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**Tuesday, December 16, 1997**

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THE HONOURABLE GILDAS L. MOLGAT  
SPEAKER

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## THE SENATE

Tuesday, December 16, 1997

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

Prayers.

**THE HONOURABLE WILLIAM J. PETTEN**

**THE HONOURABLE M. LORNE BONNELL**

TRIBUTES ON RETIREMENT

**Hon. B. Alasdair Graham (Leader of the Government):**

Honourable senators, throughout Senator Bill Petten's distinguished career in this chamber he has been known to all and sundry as "The Whip," serving two terms as government whip and another two terms as opposition whip.

Honourable senators may know that this expression comes to us from British parliamentary practice and was derived from the "whippers-in," or the whips employed to keep the dogs from straying the pack, to keep them together in the field during the fox hunt.

Honourable senators might be aware that the word "whip" also could be taken in a documentary sense, that meaning a message sent out to members, the number of underlinings of the said document signifying the urgency of the business at hand. In *An Encyclopaedia of Parliament*, it is explained as follows: A one-line whip once meant you ought to attend; a two-line whip that you should attend; a three-line whip that you must attend; and a four-line whip that you would stay away only at your peril, the kind of thing modern whips may wish to try experimenting with.

I might say, in a rather awful pun, that Senator Petten was not known to exercise leadership over the hounds with whip in hand. Nor do I remember any notes from him warning senators to attend at risk of their personal peril. He used jokes and gentle persuasion, relying upon his common sense, his wonderful interpersonal skills and enormous patience, to contribute greatly to the efficiency with which the Senate got through its work, as well as the marshalling of the forces of the party for division and maintaining discipline amongst the rank and file.

I remember a little story about General Dwight D. Eisenhower, who used to demonstrate the art of leadership with a simple string. He would place the string on a table and say, "Pull the string and it will follow wherever you wish. Push it and it will go nowhere at all. It is just that way when it comes to leading people."

That was Senator Petten's kind of leadership. He never worried about who got the credit, he got the job done.

A committed Newfoundlander, he learned well from the hardships of the history of his province. He learned much about tolerance and sharing, about justice and cooperation. In fact, Senator Petten was one of those who voted to join Canada in 1949, so he is a Canadian by choice.

I understand that there has always been a debate, as Joey Smallwood once wisely pointed out, over whether it would be historically and constitutionally as correct to say that Newfoundland absorbed Canada, or took her over, as that Canada absorbed Newfoundland. Perhaps that question may best be left for another day.

Whatever the answer, those proud Newfoundlanders such as Senator Petten, those who voted nearly 50 years ago, those who saw themselves at the time as citizens of a small but significant nation in its own right, centuries-old descendants of Europe's boldest seamen — a nation with its own deeply rooted history — yes, those who voted nearly 50 years ago to join Canada, to join the unfinished struggle which this great nation really is, still carry within themselves the spirit of new beginnings which is truly this country. It is this spirit of new beginnings that Senator Bill Petten has always brought to bear in the service of his country as a new Canadian, which he has proudly called himself on many occasions, and, of course, to the service of his beautiful province.

•(1410)

Whether it has been as Acting Deputy Leader of the Government in the Senate, whether it has been as a member on the many committees he has served so well, such as Internal Economy, Mass Media, Legal and Constitutional Affairs, Agriculture, Transport, or the Special Joint Committee on the Constitution of Canada, or whether it has been as a member of the Fisheries Committee where he worked long hours on behalf of the Newfoundland fishers and their communities, he has brought all of his humanity and warmth to the Senate of Canada. As a dedicated member of the Canadian Parliamentary Association for over 25 years, he has led Canadian delegations around the world, bringing that same special sense of compassion and service to the international community at large.

"Senator Bill," we will always best remember you as "The Whip," a whip who, with considerable skill, managed to keep the hounds at bay over the years. You must return often to visit with us.

Honourable senators, I would underline and emphasize his title, "The Whip," knowing full well that he understands my message better than anyone: You will stay away only at your own peril!

