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THE HONOURABLE GILDAS L. MOLGAT
SPEAKER

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THE SENATE

Tuesday, October 7, 1997

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

Prayers.

PAGES EXCHANGE PROGRAM WITH HOUSE OF COMMONS

The Hon. the Speaker: Honourable senators, as you are aware, we have an exchange program with pages from the House of Commons. I should like to introduce to you today the two pages from the House of Commons who will be with us for this week.

On my right is Lesley Dampier of Dawson Creek, British Columbia. Lesley is majoring in Environmental Studies in the Faculty of Arts at the University of Ottawa. Welcome to the Senate, Lesley.

On my left is Jonathan Smith, enrolled in the Arts Program at Carleton University. Jonathan also comes from British Columbia, from the city of Abbotsford. Welcome to the Senate, John.

[Translation]

SENATORS' STATEMENTS

THE CANADIAN 100

RECENT BOOK LISTING THE MOST INFLUENTIAL CANADIANS

Hon. Normand Grimard: Honourable senators, last week in English Canada a new book was launched, *The Canadian 100*. Today, it was reviewed in *Le Devoir*, and I will quote some passages from the review.

The Canadian 100, a ranking of the 100 most influential Canadian personalities of the 20th century, could well add fuel to the current debate, and trigger heated discussions.

The author of the article continues:

The Canadian 100, launched last week in English Canada, is authored by two historians. One of these is Jack L. Granatstein, until recently affiliated with Toronto's York University, who has written considerably on Canadian history.

The other is Graham Rawlinson.

"We wanted to write about the influence 100 Canadians have had on our history", Mr. Rawlinson explained yesterday. Our listing will, of course, not be unanimously agreed with. If it does stir up some interest in the history of Canada, and encourage people to question our choices, so much the better!

The honourable senators will be surprised, no doubt, to hear that the second person on this list, ranking ahead of the likes of Mackenzie King, Wilfrid Laurier and Pierre Elliott Trudeau, is Brian Mulroney, for he, according to Mr. Rawlinson:

...changed the course of events in Canada.

In addition to paying homage to Mr. Mulroney, I would like to take advantage of this opportunity to point out that this important and impressive list also includes our colleague Senator Louis Robichaud, whom I heartily congratulate.

[English]

VISIT TO EUROPEAN PARLIAMENT

Hon. Philippe Deane Gigantès: Honourable senators, I used to have a list of people with whom I did not want to travel. I now have a list of people with whom I would like to travel, having travelled with Senator Grimard. It was wonderful being with him. He always keeps his sense of humour and his hospitality is extraordinary. It is real fun being abroad with him.

On this occasion, Senator Grimard and I, among others, visited the European Parliament. There were various discussions, and one of these discussions touched a subject which is important for us. I will beg your forgiveness if I quote myself. I made the shortest speech ever made in the European Parliament — I have a heavy debt of verbosity to pay down — one minute and thirty-one seconds.

I said that civilizations are fabrics embellished by threads from other civilizations.

•(1410)

I also said that this melding occurs because of inventions in communications: writing in China and the Middle East; the addition of vowels to the alphabet of the Middle East by the Greeks so as to transcribe and learn foreign languages; the papyrus of Egypt; the presses of Gutenberg.

Now, we have reached a stage where the means of communication are truly magical; we have digital imaging and virtual reality. Such innovations enchant us; yet they are so expensive that they are becoming more and more the monopoly of big American conglomerates.

The image, the fabric of civilization as projected by the Americans, will become impoverished if it is not constantly fed from other nations. Therefore, it is important that other nations have the right to protect their role in the grand theatre of ideas where humanity plays. This would not be protectionism. It would be sanity.

THE LATE J. CHESTER MACRAE, M.C., E.D.,

TRIBUTE

Hon. Noël A. Kinsella (Acting Deputy Leader of the Opposition): Honourable senators, today is one of those occasions when, out of respect for the dedicated public service of a distinguished Canadian, we rise to pay tribute to the memory of a former parliamentarian.

On Sunday, October 5, 1997, John Chester MacRae passed away. This outstanding citizen served his country as a soldier and as a parliamentarian. Indeed, J. Chester MacRae was the Progressive Conservative Member of Parliament for York—Sunbury in New Brunswick, serving from 1957 to 1972, having won six federal elections.

Thirty-five years ago this week, while speaking in the debate on the Speech from the Throne, which had opened the 25th Parliament, Chester stated:

...that we should give consideration to the establishment of a national office of education.

Honourable senators, throughout his remarkable career, education had been a top priority for this great parliamentarian. As a soldier, he was a captain in New Brunswick's North Shore Regiment and participated in the D-day invasion of France.

He was a decorated soldier, his array of medals including the Military Cross. In his latter years, he was appointed an honorary colonel of the First Battalion Royal New Brunswick Regiment, the Carleton-York regiment. He will be remembered for his bravery as a soldier and for his compassion and dedication as a distinguished member of the House of Commons.

INTERNATIONAL TREATY ON LAND MINES

CONGRATULATIONS TO INVOLVED PARTIES ON ACHIEVEMENT

Hon. Mira Spivak: Honourable senators, last week there was a briefing by the Department of Foreign Affairs on Canada's role in the land mines treaty. I want to pay tribute to the non-governmental organizations led by the International Campaign to Ban Land Mines, the Global Coalition of States,

international organizations and UN agencies and, last but not least, the Honourable Lloyd Axworthy, who have successfully mounted a campaign to ban the use of anti-personnel mines.

Nothing less than high praise can be offered to Lloyd Axworthy who seized the leadership in this great global cause through the Ottawa process and met with such stunning success at such head-spinning speed. In October 1996, Canada hosted the first-ever meeting of NGOs, international organizations and governments to discuss a strategy for the total ban on anti-personnel mines, and the treaty is to be signed in December of 1997.

The treaty to ban these mines, supported by about 100 nations, is not just a victory for basic humanitarianism, since the mines maim or kill mostly civilians and mainly women or children; it is not just a victory of common sense over brutal military, strategic illogic, since soldiers, like those in the Korean War, are more likely to be killed by their own mines than by the enemy's. It is a victory for sanity, and sane use of the earth.

One hundred million land mines have already been laid, and 2.5 million more are planted each year. However, almost no maps exist to locate these mines, so vast quantities of land cannot be tilled. About 25,000 civilians are killed each year, and these cheap little horrors — which cost between \$3 and \$30 — will cost between \$200 billion and \$300 billion to deactivate. Trained sappers must painstakingly dig them out one by one.

The Canadian Auto Workers, by the way, have pledged the largest social justice expenditure ever for a union — a \$1.25-million fund — to remove the land mines in Mozambique.

Gaining agreement on this treaty is an amazing achievement, but the greatest victory will be if there is movement on the production and control of armaments. Press reports indicate that Mr. Axworthy is on to bigger and better things — a ban on small-arms sales, dismantling Russian and American nuclear warheads, but not, it is to be hoped, by burning the plutonium in Canada's ill-fated nuclear reactors. Perhaps acting on the Australian initiatives, which suggested the elimination of all nuclear weapons, the minister also has his eye on making NATO a nuclear-free alliance.

The attempt by the minister and the world NGOs to move forward on the issues could lead to a seismic paradigm shift. Each year, more than US\$1 trillion worldwide is spent on armaments. The minister speaks in a recent interview about the big picture — the vision of a world in which countries do not wage war to settle disputes.

I hope that these truly earth-shaking efforts will find support, and perhaps assistance, on both sides of this house. A newly formed Senate committee on defence could do worse than devote a large part of its agenda to these far-reaching ideas on disarmament generated by this visionary Minister of Foreign Affairs.

[Translation]

THE LATE ROBERT BRYCE

TRIBUTE

Hon. Roch Bolduc: Honourable senators, a few months ago we lost a fine servant of the Canadian government, Robert Bryce. Perhaps you would permit a former public servant to recall briefly the significant role this federal mandarin played in Canada's destiny.

Robert Bryce was a brilliant mathematician, who, in the 30s, studied economics at Cambridge University. Along with Harold Wilson, he was one of the top students in the class of John Maynard Keynes, who would receive his students at his home, so that when his famous general theory on the use of interest and money was published in 1936, Bryce was already familiar with all its complexities, which he explained to the faculty at Harvard, that is, to people like Alvin Hansen, Seymour Harris and John Kenneth Galbraith. In *The Ottawa Man*, Granatstein described this strategic stage in Bryce's career, before Clifford Clark recruited him for the Canadian public service.

He was subsequently the Department of Finance's top technocrat, and I would like to quote two short passages from Granatstein's book:

[English]

Peering out from behind his thick-lensed spectacles, Bryce brought enormous intelligence and energy to his work, and his duty encompassed almost every aspect of government finance...

The war made Bryce's reputation. If a question arose, he could tackle it and produce a well-written, 30-page memorandum on the subject overnight. His capacity to assimilate data was enormous, his fund of ideas impressive.

[Translation]

This was a man who made an eloquent contribution to the essential components of the Government of Canada's post-war economic policy, following the report on employment and revenue. This application of Keynesian theory to Canadian policy also had the effect of profoundly altering Canadian federalism, as was so clearly pointed out by former senator Maurice Lamontagne, one of his friends. He, however, knew he was more effective in government committees, where the approach bears more of a resemblance, I would say, to a university seminar.

Bob Bryce was, along with George Davidson, Mitchell Sharp, Jean-Marie Martin, Ted Hodgetts, Jake Warren, Gordon Robertson, Jean-Marc Hamel and others, an active participant at the annual meetings of the Institute of Public Administration of Canada. I remember that at the Prince Edward Island meeting, in 1964 I think, our conversation with Bryce went on all night long,

in the company of Al Johnson, Edgar Gallant, Jean Fournier, Michel Bélanger and a few others.

For us, these meetings were as stimulating as those we were having in Quebec City at this same time with André Laurendeau during the Quiet Revolution. Back then, we were living in that fervent interventionist atmosphere, without yet having realized that the rules of western democratic practice prevent politicians from postponing bonuses to social groups. Hence, "the puzzling failure of economics," to use the expression coined by *The Economist*.

It was only later that some of us saw the wisdom of Hayek's views. Bob Bryce also worked at the International Monetary Fund and was a trusted advisor to a number of heads of state, after serving a half dozen prime ministers of Canada, from Mr. King to Mr. Trudeau.

When he retired, he began writing the history of the Department of Finance. His *Maturing in Hard Times* is now part of our national heritage.

Although his economic advice did not always produce happy results, nobody would deny that Bob Bryce was one of this country's outstanding senior officials.

[English]

ROUTINE PROCEEDINGS

CHILD CUSTODY AND ACCESS REFORM

NOTICE OF MOTION TO ESTABLISH SPECIAL JOINT COMMITTEE

Hon. Sharon Carstairs (Deputy Leader of the Government): Honourable senators, I give notice that on Thursday next, October 9, 1997, I will move:

That a special joint Committee of the Senate and the House of Commons be appointed to examine and analyze issues relating to parenting arrangements after separation and divorce, and in particular, to assess the need for a more child-centred approach to family law policies and practices that would emphasize parental responsibilities rather than parental rights and child-focused parenting arrangements based on children's needs and best interests;

That seven Members of the Senate and sixteen Members of the House of Commons be members of the Committee with two Joint Chairpersons;

That changes in the membership, on the part of the House of Commons, of the Committee be effective immediately after a notification signed by the member acting as the chief Whip of any recognized party has been filed with the clerk of the Committee;

That the Committee be directed to consult broadly, examine relevant research studies and literature and review models being used or developed in other jurisdictions;

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

That the Committee have the power to report from time to time, to send for persons, papers and records, and to print such papers and evidence as may be ordered by the Committee;

That the Committee have the power to retain the services of expert, professional, technical and clerical staff, including legal counsel;

That a quorum of the Committee be twelve members whenever a vote, resolution or other decision is taken so long as both Houses are represented and the Joint Chairpersons will be authorized to hold meetings, to receive evidence and authorize the printing thereof, whenever six members are present, so long as both Houses are represented;

That the Committee be empowered to appoint, from among its members, such subcommittees as may be deemed advisable, and to delegate to such subcommittees, all or any of its power except the power to report to the Senate and House of Commons;

That the Committee be empowered to authorize television and radio broadcasting of any or all of its proceedings; and

That the Committee make its final report no later than November 30, 1998; and

That a message be sent to the House of Commons to acquaint that House accordingly.

points they were to make such an announcement. It is now October 7, 1997, and there is no announcement in sight of a replacement for the helicopter.

It is somewhat inexcusable that the government does not have the intestinal fortitude to announce a replacement for the Labrador helicopter. When will the government look Boeing squarely in the eye, perk up their fortitude and make this announcement, which will affect all Canadians?

Hon. B. Alasdair Graham (Leader of the Government): Honourable senators, perhaps Senator Forrestall could look Boeing straight in the eye because perhaps he knows more than I do. At any rate, I want to assure all honourable senators that the government is moving on this very important subject and it is hoped that an announcement will be made in the not too distant future.

Senator Forrestall: Honourable senators, we heard this same response two years ago. The current equipment is somewhat unreliable. The government cancelled the EH-101 project in the early days of its mandate in 1993, a helicopter that would have replaced both the Labrador and the Sea King. The Sea King helicopter has put in venerable and safe service for over 30 years, and they are now ancient and somewhat unreliable. One would not want to be caught driving a 30-year old Lada, Chevy or Ford but our air crews are expected to fly 30-year old helicopters. This is an illogical expectation.

Would the government end this irresponsibility toward the Canadian Armed Forces and announce a replacement for the Sea King at the same time it does so for the search and rescue helicopter?

Senator Graham: Honourable senators, I want again to assure the honourable senator that the government is taking not only this matter but his questions seriously. Various options are being examined. As I said earlier, it is hoped that an announcement will be forthcoming in the not too distant future.

