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THE HONOURABLE GILDAS L. MOLGAT
SPEAKER

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THE SENATE

Wednesday, April 9, 1997

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

Prayers.

SENATORS' STATEMENTS

VIMY RIDGE

COMMEMORATION OF EIGHTIETH ANNIVERSARY

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, today is the 80th anniversary of the Canadian assault on Vimy Ridge. At the Canadian War Memorial in Vimy today, His Excellency the Governor General, Roméo LeBlanc, is leading a delegation of parliamentarians and Vimy veterans who are honouring fallen comrades. Among that delegation are members of this house, Senator Lorne Bonnell and Senator Orville Phillips.

The Vimy Memorial does more than simply mark the site of this most famous and tragic Canadian battle; it is a monument to all Canadians who died or risked their lives for freedom and peace in the First World War from 1914 to 1917.

On this particularly poignant day, I am pleased to inform honourable senators that the Vimy Memorial and also the Beaumont-Hamel Memorial have been named by the government as national historic sites, the only sites to be so designated outside our country.

We are all aware of the famous Vimy Memorial in France. However, I want to say a few words about the Beaumont-Hamel Memorial, named for an area not too distant from Vimy. It is significant because of the memorable battle waged there on July 1, 1917, by the Royal Newfoundland Regiment, during which there were tremendous numbers of casualties and loss of life. In fact, only 68 of the more than 600 soldiers were able to answer the regimental roll call the day after that battle. As my friends from Newfoundland well know, Beaumont-Hamel Day is commemorated in their province each year in the morning of July 1, prior to Canada Day celebrations.

This government recognizes, as do all Canadians, that these symbols bear testimony to the bravery and personal sacrifice of so many of our citizens during the Great War. Incredible stories of heroism during those terrible days of battle are legion. At Vimy alone, a total of four Victoria Crosses were awarded as a result of outstanding bravery.

When our veterans first came together as soldiers, they were just youngsters. My father was one of them. They came from every part of Canada and they set the highest standard of service

and sacrifice. They fought for Canada, for the world, and for our future.

I know you join with me in paying tribute to the stalwart few surviving veterans of Vimy. Let us never forget how much we owe them. To their comrades who never came home again, we say, "Thank you, and rest in a well-deserved peace."

•(1340)

Hon. Richard J. Doyle: Honourable senators, Brigadier General Alex Ross, writing 50 years after the momentous events, recalled that on his sector of the front, the Fourth Canadian Infantry Brigade, of which Colonel D.E. Macintyre was then Brigade Major, was to deliver the initial attack upon the enemy's front line system.

He says in the preface to *Canada at Vimy*:

That being successful, we were then to pass through and carry the attack to the crest and over the ridge. Before the appointed hour for the second advance, word was received that the initial attack had been successful, and I came out of my dugout to prepare for the second phase of the advance.

I could see far over the waste of desolation which was our battlefield. Shells were still falling up front, but the rear areas seemed deserted, save for some batches of prisoners hastening to the cages and some walking wounded.

The calm was gone in moments. Brigadier Ross would never forget:

The barren earth erupted humanity. From dugouts, shell holes and trenches, men sprang into action, fell into military formations and advanced to the ridge — every division of the corps moved forward together. It was Canada from the Atlantic to the Pacific on parade. I thought then, and I think today, that in those few minutes, I witnessed the birth of a nation.

Macintyre is the author of the centennial book that Ross introduces. He draws on weekly letters he wrote from here and over there to his wife. A conversation remembered:

Private Jock Hunter: "I need a shirt."

Quartermaster Sergeant: "What size do ye take?"

Hunter: "Thirty-nine."

Quartermaster Sergeant: "Mon dear, shirts dinna go by chest measurement. What size collar do ye take?"

Hunter: "Oh, I never wore a collar in my life."

The Canadian Army: No winter shoes, no overcoats, no experience. Its warriors had to be taught even to hate the enemy.

Writes Macintyre:

They sang mournful songs like “When the war is nearly over, we’ll be there.” Neither the British nor the French had succeeded in taking that Ridge from the Germans. Yet from the very start of the Canadian exercise, there was confidence the colonials would succeed. The army operation order issued read this way “In conjunction with the Third Army, The Canadian Corps will take Vimy Ridge.”

On the afternoon of the last day, Macintyre marched his men the 10 miles to Maisnil-Bouché.

There was no singing and very little talk. Everyone was thinking of the last time he had marched up this trail and of the comrades he had left behind on the Ridge. While pals would be missed as long as life lasted, the struggle had to be continued to the end. Onlookers observed that they held their heads proudly, and well they might — they had taken the Vimy.

Alexander McKee, in his book, *Vimy Ridge*, took a harder look. He wrote:

As a military achievement, the Battle of Vimy Ridge became lost in the general revulsion against the Great War.

McKee quotes W.G. Smith:

Vimy became of a piece with Loos, the Somme, Passendale — senseless actions whose aftermath ruined Britain.

What exactly was the price of Vimy beyond the learning of Germany’s decline and ultimate fall?

Vimy gave Canadian units deployed from the Hindenburg Line to Arras their first opportunity to show their mettle as a corps. Supported by 1,000 artillery pieces, they swept the Germans from the Ridge. They captured more ground, took more prisoners, and silenced more guns than any British offensive that had gone before.

Alexander McKee wrote these words of praise:

The crest of Vimy represented the exact place where the young nation had proved her fitness by taking on a hitherto impregnable fortress held by soldiers of the foremost military nation in Europe, and capturing it in a matter of hours. After Vimy, the Canadian Corps was to be commanded by a Canadian, Sir Arthur Currie.

Canadian casualties? Ten thousand, six hundred and two. Three thousand, five hundred and ninety-eight were killed. Those

who survived — men like Senator Joyce Fairbairn’s father, and Senator Norman Atkins’ father, George Atkins, and the fathers, grandfathers and uncles of others who sit in this chamber — they were the heroes of the day.

Three years after the victory, Arthur Meighen went to Vimy to talk about the war. He said:

At this time, the proper occupation of the living is first to honour our heroic dead; next to repair the havoc, human and material, that surrounds us; and, lastly, to learn aright and apply with courage the lessons of the war.

Alas, the lessons Meighen spoke of are never learned. There was reason to fear that fact by July 26, 1936 when the great monument at Vimy was unveiled in the presence of thousands of Canadian veterans who had come with wives and children to the site — 240 acres ceded by France to Canada.

King Edward VIII, in his speech to the throng, spoke of his visit to the Peace Tower in Ottawa. He said:

It was ‘over there’ that Canadian armies fought and died. It is ‘over there’ that their final monument must stand. For this glorious monument crowning the hill of Vimy is now and for all time part of Canada.

It was the great pinnacle of Canadian remembrance. Years later, when *The Canadian Encyclopedia* was published, Vimy was given 23 lines; by way of measuring, it is useful to know that three times as much space was reserved for the October Crisis — another milestone of sorts in Canada’s history. Last night, on television, there were a few moments set aside for a visit to Vimy on the eightieth anniversary of the battle of a small group of veterans of the taking of the Ridge. Imagine that!

•(1350)

COMMEMORATION OF EIGHTIETH ANNIVERSARY—
FAILURE OF CANADIAN BROADCASTING CORPORATION
TO AIR DOCUMENTARY FILM

Hon. Michael A. Meighen: Honourable senators, it is perhaps fitting that, having had the honour of attending the 75th anniversary celebrations presided over by President François Mitterand and Prime Minister Brian Mulroney, on the eightieth anniversary of the battle of Vimy Ridge, I rise to express my disappointment and that of many Canadians in the continuing failure of the CBC to broadcast the documentary drama series *No Price Too High*, a six-part series of one hour each, which chronicles Canada’s very remarkable role in World War II.

Created in both English and French by the eminent Canadian writer and producer Richard Nielsen, under the inspired leadership of the Honourable Barney Danson, privately financed by foundations, corporations and individual Canadians, this documentary is a magnificent tribute to those who offered the supreme sacrifice for their country. Widely acclaimed by film critics as a splendidly entertaining and informative piece of

entrepreneurial film making and perhaps one of the most sensitive and provoking series ever developed on our war-time involvement, its greatest attribute may be its timeless appeal to young Canadians.

I am therefore particularly disappointed and somewhat embarrassed, honourable senators, that outside of the specialty cable network BRAVO! — which does not serve all parts of the country, as my friends in Atlantic Canada would know — the major Canadian audience is provided once again by the American Public Broadcast Service from coast to coast who are only too happy to broadcast *No Price Too High* for their sizeable Canadian clientele. Furthermore, many of the American PBS providers use the Canadian documentary drama for their fund-raising appeals, in view of its demonstrated power to evoke significant emotional and financial responses among viewers.

Honourable senators, here we have a situation where Americans from Washington to Maine pay hard U.S. dollars for the right to broadcast and rebroadcast this Canadian documentary, while, since early 1984, our own CBC has been unable to find a date to fit it into its schedule. This is particularly astonishing when one considers that the program was and still is being offered to the CBC at no cost — none! Given the CBC's current financial position and the accepted excellence of this series, I, for one, find this totally unacceptable. As a supporter of public broadcasting, the excuses given by the CBC, which include commitments to the Olympics and World Cup Hockey coverage, among others, are simply not good enough.

The strategic direction of the CBC as outlined last fall in their own strategy document reads, in part, as follows:

The CBC is here to serve the nation. Our role is to help Canadians understand and value Canada and the Canadian experience in all its diversity. In all of our services, our goal must be schedules that are as Canadian as possible, all the time. Clearly, the main change we must make in this respect is the Canadianization of English television.... Any time devoted to commercial US product takes the CBC away from its mandate and makes it look less distinctive and less valuable.

Honourable senators, nothing could speak more eloquently and directly to the strategic direction of the CBC than *No Price Too High*.

[Translation]

Honourable senators, each of us is aware that Canada's remarkable contribution to the Allied victory is gradually fading from our collective memory. Young Canadians have little sense of it. With each month that passes, we lose hundreds more veterans of World War II. For this very reason, I strongly encourage the CBC to decide without further delay to broadcast this program in prime time and thus honour those who served our country so well.

[English]

Honourable senators, I close by quoting no less an authority than the President of the CBC, Mr. Perrin Beatty:

As the 20th century nears its end, the worry is no longer that we will be invaded by foreign armies; it is that, unless we speak for ourselves and speak loudly, our sense of who we are and what we mean to each other will slip away one story at a time. Both our history and our future demand that we not let those stories be lost.

[Translation]

So, I say to Mr. Beatty and other CBC executives, get a move on. It is high time.

