honourable senators, I must advise you that if Honourable Senator Carstairs speaks now, her speech will have the effect of closing debate.

Hon. Sharon Carstairs: With respect, Your Honour, I have not spoken on third reading.

The Hon. the Speaker: In that event, please proceed.

Senator Carstairs: Honourable senators, during the hearing process of this bill, several senators went on the record as being in favour of the decriminalization of simple possession of marihuana: Senator Losier-Cool, Senator Doyle, Senator Jessiman, Senator Nolin, and, for a short period of time, Senator Gigantès. Today, I want to associate myself with those senators who went on the record as saying that they believe the time has come in Canada for us to recognize that an activity in which three million Canadians have at some time or other in their lifetime participated should not be considered a criminal act.

Honourable senators, Senator Nolin, in an interview, actually said that he had smoked marijuana. Well, he and I are much of the same age, although he is a little younger. It is quite true that many of his generation smoked marijuana. I admit that I have not, not because I was pure, but because I was an asthmatic. I could not smoke a cigarette either. My negative response to the offers I had to smoke marijuana was only because I liked breathing better.

Certainly, I know that my younger sister smoked marijuana. I know that her partner and husband smoked marijuana. My daughters have never told me officially that they have smoked marijuana but I very much suspect they both have. I know they both feel it is an activity which their generation engages in, and that they do not consider it to be a criminal act. They have remarked on a number of occasions that they know where to smoke it, and that they know how to avoid criminal charges. They also know that others of their generation face those criminal charges because they perhaps lack the same sophistication or do not have the same access to financial resources. That, to me, is essentially unfair.

Honourable senators, we have changed our attitudes to marijuana over the years. When I taught at St. Francis High School in Calgary, I had a student who was convicted and sentenced to two years less a day for simple possession of

marihuana — two years less a day because he had marijuana in his possession. Fortunately, we have left that dark age behind us, but I would remind honourable senators that the activity in which these young people are engaging — which they, by the way, consider far less damaging to their health than the consumption of alcohol or the smoking of tobacco — can result in their having a criminal record for the rest of their lives.

I can tell you of one incident of a young man in Nova Scotia. At 19 years of age, he was convicted of possession. He did not seek legal counsel. He went into court and pled guilty because he did not have legal counsel. No one asked for an absolute discharge. He paid his \$100 fine and walked out. He is now 28 years old and married to an American. They have a child. He cannot cross the border to be with his wife, who practises medicine in New York, because he has a criminal record.

I would have preferred it if the committee had made a recommendation that the Contraventions Act, which we passed earlier in this session, could be used as an option, so that the police authorities could proceed by way of a criminal prosecution or by use of the Contraventions Act which would be possible if in fact the federal government included this charge in the Contraventions Act. The result of such a proceeding would be a simple fine, but, more importantly, it would mean the absence of a criminal record.

Let me again thank honourable senators for their participation in this committee. I believe that all members who attended learned a great deal.

I think Senator Jessiman, with the greatest respect, learned more than the rest of us. He came from one position and completely changed his mind during the presentations of the witnesses. The hard work he did himself was clearly evident in the documents he kept raising day after day in our discussions in committee.

Honourable senators, the day will come, I hope sooner than later.

The Hon. the Speaker: It was moved by the Honourable Senator Carstairs, seconded by the Honourable Senator Losier-Cool, that this bill, as amended, be read the third time now. Are you ready for the question?

Hon. Senators: Agreed.

Motion agreed to and bill read third time and passed, as amended.

CIVIL AIR NAVIGATION SERVICES COMMERCIALIZATION BILL

REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the fifth report of the Standing Senate Committee on Transport and Communications (Bill C-20, respecting the commercialization of civil air navigation services), presented in the Senate on June 19, 1996.

Hon. Lise Bacon moved the adoption of the report.

Motion agreed to and report adopted.

THIRD READING

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

Hon. B. Alasdair Graham (Deputy Leader of the Government): With leave, now.

The Hon. the Speaker: Is leave granted?

Hon. Senators: Agreed.

[*Translation*]

Hon. Jean-Louis Roux moved the third reading of Bill C-20, respecting the commercialization of civil air navigation services.

He said: Honourable senators, on June 10, 1996, Senator Perrault spoke to the Senate on the occasion of the second reading of Bill C-20, the Civil Air Navigation Services Commercialization Bill. This bill calls for the turning over of Canada's air navigation system to a not for profit corporation called Nav Canada. As well, it sets out the economic and safety aspects of the regulatory framework within which this corporation will operate.

I am rising on behalf of Senator Perrault today to indicate that I, like he, support Bill C-20 and its third reading.

The Senate Transport and Communications Committee has examined this bill carefully. A large number of interested parties gave presentations or submitted briefs: the government itself, the commercial carriers, general aviation, the unions, Nav Canada, the privacy commissioner. The Minister of Transport also appeared before the committee and gave it an overview of what his role will be after the ANS is privatized.

The committee tabled its report on Bill C-20, with one amendment. It had been requested in a letter from the president of Nav Canada, in order to guarantee that the corporation could obtain financing. The modification was supported by the Minister of Transport.

I would like to begin my speech with a few comments on the initiative to commercialize the ANS.

In this connection, two things in particular need to be kept in mind. First of all, the level of consensus that exists among the parties, and second, the commitment by the new operator of the ANS to provide Canadians with a system that will be the envy of the international aviation community.

Turning the ANS over to a not for profit corporation is the result of an unprecedented consensus reached by an advisory committee made up of the interested parties. This committee was struck by Transport Canada in 1994 in order to examine the options relating to the commercialization of the ANS. It consisted of representatives of the commercial airlines —

including a regional air carriers association — recreational users, companies, air line pilots, airport operators, air industry suppliers, and employee bargaining unit representatives.

It is remarkable that some 6,400 employees, represented by nine different unions, can pass from the familiarity of the public service environment to one that is totally new to them, the private sector, with so much support. The representatives of the nine bargaining units strongly supported the bill before the committee.

The new operator of the air navigation services, Nav Canada, has demonstrated a broad knowledge of what it will be operating and a considerable sensitivity to the needs and concerns of individuals and groups in particular. By way of example, Nav Canada has shown it is aware of the concerns of recreational and private pilots and of the importance of using both official languages. This concern is of particular interest to me as the chairman of the joint committee on official languages. Nav Canada wants to make the Canadian air navigation services the safest in the world and a model that is a source of pride internationally.

I am convinced Bill C-20 is relevant and that it finds the middle ground between the commercial interests of Nav Canada and the interests of the public at large. It accords Nav Canada the commercial freedom it needs to develop and maintain a safe, efficient, cost effective and even technologically sophisticated air navigation system. It looks after the public's interests by setting appropriate operating conditions for Nav Canada and by establishing reasonable regulations in the area of safety, especially.

The government is looking to commercialize the operation of the ANS, but will continue to ensure the system's safety and the Minister of Transport will remain in charge of regulating the system. The division of operational and regulatory responsibilities for the ANS will entail the same kind of arm's length relationship between the regulatory agency and the organization governed by the regulations that has served the public interest well in the case of air carriers, aviation personnel and aircraft manufacturers. The government is not required to operate the ANS to ensure the safety of Canadians, the same way it is not required to operate an airline.

Bill C-20 ensures a continued high level of system safety by clearly establishing the supremacy of the Aeronautics Act. Indeed, the Aeronautics Act and regulations made pursuant to the act govern aviation safety in Canada. There have been consultations on a new body of regulations respecting the provision of air navigation services. These regulations will be implemented before the ANS is transferred to Nav Canada.

The bill provides that any proposed change in service requested by Nav Canada must be in keeping with the Aeronautics Act and the related regulations. If the minister is not satisfied that safety will be maintained after these changes have been made, he may demand that Nav Canada maintain the said service. The minister may also instruct Nav Canada to increase its level of service in the interest of aviation safety and public safety.

Moreover, the regulations will require Nav Canada to establish a safety management program including an internal monitoring system to guarantee the safety of civil air navigation services provided.

Further evidence of the attention paid to safety in Bill C-20 is found in the fact that Nav Canada will be required to impose charges so as not to discourage the use of services having to do with safety.

In addition to all these guarantees, the ANS will remain subject to independent scrutiny by the Transportation Safety Board of Canada.

In his testimony before the transport and communications committee, the Minister of Transport made it very clear that resources will be made available to Transport Canada to oversee the monitoring, control and enforcement of regulations.

[*English*]

Hon. J. Michael Forrestall: Your Honour, I rise on a point of order. Those of us listening to the English translation are hearing from the translator that she cannot follow at the rate at which the honourable member is presenting his remarks. Perhaps he could slow down a bit. I am sure she would appreciate it, and so would we.

Senator Roux: Definitely. I was only trying to save time.

[*Translation*]

In addition to safety, Bill C-20 addresses other important public concerns.

This bill guarantees that all interested parties, including airlines, recreational pilots, airport operators, passengers, shippers and municipalities, have a say in Nav Canada's key proposals regarding the policies on service levels, the changes in services and facilities in particular, and any new or revised charges.

Bill C-20 recognizes the special role played by air transport in the daily life of communities in remote areas of Canada. A special designation has been given to the air navigation services now provided to northern and remote communities. These services are included in a list drawn up by the minister in consultation with all the provincial and territorial governments.

Should Nav Canada propose that any of these services be terminated or reduced, it will have to issue a public notice if this change is likely to have a significant impact on a large number of users or residents. This shows how the government is always concerned about remote communities.

Furthermore, the provincial or territorial government affected or a quorum of users may oppose this proposal, and this opposition can only be overturned with the minister's approval.

The minister may also publish a directive ordering Nav Canada to provide additional services to northern and remote communities.

Protection against the charges imposed by a service provider with a monopoly is another key feature of this bill. First of all, as I said earlier, Nav Canada must give users and any other interested party the opportunity to comment on any proposed new or revised charges.

Second, the bill sets out the charging principles that Nav Canada must comply with. These principles deal with issues such as safety, transparency, equity, impact, international obligations and the number of charges.

Third, the bill allows users to appeal new or revised charges to the National Transportation Agency if any of these charging principles is violated. The only exception to this is the first two years during which Nav Canada may ask the minister to approve its proposed charges, in which case the minister must ensure that these charges are consistent with the principles set out in the bill.

This bill also requires that Nav Canada and its unions come to an agreement on emergency services, in order to determine how civil air navigation services would continue to be provided for humanitarian and emergency flights in case of a strike. Heavy fines may be imposed if the services guaranteed under this agreement are not provided.

As I said earlier, the public interest is also well served, given the guarantees provided by Bill C-20 with regard to Canada's two official languages. Under the bill, the Official Languages Act applies to Nav Canada as if it were a federal institution. The provision guarantees the use of both official languages in communications with the public and at work.

Nav Canada's regulations provide an even greater guarantee in this regard. Section XX requires that the Corporation maintain all existing practices and procedures regarding the use of French in the provision of air navigation services, as was the case for Transport Canada when Nav Canada was incorporated, i.e. on May 26, 1995.

Nav Canada's regulations also include many other obligations. Some sections deal with the requirements relating to responsibilities and consultations, and provide additional protection for Canadians.

The government also recognized the need to protect the public regarding access to private information, in the contract agreements to be reached between the minister and Nav Canada.

I strongly urge all senators to support this bill, which will guarantee that, in the next century, Canadians will continue to have an air navigation system that meets the needs of its users and of the public at large.

[*English*]

Senator Forrestall: Honourable senators, I will be quite brief.

Senator Roux makes a good point. It is a good bill. It is a step in the right direction. About that, there is no question whatsoever.

There are, however, some downsides to this bill. They come about as a result of what I feel was a bit of haste. I would remind honourable senators, including the distinguished Chair of the Standing Senate Committee on Transportation and Communications, that in our haste with the bill two or three weeks ago we allowed a glaring oversight to occur, one which may be difficult to rectify. If she is not aware of what I am talking about, I will talk to her later, or she can talk to the house leader. We inadvertently created a massive problem in a minor way.

The same thing is true for Bill C-20. It is a great idea and one which I support without any reservations whatever. I have been calling for it on and off for 10 or 15 years through a Liberal, then a Conservative, and now a Liberal government.

I do not want to belabour this, but I want to draw to your attention the difficulty which occurs when you try to deal too swiftly with legislation affecting the lives and safety of people.

Our concerns about this bill at this point are somewhat superficial. We did not have access to a business plan, so we do not know whether the proposed corporation will be profitable or whether it will require user fees to pay for the service provided. We simply cannot answer the question, "Is this good economically for the user?" We cannot answer that question because we do not have access to a business plan and, in one respect, the numbers were withheld from us.

A number of amendments were needed, and that is fine. They were not really consequential except in the corporate sense. They had nothing to do with safety or air navigation, as such. However, they did provide the members of the committee with a very clear argument against sloppy drafting. We had sloppy drafting in another transport bill a bit earlier. I regret that, due to illness, I did not have a chance to read the bill earlier; otherwise, I might have caught it.

I should like to inform honourable senators that, during our hearings, Mr. Creighton, the principal advocate of the new corporation, cautioned us by saying, "I want you to think. I want you to be very careful about amendments. I want you to remember, in considering any amendments, that they might have a detrimental effect on our financing."

Honourable senators, when a witness appears before a committee on his own behalf and says, "Do not amend this; it might hurt our financial chances," you have to excuse the members if they wonder out loud what is going on. What is our role and purpose in being there? Members of committee who were there, namely, Senators Spivak and Johnson, got into these questions in some depth. I say that we dealt with this matter too swiftly.

Safety is the bottom line. We had assurances from everyone, including the minister. I appreciate the minister's reassurances last evening about his dedication to safety because when it comes to safety, there is no room for blatant political thought nor corporate profitability. Safety is the responsibility of the Government of Canada. People must fly safely and they must believe that they can fly safely. Safety must remain paramount. Words in the act such as "undue" and "adequate" do not spell out

a standard of safety acceptable to pilots or to customers who take these flights.

To conclude with respect to safety in aviation generally, we have, in this country, an Aeronautics Act which is now in excess of 60 years old. I ask honourable senators to think for a minute or two about what aircraft were like 60 years ago, how they were propelled, the kinds of airports they flew in and out of, and what the restrictions were. Think about that for a minute or two and then think about today's jumbo jets and wide-bodied aircraft, the long distances over water that we haul people, and the types of weather in which we as customers expect to get on board an aircraft and fly without any delay at all. These aircraft fly under an act that is 60 years old.

I am pleased that the minister responded to that concern last night. In response to direct questions he said, "No, no one has said to us that we have an Aeronautics Act," which is the basic act upon which all air activity in Canada, under control of the federal authority, must operate. No one in the department or elsewhere, had come to him and said that the act itself should be re-written or revisited. It is 60 years old. It is almost as old as I am and it is older than many here in this chamber.

It is very important that we understand that. It is very important that, when we deal with legislation that looks good from clause 1 to clause 21, sounds good and has the right intention, we look very closely at it.

As it is now set up, in the absence of a competent business plan, and given the evidence from the new company that, yes, they will seek foreign financing offshore, who will own the air navigation system in Canada should they default on their debts? The buck speaks the loudest. The minister assured us that there is no way that that would happen, and that Canada would step in and take over. I hardly think that that is the proper way to deal with it.

The Senate asked us to deal with the bill and to give our honest opinion and judgment. In my judgment and in my opinion, it is a step in the right direction. If the users of aircraft outside this place were to ask me tonight some other questions, I am sorry, but I simply could not answer them because we did not have the basic information needed to deal with information of that nature.

Having said that, we on this side are pleased to support this measure. I hope everything works out well and that we do not have to revisit it.

The Hon. the Speaker: Do any other honourable senators wish to speak? If not, I will proceed with the question.