[*Translation*]

QUESTION PERIOD

NATIONAL DEFENCE

SEARCH AND RESCUE HELICOPTER REPLACEMENT PROGRAM—
POSSIBILITY OF ANNOUNCEMENT OF GOVERNMENT DECISION

Hon. J. Michael Forrestall: Honourable senators, I have a question for the Leader of the Government in the Senate. The government had promised to announce a replacement for the search and rescue helicopter before the end of September of this year. Prior to that, they had set three other deadlines, at which

FOREIGN AFFAIRS

MISUSE OF CANADIAN PASSPORTS BY ISRAELI AGENTS—
POSSIBILITY OF ESTABLISHING SPECIAL COMMITTEE
TO EXPLORE ISSUES—GOVERNMENT POSITION

Hon. Marcel Prud'homme: Honourable senators, I would like to ask the Leader of the Government whether the government intends to institute a special Senate committee in which we will have more time to examine a matter of concern to all Canadians who hold Canadian passports, namely the gross misuse of such passports by Israeli security services in committing murders which I would categorize as state terrorism. Could we have an answer from the minister today?

[English]

Hon. B. Alasdair Graham (Leader of the Government): Honourable senators, I am not aware that there is any intention to set up, as the senator indicated, a special Senate committee to investigate this particular matter. Everyone has watched and listened to the Prime Minister and Mr. Axworthy respond to this very important issue. Mr. David Levy, the Israeli Foreign Minister, has expressed deep regret for the incident on behalf of the government of Israel. Mr. Levy also apologized for the delay in responding to Canada's concerns in the early days of this incident, which was due to the high religious holidays in Israel. Mr. Levy agreed that Canada and Israel should consult on consular and passport matters.

The objective of the Canadian government is to impress upon Israel, as well as other countries, that Canadian passports should never be used by foreign governments or agencies. We will be sending a senior official to Israel over this coming weekend to emphasize and reinforce that particular point.

•(1430)

Canada, of course, does not condone the use of assassination to fight terrorism. As honourable senators know, we have recalled our ambassador to Israel to express our unhappiness at this affair. That action, of course, is a very serious diplomatic step. We regret very much that we have had to take this step, because Israel and Canada have had a long-standing friendship and a good relationship.

I understand the concerns expressed by the Honourable Senator Prud'homme and I will bring those concerns directly to those most directly affected.

Senator Prud'homme: I thank the leader for his answer. With all due respect, Mr. Axworthy is not Prime Minister of Canada, and Mr. Levy is not Prime Minister of Israel.

These assurances have been given time and time again in the past: "We will not use the Canadian passport again." It is Canada's reputation that is at stake.

I will make a report to the Senate of a very extensive trip I took this summer, at my expense, to Syria, Jordan, and Egypt. I am telling you, Mr. Minister, that it is Canada's reputation at the moment that is at stake. We may not be seeing many headlines in Canada, but the leader's staff and the staff of the government should see the current headlines of the newspapers in Jordan and other places. I am not here to accommodate deals between the King of Jordan and Israel. I am here to defend the integrity of the Canadian passport, which is being abused and which was almost ridiculed this morning. That is why I bring to your attention a statement by Canada-Israel Committee under the name of Robert Ritter. It almost compared the use of Canadian passports with some non-Canadian kids using the flag on their backpacks. These kids who are using my Canadian flag are not going around the world killing people. They are using Canada's good reputation.

Do you think if you had children or nieces and nephews — as I do — that you would suggest they put a Canadian flag on their backpack and travel around the Middle East today?

I will not beat around the bush. What I feel is that the government, for many reasons, is acting as a result of pressure of many kinds. The RCMP today announced that they will sue two people whose names are Arabic for the use of the Canadian passport. They have known of this since May and the trial will be taking place next April. It is a strange coincidence. What are we doing to these Canadians who either willingly give their passports or accept the use of their passports by others? That is what Canadians want to know.

Does the Leader of the Government not think that the time has come for us to stop beating around the bush and make an inquiry — including the word "terrorism"? The best way to put an end to terrorism would be to give justice to the Palestinians. I can tell honourable senators that you would not hear about all these organizations thereafter. However, that will come in another debate.

Will the minister not consider having a committee of the Senate look into the integrity of the Canadian passport? The Criminal Code contains sections regarding the use of the Canadian passport — sections 57 and 58. Everyone is asking, "What is Canada up to?" What is the Canadian government up to in this question?

Senator Graham: Honourable senators, we have the passports in our possession, and a forensic analysis is now being undertaken. An early assessment confirms that the passports are not only forgeries but were most likely fabricated outside Canada.

No one defends Canada and the Canadian passport more honourably or with greater vigour than does Senator Prud'homme. I agree on that point. However, I disagree very fundamentally on another point raised by the honourable senator. If I could sum up what Senator Prud'homme was saying, I believe it was to the effect that he could not recommend to young people, to someone's children, to his young relatives, that they wear a Canadian flag on their backpack in that particular part of the world. I hope that we will never ever come to that, because if there is any flag, any standard, that can be worn in any place in the world with the greatest of pride for its country and with the greatest safety, it is the Canadian flag.

Senator Prud'homme: Honourable senators, I have one last question.

I want to ask the minister: When is the Canadian passport important? When is it glorious? When is it the best in the world? I regret that I have to say this: Was it when Mr. Charest, the Leader of the Conservative Party, in a most effective way, probably won, on his own, the referendum in Quebec that we won by only 55,000 votes? I am surprised that no question came from the leader's party on this issue. He went all across Quebec,

in case you do not know in English Canada, from Gaspé to Val d'Or to St-Jean to the Saguenay to Lac Saint-Jean, saying that the Canadian passport is the most important, the most respected. I am extremely disappointed when I see the way it is being treated in the House of Commons. I was there yesterday. I was there last week, and I waited to ask questions. Do honourable senators want to know why? I will introduce a motion and we will discuss it for 15 minutes.

We know about the pressure; we are not stupid. There is not a senator here who is stupid enough to believe that we are not under pressure to forget about this as quickly as possible. I repeat: It is the integrity of Canada that is at stake. I am disappointed at the questions in the House of Commons. If Diefenbaker and Nielsen were still alive, I can tell honourable senators the government of the day would be under so much pressure that they would have to do something, but they went all around the field yesterday and last week in the House of Commons. They could not concentrate on a major issue that is important to the Canadian people.

Will at least the Senate take its responsibility — I doubt very much if I would be appointed to that committee — and establish a committee to look into that issue, to really send signals all around the world that we will not accept people tampering with the Canadian passport. That is what the message should be. That is what the message should be in the Middle East at the moment. The leadership in the Middle East may accept that we are very kind, but will the leader — yes or no — look into the possibility of having a committee of the Senate investigate this issue?

Senator Graham: Honourable senators, the rules provide for any senator to initiate an inquiry. I invite the honourable senator to initiate —

Senator Prud'homme: Seconded by?

Senator Graham: — an inquiry in this place.

Senator Prud'homme: Will you second it?

Senator Graham: I want to say emphatically that there is no pressure whatsoever being brought on me, and to my knowledge on any of my colleagues, with respect to this particular issue or to forget about it. If that were the case, why would Canada be sending a special envoy to Israel to discuss this very matter and to examine all of the details pertinent to the question?

The honourable senator asks when will the Canadian passport be the best in the world. I say to him: today and it is hoped forever.

Some Hon. Senators: Hear, hear!

THE ENVIRONMENT

INCREASE IN GREENHOUSE GAS EMISSIONS—POSSIBILITY OF SEEKING EXEMPTIONS AT UPCOMING MEETING IN JAPAN—GOVERNMENT POSITION

Hon. Ron Gitter: My question is to the Honourable Leader of the Government in the Senate, whom I congratulate on achieving such a wonderful position. I know his answers to our questions will be quick and to the point. I also know we will not have to wait long for them and that they will not be evasive. We will test him today, honourable senators, just to ensure that that is the case.

In 1992, the Canadian government agreed to stabilize Canada's greenhouse gas emissions at 1990 levels. Since that time, emissions have increased by 8 per cent.

What position does the Canadian government intend to take at the December meetings in Kyoto, Japan, with respect to its earlier commitment in 1992?

•(1440)

Hon. B. Alasdair Graham (Leader of the Government): Honourable senators, it is to be hoped that we will give a positive progress report at the meetings in Kyoto, Japan. The Minister of the Environment will represent Canada at those meetings. This past weekend, she was attending preliminary meetings in preparation for the meetings in Kyoto. I do not believe that any country in the world has lived up to the expectations of 1992, but we can only hope that progress will be reported.

Senator Gitter: I see that the Minister of the Environment has stated that Canada will seek an exemption for greenhouse gas emissions in Kyoto, which is hardly a statement of Canada's good work in this area. What exemptions is Canada seeking in Kyoto?

Senator Graham: I would have to take that question under advisement and seek a more detailed answer.

Senator Gitter: Has the Minister of the Environment, Ms Stewart, met either with the Alberta government or with industry to determine what the Canadian position should be, recognizing the serious impact that this issue has in the Province of Alberta?

Senator Graham: Honourable senators, I cannot answer specifically that the minister has met with the responsible minister of the Province of Alberta, but my understanding is that she has met with appropriate representatives of every provincial government. If she has not, she will do so before she travels to Kyoto.

Senator Gitter: Honourable senators, I understand from industry representatives that they are dismayed over the fact that they will not be allowed to make any representation at these very important meetings in Kyoto, which will have such a very serious impact on the oil and gas industry in Canada. Is this the understanding of the Leader of the Government in the Senate? If

so, will he make representations to the minister that it would be appropriate to have a representative of Canada's oil and gas industry present in Kyoto in order to deal with these very important issues?

Senator Graham: Honourable senators, I cannot say "Yea" or "Nay" to the honourable senators's question, but I would certainly be happy to bring his representations to the attention of the minister responsible.

Senator Ghitler: The more things change, the more they stay the same from the point of view of answers, but we hope we will receive a rapid response.

REDUCTION IN GREENHOUSE GAS EMISSIONS—POSSIBILITY OF ESTABLISHING TARGETS—GOVERNMENT POSITION

Hon. Mira Spivak: Honourable senators, Senator Ghitler would have wanted to ask this question if he had had the time, so I will ask it for him.

Will the Canadian government agree to firm reductions — that is, targeted reductions — and to a time period for those reductions? That is the essential question. At the moment, all we have is voluntary compliance, but voluntary compliance has led to this very sad situation where Canada finds itself behind Britain, Germany, Russia, and lots of other countries respecting the rate of reduction of its greenhouse gas emissions. You have another chance to pass the test.

Hon. B. Alasdair Graham (Leader of the Government): Honourable senators, I am always afraid of suggesting targets. They are good to shoot at, but rarely do you hit the target right on the nose.

However, it would be commendable if we did have targets. I will need to discuss with my honourable colleague whether or not there will be targets, and what those targets will be.

JUSTICE

HARBOURING OF WAR CRIMINALS—POSSIBILITY OF LEGISLATION TO ASSIST INTERNATIONAL TRIBUNALS

Hon. A. Raynell Andreychuk: Honourable senators, perhaps I could ask Senator Graham another test question.

In multilateral environments, Canada has always led in ensuring that safeguards for our citizens and others are in place. On that front we have been leaders in small arms conventions, in human rights treaties and, most recently, on the land mines issue. Canada has also been very strong in saying that the enforcement and administration of these treaties is as important as creating new initiatives.

Canada has also supported the concept of war crimes tribunals, and the pursuit of perpetrators of atrocities around the world. Yet in Canada — at least in the opinion of the experts — we do not

seem to have enabling legislation that would assist these tribunals in this important work. In particular, I am speaking about the fact that when international warrants are issued for known war criminals who have moved to Canada — and I am talking not of petty offenders but of those who have been responsible for genocide, and for inciting situations in places such as Bosnia and Rwanda — we have no enabling legislation to assist these international tribunals in bringing such people to justice.

My question is: When will Canada move on putting in place the type of legislation that will ensure that we do not harbour war criminals in this country, and that we do, in fact, assist international tribunals in bringing such people to justice?

Hon. B. Alasdair Graham (Leader of the Government): Honourable senators, I think it is a given that Canada would assist international tribunals in bringing these people to justice. However, with respect to the specifics in relation to any pending legislation, I would need to consult with my colleagues.

Senator Andreychuk: In my investigations, I have been told that the Department of Justice is looking into the matter and perhaps it will be bringing in legislation, but only at the time of some omnibus criminal legislation being brought forward. Taking into consideration the way in which the opposition members in the other place are dealing with this issue — in fact, jeopardizing the proper integration of real refugees into Canada — and in light of the fact that, without legislation to restrain such individuals, Canada's safety is in question, surely the introduction of said legislation should be a priority. I would urge the Leader of the Government to convey to the Minister of Justice the suggestion that we not delay any further, and that he bring in this legislation immediately.

In particular, I am thinking here of the situation of Madam Justice Louise Arbour. We understood that it was a high priority for her sit on the international tribunal, despite the fact that we had to go through some machinations to get there, including taking what I would call a very short and unusual route to have her appointed. Can we not now take a short and correct route to put the necessary legislation in place here in Canada?

Senator Graham: Honourable senators, I will explore those suggestions fully with my colleagues. I thank the honourable senator for her very useful suggestions.

TRANSPORT

PRIVATIZATION OF AIR NAVIGATION SYSTEM—LACK OF INDEPENDENT ASSESSMENT—GOVERNMENT POSITION

Hon. Terry Stratton: Honourable senators, my comments and question are directed to the Leader of the Government in the Senate. First, I wish to extend my congratulations to you. I appreciated your humour last week, but where is it this week?

Senator Graham: You just cannot win!

Senator Stratton: The Auditor General says that Transport Canada failed to exercise due regard for taxpayers' dollars in determining the value of our air navigation system prior to selling it to a not-for-profit entity, NavCan — a bungle of approximately \$1 billion. Cabinet agreed to the departmental recommendation to transfer the air navigation system for a negotiated payment of \$1.5 billion: approximately \$1 billion less than the going-concern value estimated by the department financial advisors to be \$2.4 billion. Cabinet and the department did this without seeking the advice of an independent financial auditor.

My question is: Why did the cabinet fail to seek an independent assessment of this transaction which, according to the Auditor General, amounts to a subsidy by the Canadian taxpayer to NavCan to the tune of \$1 billion?