[English]

ROUTINE PROCEEDINGS

CANADIAN NATO PARLIAMENTARY ASSOCIATION

REPORT OF CANADIAN DELEGATION TO 1996 ANNUAL SESSION
HELD IN PARIS, FRANCE TABLED

Hon. Bill Rompkey: Honourable senators, I have the honour to table the fourth report of the Canadian NATO Parliamentary Association which deals with the Annual Session of the North Atlantic Assembly held in Paris, France, November 17 to 21, 1996.

REPORT OF CANADIAN DELEGATION TO MEETING
IN BRUSSELS, BELGIUM TABLED

Hon. Bill Rompkey: Honourable senators, I have the honour to table the fifth report of the Canadian NATO Parliamentary Association which deals with the Joint Meeting of the North Atlantic Assembly Defence and Security, Economic and Political Committees held in Brussels, Belgium, February 16 to 18, 1997.

LEGAL AND CONSTITUTIONAL AFFAIRS

COMMITTEE AUTHORIZED TO MEET
DURING SITTING OF THE SENATE

Hon. Sharon Carstairs, Chair of the Standing Senate Committee on Legal and Constitutional Affairs, with leave of the Senate and notwithstanding rule 58(1)(a), moved:

That the Standing Senate Committee on Legal and Constitutional Affairs have power to sit at 3:15 p.m. today, April 9, 1997, 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.

•(1400)

GOODS AND SERVICES TAX

REMOVAL OF TAX FROM READING MATERIALS— PRESENTATION OF PETITION

Hon. Consiglio Di Nino: Honourable senators, I have a petition from 106 Canadians from beautiful British Columbia that states:

We, the undersigned, believe that the application of the 7% GST to reading material is unfair and wrong.

Education and literacy are critical to the development of our country. A tax on reading is regressive and hampers Canada's development.

We urge the Senate to adopt Bill S-11, which would free reading of the burden of the GST.

They quote Prime Minister Jean Chrétien:

Applying tax to books and periodicals discourages reading...the Liberal Party has passed a resolution calling for the removal of the GST on books and periodicals, and that I will do.

QUESTION PERIOD

NATIONAL DEFENCE

PRESENT STATE OF CANADA'S ARMED FORCES— COMMENTS OF MINISTER IN REPORT TO PRIME MINISTER— GOVERNMENT POSITION

Hon. Donald H. Oliver: Honourable senators, my question is to the Leader of the Government in the Senate. Yesterday, I asked questions about the report of the Minister of Defence. Today I have a continuing question.

In the report to the Prime Minister, the Minister of National Defence defends the bureaucratization of the military at National Defence headquarters. Will the Leader of the Government in the Senate explain to honourable senators how this statement is not an impediment to solving, once and for all, the command and control problems that exist in the military?

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, one must read the full report from the minister and the many recommendations that he has put forward, which include some on the command structure, as well as a great

number of other propositions that he put before the Prime Minister.

My honourable friend will appreciate that what the Minister of National Defence is ultimately seeking is the balance that will make the Canadian Forces the most efficient and well-directed of any of our competitors in the work that we do around the world.

Senator Oliver: Could the honourable minister tell us what there is in the report that does deal directly with the command and control problems facing the military, then?

Senator Fairbairn: I would prefer, if I might, to take this question on advisement so that I can provide a full answer. As my honourable friend knows, this was a large report and his question deserves a full answer.

HUMAN RESOURCES DEVELOPMENT

UNEMPLOYMENT SITUATION IN NEW BRUNSWICK— PROSPECTIVE JOB CREATION PROGRAMS— GOVERNMENT POSITION

Hon. Jean-Maurice Simard: Yesterday, I reported the state of affairs in the Restigouche area in New Brunswick with regard to employment and the Liberal Party's actions.

In reading my New Brunswick *Telegraph Journal* this morning, I see that the Dalhousie Mayor, Wallace Coulogne, is quoted as saying:

This community cannot afford any more visits from the McKenna government.

He has also stated that his community has had enough visits and announcements from the federal and provincial Liberal governments.

I would refer to Senator Fairbairn's answer to my question yesterday. She said that her Liberal government has made several announcements over the last few weeks and months.

Will the government, through you, Madam Minister, indicate when the jobs mentioned in those announcements will materialize? When will the unemployed people of New Brunswick be able to start working?

Senator Di Nino: Another election promise!

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I cannot give any precise timing on job openings and job creation across this country. I will certainly pass on my honourable friend's question and provide any results that are available to date from the programs that have been put in place across the country.

Some of the transitional programs that are targeted at young people provide jobs very quickly. In other cases, it takes more time. I will take my honourable friend's question to my colleague and enquire whether we yet have any indication of positions being filled as a result of some of the programs that have been announced.

As someone who has had these responsibilities himself, I am sure the honourable senator will understand that there is always a period of time before such programs are fully in place.

Senator Simard: I have a supplementary question on the same subject. In this article, Mayor Coulogne states that there have been many announcements. He referred to an announcement by a Liberal government in 1995 that they would build a new correctional facility in his area. The same government announced the cancellation of this same project last week. In January 1997, the government announced the opening of a 35-seat government health care centre and, following that, they announced the closure of our surgical unit. There have been other announcements about cancelling the Dalhousie hospital supply stores and surgical unit.

All of that explains to me, and to many people in Restigouche county in New Brunswick, that the citizens of New Brunswick cannot rely upon or trust these federal and provincial Liberal governments. In fact, this is so much so that the mayor, at the instigation of several citizens, led a seven-car motorcade which left Dalhousie last week because of the lack of jobs. Husbands were leaving their wives and children behind to look for work in Calgary. You must realize the sad state of affairs that exists in Restigouche as far as employment is concerned. Can this government give us some hope that jobs will be created, not after the election but next week?

I know the people of Restigouche very well. They have been disillusioned many times before, and by many governments, no doubt. We are asking for help from the federal government. Mr. Arsenault may be kissing his seat goodbye on June 2 or June 9. What do you offer as hope for these people?

•(1410)

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, as my honourable friend knows, I listen to his questions very carefully. I have a great deal of respect for the diligence with which he maintains his commitment to his province and the passion that motivates his activities within the province of New Brunswick. No one in this house nor in the government would disagree with him. The situation in his community and province and in some other areas in Atlantic Canada is incredibly worrisome. It is very sad and it is of great concern. Governments at every level need to work to turn that situation around.

My honourable friend asks me to convey to him and the people of Restigouche hope for the future. That is precisely what our programs that we have been trying to put in place over the past months have been aimed at, particularly in areas where there is high unemployment and difficulty in creating employment.

Some of the measures we have put forward have been specifically aimed at those areas. I cannot tell my friend that there will be results in a few days or a week. I cannot make that commitment to him. However, I will certainly seek information from my colleagues. I will also tell the honourable senator that measures have been brought forward specifically to help people in the situations that exist in parts of Canada where jobs are not as forthcoming as they are in others, such as my own province.

This is the responsibility of any party that holds or is working to hold the leadership of a national government, and this government is taking that responsibility very seriously.

THE ENVIRONMENT

THREAT TO WILDLIFE FROM CROSS-BORDER AIRBORNE MERCURY—GOVERNMENT POSITION

Hon. Mira Spivak: Honourable senators, all of us who enjoy country living or living at the lake appreciate loons. Recently, scientists here warned that mercury, carried long distances in air, is threatening populations of loons, particularly in Atlantic Canada.

The greatest source of airborne mercury is coal-fired generating stations, many of them in the United States. In that country, state and local air pollution administrators have strongly criticized the U.S. EPA for effectively sidelining its mercury study report required under the Clean Air Act. Section 115 of that act requires regulatory action when air pollutants endanger a foreign country. However, we have not seen action; we have only seen postponement and the suppression of a report.

My question is this: In the discussions between the Prime Minister and the Minister of Environment with their counterparts in Washington, did either the Prime Minister or the Minister of Environment raise this serious matter of long-range transport of mercury? If so, what action are they demanding that the U.S. take while signing agreements to reduce cross-border air pollution?

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I thank senator Spivak for her question. The Prime Minister and his ministers will be returning from Washington today and I will pass on her inquiries. I do not know to what degree that specific area was discussed.

Senator Spivak: Honourable senators, I thank the Leader of the Government. I asked that question because I know that environmental issues were a large part of that agenda.

I have a supplementary question. A recent exhaustive study of mercury levels in North America tells us that mercury blood levels are rising and increasing progressively from west to east across the continent, peaking in Atlantic Canada. Levels in loons in Nova Scotia were six times those of Alaska.

We know that, once mercury is released into the environment, it does not break down or disappear. We know that it concentrates and passes up through the food chain. We know it is toxic to people, causing problems with peripheral vision, blindness, sensory disturbances, slurred speech and, in some cases, death.

Would the Leader of the Government in the Senate inquire of the Minister of Health whether any long-range studies are being done on mercury blood levels in people, particularly those in Atlantic Canada, and whether he will urge his colleagues to press for prompt action on the long-range transport of airborne mercury so that loons do not become the canaries in the mine here.

Senator Berntson: While you are out there, maybe you could test manganese.

Senator Fairbairn: Honourable senators, I shall certainly ask those questions of my colleagues.

NATIONAL FINANCE

DISCREPANCIES IN PROMISED REDUCTION IN DEPARTMENTAL SPENDING—GOVERNMENT POSITION

Hon. Consiglio Di Nino: Honourable senators, it has been widely reported that the federal government's reduction in environmental spending is much less than had been announced in the 1995 budget. Mr. Martin promised Canadians that the government would cut departmental spending by 19 per cent by 1997-98. The minister has now admitted that the spending has been cut by only 9 per cent, missing his target by over 50 per cent.

I should like to ask the Leader of the Government in the Senate why departmental spending cuts have only been 9 per cent when Canadians were promised and, therefore, have expected that the cuts would be more than double that rate?

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I wish to tell my honourable friend that somewhere in this enormous book that I haul in here every day is the perfect answer to his question. I was unable to leaf through and find it as he was speaking.

Senator Di Nino: I will give you a copy of it.

Senator Fairbairn: Honourable senators, in answer to my honourable friend, he will not be surprised to learn that I do not share the thrust of his question nor the statistics, but I will get those numbers for him.

Senator Di Nino: Honourable senators, I thank the honourable senator. If she is looking for the Department of Finance press release dealing with that matter, I have a copy and I would be glad to send it over to her.

The Liberal government's inability to keep its promise in reducing departmental spending leads me to believe that they are spending much more than was indicated in the budget of 1995. In the press release to which I referred a moment ago, Finance Minister Paul Martin and Treasury Board President Marcel Massé attempted to explain this serious discrepancy by spinning numbers and words — obviously, in my opinion, unsuccessfully.

Will the Leader of the Government in the Senate please attempt to provide for us a proper and full explanation as to why these discrepancies exist and in which areas?