It was moved by the Honourable Senator Graham, seconded by Honourable Senator Roux that this bill, as amended, be read the third time now. Is it your pleasure, honourable senators, to adopt the motion?

Hon. Senators: Agreed.

Motion agreed to and bill read the third time and passed, as amended.

JUDGES ACT

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

Hon. John G. Bryden moved the second reading of Bill C-42, to amend the Judges Act and to make consequential amendments to another act.

He said: Honourable senators, Bill C-42 does four things: First, Madam Justice Louise Arbour of the Ontario Court of Appeal has been asked by the Secretary General of the United Nations to serve in The Hague as the Chief Prosecutor of the United Nations International Commission on War Crimes for the former Yugoslavia and Rwanda.

Under the rules of the United Nations, the United Nations must pay the independent prosecutor themselves. Bill C-42 amends the Judges Act to allow the judge to take a leave of absence without pay, which is not permitted now and to accept remuneration and expenses from the United Nations. It also provides for that type of leave to be granted in the future, with the approval of the Canadian Judicial Council, should an international agency make the same request.

Second, Bill C-42 transfers from the cabinet to chief justices the authority to approve judicial leaves of absence of up to six months. This is really designed to allow a judge to request maternity leave or paternal leave without having to seek cabinet approval.

Third, Bill C-42 responds to a request from the Government of Ontario, which has created an additional judicial position on their court in order to be able to replace Madam Justice Arbour. Bill C-42 permits the appointment of a judge for that and it also provides for the addition of two judges to British Columbia to deal with its growing case load.

Finally, Bill C-42 adds the Chief Justice of the Court Martial Appeal Court of Canada to the membership of the Canadian Judicial Council, thereby recognizing the importance of the Court Martial Appeal Court.

The bill also provides for the payment of a modest representation allowance of \$5,000 per year to the Chief Justice of the Courts Martial Appeal Court, as well as to the Chief Justices of the Yukon and Northwest Territories Courts of Appeal.

Those are the four changes which this amendment will implement.

Hon. Eric Arthur Berntson (Deputy Leader of the Opposition): Honourable senators, as has been explained, this is not a very complicated piece of legislation. It consists of several amendments to the Judges Act dealing with areas such as the service of Canadian judges on international tribunals and administrative functioning of the judicial system.

As has been explained, the impetus for this legislation lies in part in the tragic events which we witnessed over the last several years in the former Yugoslavia. A member of Canada's judiciary has been asked to assist the United Nations in its effort to prosecute war criminals from that conflict.

At present, however, the Judges Act does not contain provisions for granting leave to a Canadian judge to perform international service. With the passage of this bill, that will be corrected. It is a tribute to Canada and the sense of fairness which is embodied in its justice system when its members are chosen to serve in these extremely difficult duties. We should encourage these activities.

Another initiative contained in Bill C-42 is the transfer from cabinet to chief justices the approval powers with respect to the granting of judicial leaves. The transfer from the government of this power is, I believe, a signal of the importance of judicial independence in this country and should allow for a smoother functioning of the judiciary.

I must point out, however, that it is somewhat ironic that the government would extend this measure of independence to the judiciary on the very day that it lost its attempt to ram through Bill C-28 which represents an unprecedented attack on the independent decision-making capability of the judiciary.

Honourable senators, I do not believe that there are any major problems with this bill. The principle of the bill is quite clear to our side of the chamber and we support it. There may be some examination and consideration due in committee, which is where it ought to take place.

On motion of Senator Cools, debate adjourned.

FEDERAL COURT ACT JUDGES ACT TAX COURT OF CANADA ACT

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

Hon. P. Derek Lewis moved the second reading of Bill C-48, to amend the Federal Court Act, the Judges Act and the Tax Court of Canada Act.

He said: Honourable senators, Bill C-48 is a straightforward bill, the object of which is to amend the Federal Court Act, the Judges Act and the Tax Court of Canada Act. The amendments would bring consistency to the requirements under all three acts for eligibility for appointment as a judge.

Under the Judges Act, judges of provincial superior courts and appellate courts may be appointed from among applicants who have at least 10 years at the bar or as provincial court judges. However, under the Federal Court Act and the Tax Court of Canada Act, eligibility for appointment to each of these two courts is limited to persons who have 10 years at the bar or who are already federally-appointed judges.

Consequently, unlike the case with applicants for appointments to provincial superior courts, time served as a provincially-appointed judge does not count toward eligibility for appointment to the Federal Court or the Tax Court. This historic anomaly effectively disqualifies from appointment to these two courts any provincial court judge, notwithstanding his or her extremely high qualifications, who had practised law for less than 10 years prior to his or her appointment to the provincial court. There are a number of provinces and territories in which appointment to the provincial bench is possible after as little as three or five years at the bar.

There is no legal or policy reason for limiting appointments to the Federal Court and the Tax Court in this way. Furthermore, the amendments will confirm that, under all three acts, time spent as a provincially- or federally-appointed judicial officer, such as a master or superior court registrar, would count toward the 10-year eligibility requirement for appointment to the provincial superior courts, the Federal Court and the Tax Court.

With the passage of Bill C-48, time spent either as a lawyer, a provincially- or federally-appointed judicial officer or provincially- or federally-appointed judge would count toward the 10-years-at-the-bar requirement for appointment to any federally- appointed court, with the exception of the Supreme Court of Canada. For the Supreme Court, it would continue to be the case that only lawyers of 10 years standing or provincial superior court judges would be eligible for appointment.

The amendments to the Federal Court Act and the Tax Court of Canada Act are being given retroactive effect so as to place beyond any possible doubt the validity of the appointment of a judge appointed in 1990 and another appointed in 1995.

Honourable senators, that is the substance of Bill C-48. I urge you to approve quick passage of this simple bill which has a very limited technical objective.

Hon. Noël A. Kinsella: Would the Honourable Senator Lewis accept a question?

Senator Lewis: Yes.

Senator Kinsella: I am prompted to ask a question because I glanced at clause 1 of Bill C-48, which states:

Any person may be appointed a judge of the Court who

(b) is or has been a barrister or advocate of at least ten years standing at the bar of any province,...

Is there a bar of the territories?

Senator Lewis: Yes, there is.

Senator Kinsella: Would this bill exclude a person with standing at the bar of a territory, where many of the First Nations lawyers practice, from becoming a judge as a question of principle?

Senator Lewis: I am not sure. I imagine there is a reason for that.

Hon. Lowell Murray: Most, if not all, of them are members of another bar; a provincial bar.

Senator Lewis: This is something which could be answered in committee.

Hon. Eric Arthur Berntson (Deputy Leader of the Opposition): Honourable senators, aside from the question just asked by my colleague, we on this side do not have a great deal of concern about this legislation. It is primarily designed to correct an error made in 1990 or 1991, a similar error made in 1995, and to correct the provisions respecting qualifying time at the bar.

It contains, for the most part, a technical amendment relative to the qualifications necessary for an appointment to the Federal Court. As a technical bill, I think it would be best examined in committee.

On motion of Senator Cools, debate adjourned.

EMPLOYMENT INSURANCE BILL

THIRD READING—MOTIONS IN AMENDMENT—
VOTE DEFERRED

Hon. Bill Rompkey moved the third reading of Bill C-12, respecting employment insurance in Canada.

Hon. Mabel M. DeWare: Honourable senators, I rise today in my capacity as Chairman of the Standing Senate Committee on Social Affairs, Science and Technology to speak to Bill C-12. As you know, that committee was charged with the study of Bill C-12, an act respecting employment insurance.

Members of this chamber need not be reminded of the importance of the work that is done by committees and, indeed, by this chamber as a whole. However, I would point out that nowhere is this importance more evident than in our dealings with Bill C-12. Not only is it a very complex piece of legislation, it is also one which will affect the day-to-day lives of thousands of ordinary Canadian workers, their families and their communities.

Consequently, our committee was entrusted with a tremendous responsibility. At the same time, we were also presented with a challenge to carry out this responsibility within a short time frame and without the benefit of holding hearings outside Ottawa.

I can tell you today, honourable senators, that my fellow committee members from both sides of this chamber met this challenge well. I thank them for their hard work and dedication. On behalf of the committee, I would express our appreciation for the efforts made by the witnesses who appeared before us during hearings on Bill C-12. We were privileged to hear from witnesses representing organizations, groups and individuals, many of whom travelled great distances to appear before us.

These witnesses shared with us a broad range of views on government proposals to overhaul the unemployment insurance system. Some were supportive of the government's proposals, in part or over all, while others pointed out parts of the bill which they felt should be improved. I can tell you today, honourable senators, that I heard nothing to change my firm belief that Canadians in all regions of this country truly want to work. They are willing to take advantage of available employment. They view unemployment insurance as a tool to help them maintain — not replace — their ability to work.

Indeed, honourable senators, this is the very idea that underlines the current Unemployment Insurance Act which was passed in 1941. However, the concept of helping unemployed Canadian workers through periods of transition was not new even then. As early as 1919, a government committee recommended that there should be some form of unemployment insurance to cover workers who had lost their jobs "through no fault of their own."

While its purpose has remained constant, the original act of 1941 has undergone many changes over the years in order to address structural changes in the labour market. Today, the government is faced with the challenge of confronting the rapidly shifting nature of Canada's workforce.

The witnesses who commented on the government's response to that challenge contained in Bill C-12 seemed to be in general agreement that there is a need to reform the unemployment insurance system. Apart from that, there was not a whole lot of common ground. I would now like to share with honourable senators some of the various perspectives that they brought to our study of the legislation.

Those in favour of the bill felt it was addressing the needs of our changing society. Some even felt it did not go far enough. Proponents of the bill supported the extension of coverage to the first hour of work, and the provisions they felt would create incentives to work. There was guarded support from business groups and some policy analysts regarding Part II which covers training. It was agreed that new skills are necessary for workers to avail themselves of new opportunities, but the specifics were unclear.

While most of the witnesses agreed in principle that there is a need to reform the unemployment insurance system, many did not feel that Bill C-12 truly acknowledged the increasingly changing face of the Canadian work force or the unique circumstances of some workers. Several witnesses put a lot of consideration into the long-term effects of the bill and offered viable alternatives.

There were concerns which were raised time and again which I would like to touch on briefly. One such concern was over the intensity rule which would penalize workers 1 per cent over each year they made a claim with a cap of 5 per cent. Many witnesses felt that this rule served only to punish those most in need of assistance, such as seasonal workers and women.

Many felt the divisor rule was formulated in such a way as to discourage workers from taking more work after the qualifying period ended. Witnesses representing seasonal workers expressed

a frustration at this provision, because even though work is scarce between seasons, they wanted to be able to work as much as they could.

One of the highlights of our hearings was the testimony of two women from P.E.I. Both were seasonal workers with families. They expressed to the committee the difficulty of finding permanent employment in the area in which they live. They explained that they are forced to go from job to job to make ends meet. These two women worked in fish plants, potato grading and gathering Irish moss. They said they would do anything to keep working.

When they talked about Part II of the bill, which promises to train them, they said, "Train us for what? You cannot train us for jobs that are not there." Their emphasis was on the fact that, if jobs were introduced into the area, then you could train the people. If there are no jobs, then what are you training them for?

To illustrate the point that they would welcome new opportunity, one of the women said, "If anyone had told me a month ago that I was going to go before the Senate committee about this bill, I would have told them they were crazy." She then said, "Here I am."

Fishing, harvesting, lumbering and tourism are all examples of seasonal work. This type of work should be considered as a special component of the UI program, as the seasonal workforce is absolutely necessary for the economy in many areas of our country, especially in Atlantic Canada.

Testimony and briefs revealed that the Canadian public was being led to believe that this legislation affected mostly Atlantic Canadians. One witness illustrated concisely that other Canadians will also be affected severely. She pointed out that many people in the Northwest Territories pay substantially more in benefits than they receive in payments, despite an average of 17 per cent unemployment. We were also reminded that seasonal work exists in all parts of the country and that these industries are indispensable to the Canadian economy.

Honourable senators, many witnesses were sceptical of the training provisions in the bill. They stressed that the success of the new system would depend on cooperation between the federal and the provincial governments in active employment programs. They felt it would be necessary, therefore, to have national standards in order to assure accountability. Time and again, witnesses reminded the committee that the UI system is in a surplus, and that the UI system was not the proper vehicle for reducing the deficit.

It was asked what exactly the bill was doing to increase employment. Reducing payroll taxes was cited as an excellent way to encourage employment. In fact, a recent analysis by the Institute for Policy Analysis of the University of Toronto reported that significant increases in employment were projected with reductions in the unemployment insurance premium rate over the next four years. If the premium rate were lowered from \$3 to \$2.10 by 1998, then employment would rise by up to 210,000. More aggressive cuts in payroll taxes would create even greater job growth potential.

Students are another group deeply affected by this bill. The youth employment situation is one that saddens us all. Not only are there not enough jobs, the positions that are available are often not being filled because people do not have enough skills. The youth today do not have the same career choices and opportunities that were available to our generation. They are now faced with a rise in part-time work and short-term contracts. In fact, there is a growing pool of young Canadians who have never held a job and who have no experience to offer employers. These circumstances are not the choice of our youth. Statistics prove that the proportion of youth who would rather work full time has increased with each recession.

Passage of Bill C-12 will ensure that everyone pays premiums from the first hour worked. A premium rebate is available to anyone who makes less than \$2,000. However, the reality is that most students who work part time throughout the year make more than this amount. In addition, the exemption is only available to the claimant and not to the employer. Therefore, this increase for the employer will raise payroll taxes which will discourage certain employers from hiring and may drive employers to downsize.

• (1900)

Although the committee reported the bill unamended, that does not mean that all members of the committee endorsed the bill, nor does it mean that some members do not have reservations about certain aspects of the bill. In fact, the committee addressed three areas they felt the commission should monitor in relation to clause 3 of this bill. Under the clause, the commission would monitor and assess how individuals, communities and the economy are adjusting to the bill. They would determine if intended savings are being realized and examine how benefits are being utilized by firms and workers, particularly in relation to work incentives and employers' use of the program.

In addition, the committee addressed some of the concerns raised by the witnesses by recommending that the Minister of Human Resources Development instruct the commission to monitor and assess the impact of the hours-based entrance requirement on part-time workers, particularly students and women, and the impact of the bill's provisions for workers in the art and cultural sector and on seasonal workers.

In addition, honourable senators, the minister was instructed to monitor and assess the implementation of Part II of the bill, particularly the impact on designated equity groups and community colleges, assessing the effectiveness of employment benefits and determining the degree of input among labour market partners at the local level.

The committee also felt that it was important that the government address the need for national occupational and skill standards under Part II of the bill.

While I do believe, honourable senators, that there were good intentions on the part of those who formulated Bill C-12, the underlying assumption of the bill is that there are jobs available and that people have a choice, but this is not true. Countless

people are willing to work and cannot find jobs. Clearly, changes to the UI system cannot be made in a void. They must be linked to an overall strategy that would ensure job creation and job security.

Hon. Bill Rompkey: Honourable senators, first, I wish to congratulate Senator DeWare on the manner in which she conducted the hearings. I think they were conducted in a fair manner and with a steady but firm hand. I want to tell her — and I think these sentiments are shared by all members of the committee — that it was one of the most well-conducted committees I have been on in some time. I congratulate her for that.

I agree with some of the things Senator DeWare has said today, although it will come as no surprise to her and to the chamber that I will vote for the bill and urge my colleagues to do the same.

Honourable senators, this bill moves our system forward into the 21st century. Those of us who read about the future have become familiar with buzz words such as “flex time” and “multi-skilling.” The reality is that people today do not have one job for the whole of their lives, they have many jobs. They move from job to job. The pattern of work has changed. This legislation reflects that reality. Indeed, it brings our statutes in line with a number of other countries, such as Germany and Japan, which have already moved in that direction. I think that is a fair way to move.