Hon. B. Alasdair Graham (Leader of the Government): Honourable senators, the Auditor General has made some very interesting comments on a broad range of issues. The transfer of the air navigation system to a not-for-profit corporation will provide Canadians with a safe, efficient and effective air navigation system for many years to come.

Senator Forrestall: Do not start reading from that book now!

Senator Graham: If you would like to come and read over my shoulder, Senator Forrestall, perhaps you would be more informed.

A wide range of values for the air navigation values based on different assumptions and models were generated by the financial advisors, ranging from approximately \$1.1 billion to \$2.6 billion. The \$1.5-billion cash settlement was reached after extensive and complex negotiations. The amount received represented a reasonable and completely justifiable fee for the system. The true measure of value received goes beyond the actual cash value.

•(1450)

The purchaser assumed a number of liabilities and risks as a result of wide-ranging negotiations on the terms of transfer, and the price has to be viewed in the historical context of the negotiations which were carried out in 1995-96. The future of the aviation industry, the economic climate of the country and the challenges of modernizing and streamlining the air navigation system while at the same time maintaining labour harmony all affected the government's determination of fair market value.

Senator Stratton: Honourable senators, I must applaud the Leader of the Government for that remarkable response by his researchers to my question.

However, we still need to deal with the problem in the future. If the government intends to divest itself of ownership of various departments, or whatever, it must put in place a system whereby it will have a true and accurate assessment of what these things are worth; not an in-house assessment but an independent one so that we can go to the marketplace with a realistic number. Will

the government put in a system whereby that can be assured in the future?

Senator Graham: Yes, honourable senators.

Senator Stratton: In other words, the Leader of the Government's researchers did not get to that question.

THE ENVIRONMENT

CROSS-BORDER SHIPMENTS OF ILLEGAL HAZARDOUS WASTE— GOVERNMENT POSITION

Hon. Mira Spivak: Honourable senators, the Auditor General says that a large amount of illegal, hazardous waste is crossing our border. He also says that there is little chance of getting caught and that the possibility of Environment Canada detecting illegal shipments of hazardous waste at the border is limited. Worse, it is even more difficult to detect the presence of hazardous waste at railway-yards or marine ports. Customs officers need more training and the law is not clear enough.

Will the Leader of the Government in the Senate tell us what the government intends to do to protect our border against what is a very lucrative business for some people, at the expense of our citizens and our environment?

Hon. B. Alasdair Graham (Leader of the Government): That question requires a detailed answer, honourable senators, and I will have it prepared at the earliest opportunity.

DIMINISHMENT OF FREON STOCKS—GOVERNMENT POSITION

Hon. Mira Spivak: Honourable senators, perhaps while the honourable leader is checking that out he could, as well, respond to the suggestion in a recent CBC program that our stocks of freon are diminishing and that, again, there seems to be no way of preventing that from happening. Since that is, as honourable senators know, a very important factor in the depletion of the ozone layer and Canada's commitment to reducing that depletion, what specific steps is the government preparing to take against this very serious situation?

Perhaps the leader could ask his colleagues to answer that question as well.

Hon. B. Alasdair Graham (Leader of the Government): I would be happy to do that, honourable senators.

Hon. Terry Stratton: Honourable senators, I have a supplement to that question. When asked in the CBC television report what the government is going to do about all this freon travelling across the border, the minister responded by saying, "Well, our stocks are diminishing," in other words, that it did not seem to be a significant problem. However, in fact, it would appear that Canada is becoming the intermediary country for freon to be shipped to from other countries before it makes its way into the United States.

The minister should be asked why so much money is continuing to be made if the stocks are diminishing. Also, does he stand by the response he gave to the question, that is, that our stocks are diminishing?

Senator Graham: I would be very pleased to bring that question to the attention of the honourable minister and I will bring forth a response at the earliest opportunity.

JUSTICE

PAYMENT OF LEGAL FEES OF FORMER MINISTER OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT— RECENT ANNOUNCEMENT—GOVERNMENT POSITION

Hon. Finlay MacDonald: Honourable senators, can the Leader of the Government in the Senate confirm the contents of an article which is in the today's "Quorum" from *The Toronto Star* of October 7? It reads:

Prime Minister Jean Chrétien is ready to pay for some of the legal fees for a former Liberal cabinet minister who spent years clearing his name in court...

This refers, of course, to John Munro. This, indeed, is good news and congratulations are in order to Senator Berntson for his persistent questioning on this matter.

Hon. B. Alasdair Graham (Leader of the Government): Honourable senators, in fact, just last Thursday, at the last sitting of the Senate, Senator Berntson asked a series of questions with respect to Mr. Munro. I believe that at the time I commended him for his consistency in bringing this matter to the attention of honourable senators.

However, since the matter is before the courts, it would be inappropriate —

Senator Lynch-Staunton: What is before the courts?

Senator Graham: The Munro case is before the courts. It would be inappropriate for me to comment other than to say that the government will give serious consideration to any proposal that is brought forward to resolve the matter that is fair and equitable to Mr. Munro and to the Canadian public.

Senator MacDonald: Could the honourable leader tell us what is before the courts that involves Mr. Munro?

Senator Graham: I understand that the matter of remuneration for his legal fees is before the courts.

DELAYED ANSWER TO ORAL QUESTION

Hon. B. Alasdair Graham (Leader of the Government): Honourable senators, I am sorry that Senator Carney is not in her place because I had promised last week that I would bring her

some information with respect to the Pacific Coast salmon question. With the indulgence of honourable colleagues, I would like to bring forward some information at the present time.

FISHERIES AND OCEANS

NON-PERFORMANCE OF MIFFLIN PLAN—AVAILABILITY OF PROMISED RETRAINING FUNDS FOR BRITISH COLUMBIA FISHERS—GOVERNMENT RESPONSE

Hon. B. Alasdair Graham (Leader of the Government): The government's first priority is to assist all Canadians, including British Columbia's fishery workers, to get back to work as quickly as possible. The government has contributed \$30 million since the beginning of the fishery crisis to deal with fishery management and habitat restoration issues. The Department of Human Resources Development has assisted over 3,400 workers through a variety of services, including targeted wage subsidies, self-employed assistance and job creation projects. Furthermore, the Minister of Human Resources Development extended eight job creation projects — the South Island Stream centres — that were due to end on March 31, 1997. One centre will now end on October 31, 1997, while the others concluded either in June or September 1997. Over \$2.4 million was invested through these centres to help some 144 participants, whether they were eligible for employment insurance or not. Funding for these particular centres is coming to an end but we are not turning our backs on B.C. fishery workers. Human Resources Development Canada will continue to use the full range of existing programs through its employment benefits and support measures.

I am raising this because I promised Senator Carney that I would bring forth an answer as soon as possible. However, I do have a question for her. She made reference to the figure of \$500 million. I have asked departmental officials to identify this number. They do not know where that figure comes from or what it represents.

•(1500)

ORDERS OF THE DAY

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

On the Order:

Resuming debate on the motion of the Honourable Senator Forest, seconded by the Honourable Senator Mercier, for an Address to His Excellency the Governor General in reply to his speech at the opening of the first session of the Thirty-sixth Parliament.—(2nd day of resuming debate)

Hon. John Lynch-Staunton (Leader of the Opposition): I want first to congratulate you, Your Honour, for having been chosen once again as our presiding officer. Your first term was carried out with distinction, both within and without this chamber. While we may have disagreed with certain of your rulings, this in no way lessens our admiration for their originality.

Being Leader of the Government in the Senate in the last Parliament would have been a daunting task for anyone, no matter who had assumed the responsibilities, but few could have met the challenge with as much distinction and lustre as Senator Fairbairn. She faced a majority, many of whom, myself included, were still grumbling over some of the tactics of the previous opposition majority and were tempted to reply in kind. That we did not do so was in no small measure due to the sense of civility and courtesy which Senator Fairbairn brought with her as government leader. From the outset, she insisted that the Senate re-establish itself as the chamber of sober second thought which is there to improve legislation, not impede it; to second the House of Commons in its efforts to design good laws, not obstruct it. I think that we can all agree that we have come a long way down that road and that we owe a great debt of gratitude to Senator Fairbairn for having led us in the right direction.

This has allowed Senator Graham, whom I congratulate on his being chosen Leader of the Government, an advantage which his predecessor was not allowed and which I know that he will want to build on, as he seconded Senator Fairbairn most ably in the last Parliament. I only hope that he will not confuse the national interest with that of his erstwhile provincial allies in Nova Scotia as they prepare to be "Hammed-in" in early 1998, knowing after reading his book *The Seeds of Freedom* what value he puts in help — whether a lot or a little — from his friends.

I congratulate Senator Carstairs on her appointment. While I disagreed strongly with some of her positions during the constitutional debates of the 1980s, I recognized the deep feelings which prompted them and which earned her much respect. Having held her position before moving to this side, I will allow myself to pass on advice which my predecessor Senator Doody gave me when I became Deputy Leader of the Government:

Always keep a sharp eye on what is going on in front of you and, equally important, if not more so, on what is going on behind you!

I take this opportunity to thank my colleagues for confirming the members of their leadership in the same positions that they held in the last Parliament. I have told them many times that whatever successes we achieve are the result of a collective spirit of understanding and compromise which is the key to the success of any national political family, particularly in our country which is so diverse culturally, linguistically, and geographically. I feel most privileged to be in the position I now occupy, and I am grateful for the commitment and support of my caucus colleagues, as well as that of our staff and researchers whose contributions are too often taken for granted but without whom

our ability to properly carry out our responsibilities would indeed be jeopardized.

Senators Forest and Mercier, as proposer and seconder of the motion for the Address in reply to the Speech from the Throne, made most impressive presentations, particularly as they had so little with which to work. They reminded me of the alchemists of old who engaged in transmutation which, according to *Webster's* is, "the seemingly miraculous change of a thing into something better." Their efforts were most commendable but doomed from the start, for, when you sift dross from dross, or chaff from chaff, you still end up with dross and chaff.

This is the third time that I have spoken from this place in reply to a speech from the Throne. If I were to restrict my observations to the significant sections of the Throne Speech, my remarks would only last a very few minutes. This Throne Speech follows the pattern of the previous two: vague, self-congratulatory, cliché-ridden, long on wind, short on substance. At one time, a Throne speech outlined in detail the government's legislative intentions for the new Parliament. Instead, this government has given us a speech which is a watered-down version of the ill-fated Red Book with just enough truisms to make it all things to all men.

How more banal a statement can one hear than this:

Most of all it —

"It" referring to the government.

— will demonstrate how much more we can do together than apart.

Or perhaps this one:

A country that invests in its children successfully will have a better future.

Then there is:

As a country, we must increase our efforts to promote healthy lives.

Or:

... the Government of Canada is committed to respond to the Report of the Royal Commission on Aboriginal Peoples as soon as possible.

No wonder the Governor General had trouble getting through the speech, to the point where on more than one occasion he had to pause and swallow hard.

The speech is even more of a disappointment for what it does not say — nothing on agriculture, nothing on fishing, unless you count as a bold, definitive policy statement that the government:

...will continue to address the serious international problem of over-fishing...

Or:

...is committed to acting at home to reduce our contributions to these problems.

Nothing is said on human rights unless "...the government will work directly with other countries to enhance and promote human rights, peace building and democracy..." is also meant to be in the same category, and of course nothing on the GST which the Prime Minister himself pledged would be scrapped.

There is nothing on our relations with our closest trading partner and neighbour and the many unresolved issues between the two; and nothing on the devastating report of the commission of inquiry into certain events in Somalia. In fact, there is nothing substantial on the immediate issues of the day.

More than once, the speech does give credit, unwittingly or not, to those who preceded this government and laid the groundwork for much of the improved economic conditions that many Canadians now enjoy. It points out, for instance, that one in three Canadian jobs depends on trade — this from a party which fought the FTA and NAFTA tooth and nail. In 1989, exports accounted for some 25 per cent of Canada's gross domestic product. Today, that figure is close to 40 per cent. While the Liberal government can take all the credit it wants for the only sector of the Canadian economy which has shown consistent growth over the last decade, it can never deny that this would not have been achieved without free-trade agreements initiated by the Progressive Conservative government, agreements which Liberals condemned ceaselessly here and in the other place. Who, indeed, will ever forget the contemptuous language the Liberals used to describe free trade's main proponent, former prime minister Mulroney, language for which they never apologized while basking in the glow of his achievements?

There is one paragraph in the speech, however, which I am glad to endorse, and that is the one referring to the public service at page 3:

The Government wishes to recognize the important role of a professional, non-partisan public service in a well-performing civil society. Canada is served well by its public service, and the effort and dedication it exhibits in meeting the needs of citizens and in building partnerships among governments and other sectors of society. The Government will continue to renew the Public Service of Canada to ensure its members have the skills and dedication to continue serving Canadians well.

Government employees have not had it easy in the last few years. A massive reduction in the work force and a wage freeze have caused severe dislocations, even hardship in many cases. I trust that the government will support its words with deeds, by not neglecting the public service as it determines how to cope with the benefits of the balanced budget which it claims it can achieve "no later than fiscal 1998-99."

In the immediate, however, it is imperative that the concept of "ministerial responsibility," so crucial for the proper functioning of the parliamentary system, be re-established and respected. Not only must the elected have confidence in the civil service but the civil service must have confidence in the elected. Too many times since October 1993 have certain cabinet members demeaned their positions by shifting responsibility for questionable activities to career personnel and shaken the confidence which is so essential to the proper functioning of government.

In the Airbus affair, how extraordinary that no cabinet member knew of the RCMP investigation, of a letter sent by the Department of Justice to Swiss authorities accusing — not alleging, accusing — three Canadians, including a former prime minister, of engaging in criminal activity although no charges had been laid. The Prime Minister, the Minister of Justice, and the Solicitor General adopted a "see nothing, hear nothing, say nothing" stance. Each in turn repeatedly claimed that it was not for him to be aware of RCMP investigations, and that the letter was drafted, signed, and sent without any cabinet member being aware of its false and malicious contents. They claimed to have been kept in the dark, and repeatedly shifted blame for reprehensible behaviour to those within their departments.