Senator Fairbairn: Honourable senators, I would be delighted to do so.

NATIONAL DEFENCE

SEARCH AND RESCUE HELICOPTER REPLACEMENT PROGRAM—CHOICE OF CONTRACTOR— GOVERNMENT POSITION

Hon. J. Michael Forrestall: Honourable senators, I, too, should like a precise and accurate reply. I will give the honourable senator all the time in the world if the answer is in that little Red Book.

Honourable senators, I have a question, the contents of which have been long lost on the minister's desk. Can the Leader of the Government in the Senate confirm that cabinet has already taken a decision to award the contract to produce replacement search and rescue helicopters to Westland-Agusta?

•(1420)

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I thank my honourable friend for sending his questions over. I will tell him, right off the top, that no, I cannot confirm the answer to his question. As I read through his supplementaries, I can say that I will be more than happy to take all of these questions on this particular subject to my colleagues and provide him with answers.

Senator Forrestall: That will teach me not to send my questions to the Leader of the Government!

Honourable senators, I wish to impress upon the Leader of the Government the urgency of the answers to these questions. I believe they do have some validity, but if they do not, if they are merely rumours, they should perhaps be put to rest.

However, if they are not, in fact, rumours, but represent a course of action to be followed by this government as a result of its investigative work and policy-decision process, then it will be the most welcome piece of news from this government in a long time.

Senator Fairbairn: I again thank my honourable friend for sending me his questions, because it is helpful to receive copies of questions in advance. The issues surrounding the replacement of aircraft are complex and very important. I will take his questions in that sense and try to get a response for him quickly.

CANADA-CHINA RELATIONS

CURRENT POLICY ON HUMAN RIGHTS ISSUES— GOVERNMENT POSITION

Hon. A. Raynell Andreychuk: Honourable senators, while the question I wish to ask the Leader of the Government in the Senate is simple, the preamble is a little complicated.

In the Red Book, it was clearly stated that the Liberal Party took great care with the issue of human rights. Immediately after the election, however, it would seem that the Prime Minister was heard to say that trade would come first, and that human rights

would not command the same prominence that they once did, and Foreign Affairs Minister André Ouellet said that we would not be the Boy Scouts of the world.

I was rather pleased to see that Foreign Affairs Minister Lloyd Axworthy is again starting to consider human rights as an important and valid issue in our foreign policy, but the press and Canadians in general, in my opinion, are becoming increasingly confused. We were told that trade with China was important. We were told that, in the correct fora, the human rights issues would be raised; that they had not been abandoned and that Canada would use every multilateral means to pursue them. Minister Axworthy said that one multilateral human rights forum would be the United Nations Commission on Human Rights, which is now sitting.

Could the Leader of the Government explain the government's policy on the human rights issue in China? Will we co-sponsor and support a resolution at the United Nations Commission on Human Rights? If not, will that mean that Canada is abandoning the concept of using multilateral fora to press human rights issues? Are we now adopting what Minister Axworthy has indicated his China policy will be, which is that Canada wants to help China help itself to mend its authoritarian ways? Foreign Affairs Minister Lloyd Axworthy previously had said that he did not believe that bilateral interference was the way to go, but that multilateral means were more appropriate.

I understand why the press is confused, and why the Canadian people are confused. I certainly am. I should like to be enlightened as to what the Canadian human rights stance is, vis-à-vis China today.

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, in response to the honourable senator's preamble, I should like to emphasize that the government and the Prime Minister have never regarded human rights issues as unimportant. The Prime Minister, in all of his travels everywhere in the world, including in China, and in discussions with the leadership of China, has never hesitated to make his points, and to make them clearly. He has also indicated that it is critical in dealing with a country such as China that we not isolate that nation but try to assist it into the trading world, into the world of legal systems, of respect for rights, as this country has tried to do in the past, not just with China but with others.

On the question of the UN resolution, my honourable friend will be aware that there have been changes in that situation among other countries. In recent days, Mr. Axworthy in Washington indicated that he would be coming back with the Prime Minister for discussions with colleagues as to what the Canadian position on that issue should be. Until he has had those discussions, I cannot give an answer to my honourable friend. Obviously, the issue will be raised very soon, and Mr. Axworthy, after his discussions, will make the Canadian position clear. I would not wish to say anything further in that respect without having been part of those discussions.

INFLUENCE OF VIEWS OF TRADE PARTNERS ON CURRENT
HUMAN RIGHTS POLICY—GOVERNMENT POSITION

Hon. A. Raynell Andreychuk: Honourable senators, I have a supplementary question on that issue.

I very much supported the position that quiet diplomacy is where you start on human rights. I also very much supported the use of the multilateral fora; that we join forces with other like-minded parties. Presently, we have Denmark, Norway, Holland and other like-minded states working on a resolution to which we traditionally would adhere, but we find ourselves backing away because France and Germany are backing away — coincidentally, it would seem, with an Airbus deal somewhere on the horizon that is being struck with China. Because those two countries have backed away, for their own internal reasons, apparently we will now not co-sponsor and be supportive of any such resolution. While Germany and France may have good reasons for backing off, do they, in fact, drive our foreign policy, or do we have an independent foreign policy statement to make on human rights, in line with many like-minded countries?

Some Hon. Senators: Hear, hear!

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, we do have an independent foreign policy, but, as I said, these decisions have not yet been taken. Discussions are taking place, undoubtedly, at this moment. However, I am not party to those discussions, nor am I party, at the moment, to any decision on that matter. That will be communicated, no doubt, whenever it is made, and I would obviously expect that to be very soon. Upon that decision being made, if it is not already evident publicly, I will undertake to get the information for my honourable friend as quickly as I can.

I am not prejudging the situation, simply because I do not know what the end result will be. Perhaps my honourable friend might withhold judgment as well until that occurs.

Senator Andreychuk: At this point, then, I would simply ask the Leader of the Government to undertake to urge the Foreign Affairs Minister to seriously consider utilizing the United Nations Commission on Human Rights as an appropriate forum in which to raise human rights issues. If we abandon that forum, we jeopardize an organization through which, over many years, continuous strides have been made on human rights issues. In the past, we have designated that to be an appropriate forum, and I would urge the Government of Canada to continue to use it as a valid and valuable forum through which to discuss human rights issues.

Senator Fairbairn: I will certainly undertake to transmit my honourable friend's comments here today to the minister upon his return tomorrow.

•(1430)

Senator Andreychuk: Honourable senators, by way of a supplementary question, perhaps the Leader of the Government could talk to the minister about taking my urging on the human rights issue in China to the correct forum, which is the United Nations Commission on Human Rights, because China has signed covenants and agreements. They and other countries must live by those undertakings. It is not singling them out or putting them under any special scrutiny, as we are all under scrutiny by the Human Rights Commission. I would urge the minister to put it in that perspective and to utilize that forum.

Senator Fairbairn: I am sure he will have those comments tomorrow, Senator Andreychuk.

DELAYED ANSWERS TO ORAL QUESTIONS

Hon. B. Alasdair Graham (Deputy Leader of the Government): Honourable senators, I have a response to a question raised in the Senate on February 11, 1997, by the Honourable Senator Forrester regarding the continued existence of the tar ponds in Cape Breton; and a response to a question raised in the Senate on February 18, 1997, by the Honourable Senator Lynch-Staunton concerning the possibility of amending section 93 of the Constitution (Education) and the position of the Quebec Liberal Party on this matter.

HEALTH

CONTINUED EXISTENCE OF TAR PONDS IN CAPE BRETON— FUNDING CUTS TO CANCER TRACKING STUDY AT DALHOUSIE UNIVERSITY—GOVERNMENT POSITION

Response to question raised by Hon. J. Michael Forrester on February 11, 1997)

Two of this nation's most hazardous contaminated sites lie in Sydney, Nova Scotia. The Sydney Tar Ponds and the Coke Ovens site present an environmental health issue of great complexity and enormous scale. Ten years of effort by governments have not produced a viable solution.

In August of 1996, the Honourable David Dingwall (Health Canada) and the Honourable Sergio Marchi (Environment Canada) visited the area. This was the first visit of the federal Environment Minister in Sydney this decade. Both Ministers listened to the concerns of the community and they, together with their provincial counterparts and the Mayor of the Regional Municipality of Cape Breton established the Joint Action Group (JAG). The Joint Action Group is a community based group mandated to recommend to the three orders of government, remedial options for the Muggah Creek Watershed, that are economically viable, socially acceptable and environmental effective.

This community based process, launched in August, is working. Significant progress has been during the last six months and the community is focusing on the search for workable solutions.

The need to do further studies now was a recommendation of JAG and its working groups when Ministers Dingwall and Marchi met with JAG on January 30, 1997. To assist the Joint Action Group in its work, the three levels of government announced \$1.6M in

support to JAG and its working groups. Approximately one third of this support was from the federal government.

Minister Dingwall is well aware of the seriousness of this issue on health. Health studies in the area are presently being designed by a Health Studies Working Group which has membership from governments and the community. The Health Studies Working Group reports to the Joint Action Group.

This government is committed to supporting this community based process to its successful completion. There will be more important news about the Tar Ponds, the Coke Ovens and the Muggah Creek Watershed in the months to come.

The special tracking study (Epidemiological Assessment study of adverse health outcomes resulting from exposure to environmental and occupational hazards in Sydney, Nova Scotia) proposed by Dalhousie University, seeking approximately \$440,000 was submitted to the National Health Research and Development Program (NHRDP) of Health Canada in July, 1996. The proposal underwent external peer review in accordance with NHRDP guidelines. The consensus of this review was that the study should not be funded. The scientist in charge of the project was informed of NHRDP's decision November 15, 1996.

INTERGOVERNMENTAL AFFAIRS

CHANGES TO SECTION 93 OF CONSTITUTION REQUESTED BY PROVINCE OF QUEBEC—GUARANTEES OF LINGUISTIC AND EDUCATIONAL RIGHTS FOR ANGLOPHONE MINORITY— GOVERNMENT POSITION

(Response to question raised by Hon. John Lynch-Staunton on February 18, 1997)

Since this issue emerged, the federal government has consistently stated that a consensus was necessary in Quebec. Mr. Brassard has stated that the Anglophone community must be an integral part of the consensus. There is no assurance that the Anglophone community agrees with the proposed resolution.

In the coming days, debate will begin in Quebec on the education reform bill. Other interveners will no doubt come forward to state their views. The government of Canada will observe the debate in the National Assembly and judge whether the necessary consensus exists.

The federal government has consistently stated that the Quebec National Assembly must adopt an amending resolution before a resolution can be tabled in Parliament.