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

**Senator Graham:** Honourable senators, all of us who have known Senator Lorne Bonnell over the years can attest to the fact that he has never been shy or retiring, that he has never been one to accept the status quo, and that he has never been one to make small plans. In fact, Senator Bonnell has always delighted onlookers with his modesty.

I must qualify that remark as Mark Twain once did. He said, "I was born modest, not all over, but in spots." A man modest, not all over, Senator Bonnell has always made big plans, believing that small ones, as it was once said, have no magic to stir men's blood.

Always a fighter, he has spent his career in the political ring provincially and federally, provincially as a minister, and federally as a senator. He has roared like a lion on behalf of his province. He has roared like a lion on the national stage for fair federal transportation policies, drawing a great deal of attention over the years to Prince Edward Island's isolating transportation and communication systems.

He remained for many years a strong believer in a causeway, the fixed link, as long as the Wood Island ferry would continue to operate. In many respects, he was ahead of his time. It was a dream and a vision which has become a reality.

He has been an inspiration to all of us in the efficacious use of the Senate's role as a champion of regional rights, whether it was an issue of federal aid to pay for potato inspectors or aid to producers. I believe that he presented one of my rather surprised predecessors of the day with a 5-pound bag of Prince Edward Island potatoes to underline the plight of Island producers. Whether it was a question of the relocation of federal offices to provide employment for Islanders, or his efforts on behalf of the unemployed, Senator Bonnell has always championed the little guy. He has always put people first.

Senator Bonnell has always believed that, no matter what the insecurities and dangers endemic to our economy in Atlantic Canada, our greatest natural resource is our people. As everyone knows, Senator Bonnell is a medical doctor who has always been driven by the commitment to leave the world a better place than he found it. Both in his medical and political careers, the continuing health of his special island community and of the great Canadian mosaic at large has been his continuing preoccupation.

He has defended, passionately, medicare against any and all attackers, understanding that medicare is the real soul of our nation. He has spent much of his life fighting for the most defenceless members of our society. He has consistently attacked the scourge of child poverty over the decades and, equally as consistently, he has urged national action to help the elderly.

In the last Parliament, Senator Bonnell chaired the Special Senate Committee on Post-Secondary Education, taking on the gargantuan task of examining its goals and importance in the era of the knowledge economy. Although it was interrupted by the dissolution of Parliament, the special committee emphasized the

need to maintain a strong federal presence in higher education. The committee will report to Parliament before Senator Bonnell leaves later this week. As he pointed out recently in this chamber, never before has the need for cooperation amongst the stakeholders in post-secondary education been so important.

Senator Bonnell, you have really made a difference. You have made a difference in this chamber. You have made a difference in your lovely province. You have made a difference in the health and well-being of the Canadian body politic.

Over the decades, you have proven to be a man of great strength and commitment to your country, to your province, a man with a radical heart. We will truly miss you greatly in the days to come.

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

**Hon. Orville H. Phillips:** Honourable senators, I wish to join in the tribute to two retiring friends, both islanders, one from "the" island and the other from the "other" island.

I will first refer to my fellow Islander, Senator Lorne Bonnell.

I had the privilege of attending junior college with his brothers. The whole family became distinguished in some way. However, every family has its black sheep, and Senator Bonnell was the black sheep. He became a politician after he graduated from medical school.

Senator Bonnell had a career in provincial politics. He contested the leadership of the Liberal Party once. I think both the Liberal and the Conservative Parties have something in common — they often make mistakes at leadership conventions. Senator Bonnell lost, but we were fortunate in his appointment to the Senate.

I am very proud of the fact that when I presented the bill in this chamber for what was then known as "the fixed link," and for what is now known as the Confederation Bridge, Senator Bonnell, a member of the opposition, seconded the bill. We often work together for common projects. We set our party differences aside. We were Islanders working for the good of the Island.

•(1420)

In addition to his many duties here, he carried on his medical practice. In that practice, he wrote many letters on behalf of veterans and the disabled. About one year ago, I was pleased to see that those he treated in his practice had a dinner for him to honour him and to thank him for his many humanitarian contributions.