•(1510)

The letter was drafted by the RCMP, vetted by the Department of Justice and delivered courtesy of the Department of Foreign Affairs, yet no minister knew anything about it. Repeatedly they claimed that, in effect, for a cabinet minister, ignorance is bliss and that it was not proper for a minister to have knowledge of any police investigation, even if the police is the RCMP which reports to the Solicitor General; even if a spiteful, malicious and libellous letter was sent on Department of Justice letterhead; and even if one of the three innocent Canadians falsely accused of engaging in criminal activity once held the highest office in the land.

How is one to interpret the fact that this same government, led by the Prime Minister, which claimed absolute ignorance of an unprecedented RCMP investigation into the alleged criminal activities of supporters of the Conservative Party, is the same government, led by the same Prime Minister, which is fully aware of an RCMP investigation into alleged influence-peddling by supporters of the Liberal Party? Simply put, honourable senators, to ask the question is to answer it.

Ministerial responsibility means being kept informed and giving directions; and on sensitive matters, being informed and asking the right questions is not the same as interfering. We are asked to give credence to the report that the Prime Minister, two senior cabinet ministers and their immediate staffs knew nothing about the letter until it was revealed in an article in *The Financial Post* on November 18, 1995; a letter which must have taken weeks to prepare and have translated, and which was delivered through diplomatic channels, which means that the Department of External Affairs became involved.

Are we to believe that the letter was handed over by an employee of the Department of Justice for delivery by an employee of the Department of External Affairs as casually as if it were some sort of junk mail addressed to “occupant” — which in fact it turned out to be.

The ministers’ repeated claims of ignorance indicate an abysmally casual, even detached approach to their responsibilities which can only be described as neglect of duty. Further, if they did know what was happening, they then were party to an unprecedented smear campaign, and no apology or financial compensation can remove the stain of disgrace which the whole sorry episode known as the “Airbus Affair” has brought upon themselves and upon the offices of trust which they held at the time.

The Minister of Justice, by definition, is the one who must take the lead in setting an example as to how the law is applied and how the rule of law is respected. The last Parliament witnessed the sorry spectacle of the Justice Minister pathetically trying to justify legislation aimed at denying innocent Canadians the right to seek damages following a unilateral breach of contract by the government of which he was a member. No one should have been surprised, then, when the same minister was recently taken to task by no less an august body than the Supreme Court, which chastised him for possibly breaching the law when he released a report prepared by a former Ontario chief justice touching on denaturalization cases involving suspected war criminals; cases which are still ongoing.

The Minister of Health in the last Parliament claimed that some imported chewing tobacco contained fragments of glass. He eventually had to backtrack and apologize to the manufacturer, claiming, however, that he had been misinformed by a department employee who was the one responsible for the gaffe. I could cite other examples of ministers placing the blame for departmental errors and embarrassments on hard-working staff down the line. They all fall into the category of ministerial irresponsibility and, if allowed to continue, will make very empty indeed the words of praise to the civil service in the speech which I quoted earlier. The least that the Prime Minister and his cabinet colleagues can do is for each to have a sign on their desk reading: The buck stops here.

The Senate has been much in the news recently, as usual in a negative light, whether justified or not. Every report on it usually ends with repeated calls for reform, although what kind of reform is rarely suggested in any precise form. Any serious debate on Senate reform will be a useless exercise unless it is realized that it is the entire parliamentary system, not just the Senate, which needs reform, and a major overhaul at that. Bluntly put, our system of government, while long on tradition is, in too many ways, short on meeting the rapid evolution of Canadian society since it was adopted in 1867.

The slogan “Parliament is supreme” is so often heard that it is considered near blasphemous to challenge it. The fact is that the

Canadian Parliament never was supreme, holding from the outset limited powers, and it is becoming even less powerful. Unless major reforms are made in the selection of our national representatives, and unless the extraordinary concentration of powers in the Prime Minister’s Office is reversed, the so-called “supremacy of Parliament” will become even less meaningful.

The present Prime Minister — and I give this just as a recent example; it has nothing to do with Mr. Chrétien himself — was elected in his constituency with just over 22,000 votes — some 1,600 more than his nearest opponent, or 47 per cent of the votes cast. The Liberal Party which he leads gained 51 per cent of the seats with 38 per cent of the popular vote. With 49 per cent of the popular vote in Ontario, the Liberals gained 98 per cent of the seats in that province.

Similar disparities are found after every election, but they are now happening at a time when Canadians want more of a direct participation in their government; something which the present system does not allow. Even if the representation in the House of Commons more accurately reflected the popular will, however, this alone would not be sufficient without changing how the head of government is selected. That office is not only the most important in the country; it has amassed powers which, if not checked, will only continue the whittling away of the elected house’s authority.

There have been many thoughtful comments recently on this unfortunate state of affairs, and I need not go into great detail today on how it has developed. The House of Commons itself is partly to blame as it votes legislation whose implementation too often depends on regulations drafted by the unelected, approved by cabinet, and not always reflecting the intent or understanding of the legislator. Cabinet ministers themselves are also to blame when they accept that their most senior officials — the deputy ministers — be appointed directly by the Prime Minister, to whom they report directly through the Clerk of the Privy Council, who is also a prime ministerial appointee. Hence, it is only natural that their loyalties would be more to the one appointing them, and on whom their careers depend, than to the minister to whom they are seconded.

There is no mention anywhere in the Constitution of the responsibilities of a prime minister. The expression just does not exist. That function has developed over the years to the point where, today, that office alone appears to have more authority than the entire Parliament. How ironic that Canada, which is considered a model democracy, has in fact allowed a centralization of power in one person who is elected by only a few thousand people.

When we look at the American system of government, many times we witness bitter battles between the White House and the Congress, and smugly pat ourselves on the back for living under a system which does not allow such embarrassing scenes. What

we tend to forget, however, is that the American system is based on the principle of separation of powers and of checks and balances. The executive, the legislature and the judiciary each has specific responsibilities which inevitably overlap, yet each jealously guards them from encroachment by one or both of the others.

In Canada, where the division of powers is unknown as such, we are going the other way, shifting much of Parliament's responsibilities to the Prime Minister's Office while leaning more on the courts for the final interpretation of much significant legislation.

The House of Commons itself, by its own behaviour, admits of its growing impotence. Yesterday, for instance, once Question Period was over — by itself no longer a search for information but a made-for-television theatre — a mass exodus occurred. Between 3:30 and 3:45, the number of government supporters present in the chamber varied between four and eight, not one of whom was a cabinet member or parliamentary secretary, although government legislation was the subject of discussion. This is not an uncommon occurrence and says much for the value that even the other place puts on legislation originating in its own Chamber, or debate on that legislation.

Last year, in Israel, their prime minister was elected at large for the first time, in recognition of the fact that the importance of that office is now such that a candidate for it must garner at least 40 per cent of the total votes, not simply a plurality in one district. Canadians would be better served, I am convinced, if they could all contribute to the election of their prime minister with a full knowledge of the responsibilities and limitations inherent in that office.

Yes, Senate reform is long overdue, but by itself will accomplish little if our entire system of government is not also subject to reform. I am convinced that the government would receive unanimous support were it to sponsor a full, non-partisan study on this subject. For to keep the status quo will only increase the growing disturbing disillusionment and frustration which many Canadians hold toward their elected and appointed representatives.

•(1520)

Finally, honourable senators, I have been asked many times recently how the Senate opposition will conduct itself now that it no longer has "the numbers." My answer is that it will function in the same fashion as when it had "the numbers." In the last Parliament, senators were called on to decide on well over 100 government bills and messages. The opposition gave each careful scrutiny, offered amendments to many, sometimes with success, as in the case of judges accepting appointments from international organizations, or child custody; sometimes

unsuccessfully, as in the case of gun control and the tobacco legislation.

Successful or not, however, our intent was always the same, to point out what we thought were flaws and to present suggestions through amendments to correct them. At all times, we recognized that the legislation before the Senate was initiated by elected representatives, and at no time were we not conscious of this, whatever our position.

Only twice did we deliberately go against the other place's wishes. The Pearson airport legislation and that to do with electoral boundaries redistribution were both clearly in violation of the Constitution and not in the public interest — the first by denying the rule of law; the second by ignoring the obligation to engage in a redistribution process immediately after the most recent decennial census figures are known.

I want to point out that in both cases we had "the numbers" to defeat these two bills at their introduction but deliberately refused to do so in deference to the will of the elected house. It was our expectation and hope that the government would eventually respond to the overwhelming evidence in favour of major amendments but it refused, more concerned with the partisan advantages it felt the two bills would provide than with the serious damage the bills would do to the political process itself. As a last resort, the two bills had to be defeated in this chamber. Otherwise, the Senate would have been party to a denial of basic rights, which would have been fatal to whatever legitimacy it is still granted by Canadians. In fact, by doing so, the Senate demonstrated a sense of responsibility which did not go unnoticed.

Honourable senators, as opposition, our approach is the same as it has been since we crossed over to this side in early 1994. Whatever our numbers, we will continue on the road which Senator Fairbairn took us back to at that time and which I trust we will all continue to follow.

Hon. B. Alasdair Graham (Leader of the Government): Honourable senators, I want to begin by congratulating the mover and seconder, Senator Forest and Senator Mercier, for the excellence of their addresses, their comments, their wide-ranging contributions that they have made in this place, as they moved and seconded the Address in reply to the Speech from the Throne.

[*Translation*]

Honourable senators, we are grateful to His Excellency the Governor General of Canada for his kind presence in this chamber, which reminds us of his formidable contribution to public life in Canada.

I have already congratulated His Honour the Speaker, who retains his considerable responsibilities as Speaker of this house.

[English]

I can only say how much I agree with the sentiments as expressed by Senator Lynch-Staunton with respect to the contribution made in this place by Senator Fairbairn. I have already expressed my deep gratitude to her publicly and privately for her leadership in this chamber since 1993. As well, I confirm an abundance of confidence in the appointment of my new seat-mate, Senator Carstairs, as Deputy Leader of the Government. As well, the return of Senator Hébert as the government whip was greeted on this side at least with applause approaching hallelujahs.

As well, last Tuesday, I extended my personal pleasure at seeing the formidable, at times colourful, occasionally contrary, but always conscientious leadership opposite in the persons of Senator Lynch-Staunton, Senator Kinsella and Senator DeWare.

Honourable senators, this past summer, I spoke in Cape Breton at one of the many 500-year anniversary celebrations held in Atlantic Canada in honour of Giovanni Caboto and the crew of his little vessel, the *Mathew*. Senator Murray was present on that occasion. This was a wonderful story.

Senator Buchanan: So was I.

Senator Graham: Senator Buchanan was there as well. I am sorry, I missed Senator Buchanan. I expect the question to be asked is whether or not he sang on that occasion. He did not sing in the afternoon, but most certainly he was singing by sun down.

The story about the *Mathew* was a story about courage in the face of fear and hardship, about confidence and imagination and following the sun across dark oceans. Those of us in attendance at that time were celebrating the spirit it takes to discover new worlds and explore them, to build new countries, to get out of the harbour and sail into a new millennium. In a way we were paying tribute to the indomitable spirit of the human heart.

At the time, I reflected that Canadians are also crew members of a proud and heroic vessel, a ship of state whose flag is respected and loved across the planet. We have written the chapters in one of history's finest volumes, a story about people from many different origins and countries, who fought for truth and justice, for tolerance and compassion and respect for human rights.

Our ancestors sought peace, prosperity, and, above all, freedom. Purposefully and with great determination, they created something new. They built a multicultural federation, which is represented in this chamber, the most magnificent multicultural federation in the world which, in many ways, is a microcosm of the planet, a vision and a dream, a country which is a symbol of hope for millions of people the world over. What they did not intend to build was a country that would be in danger of becoming what is known sometimes today as a vast zero sum game, a place where the citizens of the regions and of the

provinces would claim that cooperation could not be possible because every gain for one region meant an equal loss for another region. They did not build a vast zero sum game from sea to sea, they built a very special community based on cooperation and compromise, the glue of our federation, a special place where freedom is not a gift but a responsibility, where every one is treated equally and not necessarily the same.

As Senator Mercier explained last week, and I quote:

Our strength comes from our mutual respect and tolerance.

Our success internationally is the natural result of the generosity and respect we, in this country, show for diversity. This national awareness stems directly from the foundations on which Canada has been built.

Well said, Senator Mercier.

Honourable senators, as we gather in this new Parliament we must draw together in a spirit of intellectual honesty and a commitment to a better country, a better world. Robert Kennedy quoted Shaw in his address to the Irish Parliament in 1963 this way:

You see things and you say 'why?' But I dream things that never were and I say 'why not?'

[Translation]

Let us recall, as parliamentarians, our vision and our ability to dream. This is how change will come about and how we will make Canada even better.

[English]

It is in that spirit as we consider the Address in reply to the Speech from the Throne that we must reflect upon the grave responsibilities that we as parliamentarians have assumed. Those responsibilities are, first and foremost, to a united Canada and the compassionate, free society which makes this such a special place — the compassionate, free society which thousands of people in immigration offices around the world aspire to.

•(1530)

The Speech from the Throne painted a picture of challenge and renewal, of increasing confidence and strength. Our economy is one of the fastest growing of the industrialized countries. Our exports are booming. Our interest rates are the lowest in 35 years. Job creation is picking up speed. We have regained control of our fiscal sovereignty. We have reduced the deficit. We are balancing the budget. We have put the debt-to-GDP ratio on a downward track. We have restored business and consumer confidence. We have generated the economic conditions for healthy private-sector job creation.

In this remarkable turnaround, the Chrétien government has exercised leadership and determination. We have generated the confidence to compete. We are restoring an economics of hope in this country. We are restoring an economics of trust. In our workplace and in our factories, we are welcoming the new economy and charting new courses every day.

Today, the spirit of Canadian innovation and adventure is at work in all the markets of the world. We are cracking them open, no matter how challenging, how impermeable they may seem.