BUSINESS OF THE SENATE

DELAY IN TABLING OF ANSWERS TO ORDER PAPER QUESTIONS

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, before carrying on, I wish to ask the Deputy Leader of the Government if I should give up expecting answers to questions that have been on the Order Paper since last May. There are over 700 of them. I have been given assurances, over and over again, that these are being dealt with, but there are no results. Quite frankly, I am starting to think that there will be no results. I should like to hear the Deputy Leader of the Government or the Leader of the Government contradict that impression, because I will be the first one to apologize for it if I get an assurance that these questions will be answered and the answers will be available before the end of the month.

Hon. B. Alasdair Graham (Deputy Leader of the Government): Honourable senators, I shall attempt to provide, in all earnestness, an answer this week to the specific question of my honourable friend.

Senator Lynch-Staunton: Can we at least know if these questions have been forwarded to the appropriate departments and agencies and, if so, where they are? Similar questions are asked of Access to Information by journalists, and the answers are quickly forthcoming. When the Standing Senate Committee on National Finance meets and asks officials of various departments certain questions that cannot be answered on topics related to the questions on the Order Paper, the written answers are forwarded within days sometimes, weeks. If others can get answers to similar questions through other fora, why is it that parliamentarians cannot get the same answers in the traditional way?

Senator Doody: Maybe the Deputy Leader of the Government could provide a fee schedule and we could pay for the answers!

Senator Graham: The answer to the question of the Leader of the Opposition is that, yes, the questions have been forwarded to the appropriate departments. I will attempt to get a response to his specific question as to why they are not forthcoming to this chamber.

ORDERS OF THE DAY

BUSINESS OF THE SENATE

Hon. B. Alasdair Graham, (Deputy Leader of the Government): Honourable senators, before we proceed with consideration of Bill C-29 at third reading stage, there has been a discussion amongst the leadership on both sides, and it has been agreed that any vote or votes necessary to dispose of Bill C-29 will be taken at 5:30 this afternoon. At this time, of course, we are only talking about one vote, the third reading vote.

Rule 39(7) states that:

When an Order of the Day has been called, to which a specified period of time has been allocated for its consideration, the same shall not be adjourned and no amendment thereto, nor other motion, except that a certain Senator be now heard or do now speak, shall be received.

Having said that, if the opposition wishes to move amendments at this stage, we on this side will not object, it being understood that votes on those amendments will also be disposed of at 5:30 p.m.

Honourable senators, I only raise these points so that this process will not be considered as a precedent for the future.

The Hon. the Speaker: Honourable senators, without establishing a precedent, is there agreement to that procedure, which is against the rules?

Hon. Senators: Agreed.

MANGANESE-BASED FUEL ADDITIVES BILL

THIRD READING—MOTION IN AMENDMENT— VOTE DEFERRED

On the Order:

Resuming debate on the motion of the Honourable Senator Kenny, seconded by the Honourable Senator Stewart, for the third reading of Bill C-29, to regulate interprovincial trade in and the importation for commercial purposes of certain manganese-based substances.

Hon. Noël A. Kinsella (Acting Deputy Leader of the Opposition): Honourable senators, we are at that stage where, according to the Order Paper, we are resuming debate on the motion for third reading of Bill C-29.

The process we have engaged in throughout the examination of this bill has been extraordinary. In this extraordinary circumstance, we have had an interim report, which was not to be considered until after we had considered the bill at third reading. As recently as last evening, this house passed an order to the effect that we needed to hear from the Minister of International Trade, the Honourable Arthur C. Eggleton. That motion by Senator Buchanan inviting the minister to appear was not an academic exercise. This chamber felt it needed some data. Otherwise, why would we be inviting him? We invited him because we need to know from him the answers to some very serious questions. Those questions, in part, spoke to his statement of February 23, 1996, that this bill might very well be abrogating NAFTA provisions; that this bill might very well be offending WTO provisions; and that this bill will certainly place a strain on federal-provincial relations in light of the Internal Trade Agreement.

As honourable senators know, eight provinces in Canada have explicitly expressed their opposition to this bill on those very grounds. The Standing Senate Committee on Energy, the Environment and Natural Resources, under the able leadership of Senator Ghitter, heard from government representatives, such as

the Government of Alberta and the Government of Nova Scotia. They testified that the wrong process of assessment had been followed. By common understanding, the Council of Ministers of the Environment ought to have dealt with these considerations, but that process was not followed by this government.

Today, April 9, this chamber received a letter from the minister in reply to the order passed by this house yesterday. I should like to place on the record what he wrote. The letter was addressed to the Clerk of the Senate:

Dear Mr. Bélisle,

On Tuesday, April 8, 1997, the Senate, by motion, requested that I accept the invitation of the Standing Senate Committee on Energy, the Environment and Natural Resources to appear and give evidence relating to Canada's international trade obligations and their effects on Bill C-29, *An Act to regulate interprovincial trade in and the importation for commercial purposes of certain manganese-based substances*.

Though I appreciate the Senate's interest in having me appear before its Committee on this matter, I must respectfully decline the request for the same reason that I gave to the committee itself on January 20, 1997, namely, that as this legislation falls under the jurisdiction of my colleague, the Minister of the Environment, the Honourable Sergio Marchi, he is in the best position to give the government's views on the legislation.

•(1440)

Honourable senators, the Senate did not request that Minister Eggleton appear because of environmental issues, but because we had questions concerning trade. Those questions go unanswered as the guillotine is brought down upon us to dispose of this matter without having that data before us. There will be serious consequences. The Government of Quebec has given notice, through the extraordinary process of a resolution in the National Assembly, in which it condemns this process and indicating that they will join with the Government of Alberta in opposing, through legal means, this provision should it become law.

It is extremely difficult for some of us to understand why, in a federation such as ours, on issues for which there are processes in place, those processes have not been followed by this government.

Mr. Clark, the government spokesperson who appeared before the committee, said, "This is a government bill, not an Environment Canada bill." On the other hand, another official appearing on behalf of the government, specifically the Department of the Environment, said that it is not an environment bill. However, Minister Eggleton says that it is an environment bill and not a trade bill. Clearly, it is a hot potato which neither of them wishes to hold.

Honourable senators, it is understandable why some of us on this side are exasperated with the manner in which this bill has been handled. Serious questions remain about the rationale underlying this dysfunctional piece of legislation. Yet, we cannot get an answer from a minister of the Crown who is directly involved.

Since this bill was introduced, the government has tried to limit debate and stop study of it in order to circumvent its consideration, just as the public and parliamentarians are beginning to uncover the real reasons behind this bill. Public inquiry into this odd bill will not stop, once Canadians are made aware of what this neo-Conservative government is all about.

It should concern us, honourable senators, that the two Houses of Parliament have considered this bill over two years, and we are no further ahead. The merits of the bill remain shrouded in some sort of secrecy. If there are merits to this bill, we have been unable to ascertain them. A mystery remains.

Despite what my good friend and colleague Senator Kenny might allege, Minister Copps and Minister Marchi have put before Parliament no evidence of any merits this bill may have to justify the extraordinary steps that the Government of Canada has indicated it is willing to take to ban the importation of a fuel additive. Without any legal, constitutional, environmental or health basis, the Government of Canada is willing to do a number of very dangerous things.

For example, it is prepared to abrogate NAFTA and to place at risk and probably waste \$200 million. It is probably risking a breach of the Agreement on Internal Trade. It is forgoing the well-established process of the Canadian Council of Ministers of the Environment. It is destabilizing an important sector of Canada's regional economies. Senator Buchanan has given clear testimony as to the impact on the province of Nova Scotia, as did the current premier, Premier Savage.

Essentially, honourable senators, the federal government, in the persons of Sheila Copps and Sergio Marchi, is corrupting a fundamental precept of Canadian environmental legislation. This government is corrupting a principle that is accepted by all provincial ministers of the environment. That is the precautionary principle which was accepted on November 20, 1996. It is an important Canadian achievement that the present government, for strange and, perhaps, secretive reasons, appears to be turning on its ear. That precautionary principle, as written in the Canada-wide Accord on Environmental Harmonization approved by the Canadian Council of Ministers of the Environment, states:

Governments agree that their environmental management activities will reflect the following: where there are threats of serious or irreversible environmental damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation.

This whole episode threatens Canadians. We from Atlantic Canada should note that all four of our provincial governments oppose this legislation. I trust that my colleagues on both sides of this chamber from the provinces of Newfoundland, Prince Edward Island, Nova Scotia and New Brunswick will underscore the fact that their provincial governments are in opposition to this legislation. It is not difficult to understand why they are opposed.

In the interest of brevity, let me describe why all four Atlantic provinces oppose this legislative sleight of hand. In this instance, the Premier of Nova Scotia and the Minister of the Environment for Nova Scotia expressed best the environmental concerns of Atlantic Canadians in their correspondence with the federal government about the threatening transboundary ground-level ozone problem that afflicts that province's environment. It was Peter Underwood, the Deputy Minister of the Department of the Environment for Nova Scotia, who stated:

... the elimination of MMT will cause an increase in NO_x emissions at somewhere between 8 per cent and 20 per cent. The other thing we do know is that NO_x impacts on Nova Scotia and it does not come from Nova Scotia.

They said they supported the precautionary principle, although they believe that if the federal government were properly invoking that principle, it would ensure that MMT remained in gasoline, as it is known to reduce NO_x emissions significantly.

Mr. Underwood stated further:

This not only poses an increase to Nova Scotians, but it also contradicts the federal environment department's own position on the necessity to control NO_x emissions set out under the 1990 CCME management plan for nitrogen oxides and volatile organic compounds.

In a similar fashion, Mr. John Donner, Executive Director, Environmental Affairs, Department of Energy for the government of Alberta, suggested that MMT is a help, not a hindrance, to a better Canadian environment. He, too, suggested that proponents of the bill have misused the concept of the precautionary principle as it relates to environmental matters and cautioned, "Let us not make real environmental problems worse while pursuing phantoms."

He also said:

The precautionary principle is that scientific uncertainty should not be used as an excuse to avoid action in order to avoid a potentially serious and irreversible environmental outcome.

•(1450)

Honourable senators, that the federal government would try to enact a far-reaching law without any legal, health or environmental basis, but with apparent disdain for real environmental concerns and possible job losses in a productive sector of our economy, is threatening. What are Atlantic Canadians to think? That the precautionary principle does not apply to us? That the federal government can continue to support an untenable position despite obvious misinformation campaigns

by the automotive manufacturers is perplexing and, indeed, threatening.

I have already mentioned that the federal trade minister refused to come to the committee and now refuses to come to this chamber to defend a bill that has clear trade implications that augur poorly for us. Both Minister Copps and Minister Marchi have maintained an absolutely illogical position throughout this whole debate. They have maintained propositions that are baseless, reactionary, and are further evidence of a penchant of this government and the two environment ministers for uncontrollable grandstanding.