I also think this legislation will include more people, rather than freeze people out of the system. We heard testimony on both sides of the issue, but my conclusion is that more people will be brought into the system. Upwards of 500,000 more part-time workers will become part of the system because the 15-hour glass ceiling will be eliminated. Employers who used that ceiling before to hire people for 15 hours and then lay them off will no longer be able to do so. Employers both in the private sector and the public sector used to do that, and they will be prevented from doing so. Instead of having to accumulate a number of weeks, people will be able to qualify on an hourly basis. Many part-time workers, as well as full-time workers, will now have their work insured.

As well, the premium refund provision for those who earn less than \$2,000 means that many hundreds of thousands of newly insured workers will receive monies from a source that was not their before. Indeed, there are some positive aspects to this bill.

Honourable senators, 440,000 people today pay premiums but cannot collect unemployment insurance because they have not worked long enough. Under the new system that number drops to 300,000. I think there is more fairness in the system in many ways than there was in the old system.

As well, in this bill, there is a substantial re-investment of funds which is directed to the people who need it most. That is a positive aspect of this bill. Instead of simply keeping people for doing nothing, it allows them to obtain money for things such as training, wage subsidies and entrepreneurship. These are positive steps forward.

This bill does not reduce the number of workers receiving UI. In fact, there is no net change. Honourable senators, 90,000 people who are not eligible now for UI will be eligible for unemployment insurance. That includes 45,000 workers in seasonal industries.

I have already stated that one of the major changes in this bill is the hours-based system and that it is a more equitable system. Every hour will now count towards eligibility. I accept the fact that there are communities and industries where there are little, if any, alternative job opportunities available. We decided in our committee that that should be monitored and that the minister should conduct a special investigation. In fact, this chamber and our committee should possibly follow up in monitoring that situation. However, those people, important as they are, are in a minority. I am not saying that their cause should not be heard; it certainly should, and I support that. However, they are in fact in a minority, and the majority of people, I think, will benefit from this move to an hours-based system.

Honourable senators, this bill also increases incentives to accept available work. At the same time, people in high unemployment areas will have the advantage of shorter qualifying periods and longer periods of benefit entitlement compared to those in lower unemployment areas. There is still some regional balance built into the bill and an accommodation for people who live in high unemployment areas, such as my own in Atlantic Canada. This chamber and the minister must monitor the effect of this bill on remote, single-industry towns.

Claimants in low-income families with children will receive an income supplement which will equal about 80 per cent of their average insured earnings. This, too, is a step forward.

Honourable senators, the government has shown some openness and flexibility in dealing with a number of concerns raised during the hearings on this bill in the other place. It has accepted major amendments, such as with respect to the intensity rule. Senator DeWare referred to that. Honourable senators, 350,000 low-income claimants will now be exempt from reductions in benefits for repeat use. Without this change, 188,000 of those would have been affected.

Honourable senators, the government has accepted the proposal for a longer period over which earnings will be counted for determining benefits. The 26-week reference period will address the issue of breaks in employment across all industries. The change to the divisor will be helpful to workers in seasonal industries.

As honourable senators know, the minister has presented a labour market proposal to provinces and territories which offers them responsibility for active employment measures funded throughout by the employment insurance account. This represents an important step towards what we have come to call "flexible federalism." It also addresses the diverse nature of provinces and territories and allows them to customize their particular labour market arrangements to meet their needs. Approximately \$2 billion will be available to provinces and territories to help unemployed Canadians get back to work.

• (1910)

In all of this, honourable senators, we must realize that underlying these moves is a shift in decision-making away from Ottawa, away from regional centres, to the local areas. I, for my part, think that is a good thing. In fact, it has been welcomed by those with interests in this area and by the bureaucrats in the Department of Human Resources in my particular region. That movement, that flexibility of being able to make decisions on funding at the local level with the various partners, including the provincial government, community colleges, town councils and chambers of commerce, is a step forward.

What are we offering those people in terms of positive changes? We are offering wage subsidies, wage supplements, self-employment, skills loans and grants.

There was a difference during the testimony as to how much should be given to each. We heard some testimony that much — if not most — of that redirected money should be put into training and that training was the only thing that would work. However, perhaps there is a role for wage subsidies and for entrepreneurship. I believe that many people, such as those who have been in the fishing industry, for example, can find alternatives if they are helped to do so.

Honourable senators, the new federal-provincial partnership will eliminate unnecessary duplication and ensure that our governments work together in innovative new ways. The idea is to move the responsibility for the delivery of active re-employment measures down to the local level.

Honourable senators, proposals have been made by the committee. Senator DeWare has already referred to them. I certainly concur with those recommendations.

For example, with regards to the monitoring of the impact of new employment measures, one must ask: How will the wage subsidies work? How will the training funds work? That must be monitored to ensure that it works positively and not negatively.

Assessing the impact on single-industry towns, which we have already discussed, must be monitored. I support that recommendation.

As to the impact of reform on students, we heard testimony from both students and employers about the hours-based system and the incentives and disincentives. I do not think the community, in all fairness, had a clear picture of what the impact would be, but students clearly supported this move to an hours-based system and thought it would be a positive move for them. That was the testimony I heard. We must monitor that as must the minister.

Honourable senators, what of the impact of the new system on self-employed workers? We heard, for example, from the arts community that artists, who are independent workers, self-employed, but yet work on an hourly system, cannot really get the support they want and that they feel they need out of this system. The impact of this system on self-employed workers, particularly in the arts and culture sector, should be monitored.

In conclusion, I would repeat that I believe this is a balanced approach to finding ways to improve a program which touches all of our lives, and hopefully it will be a step forward in helping people get more and better jobs in our country. I realize, as we all do, that the employment insurance system alone is not a job creator and that jobs can only be created through fiscal and monetary programs. The government has already moved in that direction and new jobs have been created. However, this support mechanism is an important one, and I believe that it is a move in the right direction.

Hon. Lowell Murray: Honourable senators, I cannot resist making a comment or two on the speech we just heard from our friend Senator Rompkey. First, he began by pointing out that some 500,000 people are being brought into the system. Well, indeed they are, in the sense that they will be paying premiums, but the great majority of them will not be receiving benefits. Indeed, the government's own statistics indicate that of those 500,000, some 380,000 will have their premiums refunded because they are earning below \$2,000 per year. However, I must add that the employers of those people will not have their premiums refunded.

Second, I think it is only fair to point out that people working between 15 and 34 hours a week, at least in some regions, are potential losers because they will have to work more weeks than they do now, if the work is available.

I will refer later to some comments made by Senator Rompkey because they touch on some of the remarks I wish to make this evening.

Honourable senators, I am not a continuing member of the Standing Senate Committee on Social Affairs, Science and Technology. The leadership on this side assigned me to the committee for the duration of the study of this bill. For me, it has been quite a learning experience. I have had an opportunity to comprehend some of the many complexities of this bill, and I have also had an opportunity to pinpoint some of the time-bombs that I think have been planted to explode in the coming months and to create quite a fallout on the government and on the claimants of unemployment insurance.

That being said, I join with Senator Rompkey in congratulating the chairman of the committee, Senator DeWare. I think that I can speak with some objectivity since I am not really a member of the committee. I congratulate and commend all the members of the committee for their diligence and devotion to duty. They provided a forum whereby the people affected by this bill were able to come and tell us about the impact of this bill will be on them and on their lives. They also provided a forum where people knowledgeable about the issues could come and shed light on the policy implications of this bill. In so doing, the members of the committee engaged in a serious, constructive dialogue, and they rose above partisan differences. They worked long hours doing this and, as I say, I think they deserve our complete commendation.

Honourable senators, the committee has reported the bill without amendment. We, on this side, intend now, at third reading, to propose several amendments. My amendment will be to remove the proposed intensity rule from the bill.

What is the intensity rule? The intensity rule will lower the benefit rate of repeat claimants.

What is a repeat claimant? If a claimant has received more than 20 weeks of regular benefits in the previous five years, the benefit rate will be reduced by one percentage point for every 20 weeks of benefits received to a maximum of a five-percentage point reduction.

What is the government's rationale for the proposed intensity rule? In that regard, I would quote two sentences from the background paper issued by the government to accompany this bill.

• (1920)

Today, about 40% of UI claimants have collected benefits regularly in the past 5 years, compared to 15 per cent 12 years ago. Because there is no disincentive to collect benefits year after year ... the system encourages people to use UI as a regular source of income.

Honourable senators, the two sentences which I have just quoted require closer examination.

Consider the use of the word "regularly": 40 per cent of UI claimants have collected benefits "regularly" in the past five years. Honourable senators, the penalty will apply to a claimant who five years earlier had a spell of unemployment and is now having another. That unemployment experience does not seem to me to make the person a regular, and certainly not a frequent, claimant.

Second, consider the statement that the system, presumably the UI system, encourages users to use UI as a regular source of income. I have not seen any studies to support that statement. They may exist, but I have not seen them. The studies that I have seen, and I quoted from them during the committee hearings, seem to disprove that statement. They seem to go in the opposite direction. They seem to say that UI is not the problem.

The background paper talks about the system. However, honourable senators, what we have is a reality, and the reality is the Canadian economy or, more properly, the Canadian economies, the seasonal economies, the regional economies. There are seasonal jobs in fisheries, in food processing, in forestry, and in tourism, most of them in regions which are economically deprived because they depend to such a large extent on these seasonal industries. It could be argued that, without UI in the off-season, there would be no one to work in some of these industries.

The government could decide to create a special insurance fund and collect higher premiums in those industries, which would drive the operating costs of those industries up, of course. Alternatively, the government could pull out and take those industries out of the present UI system. Perhaps the companies would be forced to pay higher wages to fewer people. There are various alternatives, I suppose, which are open to the government to deal with this problem that they think they see. However, why punish the seasonal workers? That is the question that arises when one confronts these proposed changes to the UI system.

We know, and Senator Rompkey referred to this a few moments ago, that in most cases there is little, if any, off-season employment opportunity. In fact, there is little, if any, employment opportunity whether in the off-season or during the season. Where such opportunities do exist, part-time and seasonal workers snap them up quickly.

One night last week, we had a few witnesses from Prince Edward Island, Jacinta Deveaux of the P.E.I. Coalition of Seasonal Workers and Luanne Gallant of the Miminegash Women in Support of Fisheries.

Ms Deveaux worked at two jobs, a potato warehouse and a flower nursery. Let me read from her testimony:

My husband and I have three children. When the UI changes go into effect, my cheque will drop from \$185 to \$104, approximately \$2,500 a year. We are not asking for sympathy. We would just like this bill to deal with reality, which is the lack of long-term meaningful work.

Miss Gallant describes herself as a full-time seasonal worker in tourism and an Irish moss harvester. Her statement is:

I work at the Irish Moss Interpretive Centre. I have work for 14 straight weeks and I consider myself lucky. On the 15th week, I present to a tour bus for two hours and again on the 16th week. Therefore, my divisor will be 16 weeks. I get paid \$32 for four extra hours of work. I will lose \$588 from my UI over a span of 28 weeks on account of four hours work.

Honourable senators, the testimony of these two witnesses was worth a dozen briefs from think tanks because we were hearing people describe the impact of this bill on them and on their families.

Some Hon. Senators: Hear, hear!

Senator Murray: The intensity rule will obviously hit most heavily in Quebec and the Atlantic provinces. The CLC put out statistics indicating that in Newfoundland and Prince Edward Island, 68 per cent of UI claimants are frequent claimants. In Nova Scotia, the percentage is 53 per cent; in New Brunswick, 58 per cent; and in Quebec, 45 per cent.

Since then, the proposed intensity rule was amended in the House of Commons, and Senator Rompkey made reference to this amendment. It will exempt claimants who will be eligible for the proposed family income supplement, that is, claimants with dependents and a family income under \$26,000 per year.

The government estimate, which was repeated tonight by Senator Rompkey, is that this amendment will exempt 188,000 low-income claimants from the intensity rule. How many does that leave who are still affected by the intensity rule, people whose family incomes is a bit over \$26,000? It not a very comfortable figure. It is not a magic figure. How many? I reckon about 700,000, but I may be wrong. I reckon there are about 700,000 with family incomes over \$26,000 who are still hit by this intensity rule.

The government also says that almost 40 per cent of the so-called frequent claimants — that is, three claims in the last five years — were employed in industries usually categorized as non-seasonal. What does that prove? In all the government rhetoric surrounding this bill, there has been much talk about the changing nature of work. Senator Rompkey spoke about how the patterns of work have changed, about the new economy, and about non-standard employment.

Honourable senators, the incidence of so-called repeat claims in non-seasonal industries cannot be unrelated to the so-called changing nature of work which this bill purports to recognize. The incidence of frequent claims in non-seasonal industries over the past six to seven years may also have something to do with the 1990-91 recession from which we have not yet fully recovered.

The government suggests that the incidence of repeat claims reflects abuse of the system. Again, I give you an excerpt from the government's background paper:

The UI program allows some workers and industries to organize their work schedules around the weeks required to qualify for UI. A recent study by Statistics Canada reports that some businesses have structured their basic hiring and compensation practices around the UI program, for example, planning layoffs to coincide with UI qualification periods and recalls with the end of UI benefits.

Well, that may be so. That may be happening. If so, then why not go after those industries? Why punish the workers? Why make victims of the workers?

Honourable senators, the intensity rule is ill-considered and ill-conceived. It is badly designed. It is unfair in that it punishes the victims and, like much of the bill, it hits hardest at those regions which are most vulnerable.

The Hon. the Speaker *pro tempore*: Honourable Senator Murray, your time has expired. Is leave granted for him to continue?

Hon. Senators: Agreed.

Senator Murray: I will complete my remarks very shortly.

As I said, honourable senators, this intensity rule, like much of the bill, hits hardest at those regions which are most vulnerable. It will remove millions of dollars from the pockets of the recipients and from the economies of those regions.

Honourable senators, before I sit down, you will recall that I made a remark about time bombs. Our friend Senator Rompkey, in his speech tonight, referred to the regional balance that the government is trying to achieve in this bill. One or two days ago, I received a copy of the proposed maps of the new "EI economic regions," I believe they are called. I would invite honourable senators, especially honourable senators from New Brunswick, Quebec and Ontario, to look at those maps without delay, before they become law, as is proposed on July 1.

I have looked at those maps. If you take the province of New Brunswick as an example, under the present system, there are four UI economic regions in New Brunswick. Under the government's proposal, starting July 1, there would be two regions. Honourable senators will quickly comprehend the implications of that. One of those regions will take in Fredericton, Saint John and Moncton. The other region will take in the remainder of the province.

If you live in "Doug Young country," where there is a very high rate of unemployment — and, this is reflected under the present system in a better arrangement — according to the new maps, because you are included in a much larger region, the average rate of unemployment in that region will come down and the regime for you will become more onerous. The average unemployment rate will come down and with it your benefits, effectively.

I eyeballed the maps quickly, and I do not see many changes in Nova Scotia, in Prince Edward Island or in Newfoundland, but there are important changes in Quebec which should be examined. There are also important changes in Ontario, where areas which now have a very high level of unemployment are lumped into an area with relatively low unemployment, thereby bringing the average rate down, thereby bringing the benefits down. Someone with some political responsibility had better look at those maps and have something done about them before July 1. If not, there is a very disagreeable surprise awaiting many claimants and recipients in New Brunswick and in parts of Ontario and Quebec and, with it, a very disagreeable surprise for the members of Parliament and senators who represent them in the Parliament of Canada.

MOTION IN AMENDMENT

Hon. Lowell Murray: Honourable senators, I shall now move my amendment on the intensity rule.

I move, seconded by the Honourable Senator Robertson:

That Bill C-12 be not now read a third time but that it be amended in clause 15

(a) on page 23, by deleting lines 30 to 47;

(b) on page 24, by deleting lines 1 to 3; and

(c) by renumbering clauses 16 to 41.1 as clauses 15 to 41 respectively and by renumbering any cross-references thereto accordingly.