We are using our skills to produce our own technology. In my own province of Nova Scotia, honourable senators, our high-tech oceans industry is staking out new markets and economic territory across the face of this planet. Across the country, we are showing great strength in the export of value-added manufacturing goods, all of which translates into knowledge-based jobs at home. However, the explosion of our exports is not due just to the formidable talents of our people.

[Translation]

We have an advantage over our competitors, honourable senators. We have the wonderful opportunity of identifying our products with the most respected logo in the international community: the maple leaf, the symbol of our great country.

[English]

I repeat: By restoring fiscal sovereignty to this country, by setting in motion a permanent fiscal recovery, the government has restored the confidence to compete, and we have done so without abandoning the shared values of Canadians, the values of a nation with a human face. We have done this without abandoning the values highway which unites Canadians from coast to coast.

[Translation]

Honourable senators, we know that Canada will be united as long as the national dream is part of our fundamental values.

[English]

That is why in this mandate we will assure our seniors security for the future. We are introducing legislation to sustain the Canada Pension Plan and seniors benefit, making Canada the first G-7 country to make its public pension system affordable and sustainable. By adjusting premiums now, the government is moving to avoid the very problem that many of the plan's critics view as its weakness: raising money from the younger members of our society to pay for the retirement of today's seniors.

That is why the government will renew the health system. We must remember that the struggle for medicare, fought three decades ago — and I remember it very well — was in part a struggle for our citizenship. It was and is a struggle for our identity as Canadians. It was part of the infrastructure of a

political culture of respect for people, of a political culture which put people first.

The government will continue to put people first. We will be introducing legislation to increase health care transfers to the provinces. By the year 2000, the provinces will be receiving \$1.4 billion more than is currently budgeted. We have pledged to work with our provincial partners to respond to the expanding needs of home care and community care. We will develop the Canada health information system, and increase funding for community action programs for children, as well as prenatal nutrition programs.

We will act upon the urgent health problems in our aboriginal communities. We will expand the Canadian breast cancer initiative, renew the national HIV-AIDS strategy, and double the resources for the tobacco reduction strategy. In these important and fundamental ways, we will revitalize and renew our health system. We will put people first.

[Translation]

Twenty-five years ago, we moved to prevent illness and poverty among our seniors. Now we must act on behalf of our new generation, the ones who will inherit Canada, our children and our grandchildren.

[English]

We must always remember our role as their custodians. Canada's Haida nation from the Queen Charlotte Islands in the Province of British Columbia has a beautiful expression with regard to that role. "We do not inherit this land from our ancestors," they say; "we borrow it from our children." Our children are born among us with rights — rights to shelter and good health care; rights to nourishment; rights to protection. They are born among us with a right to hope.

[Translation]

They have the right to dream and the right to enjoy equal opportunities as they grow older.

[English]

During the course of this Parliament, the government will increase the child tax benefit for low-income families and work in cooperation with the provinces as they invest in services for children. We will establish centres of excellence and expand our aboriginal head start program. We will act with the provinces to alleviate the scourge of youth unemployment, which continues to be unacceptably high. We will continue with our internship programs, which have had a 78-per-cent success rate. As part of the new youth employment strategy enunciated in February of this year, a program which consolidates \$2 billion in existing funding for employment programs and services for young people, the government will work in partnership with the private sector, with non-profit organizations and community groups, to create additional long-term work opportunities for youth.

We will, through further changes in the Canada Student Loans Program and measures such as scholarships to low- and moderate-income Canadians awarded through the Canada Millennium Scholarship Endowment Fund, address the increasing cost of post-secondary education and the resulting debt burden on students.

As the Prime Minister explained in making the announcement about the fund, "There can be no greater millennium project for Canada and no better role for government than to help young Canadians prepare for the knowledge based society of the next century."

In her speech, Senator Forest described the government's measures for enhancing educational opportunities for young people as "providing them with a valid passport to bridge their transition into the 21st century."

•(1540)

With measures such as these, honourable senators, the Government of Canada will continue to work long and hard to nurture and cultivate our special community — a great nation with a human face. However, in the decades of the nineties, as we approach the new millennium, leadership is no longer just the prerogative of government. Leadership must come from all of us. The examples set by business are just as important as those set by government.

When Mr. Courtney Pratt, the President of Noranda Incorporated, spoke last month about the social responsibilities of corporate Canada, he was doing more than stating the obvious. He was reminding us that Canada's future, as with the past, will be determined by how we respond to the many divergent voices that make up our society. That response must recognize that we do not live in isolation from one another.

As Mr. Pratt explained:

We should encourage, support and seek partnerships with organizations which need our help, whether they be schools or social service organizations. Sharing a joint commitment and making a joint effort with another organization to achieve an important societal goal has tremendous benefits for all parties to the partnership.

[*Translation*]

May Canadians, wherever they be, never forget the power of cooperation. It is through cooperation that we have built this fine country, survived this difficult period and have come to be the envy of the entire world.

[*English*]

Today, we face the challenges and fears, the uncertainties and exhilaration of a decade of globalization — a decade where

success for companies, peoples and regions is measured by how well local activities meet world standards of excellence. We now understand that our most powerful resource is our social capital; the problem-solving capability that comes from shared experience. That shared experience provides an infrastructure for an economics of trust.

In my part of Canada, people understand the value of cooperation in good times and in bad. No matter what the insecurities endemic to our economy, we have always drawn strength from the instinctive humanity of our people. It is in our communities that we will build on traditions of practical idealism; where we will pave new roads on old values; where grass roots programs have meant, and will mean, a thousand flowers can bloom. It is in our communities that we will find the local path to the global marketplace. It is in our communities that, as Father Jimmy Tompkins of Cape Breton once told us, "The little people together really is a giant after all."

Community development must be a shared story. Agencies like ACOA are now supporting business development projects on university campuses throughout Atlantic Canada with a mandate to provide low-cost consulting services to small business, the backbone of the Canadian economy.

Honourable senators, I participated in the launching of such a service at St. FX University last Saturday afternoon, just prior to the St. FX-Mount Allison football game. The final results: St. FX, 9; Mount Allison, 4.

These projects are meant to involve young people from the bottom up in the entrepreneurial life of their communities. The university business centres are meant to strengthen those communities as new companies are established and new products and services created.

Honourable senators, Canada is well positioned to be a world leader in the global knowledge-based economy of the twenty-first century. The government has pledged to do more to support innovation and to attract more foreign investment in knowledge-based industries to Canada. The Speech from the Throne made it clear that the government will redouble its efforts to ensure that rural communities and all regions of Canada share in the economic benefits of the knowledge-based economy. The benefits must be shared, the playing field must be levelled and the opportunities must be equal, no matter where you live in Canada.

Government can, and will, develop the economic and industrial framework which generates the confidence to compete, but the resources of government are not inexhaustible. New players in the formation of our human capital investment must come forward instinctively and intuitively so that all of us, together, can move forward.

On-the-job training — as our internship programs have begun to show — involving government, the educational system and employers, is critical to ensuring that the economy moves into high, value-added forms of production. There is an old Chinese proverb which counsels: “Tell me, I forget. Show me, I remember. Involve me. Let me do. I understand.”

Involvement is the key to real understanding and it is in this way through the practical involvement of our human resource that real partnership between industry, education and government at the local level will make us masters in our house.

Honourable senators, as we gather in this new Parliament, we open a new window on a new millennium. We gather in this historic chamber, in this workplace, in this workshop of government, to shape the foundations of a fair society and, as I have said before, to write a new contract of hope for Canadians.

We have a unique opportunity in this chamber to demonstrate and communicate to Canadians that we play an important role, and that we will carry out our responsibilities with great care and with great attention and dedication to the best of our ability.

[*Translation*]

This house brings together people of considerable talent and determination.

[*English*]

In this house, there will be many opportunities and several times, perhaps many times, to disagree. In the final analysis, however, I know that all my colleagues on this side, as well as the members opposite, will work together for the betterment of all Canadians.

This Parliament has already seen the Senate resume its long-standing practice of initiating legislation, which is appropriate. As always, in special areas of public policy we will continue to use our expertise in search for what is right. We will remain on the cutting edge of issues which have daily impact on the lives and freedoms of Canadians. In the past, there were studies into child poverty, media concentration and soil erosion. I remind honourable senators that requests for that award-winning report of 1984 on soil erosion are still received from across Canada and around the world. We will remain on the cutting edge of studies into science and technology and revolutionary changes in telecommunications, on foreign policy and free trade, on post-secondary education, and the future of the Atlantic groundfish industry. We will continue on the cutting edge through the ongoing, intensive review of financial services. On all these subjects, the Senate will serve as the custodian and protector of the well-being of the citizens of this great country.

Honourable senators, I began my remarks this afternoon with reflections on the legacy of John Cabot and his sturdy little vessel the “*Matthew*.” This summer, as we celebrated Cabot 500 in my part of the world, we remembered that in 1497, an old

world prepared for a new age. Today, Canadians approach another millennium. We must seize the moment; remembering, cherishing and reinforcing our strengths and the indomitable spirit of our ancestors, those who found no mountain or no river too hard to cross.

•(1550)

We must conceive the architecture of the new world together in a spirit of tolerance and partnership, in a union of hearts and minds; a union of Quebecers and Nova Scotians and British Columbians, a union of our aboriginal peoples, the people of the prairies and the Laurentian shield, the people of our fishing ports and mining communities, the people of our vast northern regions, and, above all, we must remember the vision, we must remember the dream.

[*Translation*]

Together as Canadians, we must embrace the adventure and not forget that we have promises to keep.

[*English*]

We have promises to keep to new generations, a new millennium and a new world. We must remember the legacy of John Cabot and his gift to us. That gift to us, a gift we celebrated from Bonavista, Newfoundland to the magnificent highlands of my own Cape Breton, is Chapter 1 in the story of Canada, a story which belongs to you and me, a story which has been and always will be ours together.

Some Hon. Senators: Hear, hear!

Hon. Marcel Prud'homme: Would the honourable minister allow a question?

Senator Graham: Of course.

Senator Prud'homme: Honourable senators, I know that the honourable Leader of the Government in the Senate has worked very hard on his speech since we adjourned on Thursday last.

He spoke of pride in our institutions, especially the Canadian flag. As the honourable senator knows, I campaigned for the flag in 1964 and I am one of the very few here who voted with pride on the Canadian flag issue, along with Senators Haidasz and Whelan.

However, in all the glorious things the Leader of the Government listed of which we should be proud, I do not think he included pride in the Canadian passport. Does he see fit to add the Canadian passport to the list of things of which we are proud?

Senator Graham: If I had to do it all over again, I certainly would include the Canadian passport.

On motion of Senator Poulin, debate adjourned.

[Translation]

QUEBEC

LINGUISTIC SCHOOL BOARDS—AMENDMENT TO SECTION 93 OF
CONSTITUTION—ESTABLISHMENT OF SPECIAL JOINT COMMITTEE—
DEBATE ADJOURNED

Hon. Jacques Hébert, for Senator Graham, pursuant to notice of Tuesday, October 7, 1997, moved:

That the Senate do unite with the House of Commons in the appointment of a Special Joint Committee of the Senate and the House of Commons to study matters related to the proposed resolution respecting a proposed Amendment to Section 93 of the Constitution Act, 1867 concerning the Quebec school system;

That seven Members of the Senate and sixteen Members of the House of Commons be members of the Committee;

That the Committee be directed to consult broadly and review such information as it deems appropriate with respect to this issue;

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

That the Committee have the power to report from time to time, to send for persons, papers, and records, and to print such papers and evidence as may be ordered by the Committee;

That the Committee have the power to retain the services of expert, professional, technical and clerical staff;

That the quorum of the Committee be twelve members whenever a vote, resolution or other decision is taken, so long as both Houses are represented, and that the Joint Chairpersons be authorized to hold meetings, to receive evidence and authorize the printing thereof, whenever six members are present, so long as both Houses are represented;

That the Committee be empowered to appoint, from among its members, such sub-committees as may be deemed advisable, and to delegate to such sub-committees all or any of its powers except the power to report to the Senate and the House of Commons;

That the Committee be empowered to authorize television and radio broadcasting of any or all of its proceedings;

That the Committee make its final report no later than November 7, 1997;

That, notwithstanding usual practices, if the Senate or the House of Commons are not sitting when the final report of the Committee is completed, the report may be deposited with the Clerk of the House which is not sitting, and or the Clerks of both Houses if neither House is then sitting, and the report shall thereupon be deemed to have presented in that House, or both Houses, as the case may be.

That a Message be sent to the House of Commons to acquaint that House accordingly.

Hon. Thérèse Lavoie-Roux: Honourable senators, as concurrence in this motion is requested, I would like to ask Senator Hébert if he thinks it would be realistic to submit a final report by November 7, as stated in the motion. I do not know whether the motion has been or is about to be passed. My only concern is that the deadline may not be realistic. I have no problem with the rest of the motion. Could the November 7 deadline be changed if necessary?

Senator Hébert: Perhaps my remarks will answer in part the honourable senator's question.

Honourable senators, contrary to what was suggested in certain circles, the Constitution of Canada is flexible and can be adjusted to meet new needs arising at the provincial level. The most recent case in point is the motion tabled in the other place by the Minister of Intergovernmental Affairs on October 1 to amend section 93 of the Constitution Act, 1867.

As the minister indicated in his speech, this initiative is in response to a request made by Quebec to end the application, in that province, of subsections (1) to (4) of section 93. The resolution for a constitutional amendment was unanimously approved by Quebec's National Assembly.

In April, the Minister of Intergovernmental Affairs tabled a motion to that effect in the House of Commons, but the election call prevented Parliament from striking a joint committee to study this important constitutional amendment.

Since our government was re-elected on June 2, the reintroduction of this motion allows us to resume the debate on this issue. The proposed constitutional amendment seeks to reorganize Quebec's school system along linguistic rather than religious lines. There is a broad consensus in Quebec regarding this change. Both anglophones and francophones have requested such an amendment, which reflects the evolution of Quebec society and the secularization that has been taking place in the last 30 years or so.