I must say that I do not think he was always an honest fighter in this chamber. I remember on one occasion we were on opposite sides on a bill — I believe the drug patent legislation. I was rating Senator Bonnell's honesty, and I think I gave around a five — no more than absolutely necessary. When he came to reply, I was expecting him to give me a lower mark, and I had

my reply ready. Instead, he gave me a higher mark. As we were leaving the chamber, I met him at the door and asked him, "Why don't you learn to fight fairly?" He said, "My fighting days are now over, and I can be fair to you from here on in."

I now want to refer to Senator Petten for a moment. When I was government whip — and anyone who has been a whip knows how easy it is — Senator Petten used to come to see me. I always knew he was looking for something when he complimented me on the tea. Some days it was nothing more than the tea was hot today, but I knew he was looking for something. He always followed it up with a story. He does not know this, but I have written those stories down. When I retire, I will publish them under the title "What Willy the Whip Said." I think such a book would have a huge amount of success. There was never any animosity between us. Together, we solved a good many problems. I appreciated his advice and assistance.

Honourable senators, both these senators — along with my good friend Senator Finlay MacDonald, who will be retiring on the same day as Senator Bonnell — were hard-working. They did their homework on legislation, and they attended committees, often late at night. It is strange that I never saw anything in any Canadian newspaper, not even *The Ottawa Citizen*, about how hard these individuals worked and what a contribution they made.

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

**Senator Phillips:** These days, when we are all being criticized because one member is a truant, I think it worthwhile to recall that not all senators are truants. These three senators are excellent examples of that.

We will all miss them as colleagues in this chamber, but I think we will miss them even more as friends. Being aware of their Irish backgrounds, I should like to read into the record the Irish blessing, which states:

May your path rise up to meet you,  
 May the wind be at your back,  
 May the sun shine on your face,  
 May the rain fall gently on your fields,  
 and until we meet again,  
 May God hold you in the palm of his hand.

I hope you both have a long, healthy retirement and that we will meet again frequently in the future. I remind you, honourable senators, that while you cannot come in past the bar, you can still sit outside the bar and encourage us. I hope you will do so frequently.

**Hon. Raymond J. Perrault:** Honourable senators, we are losing two very good senators. I regret it very much.

When I was Leader of the Government in the Senate, Bill Petten was of inestimable assistance to me. We never lost a

vote, and he rallied the troops in high good humour. He was one of the most competent whips ever to reside in this Senate. All of us shall miss Bill enormously. He was a competent and good-humoured whip, and he played an essential role in Parliament.

Lorne Bonnell is a champion of great humanitarian causes. Most of his work, as is the case with a great deal of the work done in the Senate, is unhonoured and unsung. As a Christmas present to the media, we should give everyone in the media a map on how to get to the Senate, because most of them have never been here — those experts who purport to offer opinions about the future of this place. Lorne Bonnell has been an outstanding supporter of great causes. The report of the Special Senate Committee on Post-secondary Education, which is about to be produced, is another example of the great work that he has accomplished. He is concerned for youngsters, the poor, the elderly, and those in need of education.

It has been said that the age of miracles is not dead. When I was Leader of the Government, a senator who was due to leave this place in two week's time came to me and said, "Ray, a miracle has occurred. That is the only way I can describe it. A very elderly lady who was my nursemaid came to me and said that I am really one year younger than the records indicate. Is that not a miracle?" I said, "I suppose it is. Do you have any proof?" He replied, "She is willing to testify that I am really one year younger than the official records indicate." He then produced some paper and was able to demonstrate to the satisfaction of the Senate authorities that he was one year younger and was given a reprieve. I hope there is another aging nursemaid out there, or several of them, who will testify that Senator Bonnell and my good friend Senator Petten are one or two years younger than the official records show. Would it not be great if we had a miracle to that effect?