The Hon. the Speaker pro tempore: It is moved by the Honourable Senator Murray, seconded by Honourable Senator Robertson:

That Bill C-12 be not now read the third time, that it be amended in clause 15

a) on page, 23 by deleting lines 14 to 37;

An Hon. Senator: Dispense!

Hon. Eric Arthur Berntson (Deputy Leader of the Opposition): Honourable senators, I have been talking with my counterpart opposite, and it has been indicated to me that it would be his intention to defer the vote on this amendment until tomorrow under Rule 67(2).

We have had a rather lengthy discussion about this. We have come to an agreement which would allow the debate to continue on amendments this evening and the motion concurrently, and any standing vote on amendments that would be called for tonight would be deferred, under the same rule, to be voted on at 5:30 tomorrow, or earlier, subject to agreement tomorrow. That would allow for the debate to continue tonight. We have several honourable senators who wish to speak to this matter and to present their motions in amendment. The understanding is clear that the votes, whenever they are taken, will be taken independently, one at a time. Each amendment will be voted on, independently, followed by a vote on the main motion, either as amended or as it exists.

The Deputy Leader of the Government may wish to concur in what I have just outlined.

Hon. B. Alasdair Graham (Deputy Leader of the Government): Honourable senators, the Deputy Leader of the Opposition has correctly interpreted our agreement.

Hon. Jean-Maurice Simard: Honourable senators, I should like to ask the leadership if they have considered that the Senate might sit tomorrow morning. Some honourable senators may feel that would be worthwhile, in that we could deal with the deferred votes late tomorrow morning or early tomorrow afternoon. That would be my suggestion.

Senator Berntson: I can only speak for myself. I did, in fact, make that offer, but so far I have not received a response.

Senator Graham: There are, undoubtedly, some committees sitting tomorrow morning. It is our understanding that those committees do want to sit. That being the case, I suggest that we adhere to the original suggestion and adjourn until tomorrow afternoon at two o'clock. I should also indicate that we expect to sit on Friday as well.

Hon. Orville H. Phillips: Honourable senators, on the point raised by the Deputy Leader of the Opposition, on many occasions when nearing the end of the session we meet at ten o'clock while committees are meeting. The bell alerts them to a vote.

If the Deputy Leader will not agree to a ten o'clock meeting, will he agree to a twelve o'clock meeting, with agreement that the votes be held at three o'clock? The Deputy Leader knows as well as I that many senators in this chamber have what I call a statutory reservation to catch a plane at a certain hour and that they are not available for votes after 3:30. The closer they live to Ottawa, the earlier their reservations.

I ask that the Honourable Deputy Leader of the Opposition consider that suggestion.

Senator Graham: Honourable senators, we could certainly consider that suggestion and revisit it later today. I wish to remind honourable senators of something I have said before, and that is that perhaps senators will have a change of heart after learning that we will be sitting on Friday. Normally, our sessions are on Tuesday, Wednesday and Thursday. Although honourable senators make their reservations, as Senator Phillips has correctly suggested, for late Thursday afternoon to go wherever their home domicile happens to be, I hope that the fact that we are sitting on Friday will change the minds of many of them and that they will be here and carrying out their senatorial responsibilities on that day.

Senator Phillips: Honourable senators, may I ask the deputy leader why we are sitting on Friday? It was my understanding, and my hope, that we would complete all the legislation tomorrow. Suddenly, Friday has come into the picture. Would the Deputy Leader explain to us why we are sitting on Friday?

Senator Graham: We certainly will make every effort to avoid sitting on Friday, honourable senators, but it is my understanding that there will be legislation which must be dealt with on that day.

Senator Phillips: That makes it all the more important to start in the morning. The government cannot bring legislation in here on Friday morning and expect it to be disposed of that day. Surely we are entitled to a little more consideration than that.

Senator Graham: With respect to the suggestion that we sit tomorrow morning at ten o'clock, I would like to have discussion with colleagues and the leadership opposite. We will revisit that matter later this day. I understand that there are others who wish to speak on this particular item. There are other items on the Order Paper as well, but we will make every effort to accommodate all honourable senators.

Senator Phillips: Honourable senators, I rise to speak on Bill C-12. I was rather looking forward to this occasion. The Deputy Leader of the Opposition has deprived me of the pleasure of doing this. I normally give advice to the Chair, with very little success, I must say. I was going to ask the Chair whether I could move an amendment different from that moved by Senator Murray rather than making it a subamendment. However, that matter has been clarified.

This is the last time that I will help Senator Murray write a speech, because he took half my notes. I will not do that again, Senator Murray.

I have many concerns about Bill C-12. I could speak for hours on the matter. However, someone introduced a rule limiting me to 15 minutes. You all know how difficult it is for me to make a 15-minute speech.

The government is proceeding backwards in this legislation. Instead of cutting back benefits, we should be passing legislation to provide jobs. Honourable senators, Bill C-12 does the very opposite. It provides no jobs. In fact, its ultimate result will be a reduction of jobs.

Last weekend, a number of senators from this side made a visit to P.E.I. We attended two public meetings at which we asked people to express their viewpoints. We were completely impartial. The NDP leader in the province attended and spoke. Had the Liberal premier shown some interest in the subject, we would have heard her as well.

Honourable senators, I find it particularly puzzling that although the government is aware of how difficult matters are in Atlantic Canada and rural Quebec, particularly east of Quebec City, it is determined to go ahead with this legislation.

I left those meetings in P.E.I. with the feeling that those people were desperate and believed that no one was listening. I felt the despair, the anger and the bitterness of the seasonal workers who feel that they are being classified as lazy and no good, and that they do not want to work in the winter time. As I said earlier, they were quick to point out that if the government provides the jobs, or an economy which will provide jobs, they will work.

I will concentrate my remarks on two aspects of the bill. I will start with the first hour of coverage. Originally I thought that was not such a bad idea. As we got into committee hearings and the study of the bill, I changed my mind. I told Senator Murray to read Lou Ann Gallant's brief.

- (1950)

Senator Murray: I was there when she appeared. I heard her.

Senator Phillips: I would like to point out to honourable senators that this lady not only works at one job as supervisor of the interpretive centre for the Irish moss industry in Miminegash, but on her days off she rakes Irish moss. After work, she dries it and grades it. Yet she is classed as someone from Atlantic Canada who is too lazy to work and who merely wants to draw unemployment insurance.

As Senator Murray has pointed out already, she will work two bus tours of two hours each. She is paid \$8 per hour. For those four hours of work, she receives \$32. However, those extra two hours in one week, two hours in another week raises the divisor. It will cost her \$588 to work those four hours. Surely, that is not what the legislation intended. Someone has missed this point. Someone has ignored it. Surely, someone involved in the House of Commons study must have met with this problem. Yet, they ignored it. I hope that just because the Liberals in the House of Commons ignored it, the Liberals in the Senate will not.

We heard for fish plant workers as well as representatives of tradesmen. The trade representatives pointed out a certain situation to members of the committee. Honourable senators who were present will remember the chart which they displayed on the screen which stated, "The individual who quits on Friday is better off than the one who quits on Monday." I think this applies particularly in small towns where a small contractor may have two or three tradesmen and he is hoping the job finishes on Friday night. Let us say that it does not, that they have to come back on Monday to complete it. That is a week and it becomes part of the divisor which will have the effect of reducing their benefits.

Is that an incentive to work? Or will the guy say, "I am not going to work on Monday because it will cost me money."

It is on this basis that I wish to move an amendment.

The Hon. the Speaker *pro tempore*: Honourable senators, before the Honourable Senator Phillips moves his amendment, the Chair should like to understand what is the agreement. As I understand it, it has been agreed that more than one amendment may be put and debated and, at a later time, voted on individually, after which, obviously, the final motion will be voted upon.

Senator Berntson: For more certainty, honourable senators, it has been agreed, pursuant to rule 67(1), that all votes on amendments and the main motion will be deferred to 5:30 p.m. tomorrow afternoon, unless agreement on an earlier time can be reached.

Senator Phillips: Honourable senators, I move, seconded by the Honourable Senator Oliver:

That Bill C-12 be not now read a third time but that it be amended in clause 14, on page 22, by

(a) replacing line 1 with the following:

"(2) Subject to subsection (2.1), a claimant's weekly insurable earnings"; and

(b) adding, after line 29, the following:

"(2.1) In calculating a claimant's weekly insurable earnings under subsection (2), weeks with less than 15 hours of insurable earnings and the insurable earnings attributable to those weeks shall be excluded, but no week shall be excluded where the exclusion would reduce the divisor determined in accordance with paragraph (2)(a) to a number less than the divisor determined in accordance with paragraph (2)(b).

(2.2) Weeks shall be excluded under subsection (2.1) in the order of number of hours of insurable earnings, starting with the week with the lowest number of hours."

Senator Berntson: I think I like that.

Senator Phillips: Honourable senators, my amendment, like the bill, is complicated and, perhaps, in a sense, controverted. However, I should like to briefly explain its objective.

For the person who may be a carpenter on that last day, or for a fish plant worker at the end of the season who will be called in for three hours on three different days and only get nine hours in total, these people will not have that counted as a week unless they need it to make up the 420 hours in order to qualify.

This has the effect of not increasing the divisor, as the bill would do presently. It leaves the divisor related to the unemployment rate in the area.

• (2000)

As all honourable senators know, there is a chart in the act which describes the divisor. In the case of the maritimes and Atlantic Canada, it is 12 plus 2 for a divisor of 14. By adding these extra portions of weeks, we would increase the divisor and thereby reduce the benefits. I do not think that was the intention of the government, and I do not think that is the intention of the legislation.

I should like to turn now to clause 14(2). This clause causes me some concern. Clause 14(2) provides for two divisors. The House of Commons created the impression that an amendment moved in the other place meant the divisor would be determined in accordance with the following table by reference to the applicable regional rate of unemployment. That is the impression most people across Canada have, but I go back, honourable senators, to begin at clause 2. Clause 2 states:

(2) A claimant's weekly insurable earnings are their insurable earnings in the rate calculation period divided by the larger of the following divisors:

(a) the divisor that equals the number of weeks during the rate calculation period in which the claimant had insurable earnings...

Before I close, honourable senators, I should like to point out that at the present time in Newfoundland — and I particularly draw this to the attention of my honourable friend who sponsored the bill — HRD officials are explaining to the fish plant workers in Newfoundland, "You get 700 hours of work, and we will be dividing that by 35 hours per week to give you 20 weeks." That, honourable senators, increases the divisor. If that is the interpretation, it will reduce benefits, not only to Newfoundland fish workers, but to tradesmen and to any seasonal category of work ranging from 25 to 35 per cent.

In our office, we worked out the case of a construction worker on the fixed link. There was an agreement for the construction of the fixed link that there would be no work interruption and that the employees would work long hours without overtime. Consequently, many workers are working 10 to 12 hours a day, 7 days a week, to meet the deadline for the completion of the fixed link. Because they work those hours, these people will find their benefits cut under clause 14(2) of the bill. I attempted to have an amendment drafted to deal with that situation, but we got into so many complications that I am leaving that for future debate and future developments. However, I would ask the Leader of the Government in the Senate to have a look at that aspect of the bill because the government carefully crafted throughout the rest of Canada the view that the workers in Atlantic Canada are seasonal and do not want to work any more than the 12 weeks. They do, honourable senators — provide the employment and they will work! However, in the name of God, do not punish them for working extra hours.

Honourable senators, I should like now to turn to the extensive regulations provided under clause 54. In all the legislation I have reviewed, I cannot remember a clause that began with subclauses (a), (b), (c) all the way through the alphabet to (z). We are damn lucky there are no more letters or they would have included more regulations. That gives the government such extensive power. The commission may, with the consent of the Governor in Council, do this and do that. They can change the hours of work; they can change the divisor; they can change the benefits, all through regulations by the commission recommended to the Governor in Council. You can tell by the attention that Senator Fairbairn is paying that when the commission makes a recommendation to the Governor in Council, it will be accepted.

Honourable senators, there are so many disincentives to work — the extra time, the extra hours that they would like to work — that this bill defeats its purpose. The purpose was to be an incentive to work, but if the government can think of a disincentive it has not put in the bill, I would love to hear it.

We speak of a reduction in benefits and what it will cost individual families. Yesterday, I asked the Leader of the Government in the Senate for a copy of the Savoie report. I have not yet received it, but I am happy to tell honourable senators I found it in the P.E.I. section of the Internet.

Hon. Joyce Fairbairn (Leader of the Government): It was tabled today.

Senator Phillips: I asked for it to be distributed.

Senator Fairbairn: It is very large.

The Hon. the Speaker pro tempore: Honourable Senator Phillips, I must advise you that your time has expired.

Senator Phillips: Honourable senators, I will only be a couple of more minutes. I lost a couple of minutes, as you will recall, in trying to get the attention of the Leader of the Government when she was speaking with Senator Marchand. I will not be long.

In the 1994 budget, \$500 million was taken out of the UI program. Atlantic Canada, with 8 per cent of the population, lost 27 per cent of that \$500 million. That was an unfair hit.

When that friendly little New Brunswicker, Doug Young, was before the committee, I asked him for the distribution of the hit. How much were we going to be hit under this budget? Well, he did not know. He did not have the figures but he would get them. Unfortunately, I did not ask him for a date to receive those figures. I presume I will get them some time in the next year when I read it in the newspaper.

Honourable senators, not only are seasonal workers being unfairly hit; Atlantic Canada and eastern Quebec and, yes, Montreal are all being hit. I am told that everyone within the government departments is looking around for \$100 million to stimulate the economy of Montreal. They cannot find it, but they have found a way to take about \$300 million out of the economy of Montreal.

Honourable senators, this is not just an Atlantic Canada measure; it is a Canadian measure. I would ask you to look at it

not only from the aspect of Atlantic Canada but from that of Quebec and particularly that of Montreal. As you know, that city is not nearly as prosperous as it used to be.

I ask you to support this amendment. I will go farther and ask you to defeat the bill.

Hon. Erminie J. Cohen: Honourable senators, I shall move the amendment first and then give you the rationale behind it.

I move, seconded by the Honourable Senator Doyle:

That Bill C-12 be not now read the third time but that it be amended in clause 5 on page 8 by adding immediately after line 22 the following:

under (d)(1),

the employment of a student who is in full time attendance at a high school, university, college or other educational institution providing courses at a secondary or post-secondary school level and who has elected to exclude the employment to which their first \$5,000 of earnings in a year is attributable.

Honourable senators, this amendment will allow us to address an unintended and most unfortunate consequence that Bill C-12 would have for the many full-time students who work part-time for 15 or fewer hours a week. Under current legislation, workers employed for 15 or fewer hours per week by any one employer are excluded from the unemployment insurance system. This means that they and their employers do not pay UI premiums and they are not eligible for benefits.

Under the proposed legislation, however, all workers in insurable employment would have to pay employment insurance premiums on every dollar they earn, right from the very first one. Their employers would have to pay EI premiums on those earnings, too. This would have a negative impact on the lives of many students who count on part-time work of 15 or fewer hours per week. They work mainly, honourable senators, in the food, service, retail, tourism and hospitality industries because that is where most of the jobs are that fit their schedules.

I would like to underscore the importance, indeed the necessity, of these part-time jobs to Canada's students. Many members of this chamber who have children and grandchildren are probably only too aware of it already. Many high school students depend on part-time jobs to save for their university and their college tuition. Many post-secondary students depend on them to help pay their living expenses while they go to school. It is generally agreed that 15 hours a week are the maximum that full-time students can comfortably work without jeopardizing their studies.