Still, the existence of such a consensus, while encouraging, does not obviate the need to hold consultations and to conduct an in-depth review of the various aspects of the issue. In fact, this requirement is totally in line with our parliamentary procedure, especially in the case of a constitutional amendment.

The Parliament of Canada does not often make constitutional changes. While an act may be amended several times, a constitution rarely is.

A constitutional amendment is an important change that has a lasting effect on the lives of citizens, since it sets the legal framework within which a society evolves. It is a solemn and very significant measure.

•(1600)

As we have seen throughout our history, adapting the Constitution to our collective evolution is not always an easy process. The Constitution is a reflection of our values, and it is these values we appeal to when undertaking a constitutional amendment, as we are doing for Quebec's school system. There is consensus. Certain citizens and groups in Quebec still feel some concern over the proposed change, however.

For now, I do not wish to comment on whether or not these fears are founded, but just to recognize that they exist. In these conditions, do we not have a duty, as parliamentarians, to inform dissenters of the scope of the proposed amendment and to try to convince them that it is well founded? It is essential that parliamentarians, whose duty it is to amend the Constitution, listen attentively to all opinions, and that is why it has been moved that the House of Commons and the Senate form a special joint committee to study the matter.

Such an initiative is fully consistent with our democratic values, values that give our country one of the most enviable reputations in the world; and Quebecers have always shared fully in these values.

Even the Bloc Québécois is not opposed. Quebec's leaders would like this amendment to be passed as quickly as possible. We will therefore act quickly while respecting the usual parliamentary procedures.

It is our view that consensus, however necessary to the operation of democracy, is not synonymous with unanimity. And although we are unlikely to convince all stakeholders of the fairness of the proposal, we must listen to what they have to say.

[English]

This committee will allow those who are against the proposed amendments, as well as those who support it, to express their views and share their concerns with us. Accordingly, the hearings hope to further clarify the debate and enable us to convince those who have doubts about the merits of this amendment.

[Translation]

If the formation of such a committee is justified in terms of parliamentary procedure, and meets a need among those participating in this debate, there is another point in its favour. As

the Minister of Intergovernmental Affairs pointed out on October 1 in the House of Commons, the official opposition in Quebec has called for a parliamentary commission to look into this matter. The PQ government wanted nothing to do with it.

This is what should convince us still further of the need to make a forum available for the opponents and supporters of this constitutional amendment. Citizens, groups and experts on the subject can be heard and can enrich the debate with their contributions. As the Minister of Intergovernmental Affairs has said, this reform is a good thing in itself, particularly since it is the result of reasonable consensus.

The proposed amendment marks an important stage in a debate that dates back more than 30 years in Quebec. At that time, Quebec was going through an intense period of reform in a number of areas, including education. This was the period known as the Quiet Revolution. The Royal Commission of Inquiry on Education in the Province of Quebec, known as the Parent Commission, proposed the idea of linguistic school boards. In the past 20 years, there have been several unsuccessful attempts to put this idea into concrete form. It continued to make progress, however, as shown by the fact that it was included among the recommendations of the final report of the États généraux sur l'éducation in 1996.

The proposed amendment is aimed at making the school system non-denominational, not at putting an end to religious education in Quebec schools.

That is a crucial point on which I wish to focus. The fears parents and other stakeholders might have about this are not justified. Bill 109, the Public Education Act, passed unanimously by the Quebec National Assembly this past May, is clear on this. It calls for parents to be consulted by the end of the third school year, in order to decide whether or not to maintain the denominational status of their school.

Furthermore, section 41 of the Quebec Charte des droits et libertés de la personne provides, and I quote:

Parents have the right to insist on moral or religious education in keeping with their beliefs.

The charter has a quasi constitutional value according to the Supreme Court of Canada.

Religious education in Quebec schools is therefore not threatened by this amendment. It simply serves to bring the school system in line with changes in Quebec's culture in recent decades.

In Quebec, Protestant anglophones have until now managed their schools through the Protestant school boards, which Catholic anglophones could not do because of their minority status. Anglophones are therefore divided between two school board systems.

The anglophone population in Quebec is decreasing. The situation is such that the Protestant school boards are currently serving a growing number of children whose language of instruction is French. In fact, self-declared Protestant students now represent less than 40 per cent of the students served by the Protestant boards. Under these conditions, the creation of two linguistic school board systems will serve the needs of the anglophone community in Quebec better than the current system.

[English]

As the Minister of Intergovernmental Affairs said, such a system will allow the anglophone community to consolidate its school population and establish a more solid foundation for its rights under section 23 of the Canadian Charter of Rights and Freedoms. Let me point out that this section has guaranteed francophones and anglophones the right to education in their own language since 1982.

The proposed amendment will enable a reform of existing structures and adapt them to the anglophone communities' current sociological make-up. As is the case with religious education, the proposed amendment will not alter the rights of Quebec anglophones to manage their own schools. Indeed, the resolution adapted in April by the Quebec legislature specifies that the assembly reaffirms the rights of Quebec's English-speaking community, specifically the right in accordance with Quebec law of its members to have their children educated in English-language schools, managed and controlled by that community and financed with public funds. In short, the amendment will allow the anglophone community to strengthen its control over its institutions.

[Translation]

We must however recognize that, in spite of this reality, there are still concerns within the anglophone community; its demographic situation is of particular concern. The laws limiting access to instruction in English are well known.

Last but not least, the secessionist orientation of the Quebec government is not likely to reassure our fellow English-speaking citizens in that province. But this constitutional amendment should not cause such concern, since it will actually help achieve what this community is seeking, which is to ensure its growth and development within Quebec society.

The two points I just addressed, namely the continuance of religious education in schools and the protection of the rights of the anglophone community, are the main reasons that explain the consensus around this reform in Quebec.

This amendment also has the support of several Catholic organizations such as the Catholic committee of the Conseil supérieur de l'éducation, which is the Catholics' official representative in matters of education, the Commission des

écoles catholiques du Québec and the Provincial Association of Catholic Teachers.

As for the bishops of Quebec, they support the establishment of linguistic school boards, provided parents can choose the denominational status of their children's school, as prescribed in the legislation.

The movement for denominational schools was alone in opposing the constitutional amendment before the parliamentary commission on Bill 109 held in Quebec.

In the Protestant community, the Association des communautés scolaires franco-protestantes was the only group denouncing the amendment. But French-speaking Protestant students account for less than 2 per cent of all French-speaking students. Furthermore, other groups, such as the Québec Federation of Catholic School Commissions, the Fédération des comités de parents de la province de Québec, the Provincial Association of Protestant Teachers of Quebec and the Commission de l'éducation en langue anglaise all spoke in favour of the amendment.

As you can see, there is indeed a very broad consensus.

•(1610)

While we feel the joint committee should hold consultations, we do not think it is necessary to hold a referendum on this issue in Quebec, as suggested by the Leader of the Official Opposition in the House of Commons. After all, a referendum is only a sounding-board for the majority.

The Leader of the Opposition also expressed reservations regarding the constitutional amending formula to be used. He feels the Supreme Court should settle the issue. Yet, section 43 of the 1982 Constitution Act clearly states that certain constitutional provisions applying to one or more provinces may be amended with the agreement of the provincial legislative assemblies concerned.

Since the proposed amendment would only apply in Quebec, it is possible to act in a bilateral fashion. As the Minister of Intergovernmental Affairs indicated, the government's position is based on sound legal opinions.

Honourable senators, the proposed constitutional amendment will not serve only to modernize Quebec's school system so as to reflect the evolution of Quebec society.

It will also have a symbolic dimension which largely exceeds the scope of this debate. It will be an eloquent example of federal-provincial cooperation and of the functional and flexible nature of our Constitution. It is encouraging to see the governments of Quebec and Canada work together to address an issue which has been lingering for several years. Our federation works well and we want it to work even better in the future.

This debate shows that it is possible for us to amend our Constitution without making it necessary for Quebecers to sever the federative ties. If the PQ government was always so willing to cooperate, we would find solutions to many of our problems. This is why the last throne speech made the country's unity and cooperation with our provincial partners our government's priority.

Honourable senators, I therefore urge you to support the motion submitted for your attention.

Senator Lavoie-Roux: Honourable senators, to avoid any confusion, I will start right off by saying that I recommended the creation of linguistic school boards 20 years ago; that is not my point.

However, things are not as simple as the senator would have us think. He refers to section 43 of the Constitution Act, 1982 and Quebec is not bound by that, given that it did not sign the agreement. It is therefore not as simple as you would have us think.

I question whether November 7 is a reasonable deadline for this debate; amendments will perhaps be proposed. When you say that the rights of anglophones are protected in Quebec, that is true, but up to a point. Bill 101 does not protect them, on the contrary. Anglophones from outside Quebec are now allowed to go to English schools. However, Quebec anglophones not born to anglophone parents educated in Quebec are not permitted to attend English schools. This community has nowhere left to turn. So the issue of anglophones' rights is more complex than Mr. Dion would like it to be and we cannot pass the resolution this quickly.

My question is as follows: Is it realistic to think that this constitutional amendment can be passed by November 7, 1997?

Senator Hébert: This date was negotiated by the two governments in question. They assessed the situation and honestly believe that it is possible. You are well aware that the process can be speeded up. We can resort to all sorts of means of hearing witnesses: electronic means and others. I think it is realistic and possible. And it corresponds to the time frame the Government of Quebec is pressuring us to respect.

Senator Lavoie-Roux: Honourable senators, I am not asking the committee to sit until January. I am not that concerned.

The Hon. the Speaker: Honourable senators, the regulation 15 minutes normally accorded Senator Hébert also include the period reserved for questions, and the time is up. Do you have a quick question for him?

Senator Lavoie-Roux: Would you rule out the possibility of having the committee itself propose a new deadline, if necessary?

Senator Hébert: I cannot answer such a question. If the committee came up with life or death reasons, the government could, I suppose, agree to some sort of compromise. For the time being, however, the date is realistic. Both governments agreed to

it, and if we were to go beyond it, we could delay the whole process for an entire year. We must make up for the time lost to the election campaign and the long parliamentary break. We should try to reach this objective.

Hon. Marcel Prud'homme: What was the response to Senator Lavoie-Roux's proposal to extend debate?

The Hon. the Speaker: Does the Senate agree to extend debate?

Hon. Senators: Agreed.

Senator Prud'homme: Honourable senators, I am very glad that a parliamentary committee was struck. Things are a bit different from what the House of Commons did with Newfoundland's request to amend the Constitution. We had hearings in Newfoundland, thanks to the Senate, and that is very important. If we draw a parallel with what happened in Newfoundland in a similar case, should hearings be held in Quebec as well? That would be important. Why does the resolution not provide that the committee may sit in Ottawa and also in Quebec.

Senator Hébert: Newfoundland is far away, and communications with Ottawa are not easy. The situation is not the same for Quebec. It would be as easy for witnesses from the Magdalen Islands or Lac-Saint-Jean to travel to Ottawa as it is to travel to Montreal, should the hearings be held in that city.

These days, we can communicate electronically with witnesses who are unable to travel. Needless to say, witnesses' expenses will be met by the government, so that no one will be deprived of the opportunity to be heard.

Hon. Roch Bolduc: Honourable senators, you have argued that the two governments have agreed on the deadline. That does not strike me as a good argument. Having the two governments "thick as thieves" on a point that they do not deem important, is one way of doing things. What will happen if we listen to the people in the province of Quebec who are opposed to such an amendment?

The case of the anglophones, some of whose rights have been infringed upon, has been raised, but what if the Catholics tell us they want to retain the constitutional right they had previously? If they are not satisfied with an agreement between the governments to give them Catholic schools, but want to retain their constitutional right to a religious education, and there are 100,000 of them saying so, are we not going to listen to them? All because of a minor vote in the National Assembly, we have to say that is sufficient? Let me warn you in advance that such a thing will never happen as long as I am sitting in this house.

Hon. Gérald-A. Beaudoin: Honourable senators, on the question of the deadline, there is another point to be raised. This morning, I met with the former dean of McGill University's Faculty of Law, and he asked my opinion on this proposed amendment. I am of the opinion that it can be bilateral. I am, however, forced to admit that there is a very strong argument in favour of its requiring Ontario's agreement.

Section 93 of the Constitution Act contains a reference to Upper Canada and Lower Canada; there is also the notion of a pact and the fact that, between 1840 and 1867, Ontario and Quebec formed a single province. Two separate provinces were formed that were still affected by section 93 on denominational rights.

This is the kind of argument that we will need to settle among ourselves. As I indicated, I tend to think that this could be achieved in a bilateral fashion, but other legal experts argue that three key players are required, namely Quebec, Ontario and Ottawa. Let me tell you it makes it very difficult when the consent of two provinces is required in addition to that of the federal government.

That is why it seems to me that the November 7 deadline gives us very little time to settle this matter. There is also the problem with section 59 dealing with language rights in Quebec, which is related to section 23 in the Charter of Rights. The language of instruction is protected under section 23, while denominational rights are protected under section 93. These are two separate sections, but Quebec is covered by section 59 of the Constitution Act, 1982. As I see it, there are still a few major issues on which opinions may differ.

I cannot see how this could be resolved within three weeks. Perhaps if we had until after Christmas.

The Hon. the Speaker: These questions were asked by Senator Bolduc and Senator Beaudoin. They cannot participate in the debate. Those are the questions, and Senator Hébert may respond.

Senator Hébert: I am really too cautious to dare get into a discussion on constitutional matters with Senator Beaudoin. As for the date, we are not talking about three weeks, but rather a month. Given the tools at our disposal to help move the process along when we want to, I think it should be possible. This opinion I am giving you reflects that of the minister and the government. I respect your opinion and that of your colleague, who seems to believe there will not be enough time. We shall see.

On motion of Senator Lynch-Staunton, debate adjourned.

COMMITTEE OF SELECTION

SECOND REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the second report of the Committee of Selection (nomination of Senators to serve on Select Committees), presented in the Senate on October 2, 1997.

Hon. Jacques Hébert: Honourable senators, I move that this report be now adopted.