The Hon. the Speaker: Honourable Senator Kinsella, I regret to inform you that the 15-minute period has expired. Are you requesting leave?

Senator Kinsella: Yes.

The Hon. the Speaker: Is leave granted?

Hon. Senators: Agreed.

Senator Kinsella: Honourable senators, the most illogical part of the positions taken by the aforementioned two federal ministers, the present and former environment ministers, is that they have done no studies.

More illogical than having stated publicly that the Government of Canada is not interested in an independent scientific assessment, more illogical than ignoring a verifiable manganese problem in the cities of Hamilton, Sault Ste. Marie and Windsor, is the following: Mr. Marchi, the Minister of the Environment and the man to whom we must listen, according to Mr. Eggleton, appeared before our committee and said :

These two industries have known about the problem for many years and have not been able to come up with a solution. In the spring of 1996 after taking on this portfolio, I personally asked the refiners to provide Canadians with a choice of fuels: A pump with MMT additive, and a green pump without the chemical additive.

At second reading in the other place, Minister Copps, when she was responsible — that does not quite sound right, for when was she ever responsible? — as Minister of the Environment and charged with protecting the environment for Canadians, said:

...why would the Ethyl Corporation not accede to the demand of the government that it offer the consumers a choice? Why would the CPPI producers not arrive at a gas station and let people have the choice? If this is such a fantastic product why not let the consumers decide? Why did the company refuse my offer made to them in person to have only one pump in gas stations across the country which would be MMT free?

The industry refused, based on their argument about costs, duplication, et cetera. That is not surprising. However, what must be surprising to each one of us is that such offers were made in the first place. The government's policy supposedly underlying

this legislation clearly cannot be viewed as consistent when two ministers are offering a proposition that would sanction the continued use of MMT.

Honourable senators, the government has suggested that manganese is toxic like lead. The government has, quite frankly, unscrupulously and callously suggested that refiners using MMT are the cause of Parkinson's, Alzheimer's, and learning disabilities among children. The government purports to be interested in the health of Canadians, but how true are their actions? Consider that both ministers of the environment were prepared to allow MMT to remain in gasoline. That is absurd. These contradictory positions cannot logically be reconciled. Is MMT not causing learning disabilities? Did the minister not say that? If it is harmful, then ban it. If the federal government could come even remotely close to proving that MMT does what the auto manufacturers and the Sierra Club allege, we would be passing this bill unanimously. Quite frankly, they have not.

The Senate has before it a bill that is without evidence. This must be one of the most unintellectual exercises that we have gone through since I have been a member of this chamber. We have before us a bill that is without evidence. A bill without evidence, quite frankly, is groundless. It was a shame to see the arguments the government advanced in support of the bill at the first instance, but I think it is a credit to this chamber that we lifted the covers, examined each of those arguments and demonstrated that they were groundless.

Also, a lobbying effort has taken place around this bill, a lobbying effort that some legislators have found offensive. Some of us saw the letter sent by Ford Motor Company of Canada to the Senate. The contents of that letter, I assume, purport to be factual, but they are anything but fact. Ford refers to their "technologically-sophisticated environment safeguard equipment" being adversely affected by MMT. They failed to mention in that correspondence with us that representatives of their own company, before the California Air Resources Board in December of 1996, admitted that their OBD-II systems were faulty. They said:

...although we certified our entire 1996 model year Ford product line with only a few OBD-II monitoring deficiencies, we had to later limit the operation of the misfire monitor on most of our vehicles due to the — to an unusually high number of malfunction indicator lights coming on in the field.

This was occurring, honourable senators, in the state of California where MMT is not in use, so how was MMT to be blamed for this deficiency?

•(1500)

Honourable senators, the matter cries out for some truth, and I should like to put forward an amendment to this bill that would ensure that truth in this matter prevails.

MOTION IN AMENDMENT

Hon. Noël Kinsella (Acting Deputy Leader of the Opposition): Honourable senators, I therefore move, seconded by the Honourable Senator DeWare:

That Bill C-29 be not now read the third time but that it be amended by replacing clause 21 with the following:

21.(1) Subject to this section, this Act comes into force on a day to be fixed by order of the Governor in Council made on the recommendation of the Minister.

(2) The Minister may make a recommendation under subsection (1) only after determining that the use of methylcyclopentadienyl manganese tricarbonyl as a fuel additive will prevent compliance with the emission standards made applicable to motor vehicles under the *Motor Vehicle Safety Act*.

(3) In preparing to make the determination referred to in subsection (2), the Minister shall

(a) cause a fleet of vehicles that is representative of the full range of vehicles in use in Canada to be tested in ordinary circumstances in order to determine whether the use of methylcyclopentadienyl manganese tricarbonyl as a fuel additive causes the failure of the emission control devices or systems of the vehicles;

(b) following disclosure of the results of the testing conducted pursuant to paragraph (a) to such representatives of the Canadian oil refining industry and the Canadian automobile manufacturing industry and such other persons as the Minister considers appropriate, advise such persons in writing of a consultation period of forty-five days during which they may make representations; and

(c) obtain such other information, conduct such other research and engage in such other consultations as are appropriate and expedient.

(4) The Minister shall cause to be laid before each House of Parliament,

(a) before the beginning of the consultation period referred to in paragraph 3(b), a report of the results of the testing conducted under paragraph 3(a); and

(b) before making a recommendation under subsection (1), a report setting out all of the information that is relative to the determination to be made under subsection (2).

The Hon. the Speaker: Honourable senators, it is moved by the Honourable Senator Kinsella, seconded by the Honourable Senator DeWare:

That Bill C-29 be not now read the third time but that it be amended by replacing clause 21 with the following —

An Hon. Senator: Dispense!

[*Translation*]

Hon. Eymard G. Corbin: Honourable senators, I should like the text of the motion in amendment to be read in French.

The Hon. the Speaker: Honourable senators, it is moved by the Honourable Senator Kinsella and seconded by the Honourable Senator DeWare:

That Bill C-29 be not now read the third time but that it be amended by replacing clause 21 with the following:

21.(1) Subject to this section, this Act comes into force on a day to be fixed by order of the Governor in Council made on the recommendation of the Minister.

(2) The Minister may make a recommendation under subsection (1) only after determining that the use of methylcyclopentadienyl manganese tricarbonyl as a fuel additive will prevent compliance with the emission standards made applicable to motor vehicles under the *Motor Vehicle Safety Act*.

An Hon. Senator: Dispense!

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

Hon. Senators: Agreed.

[*English*]

The Hon. the Speaker: Honourable senators, I gather, then, that the proposal is that we not vote at this time on this amendment, but that all amendments will be voted upon together with the main motion at 5:30 this afternoon. Is that agreed?

Hon. Senators: Agreed.

Hon. Ron Gitter: Honourable senators, I rise to enter this debate in relation to Senator Kinsella's amendment, not to repeat what I have already said at length during the debate on the questions, but more in terms of the process, which I have found to be most unsatisfactory, very shallow, very unsubstantiated and, above all, a very arrogant process with respect to this bill.

Senator Kinsella has enumerated in many ways the areas that have caused us great concern with respect to this legislation. Let it be said that this legislation affects many people. It affects jobs, refineries, and the relationship between our provinces and our federal government. It is not a piece of legislation that should be taken lightly. It is a piece of legislation that sets a standard relating to the workings between our federal and provincial governments, and it also sends out messages to the oil and gas industry, to the environmental industry and to our bureaucracies as to how this government responds in dealing with a particular issue.

Let us look at the bill in a general sense. It comes to us as a trade bill. It is presented to us on the basis that it is a matter of

the movement of goods, and should be regarded as a piece of trade legislation. Our committee then came forward, in the normal way during consideration of a trade bill, and asked if the Minister of Trade would please come to talk to us about this legislation. We asked him to come because, after all, there have been some serious allegations about the validity and the constitutionality of this legislation, not to mention its relationship to NAFTA.

Scholars in constitutional law came before our committee to tell us that, in their opinion, this bill raises serious constitutional difficulties, and probably constitutes an invalid intrusion on provincial powers. For example, Jacques Frémont, Professor of Constitutional Law at the Faculty of Law, University of Montreal, came forward to meet with us, and informed us that this bill had some problems. We then met with other scholars and intellectuals with respect to the bill, and they clearly told us that it offends the NAFTA rules. They told us that the Government of Canada is entering into an area where it stands liable for serious damages with respect to violation of World Trade Organization treaties as well as NAFTA.

We looked at the situation and we said to ourselves, "These are serious allegations." We then met with representatives from the provinces, who told us that they had serious reservations as to whether this legislation does not, in fact, offend agreements between the provinces and the federal government.

These are very serious allegations and suggestions that have emerged. Our committee then asked the Minister of Trade to please come before the Senate and explain his position, in light of his letter to the Minister of the Environment saying that the Minister of Trade has serious concerns about this legislation. As Senator Kinsella just read into the record, in answer to that request for him to appear before this chamber, the minister refused, suggesting that the appearance of the Minister of the Environment before the committee should have been sufficient.

Honourable senators, not only is that attitude arrogant in its approach, and offensive to the Senate of Canada, but beyond that, it also tells me something else: It tells me that the minister does not want to appear because his heart is not in the legislation; that he was opposed to the legislation, and is still opposed to it, and does not wish to embarrass himself by coming before the Senate and breaking that "cabinet solidarity" which exists.

Honourable senators, we are left with the submissions of the Minister of Environment, who comes before our committee, speaks his mind on his point of view, and immediately becomes involved in the rhetoric by comparing manganese to lead, criticizing the Ethyl Corporation by saying that it is the same corporation that brought us lead, and now they are bringing us manganese. That is a totally improper and fallacious argument. It is erroneous, rhetorical and, frankly, rather ignorant when you compare the two substances. In fact, there is no comparison whatsoever between lead and manganese, yet the Minister of the Environment tells us that one of the earth's most substantive nutrients for the human body, namely manganese, is to be compared with a heavy, toxic metal such as lead. He said, "Please look at this. Ethyl Corporation is doing it again."

What kind of an argument is that? Who would ever accept that as an argument with any validity whatsoever? Yet we are told to listen to the Minister of the Environment. This is the man who is our leader. He has carriage of this legislation. This is the man who comes to our committee and says, "Follow me to the promised land," and then starts off on the basis I have just described. That is not satisfactory.

What does he tell us? He cannot tell us that MMT is inappropriate for the environment, because the Department of Health has already appeared before our committee and told us not only is there not a problem with using MMT, because there is no evidence that it is deleterious to your health, but they went further and said that it may be appropriate. In fact, it may be doing us some good. It may be that cutting back on NO_x emissions by 10 per cent to 25 per cent is a useful additive to gasoline. However, you do not get rid of it for that reason.