If Bill C-12 is passed unamended, these students would end up with less take-home pay. Most would not even get a refund of their EI premiums under the proposed \$2,000 exemption because they would earn too much during the year. These lower earnings could very well encourage students to work longer hours with the result that their studies might suffer.

And for what? As new entrants to the labour force, students employed for 15 hours a week would have to work for almost two years before they could even have a hope of qualifying for benefits. Even then, their level of benefits would be negligible. Meanwhile, their employers would also have to pay EI premiums on their behalf, adding to the burden of payroll taxes which they already face. The service sector, which provides most of the jobs for students, would be especially hard-hit because it is very labour-intensive. Because of its low profit margins and cost competitiveness, these added costs would likely be taken out of human resources budgets resulting in fewer jobs for students.

In fact, honourable senators, associations representing the food service and retail industries have warned that a considerable number of jobs would be lost with the passage of Bill C-12. I need not remind honourable senators that Canada's food industry is one of the largest private sector employers in the country. With almost 50 per cent of its work force under the age of 25, it offers the greatest opportunity for youth employment.

What is more, first-dollar coverage might actually have the effect of encouraging dependency on employment insurance. This would contradict Bill C-12's purported objective which is to encourage a stronger work force attachment and discourage dependency on EI.

In defending first-dollar coverage, the government has said that insuring the work of full-time students will help students when they enter the labour market on a permanent basis. The government is implying that they will, in fact, be ready to collect EI benefits. With fewer jobs available, students would have an even harder time saving for their post-secondary education or making ends meet while in university or college. With tuition fees getting higher and higher, thanks to reduced funding for post-secondary education under the Canada health and transfer payments, the money students can earn from part-time jobs is becoming more critical than ever.

Honourable senators, Bill C-12's first-dollar coverage would be detrimental on several fronts to full-time students who work part-time for 15 or fewer hours a week, to the extent that it might even threaten their educational future. It flies in the face of the government's stated commitment to youth.

I remind honourable members in this chamber of the last Speech from the Throne which stated that young Canadians deserve a climate of opportunity and that this must be a national objective.

A student exemption would be consistent with the Throne Speech and the budget as it would target students, encourage education and help youth employment. It would also be consistent with the government's commitment to the objectives of fairness, equity and simplicity.

Regarding simplicity and ease of administration, I would like to point out that a student-based exemption is not without precedent in Canada. For example, the Saskatchewan Labour Standards regulations, which established prorated benefits for part-time workers, include a definition of "full-time students." Further, the Saskatchewan regulations provide that the onus is on

employees to provide proof of school registration and to notify the employers in writing of a change in their student status.

Provisions of these regulations, honourable senators, together with measures included in provincial education acts and the Canada Student Loans Act, could easily be modified for purposes of Bill C-12's application across Canada.

Finally a word about the costs associated with the \$5,000 student exemption: The Minister of Human Resources Development has said that the cost of implementing this measure would be \$200 million. Honourable senators, I can assure you that the cost of not implementing this measure would be far greater in economic, fiscal and especially human terms.

• (2020)

In the midst of an employment crisis, the changes to the UI program cannot be justified in terms of cost. I urge my colleagues on the other side of this chamber to heed the voices of reason and democracy, not that of party affiliation. Please join with me in supporting this important amendment that will help give our young people the climate of opportunity that they so richly deserve.

Honourable senators, unemployment is the problem in this country, not the unemployed.

Hon. Senators: Hear, hear!

The Hon. the Speaker *pro tempore*: Honourable senators, before recognizing the next honourable senator, I will put the motion. It is moved by the Honourable Senator Cohen, seconded by the Senator Doyle, that Bill C-12 —

Hon. Senators: Dispense.

[*Translation*]

Hon. Thérèse Lavoie-Roux: Honourable senators, before proposing an amendment to Bill C-12, I would simply like to say that, while I share the concerns expressed by my colleagues on this side of the house on various aspects of the bill, I have some reservations about Senator Rompkey's optimism.

Let me give you an example that was confirmed by civil servants.

[*English*]

Women said that they would be disadvantaged by this new bill. Of course, more people will pay into the employment insurance account because it is now being calculated per hour instead of the way it is presently. I asked the civil servants who appeared before us this question about the numbers, and they said that, yes, probably about 200,000 more would come in, but they also agreed that about 200,000 would be going out because it will take longer to qualify for EI. This was said in committee, and I think it would be worthwhile to verify these figures, because I am far from certain that they are correct. We heard on several occasions that women in particular would be penalized by this bill.

[Translation]

MOTION IN AMENDMENT

Hon. Thérèse Lavoie-Roux: Honourable senators, I move:

That Bill C-12 not be read the third time now, but that it be amended in clause 14, on page 23, by replacing lines 1 to 29 with the following:

“(4) The rate calculation period is:

(a) the period of 26 consecutive weeks in the claimant’s qualifying period to which can be attributed the most insurable earnings, or

(b) where the claimant’s qualifying period consists of less than 26 consecutive weeks, the claimant’s qualifying period,

but a prescribed week relating to employment in the labour force shall not be taken into account when determining what weeks are within the rate calculation period“.

It all sounds a bit Greek, I have to admit.

[English]

I will try to make this a little clearer. A glaring deficiency in Bill C-12 has led me to propose this amendment. Workers who try to work more hours could actually end up receiving less employment insurance benefits. This contradicts the government’s claim that Bill C-12 will encourage people to work as much as they can and reduce their dependence on the EI system. By correcting this deficiency, which my amendment would achieve, we in this chamber can ensure that Canadian workers, especially those who are in seasonal employment, have the best possible incentives to take all the work that they can get.

First, let me explain how this deficiency works. Under Bill C-12 in its present form, EI benefits would be based on a claimant’s average weekly insurable earnings in their rate calculation period, which, as you know, is the 26 weeks right before their claim is made. Total insurable earnings in those 26 weeks would be divided by the number of those weeks in which the claimant worked or by the regionally based divisors listed in the bill, whichever number is larger. Then the claimant would receive benefits at the rate of 55 per cent of the resulting figure, which represents average weekly insurable earnings.

There is not much problem with the system if the claimant has worked more or less full time hours in each of those weeks, but there is a big problem when the claimant works a few extra hours in one or more weeks during the rate calculation period. This can be complicated to explain in general terms, so let me give you a concrete example to illustrate the effects of this provision.

Let us take the case of two fish plant workers in a high unemployment region. Both work in the same fish processing plant, both earn \$15 an hour, and both are filing EI claims.

During his 26-week rate calculation period, worker No. 1 works between 10 and 35 hours a week for 17 weeks, for a total of 490 hours. His weekly insurable earnings equals his total earnings over those 17 weeks divided by 17. His benefit rate is 55 per cent of those average weekly insurable earnings, resulting in weekly benefits of \$237.

Meanwhile, worker No. 2 worked exactly the same hours as worker No. 1, with one small difference: During two of the weeks when his co-worker was on temporary lay-off, he agreed to come in for an eight-hour shift. As a result, he worked 16 more hours for a total of 506 hours in his rate calculation period. However, even though he worked more hours, his weekly benefit will actually be less, \$219 a week, compared to \$237 for worker No. 1, even though worker No. 1 worked less than worker No. 2. That is because the total insurable earnings are now divided by 19, as there are now 19 weeks of work in the rate calculation period.

Honourable senators, is there fairness in that? How is it that you can work more hours but receive less benefits? As you can see from this example, worker No. 2 would be better off financially if he refused to work those two extra shifts. This is incomprehensible; yet this is exactly what Bill C-12 will encourage people to do — refuse to work extra hours here and there when they are available. Who can blame them? After all, workers in seasonal industries will have to live on the EI benefits they receive through the long winter months. For them and their families, every dollar of benefit is important.

Honourable senators, the amendment that I am proposing would encourage seasonal workers who are often on temporary lay-off or between jobs to work those extra hours. They would be able to count their best 26 weeks of insurable employment in their entire qualifying period rather than risk having their benefits reduced. In the case of worker No. 2 who worked more hours but received less benefits than worker No. 1, he would be able to count weeks of insurable earnings that occurred more than 26 weeks ago. He could consider the time worked over a period of 52 weeks instead of refusing to work during weeks where he would only get eight hours.

This provision would be especially beneficial for seasonal workers in the farm-based industries. For example, farm workers would gain most of their hours of insurable employment during two relatively short periods, spring planting and fall harvesting. With this amendment, they would be able to count in the same claim all of those weeks. Otherwise, their benefits would be greatly reduced, even though they might have many hours of insurable work in total.

This amendment would not only make the EI system fairer for seasonal workers generally but also for other workers who experience times during their qualifying period when they have no insurable employment. It will benefit women and especially single mothers who are forced to take unpaid time off to look after sick children or other family members or to care for their children during school holidays when child care costs would be more than some of them earn.

I remind members of this chamber that this amendment need not involve significant additional costs. Keep in mind that the divisor system, together with the legislative cap on insurable earnings, would still limit a claimant's average weekly insurable earnings to no more than his or her actual insurable earnings. Moreover, by encouraging people to work as much as they can, this amendment will, in the long run, help Canadians in all regions become more self-sufficient and thus be less dependent on the UI system.

Honourable senators, I urge to you support this amendment, which will help put the words "fairness" and "incentive," back into the employment insurance system.

In conclusion, I should like to mention two problems that were raised regularly. There is a surplus in the fund of \$5 billion.

Senator Berntson: That is a lot of money.

Senator Lavoie-Roux: It has been said that that figure might double with this legislation. This fund is not the government's money. It is money that has been put in by employers and employees. The federal government no longer feeds the fund.

I should like to ask the government what its intentions are in respect of this fund. Should it not be reimbursed to a certain extent — and I cannot establish an exact percentage; perhaps not totally — to the employers and the employees by requesting smaller premiums from both of them? That is one thing that should be looked at carefully.

I should like to you consider this amendment very carefully. It is not being proposed to embarrass the government. It is being proposed to improve the bill, to make the bill fairer and to ensure that work incentives are not decreased. On the contrary, we should use all the incentives we can to get people to work.

We all talk about money for retraining and we are all for recycling, but we have been singing that song now for quite a number of years. Putting aside the difficulties of adjustment as between the two levels of government, it has not produced the desired effect, either because there is lack of motivation on the part of the unemployed or because the programs are not properly prepared, or whatever. We are now saying that we will put more money toward trying to control people, who will receive less unemployment benefits.

More serious reflection must be given to what kind of training we want to give to people. Otherwise, in two years, no matter what government is in power, we will still be singing the same song, namely, more money for recycling.

Efforts have been made, and I think they have been made honestly and with a real objective of getting people to work, but we are still faced with employment that oscillates between 9 and 11 per cent, on average, and in some regions more or less.

There is still a lot of things to think about. I know we cannot make sweeping amendments. Many people have asked us to reject the bill entirely, but I do not subscribe to that. On the other hand, I think we have a responsibility and a duty to make this law

the best possible law because thousands of people might be treated unfairly.

[*Translation*]

The Hon. the Speaker *pro tempore*: Honourable senators, we have a motion by the Honourable Senator Lavoie-Roux, seconded by the Honourable Senator Oliver, that Bill C-12 be not now read the third time, but that it be amended in clause 14, page 23, by replacing lines 1 to 27 with the following:

Some Hon. Senators: Dispense!

Hon. Jean-Maurice Simard: Honourable senators, normally I would need more than 15 minutes, but with the usual cooperation and courtesy of the honourable senators, I would like to table this document, given that it could form part of the debate in progress. It is a ten-page document entitled:

[*English*]

"Bill C-12, a Summary of Amendments Proposed by Witnesses Who Appeared Before the Standing Senate Committee on Social Affairs, Science and Technology." It is a document that was prepared at my request by the research branch, and it summarizes, as the title says, all the recommendations under several chapters which you will find when you read the report of today's meeting. In this way, I could save seven or eight minutes of my intervention.

The Hon. the Speaker *pro tempore*: My understanding is that an honourable senator can ask for leave to table a document, but that it is not taken as read in the *Debates of the Senate*.

Senator Simard: Will honourable senators agree to have it tabled and included in the report? It is not very long. I could read it, but it might take seven or eight minutes.

Hon. Eymard G. Corbin: I have a question for the honourable senator. Did I understand him correctly to say that that same document has already been tabled in the committee?

Senator Simard: No. Toward the end of the committee's hearings, I asked for a document of this type and I obtained this morning a summary of the amendments.

Senator Corbin: What kind of amendments are you referring to?

Senator Simard: I am not talking about amendments. This is a summary of amendments proposed by witnesses from various groups. I thought it would be interesting to honourable senators. The amendments are grouped under headings such as "General Proposals," "Coverage," and so on. If it could be printed as part of my intervention, it would save me from reading it all tonight.

Senator Corbin: I certainly have no objection to the honourable senator making the document available to other senators, but then to request that it be published in *Hansard* as part of his speech would be a departure from our long-standing practices, and I would be opposed to that.

Senator Simard: Honourable senators, may I table this summary of amendments?

The Hon. the Speaker *pro tempore*: Is it agreed, honourable senators, that the specific document to which Senator Simard referred be tabled?

Hon. Senators: Agreed.

[*Translation*]

Senator Simard: If Canadians knew the content of Bill C-12 and of its amendments, I believe it would be rejected in five seconds. It would be rejected by the right, the left and the middle class. This bill will be devastating if it is accepted in its present form. It will be costly to employers and to workers, particularly the workers in certain regions of Quebec and certainly for most in the Atlantic regions. I believe further that families, employers and employees in certain parts of the west and of Ontario will be affected as well.

I will remind you that, on this side of the Senate, since we got back in early February, we on this side have been asking on various occasions, in various ways, for a preliminary study to be done on this bill. The government in its wisdom has refused. If it had given in to our request, such a study would have allowed us to carry out a proper detailed study of this bill and perhaps that would have enabled the government to consider certain amendments when the time was ripe. That, then, was the first refusal on the part of the government.

The government also turned down four motions, one in the Senate and three in the social affairs committee. Three times the Liberal majority refused our legitimate and non-partisan requests, which would have allowed the committee to travel to certain parts of the country possible.

Then, for the icing on the cake, the last request certain senators made to the Liberal majority was to add a little three-line paragraph to the social affairs committee's report. That little paragraph would have referred in the committee report to our thrice-repeated request to allow the senators to travel to the Atlantic provinces and elsewhere.

We were told at that time that there was no precedent. In fact, those three lines could have served as a partial minority report, pointing out our opposition to certain bills and in particular reminding Canadians who will read the report that the Liberal majority on the committee had given us a petty refusal.

I will read a little from Senator MacEachen's speech of this afternoon, our colleague who will be leaving us in another two weeks, in which he says that the Senate can be efficient and can be courageous. On some occasions, which he refers to, the Senate has had the courage and the honourable senators have had the courage to recall their constitutional obligation to represent and foster the interests of their region.

I would hasten to add that, in my opinion, as well as in that of a number of others, this bill should be rejected at least by the

Atlantic senators and those for rural regions, where there is considerable seasonal work. The Liberal and Conservative senators on both sides of this Chamber ought to accept these amendments.

Now, quoting Senator MacEachen from this afternoon:

[*English*]

As an institution, the Senate is not idle; as an institution, it is productive; as an institution, it performs well for the country, and at times it is courageous.

Senator MacEachen also said:

The Senate still continues to flex its legislative muscles. They were in atrophy for some time.

Later he said:

As has been pointed out, honourable senators, 12 years later the Senate has quietly put aside a major piece of legislation — the redistribution bill — without any tremor in the political system. To take that on in the Senate required confidence and a certain courage, which is worthy of notice.

He went on to say:

...they should recall that this body defeated, in an atmosphere of high drama, the far reaching measure on abortion. Imagine! The House of Commons passed the bill and the Senate defeated it!