Hon. Marcel Prud'homme: Honourable senators, I, seconded by Senator Simard, move the adjournment of the debate.

The Hon. the Speaker: Senator Prud'homme, seconded by Senator Simard, moves that the debate be adjourned until the next sitting of the Senate. Is it your pleasure, honourable senators, to adopt the motion?

Hon. Senators: No.

The Hon. the Speaker: I hear some "nays." Will those honourable senators in favour of postponing consideration of the selection committee report until the next sitting of the Senate please say "yea" and those opposed please say "nay"? So consideration of the report will not be deferred.

Senator Prud'homme: I ask that a vote be held.

The Hon. the Speaker: Then we must call in the senators.

[*English*]

There is an agreement that the bells will ring for fifteen minutes. We will return for the vote at 16:40.

•(1640)

Motion negated on the following division:

YEAS

THE HONOURABLE SENATORS

| | |
|---------|------------|
| Bolduc | Murray |
| Cogger | Prud'homme |
| Comeau | Simard—7 |
| Grimard | |

NAYS

THE HONOURABLE SENATORS

| | |
|----------------|--------------------------------|
| Adams | Hébert |
| Andreychuk | Hervieux-Payette |
| Bacon | Johnson |
| Beaudoin | Kinsella |
| Bonnell | Kirby |
| Bryden | Kolber |
| Buchanan | Lavoie-Roux |
| Butts | LeBreton |
| Callbeck | Lewis |
| Carney | Losier-Cool |
| Carstairs | Lynch-Staunton |
| Cochrane | Mercier |
| Cools | Milne |
| Corbin | Moore |
| DeWare | Pearson |
| Doyle | Petten |
| Fairbairn | Poulin |
| Ferretti Barth | Robichaud (<i>Acadia</i>) |
| Forest | Robichaud |
| Forrestall | (<i>Saint-Louis-de-Kent</i>) |
| Ghitter | Spivak |
| Gigantès | Stewart |
| Graham | Stollery |
| Gustafson | Stratton |
| Haidasz | Taylor |
| Hays | Wood—51 |

ABSTENTIONS

THE HONOURABLE SENATORS

Eyton—1

The Hon. the Speaker: The question before the house, then, is the motion moved by the Honourable Senator Hébert, seconded by the Honourable Senator Robichaud (Acadia), that the second report of the Committee of Selection be adopted now.

[*Translation*]

Hon. Marcel Prud'homme: Honourable senators, we all know the rules. For the benefit of my good friends, the new senators, two of whom have asked me to fill them in a bit, we will oblige today, ever so nicely.

I have no notes, but my memory is excellent. It is an old tradition in the Senate that all senators are equal. His Honour the Speaker himself told us during the last Parliament: Senator Prud'homme, you do not sit on any committee, but I assure you that you have the same rights as all the other senators; you may attend those committees you wish; you may question witnesses, obviously, and that is only right, after a senator who is a member of a committee has done the job for which he was appointed; and the Chair, as a mark of courtesy and out of obligation, will recognize you.

I have not abused this right. I must say that for a non-member, from what I have seen in the papers, I do not keep a file on this, but I have attended 25 committee meetings. That is not bad for a non-member.

I must tell you what concerns me about what I have seen happening over the years. I know that it is nothing against me personally, at least I hope not. I sat for 30 years as a Liberal member of the House of Commons, I know. I know that I was nine times elected a Liberal member of Parliament with very nice majorities. I could quite well have gone on as a member of Parliament at \$40,000 more a year than as a senator.

You seem not to know the salary of senators and MPs. We need someone to defend the Senate from time to time. I have tried to offer you my best, what little talent the good Lord saw fit to give me. It includes the ability to defend the institution that is the Senate. It seems that my colleagues, who retained very little, were not particularly impressed and continually mock the work I have done.

I will not tell you, honourable senators, how many thousands of young people I listened to during my four years in Parliament. More than tens of thousands in the House of Commons. I will not tell you where in Canada or how many times I have gone to speak as a senator, but I did the same thing as a member of Parliament: 253 times in Western Canada for Senator Carney, who is leaving us.

[*English*]

•(1650)

I said that I have great affinity for British Columbians. First, I was the person who asked for a fifth veto before the House of Commons decided to turn it around. That means that I have a feeling for my country, for the institution, for the Senate and for its committees.

I am a very nice, patient man. I waited, and waited, and waited. I will not say that I was given promises because I would have to say that you failed in your promises. Nevertheless, four years have passed — that is, from June 1993 until today — since I was told that an amendment would be put forward to the Standing Committee on Privileges, Standing Rules and Orders, but it never sat.

In a way, I am a fool to ask to sit on committees. I can have an enjoyable life complaining that I am not on committees and not being called upon to serve on committees, but I want to serve on them. Honourable senators know that I have given 35 years of my life to foreign affairs. I was the chairman of that committee in the House of Commons for 14 years under Mr. Trudeau. I must have been a good chairman to have stayed that long on the committee. I am sure the authorities over there would have seen my career end rather rapidly had I not been a capable chairman.

I sat on almost every committee of the House of Commons. One of the greatest committees was chaired by His Honour. It was on the renewal of Canada. We travelled all across Canada together. His Honour even honoured my father and my family by visiting with them in my own humble house, in which I still live in Montreal. Those were great days.

I am now told that I am an Independent. Some people said that they would never forgive me for having quit the Liberal Party. I remembered those words when I arrived here. However, I never believed that these people could be like that — and I do not want to say “cheap.” I did not believe it then and I do not believe it now.

It just so happens that the rules do not provide guidance in this case. I have said that I hope this is not happening because my name is Marcel Prud'homme, très Canadien-français du Québec, but I will name the following Independent senators who have served on committees. First, there is Michael Pitfield, who chaired the Standing Senate Committee on National Finance and the Special Committee on Security and Intelligence. These are very important committees for an Independent senator.

Edward Lawson was appointed — if my memory serves me — the same day as our Speaker, Senator Molgat. Do not pay attention to that bit of intelligence I have drawn from my memory.

Next, there is a member of the Standing Senate Committee on Agriculture and Forestry and the Standing Senate Committee on Transport and Communications, who is a very fine gentleman. When history is written, you will see why I am an Independent senator. This gentleman did not want to be replaced by anyone else but an independent. I am only recounting history to you.

I succeeded Hartland deMontarville Molson as an Independent, as honourable senators know. He chaired the Standing Committee on Internal Economy Budgets and Administration; the Standing Committee on Privileges, Standing Rules and Orders; the special committee on the Senate rules and was a member of the Standing Senate Committee on Banking, Trade and Commerce. My God, I would be honoured to sit with all these bankers I see around and people who know about finance! Senator Molson was also a member of the Standing Senate Committee on Transport and Communications and the Standing Senate Committee on National Finance. Who knows, I may finally learn how to administer my own finances if I were to sit on that committee!

Next, there is Calixte Savoie, who was a member of the Joint Committee on Printing, the committee on external relations, the Finance Committee, and the committee on debates and reporting.

There is also a very close friend of mine from Manitoba, Douglas Everett, who was a member of the Judicial and Constitutional Affairs Committee and the special committees on the media, poverty in Canada and fiscal reform.

You will all remember with great pride Ann Elizabeth Bell, a very independent-minded person. She was a member of the Standing Senate Committee on Transport and Communications and the Standing Senate Committee on Energy, The Environment and Natural Resources.

I will be gentle to the Senate. I was prepared to give you a big show, if that is what you need to change your minds, by throwing these papers on the floor. However, this record goes back to the inception of the Senate. I did my work. Why should I waste your time? You will not make any decision. It is sad. I said — and I keep repeating it in English — at a time when the country is under attack, you are treating one of its members who has a special feeling for Canada as a *Canadien français* — and, do not get mixed up; do not translate that — in an unfair manner. This is how you are treating a person with a nice smile. I smile with gentleness, because I am gentle. I am not begging you on my knees. I will never do that. I say that if a group of intelligent people such as those found here in the Senate cannot find a solution for one person who says, “What about me,” then there is something wrong with this institution. I do not know how this institution can think that it can find a solution for the survival of Canada when it cannot even find a solution for one of its members who wants to be placed on a committee.

I have made all kinds of suggestions to you. Some say, “Give me one Liberal and one Conservative member.” You do not need to do that. There is only one senator who must be on a committee — I checked with others. That committee only had one Liberal member. I accept the practice around here. You want to keep a majority on the committee in case I may vote one way or the

other. That is simple. Just add one member on that particular committee and you will never hear me say that there is a kind of unfairness in the Senate where everyone is supposed to be equal. It seems that some are more equal than others.

I have friends who are ready to second any motion that I will introduce. In case you do not know about that, you already saw that this afternoon. However, I have others in reserve. I know the *Rules of the Senate*, the Red Book — and I do not mean the campaign book. I read them during the summer. Am I crazy? I spent 13 weeks, at my expense, in the Middle East, where I met every head of state possible, including Arafat. I learned one thing: I can be useful.

Why do you force me to humiliate myself when I have nothing in common with Mr. Bouchard, who abuses that word. I am not humiliated at all. I am not crying, I am trying to explain something to you. What I am saying is that there is something wrong with an institution which has so many precedents, which I have cited.

•(1700)

Surely, after having served my country — and I think very well — in the House of Commons without any problem with being re-elected, I never asked for a promotion. I would have been re-elected, I am told, because my successor was re-elected with a majority, I am very happy to say. Now it is Mr. Pettigrew.

Honourable senators, I propose that the Speaker, who is the ultimate authority in this chamber, should be the chairman of the Standing Committee on Internal Economy, Budgets and Administration. I am not asking for favours; His Honour know who is important around here. I may not know. Tell them to wake up and they will get *Prud’homme*.

When I knew the rules, I was not too easy with you as my chairman. You do not want me to start using the book here and calling votes, because now I will always have a supporter, on almost everything. Do not push me, I do not like it. Although that may sound like a kind of blackmail, the last thing I would do to honourable senators is blackmail them. I know too well how to spell the word in my 35 years of politics. That is another avenue for another debate. It is all coming out now, I will tell you. There are many interesting debates we could embark on, on many subjects.

I am not saying, Buy your peace; I am saying, Am I not reasonable? Am I not putting to you a very reasonable case? I believe that honourable senators are reasonable people. I think it makes sense. Let us put our heads together and give this man a committee, and you know my choice. I do not see why I should not be accommodated.

Hon. Sharon Carstairs (Deputy Leader of the Government): Honourable senators, Senator Prud'homme makes a very good case for why he should be a member of a committee. I do not think any of us here in this chamber question that principle. However, we were unable to work out an accommodation. The numbers on committees are very tight. They are seven to five. Clearly, the opposition does not wish to give up any of their places, and clearly, we too are reluctant to lose our majority on a committee.

Senator Prud'homme addresses the issue of the Rules Committee not sitting in the last session of Parliament. That was an unfortunate occurrence. It so happened that the senator who chaired that committee became extremely ill. We kept hoping that he would get better, but unfortunately to this time, his condition has not improved.

Senator Kinsella and I are in full agreement that the Rules Committee should be up and operational as soon as possible. The first item on the agenda of this newly formed and constituted Rules Committee should be the provision of a place for independent senators who wish to sit on committees. A means should be found whereby they will have a place to sit on a committee of this chamber. There is no unwillingness on either side for us to work together; instead, there is a willingness to work together to solve this dilemma.

Senator Prud'homme: Why do we not do it in the open? I always do things in the open. It is very simple. The committees at the moment are seven to five. If by any remote chance I was to vote with the opposition, it would be seven to six. If it were six to six, then the chairman would always cast the deciding vote.

Let's face it, if I am determined to go to a committee to raise hell and always vote with the opposition, first, they will not vote often; and second, I was gentle earlier. My question therefore would be: Why do you not do it right now? Name one committee, I will not serve on too many. One would be plenty. You could decide that in public, and you could say "There is a proposal there." Even the opposition would agree right away. I would hope so. Why should we wait again for the committee?

[Translation]

Hon. Jean-Maurice Simard: Honourable senators, I move that debate be adjourned.

The Hon. the Speaker: I am sorry, but the rule is that the same motion cannot be made twice. I must admit that our rules are not clear on this. I will not entertain it. We have a House of Commons Standing Order that says that no second motion to adjourn shall be made until some intermediate proceeding of a nature to appear in the minutes has taken place. I therefore cannot allow another motion to adjourn.

Senator Simard: Could you take the time to clarify the rules? You said, if I heard correctly, that the rules were not clear. I move

that we take one hour, two hours, one day, two days, to shed some light on the rules.

The Hon. the Speaker: When our rules do not mention adjournment, we refer to the Standing Orders of the House of Commons, and I quote from Standing Order 60 on page 33, which reads:

A motion to adjourn, unless otherwise prohibited in these Standing Orders, shall always be in order, but no second motion to the same effect shall be made until some intermediate proceeding has taken place.

Since no intermediate proceeding has taken place, I cannot allow another motion to adjourn.

Senator Simard: May I put a question to the Leader of the Government?

The Hon. the Speaker: The last person to speak was Senator Carstairs. The rules permit you to ask her a question.

Senator Simard: Can Senator Carstairs tell us the reasons behind the Liberal leadership's decision not to appoint Senator Kenny to the Standing Committee on Internal Economy, Budgets and Administration?

[English]

Senator Carstairs: I thank the honourable senator for his question.

On September 29, 1997, the Honourable Senator Kenny wrote to the whip of the Liberal Party saying:

Further to my fax to you of September 9 regarding committee assignments, I have decided that I do not wish to sit on any committees during the coming year.

[Translation]

Senator Simard: I have a supplementary question. According to what I said, I have it in a letter from Senator Dalia Wood to all senators sitting on the Board of Internal Economy. She explained why the Liberal leadership in the Senate did not select Senator Kenny. Senator Wood mentioned the request. Senator Kenny asked the Liberal leadership in the Senate to co-chair the Committee on Energy and Natural Resources and to chair the Board of Internal Economy as well.

I have been in the Senate 12 years and I appreciate the work of all those who chaired the Board of Internal Economy.

The Hon. the Speaker: What is the question, Senator Simard?