•(1510)

His other reason, allegedly, is that MMT has an adverse effect on on-board diagnostic systems. We have discussed that issue in the debate already. There has been a willingness to accept a third-party examination, but the government has said, "No, that is not necessary, we will just bring this forward," notwithstanding the fact that the EPA in the United States, as of a couple of weeks ago, has come forward and supported the need for further examination. The U.S. Environmental Protection Agency, in April of this year, released a white paper in support of the need to refer the issue of MMT's impact on on-board diagnostic systems to an independent third-party review. It is good enough for the United States, but, of course, we will not do that in Canada because what do they know in the United States? Cars are something new to the United States, I suppose.

That report goes on to say something very interesting. The EPA report goes on to say words to the effect that on-board diagnostic problems may not have anything to do with MMT, that it may be high levels of sulphur that are causing the on-board diagnostic number II catalyst monitoring systems to work improperly.

Next year we will be dealing with sulphur and probably with the same lack of scientific background knowledge and substance that we have with respect to this bill. This is like throwing something in the air and hoping it will stick to the ceiling. We do not even know if it is MMT; it may be sulphur.

The provinces and industry say, "Let's have a study. Let's find out whether we should be worried about this substance. Let's find out in a substantive way and not go into a guessing game, close down industries and put people out of work on the basis of some argument that has no merit whatsoever." The provinces say, "In the normal process of things, this is what we have agreed to do." The industry refiners as well as Ethyl Corporation say, "Do the third-party independent study and we will abide by it immediately. If it is found that MMT is adversely impacting on the on-board diagnostic systems, we will stop immediately. We will not cause any harm to the environment and we will stop."

Everyone says give them the study, analyze it and let us produce legislation that makes sense. When we hear from the government of the day in the House of Commons, what do they propose? Closure. "Let's get the debate over with." What kind of governance is that? What kind of approach to Confederation and harmony in this country is that, where, on the basis of no evidence, the government tells the provinces and industry, "Forget it. We have the ultimate wisdom," even though they do not. "Forget it. We will just carry on, do what we want." Harmonization, all the rhetoric — it means nothing.

Honourable senators, it is the arrogance of a government that says, "My way or the highway." It is the arrogance of the government that makes side deals and subverts the reason why they want this legislation to go through. There is not one objective reason why this legislation should be dealt with and voted on in this chamber today, not one reason.

What the government should do is follow this amendment. It should seek third-party scientific advice. It should listen to their advice. Then, at least, we would have harmonization among the provinces and industry, and we could move along from there.

It is an embarrassment that this legislation is going forward. It is an embarrassment that closure would be invoked by this government. It is contrary to relations between business and government, and it is contrary to relations between the federal government and our provinces. It is embarrassing that we have to vote on it, and I say, "Shame on this government for invoking closure when there is no basis for doing so."

I urge your support of Senator Kinsella's amendment.

Hon. John Buchanan: Honourable senators, I have spoken on this bill before. My position is well known. It is not a political position in any way, shape or form. This bill should not be a political matter. The proof of that, of course, is that eight out of ten provincial governments in this country oppose the passage of this bill at the present time. They oppose the bill because, as all eight of them have said, including the environmental ministers of Canada at their conference, "There is no scientific evidence at all to support the position taken by Minister Copps when she first introduced this bill and now Minister Marchi as he proceeds with the bill." I am not saying there is no scientific evidence; that is what the ministers said.

Senator Kenny: I heard you say it.

Senator Buchanan: I said it, but I was quoting them, and if the honourable senator wants me to, I can quote all of the ministers again. The honourable senator knows what was said, as he was there at the committee hearings.

Senator Kenny: Go ahead.

Senator Buchanan: I find it incredible that Senator Taylor is not voting with us on this amendment. He is from Alberta, and he understands that the parties in Alberta are opposed to this measure.

Senator Taylor: We manufacture the substitutes.

Senator Buchanan: Come on! I suggest that the honourable senator go down to Imperial Oil and tell them that.

Let us look at this realistically. In my 13 years in the legislature of Nova Scotia, I have seen many bills, some good bills and some bad bills. Most of the good bills were the ones I introduced. There were some bad ones, too.

When you introduce a bill in the legislature, or in the Parliament of Canada, there has to be some basis or reason for it. Let us say that this is a bill to protect the health of Canadians. If it is a bill to protect the health of Canadians, why is it that Health Canada says definitively it is not a health hazard to use MMT in gasoline? Health Canada says that. They said it in our committee. They have produced evidence to that effect over the past two years. It is not a health bill.

Senator Kenny: Did Health Canada support the bill?

Senator Buchanan: No, Health Canada definitively said MMT does not constitute a health hazard for Canadians, number one.

If this is a health bill, as those who support it continue to try to say, why is MMT not banned in Canada outright?

I have answered my own question, because the government refuses to give the answer.

Senator Kenny: Did Health Canada support the bill?

Senator Buchanan: Second, is it an environmental bill? Does it pollute the atmosphere in this country? The answer is no. It is not an environmental bill. Environment Canada said that they have not conducted any definitive studies, so they are unable to say whether or not the atmosphere is being polluted. That is great, coming from Environment Canada.

The minister, Mr. Marchi, and before him Ms Copps have both said that this substance is a great environmental threat to Canadians. That is interesting. If it is such a health hazard or environmental threat to Canadians, why does this bill not ban MMT? It does not.

We could have a plant in Nova Scotia manufacturing MMT. It could be used in Nova Scotia. Why is it that it could not be done? The market is not big enough. We have one refinery and the federal government through this trade bill says, "Oh, you cannot transport it across provincial boundaries."

Senator Kenny: Will they lose any jobs?

Senator Buchanan: I will get to that issue in a minute. You have had your say.

This is not a health bill. It is not an environmental bill, it is a trade bill. It bans the importation of MMT, not its manufacture. You can manufacture MMT in Newfoundland, if you like, but you cannot bring it over to Nova Scotia because the federal

government says, "We will prevent it because of interprovincial trade."

•(1520)

Then along comes Minister Eggleton, who sends a letter to the federal Minister of Environment saying, "Beware, use caution here. This bill you are proposing will be challenged under NAFTA. It is a trade bill." I think what Minister Eggleton was saying was, "Listen, if you want to introduce a trade bill, I am the minister, Sergio, not you. I will look after this bill." Of course, he would not introduce it because it violates NAFTA as well as the interprovincial trade agreements that we have worked for in this country for many years. However, honourable senators opposite, Mr. Marchi and others say that this is a health hazard.

Let us get to the other reason: It gums up the on-board diagnostic systems. What a lot of nonsense that is! There is no definitive study that you can point to that shows that it does so, and the automobile companies know it. The only studies they have are ones they will not show anyone. The interesting thing about this situation is that if MMT gums up the on-board diagnostic systems, why is it that, in the State of California, they do not use MMT, and yet General Motors and Ford have said to the Clean Air Authority of California, "Please do not put the regulations in effect under the Clean Air Act of California until the year 2003 because our OBDs are being gummed up, and we want to see if we can fix them up"? I have it all here: testimony given by General Motors and Ford in California. That is interesting, is it not? If, in California, the OBDs are not conforming to the Clean Air Act of California, then, gosh, maybe this MMT is causing it. I guess they are right. The fact is, however, that they do not use MMT in California. If they do not use it in California, how is it that the OBD systems are being gummed up anyway? It has nothing to do with MMT.

In addition to that, the non-use of MMT will cause more smog, NO_x emissions, so Environment Canada and Sergio Marchi are saying it is an environmental problem. It sure will be if it is banned, because you will cause more smog and more NO_x. We do not need any more NO_x in this country.

Let us take a look at what else is happening here. There is no evidence whatsoever.

By the way, one other thing. Under the Freedom of Information Act, Ethyl Canada obtained studies that had been done. A document dated today, April 9, 1997, says that studies obtained by Ethyl Canada under freedom of information legislation show clearly that the Government of Canada knew there was no scientific proof to support Bill C-29. It is interesting that the federal government now admits that it has no evidence whatsoever that MMT causes the problems they say it causes.

Senator Kinsella: Repeat that for Senator Kenny.

Senator Buchanan: I will. Studies obtained under the freedom of information legislation show clearly that the government knew there was no scientific proof to support Bill C-29.

Senator Taylor: You are playing with the health of our youngsters.

Senator Buchanan: Again, Senator Taylor, you should be careful.

Let us look at the Sierra Club — a great institution. I am not saying it is not. The young lady who is the chairman or the executive director is a very good friend of mine from Nova Scotia. Listen to what the Sierra Club says. In referring to the Sierra Club's decision to file for judicial review, Elizabeth May, a wonderful lady from Margaree Harbour, Executive Director of the Sierra Club, stated that this is a "can-do" deal. Listen to what she says:

We hope this case is successful in compelling the federal government to undertake a comprehensive environmental assessment on this project and others of a similar nature. It is critical, in what we presume will be an election year, that the Canadian public monitor this government's systematic efforts to weaken environmental assessment.

What she is saying is that anything of an environmental matter should have a full and complete environmental assessment.

The Sierra Club intervened at our hearings and said that we should move ahead with this bill. I asked her, "What about your official position that there should be a full environmental study?" She said, "Well, we decided we do not need it in this instance." In other words, "Never mind our own policies, just move on with this bill. We want this passed."

It is the same situation with the federal government: no scientific studies of any kind; no information of any kind, showing that it does anything to the environment, to health, or to the OBDs.

The federal government, Senator Kenny and others like to say that we are the only country in the world that uses MMT other than Bulgaria.

Senator Kenny: And Albania.

Senator Buchanan: That is interesting. I wish the others were here. The largest G-7 country in the world, the United States of America, does not ban MMT. Contrary to what someone over here might tell you, they do not ban it.

Senator Taylor: They do not use it.

Senator Buchanan: Oh, yes, they do. I have evidence right here that 13 refineries in the United States have given notice that they are about to start using MMT.

Do you know what will happen, now that the United States EPA has been ordered to grant the waiver to Ethyl to use MMT in the United States? They will use it in the U.S., you people will ban it in Canada, and you will be putting at risk two refineries in Atlantic Canada, one at Come By Chance, Newfoundland, and another, the Irving refinery, the largest in Canada, in Saint John. Now that it is approved for use in unleaded gasoline in the U.S., if MMT is banned in Canada, it will have a negative competitive

impact for refineries such as Irving and North Atlantic Refiners, who export large volumes to the U.S.