We will miss them both enormously. They have added a quality to this place. Joey Smallwood said that British Columbia and Newfoundland are the two book-ends that hold this country together. As a staunch Newfoundlander, Bill Petten has been a tower of strength for all good causes, including national unity, and Lorne Bonnell is in the same category.

We will be sorry to see them leave. Perhaps we should create the post of senator emeritus, so that we can continue to draw upon their expertise, ability, and ideas. It would be of enormous benefit to us all.

**Hon. C. William Doody:** Honourable senators, I wish to join with my colleagues in paying tribute to our two departing brothers today.

I should first mention how much we will miss Senator Bonnell, or "Bon'l," as he is called in Newfoundland, where all his relatives are firmly camped out, on the Burin Peninsula down in Lawn. They sometimes ask me how Lorne Bon'l is doing, and I always tell them, "He is doing fine."

We will miss you, sir. We have appreciated your help and your assistance, and we will remember with fond memories your contribution to this place. There were times when I did not feel quite as warm, but these occasions are the great “melders and welders.”

I am sure that honourable senators will well understand that I am particularly concerned today with paying tribute, in an honest way, to my great friend and colleague Bill Petten. I knew Bill Petten long before I was called to this place. In point of fact, I knew him long before he was called to this place. I have always considered him a friend, and I am pleased at having an opportunity of saying so publicly. He is a man for whom the word “honour” means a great deal. I know from experience that his word is sacred to him. His loyalty to his party, to his province and to his country are beyond question.

•(1430)

He worked tirelessly for this place and for Newfoundland with great dedication, without deviating, and he managed to do so without offending any one. That is quite an accomplishment over all those years in public life.

He and his father, the late Senator Ray Petten, were early dedicated supporters of Mr. Smallwood’s campaign to bring Newfoundland into Confederation. From that date to today, there has not been a Liberal Party campaign or Liberal Party function in which Bill Petten has not participated. He worked quietly, effectively and in a gentlemanly manner.

I rarely agree with Bill Petten’s politics but I never could criticize his style nor his motives. Many of us remember well the many years he served as Liberal Party whip in this place, when he and Orville Phillips, for this side, ran this place. They ruled supremely and without question; nor would they tolerate any questions.

**Senator Lynch-Staunton:** How true!

**Senator Doody:** I was often envied by friends on the other side because they suspected that their whip was a kinder, gentler whip than that which we had to endure.

I thank Bill Petten for his wisdom and for his advice to me in the 18 years or more since I have been here. He served especially well as an advisor, as an advocate, as a dropper of hints during the difficult days of the GST and during some other areas of our history when I served in a more onerous and more demanding task than that which currently challenges me. I thank him for that.

Honourable senators, to speak of Bill Petten in any framework — in terms of his domestic life, of his wonderful family, of his work in the Senate, his political activities, his charitable or church-related work in Newfoundland, his business career — would be absolutely meaningless without mentioning Bernice, his wife. This was a team without par in my experience. Bill and

Bernice — Bernice and Bill — they were one unit who worked beautifully together. I hope they will continue to do so for many years to come. They have been inseparable and I know will remain so.

I thank them for their great contributions to Newfoundland and to Canada. I thank them for their friendship. Doreen and I value that friendship greatly and hope to see much more of them in the years to come, in their “retirement,” although I suspect that word is inappropriate. We hope to catch up with them from time to time.

Enjoy it, my friend. May the following sea be with you. Fair winds. Good voyage. Thank you.

**Hon. Bill Rompkey:** Honourable senators, I wish to associate myself particularly with Senator Doody’s remarks.

First, I say to our colleague Lorne Bonnell that we shall miss him. I pay tribute to him for his long service to his province and to this chamber. I can remember as a young member of Parliament visiting P.E.I. I stayed at his house once. He opened up his house there, on a lovely stretch of beach. He has served that province so well and been a political force in that province, as he has been in this chamber. Reference has already been made to the report on post-secondary education which is soon to come forward. That is one of the most important reports that will be presented in this chamber.