Senator MacEachen went on to say:

...but they do exemplify the exercise of legislative power by the Senate and the apparent willingness of all players, including the public, to accept a more activist role for the Senate. It goes without saying that the Senate should survey the ground carefully and deliberate prudently, as I have heard it said, in exercising its legislative powers.

Senator MacEachen was speaking about regional interests and the need for senators to remember that they have a constitutional obligation to represent their region. He said:

• (2050)

In the Senate, of course, we do have a source of authority. It is not as easily explained because our authority comes from the fundamental law of the land — the Constitution. The powers we have come from that Constitution. However, whom do we represent? I have always asked that question — Whom do I represent in the Senate? I do not represent electors, because I do not have any. My designation, however, puts me in Nova Scotia, so I represent that region, but that is still somewhat vague. I find it easier to say that I represent regional interests, and my duty is discharged in the process of assessing all policy issues, whether in legislative

form or in public policy pronouncements in the light of their impact on the citizens and province of Nova Scotia. At a certain point, that obligation to examine the regional interest in the process of legislation and policy must be carried further and in consideration of the national interest.

If we on this side have failed over the last four months to convince one, two, three or more Liberal or independent senators, I hope that we all will remember the words of wisdom of the Honourable Senator MacEachen as he uttered them this afternoon in the Senate. I hope that we can find one, two, three, four or five senators to support our amendments.

If my party were in power, I would not hesitate for one minute to vote against my government, because this is a bad bill. It is a costly bill. It will cause hardship to families, employers and employees, not only in Atlantic Canada but elsewhere.

Honourable senators, I move, seconded by the Honourable Senator Phillips:

That Bill C-12 not be read a third time now but that it be read a third time this day six months hence.

Senator Berntson: That is a good motion.

Senator Simard: Before moving my amendment, honourable senators, I should have explained that it would allow the government six months in which to consider the impact of this bill in the light of suggested amendments, not only those proposed during our committee hearings but the ones which were turned down by the House of Commons, and I know there were a number of them. There is no rush.

I do not need to remind honourable senators that as we speak the fund is approximately \$6 billion and growing. An expert has said that this fund will reach \$10 billion by next January 1. There is no rush. There is no panic. I urge the government and honourable senators on both sides of the Senate to consider my motion favourably. I hope that it will receive unanimous support, if possible.

Hon. Peter Bosa: Honourable senators, I, too, would like to make a few remarks on Bill C-12, and perhaps answer some of the questions that were raised by the amendments moved here this evening.

As outlined in the sixth report of the Standing Senate Committee on Social Affairs, Science and Technology, the witnesses who appeared before it raised a wide body of opinion over the merits and drawbacks of Bill C-12. Some suggested that the existing unemployment insurance system is healthy and does not need to be changed. These witnesses told us that there is no crisis in the UI system and that the government should not attempt to reform UI.

Unfortunately, many of the bill's opponents could not find one positive aspect of the bill. For example, instead of recognizing the importance of the proposal to assist low-income claimants with children, that is, the family income supplement, the

committee was told that this proposal did not go far enough or that it should not be based on family income.

This negative focus is difficult to accept when we consider that the proposed family income supplement will provide 350,000 claimants with an effective benefit rate as high as 80 per cent of insured earnings, giving them a higher level of benefits than they currently receive under the present UI program.

One of the many great things about this country is that individuals are entitled to express their views. It is the view of government supporters on this side that many of the negative views expressed about Bill C-12 arise from the fact that some people will always reject new policies and resist change.

The committee also heard positive views about the bill from groups and individuals who support and recognize the need for change. These witnesses embraced many, if not all, of the changes proposed in the bill. I share this view. I believe that this bill marks an important yet measured departure from the existing unemployment insurance system.

The bill recognizes that Canada's workplace has changed over the years. More and more people have non-standard work-time arrangements and will be better accommodated by the proposal to extend coverage to the first hour of work. Today, individuals who work in one or more jobs in which each involves fewer than 15 hours of work are not covered under the current system. In other words, someone could work 42 hours a week in three different jobs, 14 hours each, and not be covered under UI. It is this type of rigidity that the government and the many supporters of this bill want to see removed from the current system.

We need a more flexible system. This bill addresses that. I realize that the proposed hourly entrance requirement for new entrants and re-entrants could have a negative impact on many workers, especially young and female workers. However, the impact of this measure needs to be closely monitored, something which the committee recommended in its report.

The bill also encourages individuals to become more self-sufficient and to strengthen their attachments to work. Although disputed by some of those who appeared before the Standing Senate Committee on Social Affairs, Science and Technology, there is ample evidence that unemployment insurance can influence the behaviour of workers. Bill C-12 would adopt a very measured approach to strengthening attachments to work. Instead of raising the qualifying requirement — that is, more weeks of insurable employment at 35 hours per week — Bill C-12 would encourage individuals to acquire additional work for the purpose of calculating average weekly earnings; and it would lower the benefit rate for those who claim UI frequently by no more than five percentage points.

I recognize that these measures could have an adverse effect on seasonal workers, particularly those who reside in high unemployment communities where job opportunities are limited. This is why I endorse the committee's recommendation that the Minister of Human Resources Development instruct the commission to monitor and assess the impact of the bill on these workers.

One misconception about this bill that causes many groups and individuals, both opponents and proponents of the bill, to be concerned is the proposal to allow the employment insurance account to build up a reserve.

• (2100)

The committee heard many individuals say that this is simply a way for the government to reduce its annual deficit. I recognize that an annual surplus — not to be confused with a cumulative surplus — in the EI account in any given year would serve to lower a fiscal deficit in that year, but this is not the intent of the proposal. The intent of the proposal is to allow the fund to get big enough so that we do not need to keep changing premiums over the course of a business cycle.

I would remind those who criticize this aspect of the bill that the committee was apprised of research undertaken on behalf of the Department of Human Resources Development which concluded that the Unemployment Insurance Program has become less effective in countering the adverse impact on the economic downturn. One of the reasons for this is that the current program's financing arrangement requires UI premiums to be raised during a recession or the early stages of an economic recovery in order to eliminate the deficit in the UI account. In other words, under the current financing arrangement, premiums must increase to eliminate a deficit in the UI account at the very time when the economy needs jobs most. As we all know, higher UI premiums raise the cost of creating these jobs, and this is what the government is trying to address.

Honourable senators, the government has no intention of continually running a surplus in the proposed employment insurance account. As the Minister of Human Resources Development said when he appeared before the committee, a growing surplus of the EI account is not something that can be left *ad infinitum*. It will have to be addressed, and the Minister of Finance will decide when it is at an appropriate level. I think we will reach that point soon, and the fund is projected to have a cumulative surplus of some \$5 billion to \$6 billion by the end of this year.

There is another myth about the surplus that I wish to address. Some Canadians believe that the federal government can use unemployment insurance revenues for whatever purposes it deems appropriate. Nothing could be further from the truth. While some individuals who appeared before the Standing Senate Committee on Social Affairs, Science and Technology espoused this view, the truth is that UI or EI premiums must be spent on unemployment insurance. This is the case now, and it will continue to be the case under the Employment Insurance Act.

The final aspect of this bill that I would like to address today concerns its provisions to help unemployed people adjust in the labour market and secure new employment opportunities. Unlike the existing act, the bill would permit a far greater number of individuals to benefit from this assistance. One would no longer need to be currently eligible for unemployment benefits. In addition to those who are, the bill would extend employment benefits to those who received benefits in the past three years and those who received maternity or parental benefits in the past five years. Not only will more people have access to these benefits,

but arrangements governing their delivery will be considerably more flexible and locally based than they are now.

Locally based labour market partners know best as to the labour market adjustment needs of their communities, and I fully support the bill's thrust in this regard. However, I do share the concerns of Canadians regarding the issue of provincial accountability of funds delivered under Part II of the bill. This, too, is addressed in the committee's sixth report.

In conclusion, honourable senators, I wish to say that even though the bill contains many positive aspects, there may be transitional costs for some individuals. The government recognizes this and has decided to phase in these changes gradually — that is, no retroactivity respecting an individual's claim history. As well as revesting more than 40 per cent of projected savings under the proposed reform, these funds and those associated with the transitional job fund will be allocated across the country so as to minimize the potential adverse impacts of the bill.

Paraphrasing one witness, Professor Alice Nakamura, who appeared before the standing committee, she said that we will look back on this bill and recognize it as a watershed in unemployment insurance reform. It is my hope that all of my colleagues will see these proposals in the same light and help move Canada's employment insurance system into the next century.

Honourable senators, I hope that you will support this bill.

Hon. Lowell Murray: May I ask the honourable senator a question?

Senator Bosa: Please do.

Senator Murray: I know my honourable friend was present throughout the standing committee's hearings. Can he recall a single witness among those affected by the bill or representing organizations of people affected by the bill who testified that the proposed family income supplement will be an improvement over the present system? Under the present system, a low-income claimant with dependants can receive 60 per cent instead of 57 per cent of his average weekly earnings. Under the proposed system, the so-called proposed family income supplement will be available to people with family incomes lower than \$26,000 a year. Of course, a conversion to family income from individual income will produce a lot of people who will be losers. I simply wanted to ask my honourable friend whether he knows, because I cannot recall hearing any testimony at the committee, of people affected by this bill who believe that the family income supplement will be an improvement over the present system.

Senator Bosa: Honourable senators, we had two intensive weeks of hearings. I cannot say right now who said what, but I would be pleased to look through the records and provide the honourable senator with an appropriate answer.

While I am on my feet, perhaps I could put a question to the honourable senator who spoke earlier and suggested an amendment regarding the intensity rule.

Senator Berntson: Out of order.

Senator Bosa: Does he realize that the intensity rule, if eliminated, would cause an increase of \$350 million? Where would the money come from?

Senator Murray: I do not know where the money would come from, but I know where the savings are coming from. They are coming out of the pockets of seasonal workers who are the victims of this intensity rule which purports to provide a further incentive to work. Where work is available, these people will grab it up. The problem for seasonal workers is that there are no alternatives. I said all of this in my speech. If \$350 million is the figure, I am interested to know that because that is the size of the hit largely on seasonal workers.

Senator Berntson: Question!

The Hon. the Speaker *pro tempore*: If no other honourable senator wishes to speak, this matter is deferred until tomorrow.

Senator Murray: Is the debate being adjourned, or are we simply deferring the vote? I have said my piece, so I speak not on my own behalf. If the item comes up, will there be an opportunity tomorrow if an honourable senator wishes to speak?

Senator Berntson: My understanding is that when debate concludes tonight, the question will be called and the vote will be deferred until 5:30 p.m. tomorrow.

Hon. B. Alasdair Graham (Deputy Leader of the Government): I do not know of any other honourable senator on this side who wishes to speak. It is our understanding that debate will be concluded tonight and all questions will be put tomorrow at 5:30 p.m.

The Hon. the Speaker *pro tempore*: Honourable senators, if no other honourable senator wishes to speak, according to the agreement of the house, the vote on this motion is deferred until tomorrow at 5:30 p.m.

• (2110)

PRIVATE BILL

QUEEN'S UNIVERSITY AT KINGSTON—
MESSAGE FROM COMMONS

The Hon. the Speaker *pro tempore* informed the Senate that a message had been received from the House of Commons to return Bill S-8 entitled Queen's University at Kingston, and to acquaint the Senate that they have passed this bill without amendment.

CODE OF CONDUCT

EXTENSION OF REPORTING DATE—MESSAGE FROM COMMONS

The Hon. the Speaker *pro tempore* informed the Senate that the following message had been received from the House of Commons:

Ordered,—That, in relation to the Order of Reference adopted by the Senate on March 21, and by the House of Commons on March 12, 1996, the House extends the reporting date of the Special Joint Committee on a Code of Conduct to Friday, November 29, 1996; and

That a Message be sent to the Senate requesting that House to unite with this House for this purpose.

ATTEST

ROBERT MARLEAU
The Clerk of the House of Commons

INCOME TAX BUDGET AMENDMENT BILL

SECOND READING

Hon. Céline Hervieux-Payette moved the second reading of Bill C-36, to amend the Income Tax Act, the Excise Act, the Excise Tax Act, the Office of the Superintendent of Financial Institutions Act, the Old Age Security Act and the Canada Shipping Act.

She said: Honourable senators, I rise today to give second reading to Bill C-36, the Income Tax Budget Amendment Bill, 1995. Bill C-36 implements a number of technical measures from the government's budget of 1995 ranging from tax credits for film production to RRSP over-contribution limits. It is my intention today to address those features of the bill that I want to briefly outline for you today.

With your indulgence, honourable senators, I will skip over the obvious question which arises from this bill — the question of why, in mid-1996, is this chamber being asked to deal with a bill that stems from measures in the 1995 budget. I expect that my colleagues from the Standing Senate Committee on Banking, Trade and Commerce, will have a number of interesting questions tomorrow for officials from the Finance Department on this point. I hope to offer answers to these questions tomorrow.

The main features of this bill are as follows: First, in the area of tax collections, Bill C-36 introduces measures to protect the collection of source deductions and similar withholdings made for income tax, CPP contributions and UIC premiums. Specifically, under Bill C-36, the secured creditor of a taxpayer, a party controlling the disbursements of a taxpayer's business, is under an obligation to pay unlimited source deductions along with any interest or penalty charges just as a taxpayer is liable.

Second, in the area of tax fairness, Bill C-36 changes the tax treatment of investment income earned by private holding companies taking away deferral advantages that often were abused in the past. In addition, under the fairness heading, Bill C-36 moves to change the current film incentive from a tax shelter for high-income investors to a new nonrefundable credit provided directly to producers of Canadian films.

Third, in the area of providing assistance for Canadians to plan for their retirement, Bill C-36 introduces a number of measures. In 1995, it was announced that the contribution limit for RRSPs would be reduced to \$13,500 for this year and next and then allowed to rise to \$15,500 by 1999. In 1996, however, it was announced that contribution limits would be frozen at \$13,500 until 2003.

Bill C-36 implements the contribution limits announced in 1995. The 1995 budget changes will bring the RRSP limits closer to a pension reform target of providing tax assistance on earning up to two and one-half times the average wage. Subsequent 1996 changes that will be dealt with in later legislation will bring the target down to two times the average wage. This will allow government to target assistance to more modest-income Canadians.

Staying with RRSPs, Bill C-36 cuts the amount of over-contribution allowed to a plan without being subject to the 1 per cent per month penalty from \$8,000 to \$2,000. With regard to this change, I want to note that the bill wisely contains transitional measures to accommodate taxpayers with pre-budget over-contributions. The bill affects those Canadians already retired by changing the way that higher income seniors repay part of their old age benefit. Instead of only making the repayment when they file their income tax return, the benefit under this bill will be reduced before it is sent out.

Another important aspect of this bill is that it moves to eliminate the deferral of tax on business income. Under the current system, unincorporated businesses can use a fiscal year which does not correspond to the calendar year. This gives these individuals an advantage over other taxpayers. To level the playing field, Bill C-36 puts in place a fiscal year for all taxpayers that ends December 31. Recognizing that inflexibility is not a desired goal on any tax system, this rule is modified by providing business, if they wish, with an alternative method of calculating income that takes into account an adjusted level of earnings before a fiscal year-end and the end of the calendar year.

In the area of corporate income tax, this bill puts into place a number of important revenue-enhancing measures that are expected to generate \$360 million per year. Specifically, it increases the corporate tax rate by 12.5 per cent and raises the corporate surtax on profits from 3 to 4 per cent. It also imposes a temporary tax on the capital of large deposit-taking institutions but not life insurance companies, which already pay an additional capital tax. That is expected to raise \$100 million over the 20 months that it is in force.