An article appeared in the Halifax *Chronicle-Herald* the other day about a fellow who intends to seek the Liberal nomination in Cape Breton. The article said that, in parts of Cape Breton, they are turning the clock back rather than ahead. That is what you people are doing. You are turning the clock back instead of moving ahead, because in the U.S. they are about to begin using MMT, while, with this legislation, you will be putting our refineries, such as the Irving refinery and Come By Chance, at a disadvantage. That is one of the main reasons I am opposed to this bill and in favour of the amendment.

No less an authority than the Premier of Nova Scotia, John Savage, has said categorically, "Please do not pass this bill. This bill has no scientific evidence backing it up." I have his letters here. You all have the letters. Nova Scotia Premier John Savage wrote directly to Prime Minister Jean Chrétien to inform him of Nova Scotia's opposition to Bill C-29.

Where is Senator Moore? He is not here.

After discussing in the letter that this bill has no scientific basis, and that the Government of Nova Scotia will not support it, we find the real problem. This bill would place the Dartmouth refinery in a precarious financial position and threaten 250 some-odd jobs.

The Hon. the Speaker: Honourable Senator Buchanan, I am sorry to interrupt you, but your 15-minute time period has expired.

Is leave for an extension granted, honourable senators?

Hon. Senators: Agreed.

Senator Buchanan: It would threaten 250 direct jobs in Dartmouth, Nova Scotia. I want to tell you, I have been getting many calls about that.

Senator Kenny: What did Imperial Oil say?

Senator Buchanan: You know what Imperial Oil said. They said that the Dartmouth refinery is a marginal refinery. They have worked hard. The men and women who work there and the management, by cooperating and working together, have brought the Imperial Oil refinery from a point where it may have closed to a point where it is now competitive. This bill will add millions in capital costs to the Imperial Oil refinery, and millions annually.

•(1530)

When those fellows in New York and Toronto look to cut costs they will say, "Here is a little refinery in Nova Scotia, and it will cost us another \$8 million to keep it going or another \$2 million a year." Do honourable senators know what they can do? They can say, "That little plant in Sydney, Nova Scotia, just lock it up and close it."

Senator Kenny: They said it was safe.

Senator Buchanan: They did not say it was safe, and I suggest that the honourable senator not put words in their mouths. John Savage says it is not safe, and I believe John Savage.

Premier Savage also stated that Nova Scotia has suffered a disproportionate loss of public sector jobs as a result of federal cutbacks, and the additional loss of private sector jobs as a result of policy changes under this bill will be very harmful to Nova Scotia.

New Brunswick has said the same thing. Vaughn Blaney, their minister, has said the same thing.

In Newfoundland, they have said the same thing. It puts them in a non-competitive position.

Quebec has said the same thing. There was a unanimous resolution of the Quebec National Assembly. They said, "Please, federal government, protect the 4,000 to 5,000 jobs in our refineries in the Montreal area." Just think of that, honourable senators — 4,000 to 5,000 jobs. Many could be in jeopardy as a result of this bill.

I have a letter here from the Montreal Board of Trade, which has joined the Quebec National Assembly in its opposition. In a press release the Board of Trade stated that it is unacceptable that such a major change as banning MMT, which, it seems, is only motivated by purely political rather than environmental reasons, should be made as a result of pressure from car makers.

There are 4,000 to 5,000 jobs at stake in east Montreal. Those are not all the jobs in Quebec, though, because there are other refineries.

Let us get back to Nova Scotia. I have spoken to officials of the Government of Nova Scotia. They still oppose this bill. Wayne Adams is the Minister of the Environment, a fine individual, and as recently as this morning, I spoke to him again about this matter. The Government of Nova Scotia opposes this bill for two reasons: First, there is no scientific evidence to back up what the Government of Canada is saying about this bill. Second, the jobs at Imperial Oil are at stake here, and the people who work at Imperial Oil are very nervous about their jobs. We have high unemployment in the Atlantic provinces. We do not need higher unemployment as a result of a bill that has no backing whatsoever by eight provinces in Canada or by scientific evidence. All we have is a minister who a few years ago decided that she wanted the bill passed. She is no longer in that portfolio. The present minister has been told to push it through.

I really do not think that Sergio Marchi wants to put this bill through, but he has been told to do it. It should be a trade bill, of course, and let us all agree to that.

Honourable senators, if you take a look at just about every editorial comment in this country, they come to the one conclusion: Why the big rush on MMT? For 22 years it has been used in literally every refinery in this country. Then, all of a sudden, we have to ban it. Never mind the jobs in New Brunswick, Nova Scotia, Newfoundland, Quebec and Western

Canada. Never mind the 100-and-some millions of dollars of capital it will cost to use other additives. Never mind the annual cost in the millions of dollars to Alberta, and to the other provinces, including my province of Nova Scotia. Forget all that. Let us just move on this "quick." Never mind the fact that the CPPI have said definitively to the government and the Senate, "We will abide by the decision of an independent study if we find that this is gumming up the OBDs and causing environmental problems."

Just think of it, honourable senators. How can they go wrong? The government has waited 22 years. Why can it not wait three or four more months? This is simply incredible. Why? Because there is an election coming. Let us face it, the government is putting an election ahead of the jobs of good Nova Scotians who work at Imperial Oil and are nervous about their futures. We are talking about jobs in Newfoundland, New Brunswick, Quebec and Western Canada as well.

If honourable senators opposite want to help these people keep their jobs, vote for this amendment and forget the fact that Sheila Copps wants this bill to pass. Do the right thing. Vote for this amendment and save those jobs.

Honourable senators, I will be the first one to stand up in this Senate and say, "You know what, the study is now completed, and we were wrong; the OBDs are being gummed up." However, I can tell you that the people I have spoken to say there is no way the study will show that the OBDs are gummed up. In California, they are gummed up anyway. I have talked to automobile dealers who say that it is a lot of nonsense. As far as they are concerned, their sales will go ahead anyway. It has nothing to do with OBDs and the gumming up of their systems. Certainly it has nothing to do with the environment or health risks for Canadians. Let us find out definitively, once and for all, if what the CPPI and the environmental ministers of Canada are saying is true. It will take three months. Please allow the people who work at Imperial Oil and all the other refiners the opportunity to be heard and to keep their jobs. Please vote for the amendment.

The Hon. the Speaker: Honourable senators, if no other honourable senator wishes to speak, this will end debate on Bill C-29 and the amendment. Is it agreed?

Hon. Senators: Agreed.

The Hon. the Speaker: Honourable senators, the vote will be held as agreed, at 5:30 p.m., and the bells will ring at 5:15 p.m.

CANADA-CHILE FREE TRADE AGREEMENT IMPLEMENTATION BILL

SECOND READING—DEBATE CONTINUED

On the Order:

Resuming debate on the motion of the Honourable Senator De Bané, P.C., seconded by the Honourable Senator Losier-Cool, for the second reading of Bill C-81, to implement the Canada-Chile Free Trade Agreement and related agreements.

Hon. A. Raynell Andreychuk: Honourable senators, I rise with some trepidation, as I am following Senator Buchanan. However, I am pleased to speak to Bill C-81.

Honourable senators, this piece of legislation continues Canada's policy of external trade and development while representing our first agreement in free trade with a South American partner. Bill C-81 marks the extension of a trade policy initiated by the former government which underwent great scrutiny and, I might add, great resistance from the opposition parties of the day. However, in subsequent years, the realization of a strong and diverse external trade policy has finally been embraced by the current government. The Minister of International Trade recognizes the importance of free trade agreements and Canada's relatively new position as a leader in trade agreements with other nations.

In the committee of the other place, the minister admitted that his party has "turned the corner on trade." One might hasten to add that this corner the minister refers to has taken the shape of a hairpin turn that even Jacques Villeneuve would have difficulty manoeuvring.

•(1540)

As evidence of this fact, the minister cites the trade surplus on merchandise, which now stands at \$41.9 billion. However, when one takes a closer look at Canada's recent trading action, it is evident that the United States accounts for this entire surplus, a trade relationship significantly bolstered through the free trade agreement negotiated by the previous government. In fact, without our major trading partner, Canada is actually running a trade deficit with the rest of the world of \$25.2 billion. Granted, many of these countries with whom we currently hold deficits are growing, and the potential for an increase is there. This begs the question: What is the most strategic method for capturing this untapped potential?

Obviously, this agreement with Chile is welcome news. The question, therefore, is not in continuing free trade but how to do so in such a way as to maximize Canada's advantage in a highly competitive world. The question yet to be answered is why there is a lack of strategic policy in this area and what appear to be short-term measures only.

I believe Jack Wilkenson of the Canadian Federation of Agriculture, one of the witnesses who appeared before the committee in the other place, said it best:

The other issue is a recommendation to the Minister of International Trade to develop a position paper or statement that defines Canada's overall approach to trade policy development and negotiations. We have had a fairly long and busy run of signing trade deals with Israel, Chile and Mexico. There has been lots of talk about what is going to happen in Asia over the next number of years. We think it's incumbent on the government to chart a course of where it sees, in some more detail, its goals and objectives globally. From our point of view, you get into a situation in which the signing of a host of bilaterals almost sets trade policy for you.... It is time to reflect and work on an overall trade policy.

I wholeheartedly agree with Mr. Wilkenson. When will a blueprint be given to Canadians on where the government is heading in Canada's trade policy? In today's world, there are many buzzwords repeated time and again in the media, in politics and in business, but none are more timely than the word "globalization." We have the opportunity to increase our economic strengths, diversify our trade and create employment in our developing industries. A great trade opportunity exists for Canadians as we enter the next millennium; but only with the proper leadership can we capitalize on our strengths as an open and friendly trading nation to the rest of the world. Without a strong and comprehensive policy regarding trade, how can the medium and small businesses of Canada tap into this global market?

Global trade is important to us, as we realized in the 1980s. Today, 30 per cent of the jobs in Canada rely on trade, which represents over 40 per cent of our GDP. For these reasons, I am in favour of increasing trade with other nations and of this free trade agreement which facilitates that process. Bill C-81 is modelled after the NAFTA agreement negotiated by the previous government. It supplies Canadian exporters with a dynamic and growing market in South America.

As to the specifics, the central provision in Bill C-81 is duty-free access for most industrial and resource-based goods, whereby Chile will drop their 11-per-cent import duty immediately on a portion of these. The remaining tariffs will be phased out over the next 17 years. The agreement also offers protection for Canadian investors and guarantees for Canadian exporters of services. The Canadian manufacturing sector will gain a valuable advantage over their American counterparts in Chile due to the elimination of the Chilean tariffs on industrial goods. One of the less tangible benefits will accrue to our mining industry through the improved trade relationship and further liberalization of the Chilean market, that being the possibility of gaining additional access in the future.