Senator Simard: According to our colleague Senator Carstairs, Senator Kenny asked not to sit on any committee.

She did not however indicate why Senator Kenny did not want to sit on any committee. Would the decision be the same had the Liberal leadership agreed to allow Senator Kenny to sit on the Board of Internal Economy and to co-chair the Energy Committee? Senator Carstairs' response was incomplete. Would she explain why Senator Kenny took this position?

[English]

•(1710)

Senator Carstairs: Honourable senators, Senator Kenny will have to respond to that question himself. However, it is clear that it is the leadership, in consultation with all of their caucus members, who determines who will sit on what committees, and that is a long-standing tradition in this chamber.

I can assure the honourable senator that every senator was offered their first and second or third choice, and two of those in almost every single case.

[Translation]

Senator Simard: To conclude the 15 minutes I am allotted, I want to add that —

The Hon. the Speaker: Senator Simard, are you asking a question or joining the debate?

Senator Simard: I am going to talk for two minutes.

The Hon. the Speaker: You are taking part in the debate. Is that the case?

Senator Simard: It is. Honourable senators, two weeks ago, I informed my caucus, the leadership on this side, that I would prefer not to sit on any committee at this time. As I see my name on the Joint Committee on Official Languages, I would ask that it be removed.

[English]

Hon. Noël A. Kinsella (Acting Deputy Leader of the Opposition): Honourable senators, I wish to go back to the stage of this debate when Senator Carstairs was speaking in response to Senator Prud'homme's intervention.

From our standpoint on this side, I wish to make it perfectly clear that the principle operating here in the situation of independent senators is that it is the government's responsibility to look after the needs of the independent senators. That is true when it comes to seat assignment in this chamber and to the assignment of office space, and therefore, it follows that it is true when it comes to consideration of membership on committees.

The mathematics support this principle because the government side has more members than the opposition side

when you consider the fact that, in our committees, the chairperson always has a vote. Therefore, that would not obviate the situation of the government, as an example, maintaining a majority in respect of committees. The government could both maintain a majority on the respective committees and provide a space for the independent senators. The opportunity is there and both interests can be met by the government using one of the seats that it has available to it if it so desires. The opposition, of course, does not have that luxury, and that is why it is not possible for the opposition to yield one of its seats.

However, at the end of the day, honourable senators, the Committee of Selection submits a report, as it has done, to the whole house, and we are able to deal with it and amend it as we see fit. It seems to me that we are at that stage now. If a senator wanted to move an amendment to the report to have a name changed, he or she could make such a motion.

The Hon. the Speaker: The question before the Senate is the motion by the Honourable Senator Hébert, seconded by the Honourable Senator Robichaud (Acadia), that the second report of the Committee of Selection be adopted now. Is it your pleasure, honourable senators, to adopt the motion?

Hon. Senators: Agreed.

The Hon. the Speaker: Carried.

Senator Prud'homme: Reluctantly.

The Hon. the Speaker: On division.

Senator Prud'homme: No, not on division, but reluctantly.

The Hon. the Speaker: Not on division, fine.

Motion agreed to.

CAPE BRETON DEVELOPMENT CORPORATION

MOTION TO RECONSTITUTE SPECIAL COMMITTEE—
DEBATE ADJOURNED

Hon. Lowell Murray, pursuant to notice of October 1, 1997, moved:

That the Special Committee of the Senate on the Cape Breton Development Corporation be revived to examine and report upon the Annual Report, Corporate Plan and progress reports of the Cape Breton Development Corporation and related matters;

That the Committee have power to send for persons, papers and records, to examine witnesses, to report from time to time and to print such papers and evidence from day to day as may be ordered by the Committee;

That the papers and evidence received and taken on the subject and the report tabled with the Clerk of the Senate on April 25, 1997 by the Special Committee of the Senate on the Cape Breton Development Corporation during the Second Session of the Thirty-fifth Parliament be referred to the Committee;

That the Committee be authorized to permit coverage by electronic media of its public proceedings with the least possible disruption of its hearings; and

That the Committee submit its final report no later than December 15, 1997, and that the Committee retain all powers necessary to disseminate and publicize its final report until December 30, 1997.

He said: Honourable senators, this motion is to revive a special committee of the Senate that was first established in the spring of 1996. The future of the coal mining industry in Cape Breton was then in greater jeopardy than at any time in 25 years, or at least that seemed to be the case.

Here was the situation: In 1990, the federal government had announced that subsidies to the Crown corporation, the Cape Breton Development Corporation, would cease with the fiscal year 1994-95. After that date, the Cape Breton Development Corporation would have to sink or swim on its own as a commercial enterprise.

By the autumn of 1995, it became clear to the new management in place that the company would not make it on its own in the first year without government subsidies. Management thereupon issued a very drastic revision of its corporate plan. Those revisions included, among other things, substantial reductions in output and sales targets, the lay-off of 800 people over a three-year period, the virtual abandonment of export markets, and the early phase-out of one of the two mines in operation in Cape Breton.

•(1720)

It was against that background that I rose in this place, when Parliament resumed its work early in 1996, to launch a debate which eventually led to the creation of the special committee.

Management took its corporate plan to the people of Cape Breton in a series of community consultations. Over that same period, management was persuaded to revise the plan to make it somewhat less drastic. In 1996, they tabled — and the government approved — a plan which was somewhat less painful in terms of lay-offs, somewhat more ambitious in terms of production and sales targets and somewhat more positive in terms of financial projections.

The government sweetened the pot with a loan of \$79 million to cover anticipated losses by the corporation over the period

from fiscal year 1995-96 through fiscal year 1998-99. That loan is being repaid with interest.

The Senate committee approved the revised plan, although we noted that there were serious gaps in the information available to us, principally as regards the basis of some of the projections in the corporate plan. However that may be, there was a consensus that commercial viability is the key to any future for the Cape Breton coal industry and for the Crown corporation. Certainly, that was the consensus in our committee, and generally speaking among the witnesses we heard, who represented not only the minister and officials but also management, the unions and the provincial and municipal governments from Nova Scotia.

It was with a view to reviewing progress on the corporate plan that we reconstituted the committee in February of 1997. We had two meetings in 1997, one on March 17 in Ottawa and the second on March 20 in Cape Breton.

During our visit to Cape Breton, members of the committee took the occasion to go underground at the Phalen colliery and to observe coal mining at the workplace. This also gave us an opportunity to talk with coal miners and with mine officials about the future of the industry — an experience which I think was tremendously valuable for many members of the committee.

When we met in March, the company was just a couple of weeks away from the end of the fiscal year 1996-97. Management was in a position to let us have the near-final results for that fiscal year. They told us then that it was a virtual certainty that the company would achieve its bottom-line financial targets for the fiscal year 1996-97. There were problems, of course. Production and sales were down, but total costs were also down.

The significant point about the performance in the fiscal year 1996-97, and I think the explanation for the fact that the company achieved its bottom-line financial target, is that they ran down their coal inventory by almost 200,000 tonnes. This information was confirmed yesterday when the annual report was tabled in the House of Commons by the present Minister of Natural Resources, Mr. Goodale. Indeed, it shows a loss of about \$30 million for the fiscal year 1996-97, a somewhat smaller loss than had been forecast in the corporate plan.

There was also released yesterday, somewhat belatedly, a quarterly report for the first quarter of the present fiscal year, 1997-98. The highlight of that report, I regret to say, is that the company, as of June 30, was some \$6 million off its target. They had forecast a net cash surplus of some \$3 million and the result was a deficit of \$3 million. Therefore they were \$6 million off target.

It may be that the company can work its way out of this situation as the year goes on, but it is too early to tell. It is well known in Cape Breton that there are, and have been, serious recurring geological and flooding problems at the Phalen colliery. It is a fact that management and labour have worked

extraordinarily hard to overcome these problems, and apparently are making some headway in doing so. However, as some of you know, the life span of the large Phalen colliery is still a subject of very anxious speculation in Cape Breton. It was only two years ago that the present Chairman of Devco, Mr. Shannon, cast considerable doubt on the likely life span of the Phalen colliery.

The questions that arise as a result of the very recent problems at Phalen are: What impact will these have on the production and other targets in the corporate plan for this and succeeding years? What about the targets for export sales? Will the company be able to rebuild its inventories this year, as they had planned to do?

One thing we know for sure is that the corporate plan for this and the succeeding four years is now being revised, as happens every year. If this motion is adopted and the committee is reconstituted, we would want to see, I am sure, the revised corporate plan for this and the next four years.

Honourable senators, there is one issue above all others that needs to be resolved. I refer to the future of the Donkin coal mine. During the 1980s, the federal government, through the Cape Breton Development Corporation, put some \$80 million into exploration and development costs associated with that mine. The mine was never opened. In 1991, the government or the corporation wrote down the asset because of poor markets. Nevertheless, the mine is there, and it has always been regarded as being in reserve for development at some appropriate future date.

•(1730)

In 1996, the Senate committee examining the affairs of Devco expressed its concern that with the possibly limited lifespan of the two collieries now in operation Devco and the government, which is the sole shareholder, ought to look to the future, that we ought to examine whether there is life after Phalen and Prince. In particular, we suggested that the corporation and the Province of Nova Scotia cooperate in a joint study that would bring the geological and economic data, which are now 10 or 15 years old, up to date to establish whether, indeed, Donkin is a viable enterprise for the future.

We returned to the charge again after the committee was reconstituted in 1997, and we have met nothing but resistance from the management of the company. They have told us that they do not have the money, the time or the human resources to pay attention to this project. They have suggested that thinking about Donkin, talking about Donkin, even to the extent of trying to determine its future economic viability, would be a distraction from the admittedly important challenge of putting the present operations on a paying basis.

In our 1997 report, which we tabled with the Clerk of the House just before dissolution of the 35th Parliament, the committee expressed its puzzlement that, in view of the limited lifespan of Phalen and Prince, the Cape Breton Development

Corporation and the provincial government, which has an obvious stake in the economy of Cape Breton, would set their minds and turn their backs against the possibility even of acquiring this important information about the future of the Donkin mine.

While we were preparing our report, out of the blue through the media it was announced that the Cape Breton Development Corporation had signed a letter of intent with a newly formed private corporation in Cape Breton, Donkin Resources Limited, with a view to coming to an agreement, within 60 days, first, on a study of the geological and economic viability of Donkin, a study which would cost \$400,000 and to be financed 75 per cent by the federal government through the Atlantic Canada Opportunities Agency; and, second, to turn over the site and transfer the leases associated with the Donkin coal mine and with the coal deposit.

The committee took a very dim view of this decision. We cautioned the board of directors of Devco to make no further commitments of this kind, no further commitments along the road to disposing of this important asset. The implications are obvious. What would become of the target in the Devco corporate plan, notably the target for export sales, if Donkin comes on stream as a competitor? We do not know. What would be the impact of Donkin as a competitor on other aspects of Devco's corporate plan?

There is, of course, a broader question which has never been answered. The question is: What role, if any, did the government play in this decision? Even more important, what is the position of the government today on this transaction which seems to be proceeding in Cape Breton as if it had a life of its own?

Honourable senators, Donkin, to me, is the main issue that a reconstituted committee should address.

The Hon. the Speaker: Honourable senators, I hesitate to interrupt the Honourable Senator Murray, but his 15 minutes have expired.

Senator Graham: Carry on.

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

Hon. Senators: Agreed.

Senator Murray: I thank honourable senators.

If Donkin is economically viable, then it represents nothing less than the future of the coal industry and of the Cape Breton Development Corporation.

What possible justification is there by any standard of business practice or management or plan to want to dispose of this asset, the company's last major asset, so casually and apparently on the cheap? If Donkin is not economically viable, then, as the committee said in its report, we face a watershed in terms of the

future economic development of Cape Breton, and there are new questions before us and new decisions for governments to make. It is better to have the information now and to try to deal with them.

Honourable senators, over the weekend the chairman of Devco, Mr. Shannon, expressed his displeasure at the idea of reconstituting this committee. He accused several of us — and Senator Buchanan and I are the apparent culprits — of wanting to micro-manage the company and of second-guessing management decisions. Any fair reading of the committee's two reports and of our unanimous recommendations will show Mr. Shannon's interpretation to be completely unwarranted.

When the committee reported in June 1996, we made 11 recommendations. Most of these recommendations were directed to the federal government which, on behalf of Parliament and the people of Canada, is the sole shareholder of this Crown corporation. All the recommendations dealt with major issues of government and corporate policy. Such is the proper role of a parliamentary committee. Not then, not since and not now have we tried to second-guess management in the exercise of its proper prerogatives, still less to interfere or even to comment as a committee on specific issues in the realm of labour-management relations.

Any fair reading of our report and recommendations would conclude that this committee exercised in a constructive and completely non-partisan way the traditional responsibility of Parliament to oversee Crown corporations that have been created by acts of Parliament. With all due respect to Mr. Shannon, the future of an asset such as the Donkin mine is not for him or the board of directors or the management of Devco to determine. It

is a matter for the government and the Parliament of Canada to determine. Mr. Shannon's views about Donkin are on the record. In the past 19 months, he has been on all sides of the issue. When it comes to political pirouettes, he could teach the politicians something.

•(1740)

However, his views changed. He was once quite open and favourable to Donkin, even asking for \$750,000 from the federal government to conduct a study. Then he changed his position and Donkin became the worst idea he had ever heard of, and now he is prepared to give it away, and with it to give away the future of that Crown corporation and the future of the coal mining industry in Cape Breton. Honourable senators, that future is not Mr. Shannon's to give away.

His views, whether pro or con, need not concern us for the moment. What is important is to engage the responsible government ministers and officials to try to ensure that the decisions they have to make are the right ones in the interests of the country and of those Canadians who live and work in Cape Breton.

Earlier today, I heard the honourable Leader of the Government speak of the economics of hope and the economics of trust, and of the need to restore them. Honourable senators, that is my purpose in seeking to revive the Devco committee and I ask for your support of this motion.

On motion of Senator Moore, debate adjourned.

The Senate adjourned until tomorrow at 2 p.m.

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