The last thing this bill does is to target help to our natural environment. The legislation acts to eliminate the current limit on the charitable donations credit for the donation of ecologically sensitive land. The current limit is 20 per cent of income, a level that may be a disincentive in some cases where the value of land is high relative to the donor's income. The elimination of this limit reflects the importance of both environmental action and the growing importance of the charitable sector in Canadian society.

In conclusion, honourable senators, taken together, all the measures in this bill are tough but fair measures designed to put Canada on the right track to fiscal health. They focus on government getting its own house in order, leaving the average Canadian and the average Canadian business able to function, thrive and contribute.

Canadians in today's fiscal climate want their government to spend money and secure savings that reflect their values. Their

values are reflected unmistakably in the principles that have guided this government's budget decision and they are reflected in the measures introduced in this bill. This is important legislation that the banking committee will scrutinize carefully. I ask for your support of this bill at second reading.

Hon. Roch Bolduc: Honourable senators, Bill C-36 makes law several income tax changes. Most were announced more than a year ago in the 1995 budget. Most take even more money out of the pockets of Canadians and those who employ them. The 1995 budget hiked taxes by \$1.5 billion per year by 1997-98. This includes \$565 million in higher taxes on gasoline and tobacco and \$975 million in extra income taxes. These increases are beyond the tax hike of \$1.5 billion per year by 1996-1997 made in the 1994 budget. Gas and tobacco tax hikes from the 1995 budget were made law in Bill C-90 last fall. The Liberals are also keeping unemployment insurance premiums \$5 billion a year higher than is necessary to run the program.

Honourable senators, before dealing with the substance of this bill permit me to make two observations. First, there is the way that the deficit is being tackled.

• (2120)

The Minister of Finance would have us believe that it is because the government has done such a great job of cutting spending. Most of the spending cuts to date have, in fact, simply shifted the deficit onto the books of other levels of government.

Let us do some arithmetic. In 1993, revenues were \$116 billion. This year, they will be \$135 billion — an increase of \$19 billion. In 1993, the deficit was \$42 billion. This year, it is \$24 billion — a drop of \$18 billion. The math clearly shows that the deficit has gone down because revenues have gone up. Most of those additional revenues are the result of economic growth, but some of it reflects tax hikes made in the 1994 and 1995 budgets.

What happened to the spending cuts? The money has gone to pay interest on the debt.

My second observation concerns the length of time it has taken for this bill to reach the Senate — and, no doubt, the government wants it as soon as possible.

In January, 1993, Mr. Chrétien promised to end:

the credibility-stretching tradition of not passing actual tax measures until many months after a Budget, often even after the measures have come into effect.

This was from something called *Reviving Parliamentary Democracy: The Liberal Plan for House of Commons & Electoral Reform*.

Honourable senators, this bill did not receive first reading in the other place until 15 months after the February 1995 budget. I am sure that honourable senators opposite will agree that 15 months is a bit long. Perhaps the officials will be able to tell us in committee why the government abandoned its promise to end what it called a credibility-stretching tradition.

Let me point out as well that we are passing into law measures which have already been changed by the March 1996 budget. For example, we are making changes to RRSP limits based on the 1995 budget which have been superseded by the 1996 budget. The 1995 budget delayed increasing the RRSP limits, and the 1996 budget further delayed those limits.

Meanwhile, those who have a pension plan, such as the senior officials in the Department of Finance who advise the minister on the budget, continue to enjoy more generous tax treatment for their retirement savings than those who rely entirely upon RRSPs. Those who receive severance pay would no longer be able to roll over part of that money into an RRSP. This represents a \$15 million tax grab from people who are losing their jobs.

Bill C-36 increases taxes levied on corporations, for example, through the Large Corporations Tax and the capital tax on banks. Let me remind members opposite that a corporation is not a person. In the end, only persons pay taxes, whether it is in the form of higher prices, lower dividends, lower wages, or fewer jobs.

The clawback of old age security from those with incomes above \$53,000 will now be deducted directly from benefit cheques. Currently, this clawback is applied after the benefits have been paid. This measure takes effect on July 1, 1996. Without getting into a debate on whether there should be a clawback, I remind my friends opposite that they used to oppose the clawback. This change makes it bite earlier.

Bill C-36 takes measures to reduce the number of tax breaks, or loopholes, to use the vernacular. For example, Bill C-36 makes it harder to inflate credit claims by contracting out work to a subsidiary. It introduces a special tax on the investment income of small business corporations to discourage persons from trying to earn what should be personal incomes within a corporate structure. It forces business and professionals to report their income on a calendar year basis.

It also makes changes to the laws governing family trusts. I would remind the government that before the election they said that billions of dollars escape taxes through family trusts. Perhaps one of the officials can tell us why the government is unable to give any estimate of the revenue that would be gained by the passage of Bill C-36.

But this bill is not all tax increases or loophole closing. Donations to charity above 20 per cent of the donor's income usually do not qualify for a tax credit. That limit will not apply for gifts of ecologically sensitive lands.

In the case of tax assistance for films, the government is replacing one incentive with another. Before the election, we were told that the government would look at new tax credits for the publishing industry as well. That promise seems to have gone the way of the promise to scrap the GST.

Honourable senators, we seem to be proceeding on an ad hoc basis. A loophole is closed here, another is opened there, but there is with no real game plan. Ten years have now passed since the former government announced a major review of the tax system in 1986 leading to major reforms in 1988. Is it not time

again to take a good look at the tax system and make substantive changes to make it fairer and simpler?

The Hon. the Speaker *pro tempore*: Honourable senators, it was moved by the Honourable Senator Hervieux-Payette, seconded by the Honourable Senator Petten, that this bill be read the second time. Is it your pleasure, honourable senators, to adopt the motion?

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

On motion of Senator Hervieux-Payette, bill referred to the Standing Senate Committee on Banking, Trade and Commerce.

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 St. Germain, P.C., for the second reading of Bill S-6, to amend the Criminal Code (period of ineligibility for parole)—(*Honourable Senator St. Germain, P.C.*).

Hon. Nicholas W. Taylor: With the permission of the Honourable Senator St. Germain and the deputy house leader, I wish to say a few words on this.

Hon. Senators: Agreed.

Senator Taylor: I have been bothered by the almost vigilante-like exuberance with which the media and the politicians have been pursuing change to section 745 to provide the opportunity to seek parole after serving 15 or 25 years, as the case may be.

Having been an active participant in the 1976 capital punishment debates, I am fairly familiar with how it came about. That seems to be forgotten now when we talk about getting rid of it. The argument now is that people who have been sentenced to life imprisonment are getting off easy. We should look at that in a couple of ways.

First, from 1976 to 1995, only 42 per cent of eligible prisoners have applied for a section 745 hearing. Of the 63 completed applications, 13 were rejected outright, 19 were allowed to apply, and the rest had the time that they had to serve before they could reapply reduced.

Bear in mind that this is an application to a jury of 12 members, 8 of whom must approve the parole. However, the matter then goes to the Parole Board. The public seems to be unaware of the fact that this goes through two bodies: the jury and the actual Parole Board.

Eventually, only six applications were permitted by the jury, and they were ultimately denied release by the Parole Board.

The bottom line is that of all those who were granted parole, only one has committed a criminal offence since 1976, and that was a robbery, not another murder. Therefore, the argument that section 745 is being used as an escape hatch for murderers does not stand up.

The second matter which concerns me, and which has been grossly overlooked in the debate today, is why this section was included in the first place. It was included to make life a little easier for the guards who must look after the prisoners. The thought was that, if a prisoner had no hope of parole, there would be no disincentive to committing another murder in prison. That faint hope was not included with the idea of rehabilitating murderers or giving them a chance to return to society; it was included to protect prison guards. That has been totally overlooked in the debate.

Although none of us would like to think that we would ever have a relative or friend in jail, if that did happen, it would certainly not cheer us to think that they were sharing accommodation with people who had nothing to lose if they murdered another prisoner in a fight or a disagreement.

The section is there for the protection of prisoners who are in jail for lesser offences and for the protection of the prison guards.

Also, common sense must be used. It costs \$50,000 to \$70,000 a year to look after a prisoner. Surely there must come a time, be it at age 70, 80 or 90, when those prisoners could be let loose in society.

We must also remember that this request for parole is only a request. The parole does not have to be granted. I ask honourable senators not to be stampeded by the editorials and articles we read in the press. There is a mood of vigilante justice, the feeling that we must take one more swat at prisoners when there is no evidence whatsoever that this section is misused in any way. As well, we would be jeopardizing the lives of jail personnel by creating a segment of the jail society which has nothing to lose, no matter what they do. Now they at least have some incentive to try to behave to some degree, if not to rehabilitate themselves.

This has been on my chest for quite some time as it seems that every article I read advocates the abolition of this section, and I wanted to say my two bits' worth.

On motion of Senator Berntson, for Senator St. Germain, debate adjourned.

POST-SECONDARY EDUCATION

INQUIRY—REFERRED TO SOCIAL AFFAIRS, SCIENCE AND
TECHNOLOGY COMMITTEE

On the Order:

Resuming the debate on the inquiry of the Honourable Senator Bonnell, calling the attention of the Senate to the

serious state of post-secondary education in Canada.—(*Honourable Senator Berntson*).

Hon. A. Raynell Andreychuk: Honourable senators, it is with pleasure that I rise this evening to add my voice to the discussion we have had over the last few weeks on the subject of post-secondary education. In doing so, I should thank and commend Senator Bonnell for bringing this motion forward. Indeed, I would agree with Senator Bonnell that a Senate inquiry into this matter would be both timely and constructive. Already in this chamber various important issues, including Senator Bonnell's five points and areas of concern, have been raised with regard to the state of post-secondary education in Canada. I should like to lend my support to this productive commentary and insight which serves to highlight the issues that require our attention.

I would wish that any study of post-secondary education would deal with a broader definition which identifies it as being the development of lifelong learning. Due to the time constraints imposed by the rapidly approaching end of the session and the end of the evening, however, I will endeavour to focus my attentions somewhat more narrowly.

While post-secondary education is instrumental in providing better employment opportunities and higher standards of living, and also has increasingly come to entail retraining and the updating of marketable skills, we would be wise to bear in mind the thoughts of John Masefield on the subject of universities. He said:

There are few earthy things more splendid
than a University
In these days of broken frontiers and collapsing values,
when the dams are down and the floods are
making misery,
when every future looks somewhat grim
and every ancient foothold
has become something of a quagmire,
Wherever a University stands, it stands and shines;
wherever it exists, the free minds of man,
urged on to full enquiry,
may still bring wisdom into human affairs.

That sounds like today, honourable senators.

Throughout the course of the debate in the chamber, it has been duly acknowledged that post-secondary education falls under provincial jurisdiction but that there should also be some input at the federal level. I would like to reiterate this point by highlighting the fact that post-secondary education is, without question, an issue of national importance and concern.

It should be remembered, honourable senators, that post-secondary education involves more than higher education of individual students. Indeed, post-secondary education must be considered to be an issue of how we deal with human resources and contribute to the broader body of scientific knowledge. I am referring to the undeniable value of research, scholarship and development, as well as the benefits that accrue to the community from these institutions.

Certainly it is in the national interest to have high quality post-secondary education. Given the manifest importance of education and, indeed, post-secondary education to future generations of Canadians, the future prosperity of our society is inextricably linked to the nurturing of knowledge and the development of a whole host of skills. We cannot afford to rob future generations of the interesting options and alternatives which we have had. Let us not bankrupt them further by failing to consider seriously the long-term impact of our actions in the crucial area of education.

Post-secondary education is tied to the national interest in countless ways. For example, consider that, for the most part, the Canadian workforce is part of an international global effort. As Mr. Don Wells, the President of the University of Regina, has pointed out, "Our ability as a nation to compete in the world will depend more and more on the level of education in our workforce. Knowledge does not have provincial boundaries."

As mentioned above, post-secondary education involves the important but often overlooked element of research and development. This component is particularly indicative of the importance of post-secondary education to the national interest. Just as knowledge knows no borders, the research conducted in post-secondary institutions is used nationally and internationally. Indeed, researchers often collaborate with colleagues around the world and build off each others' research as they pursue progress in their areas of study.

In my province of Saskatchewan, both higher education institutions, the University of Regina and the University of Saskatchewan, have contributed research which has produced a broad impact. Indeed, it was the Physics Department of the University of Saskatchewan which was the first to use a fully calibrated cobalt source as a pioneering treatment for cancer, which led to worldwide interest regarding the possibilities of high-energy radiation.

Similarly, the University of Saskatchewan is currently engaged in groundbreaking and practical research involving biotechnology which will benefit the areas of veterinary medicine and agricultural practices. This particular initiative has resulted in partnerships with the private sector, and the creation of spin-off companies through innovative institutions such as the University of Saskatchewan Technologies Inc. Through the discovery, application and transfer of agricultural biotechnology to the people of Canada and the world, the University of Saskatchewan's College of Agriculture continues to contribute to Saskatchewan's and Canada's effort in trade and investment.

When considering Canada's economic and social future, the importance of research and its applied development is irrefutable. Unfortunately, the Canadian experience has been to favour basic research disproportionately, and at the expense of applied development which seeks to make use of such research. To ensure Canada's competitiveness in the ever-changing and volatile international arena, new knowledge will be required. The best way to acquire such knowledge is to participate in research

in new areas, and to have researchers working in related areas. The development of knowledge industries is essential for Canada and indispensable to our international trade initiatives.

When federal governments cut back in the area of post-secondary education or shuffle the financial burden increasingly on to the shoulders of provinces, they ignore the fact that research and its applied development is of national importance, and benefits all Canadians. Consequently, with respect to the inevitable tuition increases, it is important to consider whether it is appropriate for governments to ask students to pay for the costs of the infrastructure for this research along with the costs of their education.

In addition to educating individuals and conducting research, post-secondary institutions contribute greatly to the communities in which they are based. In this regard, universities and community colleges often serve as forums for cultural, community and social issues. In many cases, post-secondary institutions strive to enter new areas previously untouched in an attempt to address a regional need or to fill a national void.

Here I would like to highlight the example of the Saskatchewan Indian Federated College, which is aligned with the University of Regina. This college, which is the only four-year degree-granting institution in Canada, uniquely controlled by aboriginal leadership, has made the University of Regina a leader in aboriginal education. In so doing, it has the mandate to be a national institute aiming at university-level aboriginal scholarship. Rather than being penalized across the board through cuts to federal transfer payments, the University of Regina should be commended and supported for its foresight in entering into partnership with the aboriginal community to address what may be considered Canada's most marginalized resource.

As in the case of research and development, we can see that initiatives such as the Saskatchewan Indian Federated College transcend provincial boundaries and must therefore be considered to be of national interest if not of federal jurisdiction.

Honourable senators, there is no dearth of reasons to which we may point as to the appropriateness of a Senate inquiry into the state of post-secondary education in Canada. I hope that the points I have made today make the case that this is truly a national concern and one which deserves national reflection and attention.

In addition, it is important to contemplate the rapidly evolving nature of our present system by addressing many of the issues already addressed by my honourable colleagues who have spoken previously. Issues such as the effectiveness of our student loans program, the possible partnerships with the private sector and the advent of the communications revolution pointed out by Senator Perrault spring to mind. Perhaps the time has come to develop a national strategy, or at least to contemplate a set of national guidelines. Certainly, the young people of this nation deserve our efforts in at least confronting this issue.

The ability of our post-secondary institutions to serve our country is being compromised and eroded. It is not sufficient for the federal government to shuffle its responsibilities on to the provinces through cuts to transfer payments. Rather, the federal government must recognize its considerable stake in the development of a high quality post-secondary education system. If this is not a priority for our government, we risk being left behind.

In this regard, I wholeheartedly support Senator Bonnell's motion for a Senate inquiry into post-secondary education, keeping in mind that its benefits go above and beyond the education of individuals.