The agreement also provides significant protection against expropriation without compensation. However, I should like to ask the government to assure us, particularly in the area of military services and open procurement, that we will be bound by the 1986 policy guidelines on the export of military goods to non-NATO countries. I say this only because I want to be certain, as I am sure the government does, that all military weapons, in the fullest definition of the phrase, are not part of the free trade agreement but continue to be controlled under the 1986 policy.

Surprisingly, the bill also includes side agreements on labour and environment, a solution the current government questioned on page 24 of its fabled crimson publication of 1993. This area merits further discussion in committee.

From my view, there is a great potential for opportunity in the agricultural sector of my home region, the prairies. In this area, the agreement gives our Canadian prairie farmers an advantage over their competitors from the United States and Europe. Historically, the prairie region's survival has been, and as it will continue to be in the near future, based on the agri-food sector and the export of these commodities throughout the world.

While Canada's share of the agri-food export market in Chile is relatively small, totalling \$77 million in 1995, three-quarters of this was wheat or durum from the prairies. Under this agreement, tariffs on Canadian agri-food products will be lifted immediately or phased out over the next 17 years. Obviously, some in the industry wish that the phase-out process could be accelerated substantially. However, certain provisions have been made to the benefit of the Canadian farmer. These include immediate duty-free access for durum wheat between April 15 and November 15, the seasonal period for Canadian wheat. An immediate drop in the duty placed on oilseed and oilseed products from 11 per cent to 6 per cent, which will be phased out over 7 years, is also welcomed. Immediate duty-free access for barley and barley products and duty-free entry for corn, phased in over 10 years, is also welcome news.

The exception to the positive news is milling wheat where the tariffs will not be phased out until year 17 of the agreement. The reason for this is a complicated price-ban system used to maintain domestic prices in Chile for certain agricultural products, including milling wheat and canola oil. Under article C-17 of the agreement, Chile retains the right to impose a special duty on import products whose international prices fall below Chilean limits. Included in this article are 31 tariff lines on agri-food products like wheat and wheat flour, vegetable oils and sugar. This price ban is over and above any tariffs that still apply to these products.

As the tariffs are phased out, the price-ban levy would most likely increase each year to make up the difference and keep the prices comparable to other international prices. The WTO places a maximum tariff limit that would keep the combined tariff and the price-ban levy below approximately 35 per cent. The price ban is negated altogether if the international price falls below the Chilean ban range. This is a trade tactic to protect domestic products in Chile while still allowing Canada to claim victory in the reduction of tariffs.

Further, Bill C-81 removes the anti-dumping provisions negotiated in NAFTA. While a good portion of the agricultural community is in favour of this removal, it would be wrong not to acknowledge the Canadian horticultural community's concerns in this regard.

The final concern I have regarding Bill C-81 is the capital requirement maintained by the Chilean Central Bank under the agreement. In the past, Chile has required outside investors to keep up to 40 per cent of their investments in the central bank for at least one year. This measure was introduced in order to block the type of speculative flight Mexico underwent a few years ago. However, under Bill C-81, only foreign credit financing will be required to continue this practice at a rate of 30 per cent. This is useful for larger corporations. However, smaller firms will have difficulty receiving financing under the current agreement. Furthermore, this is a protectionist measure that will prove difficult when Chile is brought into NAFTA.

•(1550)

In closing, while I support the legislation, I am looking forward to examining certain specific provisions of this bill to ensure that these trade benefits are, in fact, achievable.

On motion of Senator Graham, for Senator Stollery, debate adjourned.

CAPE BRETON DEVELOPMENT CORPORATION

SPECIAL COMMITTEE AUTHORIZED
TO EXTEND DATE FOR FINAL REPORT

Hon. Bill Rompkey, pursuant to notice of April 8, 1997, moved:

That notwithstanding the Order of the Senate adopted on March 6, 1997, the Special Committee of the Senate on the Cape Breton Development Corporation, which was authorized to examine and report upon the Annual Report, Corporate Plan and progress reports of the Cape Breton Development Corporation and related matters, be empowered to present its final report no later than April 30, 1997, and that the Committee retain all powers necessary to publicize the findings of the Committee contained in the final report until May 7, 1997; and

That the Committee be permitted, notwithstanding usual practices, to deposit its report with the Clerk of the Senate, if the Senate is not then sitting; and that the report be deemed to have been tabled in the Chamber.

Motion agreed to.

AGRICULTURE AND FORESTRY

COMMITTEE AUTHORIZED TO EXTEND DATE
FOR FINAL REPORT ON STUDY ON THE PRESENT STATE
AND FUTURE OF FORESTRY IN CANADA

Hon. Doris M. Anderson, pursuant to notice of April 8, 1997, moved:

That, notwithstanding the Order of the Senate adopted on Thursday, May 16, 1996, the Standing Senate Committee on Agriculture and Forestry, which was authorized to examine the present state and the future of forestry in Canada, be empowered to present its final report no later than Monday, June 30, 1997.

Motion agreed to.

TRANSPORT AND COMMUNICATIONS

COMMITTEE AUTHORIZED TO MEET
DURING SITTINGS OF THE SENATE

Hon. J. Michael Forrestall, pursuant to notice of April 8, 1997, moved:

That the Standing Senate Committee on Transport and Communications have power to sit during sittings of the Senate for the duration of its study of Bill C-32, An Act to amend the Copyright Act, and that rule 95(4) be suspended in relation thereto.

Motion agreed to.

BUSINESS OF THE SENATE

Hon. B. Alasdair Graham (Deputy Leader of the Government): Honourable senators, there are several committees sitting at the present time, and I believe there is agreement to stand all remaining items.

The Hon. the Speaker: I understand, honourable senators, that there is agreement on all sides that all other motions and inquiries will stand. Therefore, under the previous agreement, the bells will ring at 5:15 and we will have a vote or votes to dispose of all matters relating to Bill C-29 at 5:30 p.m.

Accordingly, I leave the Chair to return at 5:15 p.m.

The sitting of the Senate was suspended until 5:15 p.m.

•(1730)

The sitting of the Senate was resumed at 5:30 p.m.

MANGANESE-BASED FUEL ADDITIVES BILL

THIRD READING

On the Order:

Resuming debate on the motion of the Honourable Senator Kenny, seconded by the Honourable Senator Stewart, for the third reading of Bill C-29, to regulate interprovincial trade in and the importation for commercial purposes of certain manganese-based substances.

And on the motion in amendment of the Honourable Senator Kinsella, seconded by the Honourable Senator DeWare:

That Bill C-29 be not now read the third time but that it be amended by replacing clause 21 with the following:

21.(1) Subject to this section, this Act comes into force on a day to be fixed by order of the Governor in Council made on the recommendation of the Minister.

(2) The Minister may make a recommendation under subsection (1) only after determining that the use of methylcyclopentadienyl manganese tricarbonyl as a fuel additive will prevent compliance with the emission standards made applicable to motor vehicles under the *Motor Vehicle Safety Act*.

(3) In preparing to make the determination referred to in subsection (2), the Minister shall

(a) cause a fleet of vehicles that is representative of the full range of vehicles in use in Canada to be tested in ordinary circumstances in order to determine whether the use of methylcyclopentadienyl manganese tricarbonyl as a fuel additive causes the failure of the emission control devices or systems of the vehicles;

(b) following disclosure of the results of the testing conducted pursuant to paragraph (a) to such representatives of the Canadian oil refining industry and the Canadian automobile manufacturing industry and such other persons as the Minister considers appropriate, advise such persons in writing of a consultation period of forty-five days during which they may make representations; and

(c) obtain such other information, conduct such other research and engage in such other consultations as are appropriate and expedient.

(4) The Minister shall cause to be laid before each House of Parliament,

(a) before the beginning of the consultation period referred to in paragraph 3(b), a report of the results of the testing conducted under paragraph 3(a); and

(b) before making a recommendation under subsection (1), a report setting out all of the information that is relative to the determination to be made under subsection (2).

The Hon. the Speaker: It was moved by the Honourable Senator Kenny, seconded by the Honourable Senator Stewart, that this bill be read the third time.

It was moved in amendment by the Honourable Senator Kinsella, seconded by the Honourable Senator DeWare:

That Bill C-29 be not now read the third time but that it be amended by replacing clause 21 with the following:

21.(1) Subject to this section, this Act comes into force on a day to be fixed by order of the Governor in Council made on the recommendation of the Minister.

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(a) cause a fleet of vehicles that is representative of the full range of vehicles in use in Canada to be tested in ordinary circumstances in order to determine whether the use of methylcyclopentadienyl manganese tricarbonyl as a fuel additive causes the failure of the emission control devices or systems of the vehicles;

(b) following disclosure of the results of the testing conducted pursuant to paragraph (a) to such representatives of the Canadian oil refining industry and the Canadian automobile manufacturing industry and such other persons as the Minister considers appropriate, advise such persons in writing of a consultation period of forty-five days during which they may make representations; and

(c) obtain such other information, conduct such other research and engage in such other consultations as are appropriate and expedient.

(4) The Minister shall cause to be laid before each House of Parliament,

(a) before the beginning of the consultation period referred to in paragraph 3(b), a report of the results of the testing conducted under paragraph 3(a); and

(b) before making a recommendation under subsection (1), a report setting out all of the information that is relative to the determination to be made under subsection (2).

Motion in amendment negated on the following division:

YEAS

THE HONOURABLE SENATORS

Andreychuk	Jessiman
Atkins	Kelleher
Balfour	Kelly
Beaudoin	Kinsella
Berntson	Lavoie-Roux
Buchanan	LeBreton
Carney	Lynch-Staunton
Cochrane	MacDonald (Halifax)
Cogger	Murray
Cohen	Nolin
DeWare	Oliver
Di Nino	Pitfield
Doody	Roberge
Doyle	Rossiter
Forrestall	Simard
Grimard	Tkachuk—32

NAYS

THE HONOURABLE SENATORS

Adams	Losier-Cool
Anderson	Maheu
Austin	Mercier
Bryden	Milne
Carstairs	Moore
Cools	Pearson
Corbin	Pépin
De Bané	Perrault
Fairbairn	Petten
Forest	Poulin
Gigantès	Rizzuto
Graham	Rompkey
Haidasz	Spivak
Hays	Stanbury
Hébert	Stewart
Hervieux-Payette	Stollery
Johnson	Taylor
Kenny	Watt
Landry	Wood—39
Lewis	

ABSTENTIONS

THE HONOURABLE SENATORS

Nil

The Hon. the Speaker: It was moved by the Honourable Senator Kenny, seconded by the Honourable Senator Stewart, that this bill be read the third time.

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

Some Hon. Senators: Agreed.

Motion agreed to and bill read third time and passed, on division.

Some Hon. Senators: On division.

The Senate adjourned until tomorrow at 2 p.m.

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