Honourable senators, I could not think of a more critical issue for the Senate to study at a time when young Canadians desperately need to know that society cares for them and their well-being. The role of education as a priority for Canadians cannot be underestimated. Rather than limiting the opportunities for young Canadians, we must enhance their job prospects in today's information economy, where earnings are increasingly tied to what you know. Further economic growth for Canada and for Canadians depends on the quantity and the quality of education that Canadians attain.

Hon. Richard J. Stanbury: Honourable senators, I should like to add my voice to that of Senator Andreychuk and those many other honourable senators who have welcomed Senator Bonnell's inquiry into the state of post-secondary education in Canada. I am sure Senator Bonnell is gratified by the number of honourable senators who have participated in this debate.

There is no question that education is a key to our personal success and growth as individuals, as well as a key to our collective prosperity and development as a nation. Sadly, I am afraid, the debate that we have had on this inquiry has demonstrated that post-secondary education in this country is in trouble. In addition, as in the case in some of the challenges that exist today, the driving force behind this crisis is financial.

• (2150)

Because we all value education, our colleges and universities have come to depend upon public funding. As we know so well here, all levels of government in this country are having to make cuts, and post-secondary institutions have not been immune. Our colleges and universities are being forced to re-examine fundamental principles: What is the purpose of a university education? How should we be providing that education? And where should the money come from?

These are the important questions, honourable senators. How they are answered will impact profoundly on the future of our country, and there can be no question that the Senate ought to have a voice in this debate.

I should like to raise a few questions that I hope will be addressed in the Senate inquiry.

Clearly, affordability and accessibility of higher education are fundamental. Accessible education is basic to ensuring a level playing field for Canadians from all walks of life, all backgrounds and all regions. Equal opportunity for every young Canadian to fulfil his or her potential is what a good education must provide.

We all know the financial obstacles that face our university and college students. Tuition costs are increasing and may well rise even higher. We must consider how best to rationalize the financing of higher education to ensure that the quality of the education remains intact while also ensuring that all young Canadians, whatever their financial background, have access to our best universities and colleges. I am confident that a Senate inquiry will devote the necessary time and energy to these problems.

Honourable senators, now I wish to focus on another issue, one that is equally important and equally fundamental, and that is: What is the purpose of a university education? A change may be taking place in our assessment of the purpose of higher education, but I am worried that this change is occurring without enough reflection on its import and potential long-term consequences.

Originally, the purpose of a university education was to prepare young people to become good citizens. The foundation was a liberal education. A recent Canadian book, which I understand has already been established as a "core" book on the current state of education in this country, has described a liberal education as follows:

...an education in wholeness and balance. It enables us to cultivate our moral and intellectual capacities to their fullest, thereby achieving the satisfaction of a just, stimulating and productive life. A liberal education is, above all, a civic or political education, an education for citizenship. Such an education has nothing to do with serving some partisan agenda of left or right. A liberal education must be non-partisan. Its aim is not advocacy, but instead to provide a haven where young people can acquire the depth of thought and observation that will equip them to choose knowledgeably among the political alternatives that will compete for their attention as citizens.

Honourable senators, the book is called *Bankrupt Education: The Decline of Liberal Education in Canada*, by Peter C. Emberley and Walter R. Newell. It is published by the University of Toronto Press.

Honourable senators, I have four grandchildren. I am very well aware of the pressures felt by our young people today — pressures to find a job, to adapt to our rapidly changing job market. My temptation is to encourage these young Canadians not to pursue a general liberal arts education, but to train for particular jobs, to acquire particular skills that may allow them to establish a niche in this new technological world. But, on reflection, I am satisfied that that is not the correct response.

My honourable friend Senator Oliver articulately expressed the issue when he spoke on this matter last month. He said:

Serious thought must be given to whether we have moved beyond the time when universities can be characterized as places where students were taught to think; when universities, as civilizing and socializing institutions, inspired creative thought.

He went on to pose the question as to whether we have:

...moved to the point where the emphasis on universities should be on preparing students for the workplace, teaching them readily marketable skills and directly marketing meeting labour-market requirements.

I agree that he defined well the first issue that must be addressed. It is impossible to consider how a university should go about delivering services without first agreeing on what those services should be.

Professors Emberley and Newell make a very strong case in their book that our current national unity crisis is in part attributable to our lack of a coherent core in our education. Reaching back to Canada's "unique constitutional origins, among the most interesting of any country's," they argue that Canadian society is "no longer being educated to appreciate how our country's own history and constitutional experience provide us with a particular perspective, applicable to this particular polity, or the universal problems of statecraft."

While I do not agree with all their remarks on our current condition, I am satisfied that we have neglected the education of our young people in what it means to be Canadian — and that neglect, honourable senators, is feeding our current problems.

Moving from the philosophical issues to the practical plane, I would not want to assume that we know what the labour market wants. It is my impression, based on conversations with people actively engaged in recruitment for Canadian businesses, that in fact they find that their clients prefer graduates who have been "taught to think," over those with particular technical training in their immediate field.

I heard a story the other day about an employer in a computer software field who said his best software programmers were graduates of history, liberal arts and social sciences, rather than graduates of computer science. He said that the important thing was to have someone who could think and be creative, that the technical skills were easy to acquire along the way.

This is borne out in an article that appeared in *The Globe and Mail* of Monday last, entitled "Liberal arts merit focus of project." The article describes a pilot project being funded equally by the federal government and employers, "to show employers that humanities and social science graduates really have skills that can be useful to them."

What I found most interesting was a recent analysis of job-finding success of graduates from different fields of study at

Western Canadian universities. The study found that the unemployment rates for graduates in the humanities and social sciences were only 5.8 per cent and 8.4 per cent respectively, compared to 8.6 per cent for graduates from two-year technical and vocational programs and 14.6 per cent for graduates from employment-related technical programs.

Jennifer Lewington, the educational columnist who authored the piece in *The Globe and Mail*, observed that, "some employers already have the message on the merit of hiring generalists."

One more example, which I think is revealing, is that Carleton University here in Ottawa is opening a new College of the Humanities in September. The curriculum is about as far removed from what I consider practical training for a job market as you can get. The promotional literature describes how students will read Homer's *Iliad* and *Odyssey*, Plato's *Republic*, the *Koran*, Dante — the list goes on and on. The first year of the liberal arts specialty focuses on myth and symbol; the second year on reason and revelation, and so on.

Honourable senators, the college has raised \$6 million — half from the private sector. Corporations and businesses have responded to this program with tremendous enthusiasm. Indeed, each student in the college will be matched by a mentor from the private sector.

• (2200)

Why have the private business people shown such an interest in an academic program? When I have asked that very question, honourable senators, I have been told, over and over, that people from the business community are saying that it is not technical knowledge that is so important but the ability to reason and to communicate, to develop and articulate ideas clearly and concisely. These are the skills which are all too rare today. These are the skills that our labour market is demanding.

While it is tempting to look at the new technologies and conclude that we should redirect our efforts to training our young people exclusively in the new skills that go with those technologies, I share Senator Kinsella's concern that we will be creating modern day hewers of wood and drawers of water and in fact neglecting those very skills required by the labour market and by us as a nation.

Please note, honourable senators, I am not arguing against employment-related technical programs or vocational skill training, but I am very much concerned at any suggestion that this should become the primary focus of post-secondary education in Canada. I look forward to hearing the discussions that emanate from the Senate inquiry on this issue.

How should our post-secondary institutions be delivering their services? I hope the Senate inquiry will explore a number of issues in considering this question.

Traditionally, we have had two streams, if you like: colleges, which provided more technical skills; and universities which took a more theoretical, idea-based approach. Along with the assumption that our universities should be focused on teaching

marketable skills, understood as “technical expertise,” has come pressure to collapse the distinction between colleges and universities. This has obvious attractions in terms of reducing costs but, for the same reasons I just elaborated on, I am not sure that we should be so quick to view this as a panacea.

I hope the Senate inquiry can study this issue in some depth and see whether it would not weaken our ability to provide a true liberal arts education in the future and cause a failure to meet the needs of that very labour market we are trying to satisfy.

Honourable senators, as you can tell, I am deeply concerned that Canadian youth continue to receive the high quality of education for which this country is renowned. Our young people are facing a world of tremendous uncertainty and competition. No one knows today what the job market will look like tomorrow. Technology is advancing so rapidly that traditional career paths are fast disappearing.

I am concerned that we not focus on training our youth for jobs which will soon be obsolete. I am absolutely convinced that the fundamental skills of clear thinking and lucid expression will never become obsolete. That is the advantage which Canadians have gained in the past and must continue to gain from our institutions of higher learning in the future.

Any contribution that we in this house can make to this debate is an investment in our future. I look forward to hearing of the progress of the Senate inquiry into this important question.

Hon. John. B. Stewart: Honourable senators, I did not intend to participate in this debate, but I am inspired by the two addresses we heard this evening, the address by Senator Andreychuk and the address by Senator Stanbury.

I want to make two points. Both spring from a comparable study done nine years ago by the Standing Senate Committee on National Finance. That report, entitled, “Federal Policy on Post-Secondary Education,” was a good report. I have been told by university presidents that it is still the best analysis on the topic.

This evening, I want to mention two of the difficulties which emerged as that committee wrestled with this topic. We were told emphatically that education is strictly a provincial responsibility. We were told that the Government of Canada has no right to meddle with post-secondary education policy.

I hope that the proposed committee will discover that that attitude has changed. We were told that the Council of Ministers of Education of the ten provincial governments is the body to give advice to the provinces on this matter and not a federal department or a federal minister. I hope that attitude has changed.

The second point relates to money. There is a table in that report which shows the extent of the contribution authorized by the Parliament of Canada to the provincial governments for post-secondary education. If you look at the table, taking into account the yield from the equalized tax points and the cash transfers, you will see that, in some instances, provincial

governments were not including any of their own money in the operating grants. In fact, some of them were taking money off the plate.

The government of the province of Quebec came out best. In the case of Nova Scotia, my own province, about 90 per cent of all the money transferred by the provincial government of Nova Scotia to post-secondary education institutions came from Ottawa. In other words, only about 10 percentage points came from the province’s own revenues.

When one raised the question: Why are you not letting this federal money flow through to the post-secondary education institutions? The standard reaction was: In the case of the yield from the tax points, that really is provincial money. If the federal government wishes to withdraw from the personal or the corporate income tax fields to a certain extent, thus allowing us to increase our taxes, that is very nice. The yield from those tax points is provincial money, and we will spend it as we please, on highways or on welfare — as we please.

That table on EPF Fiscal Transfers is startling. I have been at university convocations where university presidents would, towards the end of the programs, turn to the provincial premier — at least one of whom is now a member of this house — and say, “Now a word of appreciation for our sponsor without whom all this would have been impossible.”

• (2210)

Of course the premier bows graciously and smiles, having contributed — what was it? — 10 per cent. The poor federal taxpayer and the poor federal politicians who had to collect the 90 per cent did not get a single word of credit. As a consequence of this situation, the federal government has gradually withdrawn. The withdrawal started under the Trudeau government, and it continued under the Mulroney government. It has withdrawn from making additional contributions to the costs of post-secondary education.

The tax ogre lives in Ottawa, and Santa Claus lives in Halifax. Such a system is not viable. This is a problem that will have to be tackled by in this committee. If the provincial governments say, “Education is a provincial responsibility, and any money you send us from the Canadian taxpayer is money which we can spend as we wish,” the question arises as to what, if any, business the federal Parliament has in intervening.

Students and university professors will complain to the provincial governments, saying, “You are not giving us enough money.” Then the provincial politicians, regardless of their party politics, will say, “Well, you know, if only Ottawa would send us more money, we would be able to do the right thing.” Thus the burden is transferred back to the Parliament of Canada for the financing of post-secondary education, which those same provincial governments insist is entirely a provincial matter.

I speak on the basis of the report that we did a few years ago and on the basis of certain bills that went through this house in the intervening period. The committee should be aware that there is a fundamental constitutional problem here, and it should be

conscious of the danger of promoting the notion that, by providing more money, the Parliament of Canada could cure the problems which exist in post-secondary education. We must not fester the idea that we are physicians who can deal with the educational illness when the truth of the matter is that we are not even allowed into the hospital, let alone into the surgery.

I hope the situation has changed greatly since 1987. I look forward to reading the report in the hope that the positions taken by the provincial ministers of education no longer are what they were 10 years ago.

The Hon. the Speaker *pro tempore*: If Honourable Senator Bonnell speaks now, his speech will have the effect of closing the debate.

Hon. M. Lorne Bonnell: Honourable senators, there is no problem. All we need is a better solution. I say that higher education in Canada is at a crossroad. Never before in the history of this country has the need for cooperation among the stakeholders in post-secondary education been so important.

If Canada is to continue competing on the international stage, and if our citizens are to continue creating and innovating, then relevant and responsive post-secondary education and training is absolutely necessary. As Paul Martin noted in his 1996 budget speech, the economy of the future will belong to our young people. The success of our economy will depend on them, just as their success will depend on their ability to participate fully in all that the economy has to offer.

The challenges ahead are many. The great difficulties facing universities and colleges include efforts to respond to rapid technological advances and changes in society. The laws of clarity about the mission and the purpose of post-secondary education institution rigidity is limiting the flexibility and responsiveness to change. There is uncertainty about the objectives of provincial and federal government policies and the squeeze on public expenditures.

While the problems may seem complicated, the opportunities they in turn create allow for constructive discussion and debate on the future of our higher education system and, in turn, the future of our country. Universities and colleges are experimenting with institutional and faculty competition, academic program specializing, and differentiated tuition fees.

At the turn of the century, fully half of the existing university faculty is set to retire. Even now, the information age allows for the virtual library, a library without walls, and for open classes where lectures are beamed into different communities through video conferences. Indeed, the framework for higher education has undergone dramatic changes in the 1990s.

Questions about the future of Canada's post-secondary education abound. Do governments, the public, the universities and colleges, as well as the consumers, the students, the graduates and employers understand the priorities, spending factors, and achievements of our universities and colleges? Does

society recognize what post-secondary education has accomplished and can be expected to accomplish in the future? What are and should be the main functions of universities and colleges in Canada in the 21st century?

The Standing Senate Committee on National Finance, in 1987, asked whether the provincial governments, through the Council of Ministers of Education of Canada, would be able in the unforeseeable future to decide how to deliver the kind of national post-secondary education Canada needs and deserves. Honourable senators, the time has come for answers.

REFERRED TO COMMITTEE

Hon. M. Lorne Bonnell: Consequently, notwithstanding rule 58(1)(f), I move:

That the Inquiry on the serious state of post-secondary education in Canada be referred to the Standing Senate Committee on Social Affairs, Science and Technology; and

That, while respecting provincial constitutional responsibilities, the Committee be authorized to examine and report upon the state of post-secondary education in Canada, including the review of:

(a) the national, regional, provincial and local goals of the Canadian post secondary educational system;

(b) the social, cultural, economic and political importance of post-secondary education to Canada;

(c) the roles of the federal, provincial and territorial governments;

(d) the ability of Canadian universities and colleges to respond to the new, emerging educational marketplace including the changing curriculum and new technologies; distance, continuing and cooperative education, and adult and part-time education; and

(e) the Canada Student Loans Program and the different provincial and territorial student financial assistance programs as well as the growing concern over student indebtedness;

and to identify areas of greater cooperation between all levels of government, the private sector and the educational institutions;

That the committee have the power to engage the services of such counsel and technical, clerical and other personnel as may be necessary for the purposes of its examination;

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

That the committee adjourn from place to place in Canada when it begins its examination;

That the committee be authorized to permit coverage by electronic media on its public proceedings of the examination, with the least possible disruption of its hearings;

That the committee submit its final report no later than February 28, 1997; 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.

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

Hon. Senators: Agreed.

Motion agreed to.

The Senate adjourned until tomorrow at 2 p.m.

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