However, my remarks must focus particularly on Bill Petten. I wish to underline what Senator Doody has said. He has been the representative for our province and he has taken that absolutely seriously. Not only has he taken it seriously in the form of legislation or party caucuses or conventions, but his home has been a home away from home for those of us from Newfoundland.

I can remember when I first came to Ottawa, I believe it was Bill Petten who picked me up at the airport. Not only did he do that, but he helped us to find accommodation. Year after year, his home has been open to me and other parliamentarians from Newfoundland. I expect it still is.

I pay tribute also to Bernice who, as Senator Doody said, was part of that team. They saw their service not only in terms of legislation or the party but also the people of Newfoundland.

Bernice served as president of the Parliamentary Spouses Association, an outstanding president who will be remembered for a long time for the service she has given.

Mention has already been made of Bill’s service as whip. That was before my time here so I will not comment, but I do take absolutely the word of those who pay tribute to him in that capacity.

Bill Petten has enjoyed the confidence of prime ministers. They have taken his counsel and his advice over the years.

Senator Doody also made mention of his father. Ray Petten was one of the inner circle of Joey Smallwood's group that came together to fight for the cause of Confederation. Confederation in our province was not automatic. It was not easy. There was very strong debate. Confederation won with a slim majority. Those people who gathered early around Smallwood were the inner core of what became the Confederation Movement and later the Liberal Party of Newfoundland and Labrador. Ray Petten was one of the few members of that inner circle. He served faithfully and well. His son served faithfully and well after him.

I do not think there is any greater tribute that I can pay to him than to say that he is an outstanding Newfoundlander and an outstanding representative for our province.

I must say, too, that his family is still involved in the political process. His daughter Shari, who is in the gallery today, worked in my Commons office and now works for Herb Gray. For generations, the Petten family has given outstanding service to our province, perhaps without parallel. It is absolutely fitting that we pay tribute to them today.

I am looking forward to Senator Phillips' book on the humour of Bill Petten. I wish I could remember all the stories I have heard during my many visits to Bill's house. I hope he never forgets them; I know he will not.

I want to end with a Newfoundland tribute. We have heard the Irish tribute and that given by Senator Doody. There is one other wish that we bestow in Newfoundland. It involves the jib, the front sail of a boat which guides the boat wherever it goes. I offer this toast now to Bill and Bernice Petten: Long may your big jib draw!

**Hon. Richard J. Stanbury:** Honourable senators, after those fulsome and well-earned tributes, I will be brief. These two gentlemen, if I may call them that, have been friends of mine for a long time.

Margaret and I have been friends of Bill Petten and his wife, Bernice, for 30 years at least. My, what friends they have been! That friendship has continued in spite of the fact that, on the eve of our departure several years ago for a Liberal international convention in Helsinki, with lectures and trade development plans for Poland and Russia, Senator Petten called me. I asked, "Mr. Whip, why are you calling me at this late date," and Bill responded that the GST bill would be coming to the Senate in the next week and that it was decided that no one could leave the country.

We stayed home and we tried to cash in the exotic currencies that we had bought for the trip. However, the roubles we had bought for \$500 turned out to have little value, so I sent them to our ambassador to give to a Moscow children's hospital. In spite of that, the Pettens have continued to be our friends.

•(1440)

Bill Petten has been the soul of the Senate for 30 years. He has been its welcome wagon, its whip, its conscience, its fully

qualified listener-to-problems, its international representative, its indefatigable committee attender. The Senate will never be the same without him but, knowing him, he will find other fields of activity. If he does not, Bernice will find some for him.

Lorne Bonnell — now, that is a challenge! Lorne Bonnell is larger than life. His physical stature is big; his voice is big; his ego is big; his love of Prince Edward Island is big. His service to the people of Prince Edward Island has been big — and it still is big; his humour is big; his love of family is big. His capacity for friendship is huge. I have been the happy recipient of that friendship, as have many other of our colleagues.

Senator Bonnell has been an energetic, conscientious and effective senator. I wish him every enjoyment of retirement: good health, great prosperity, the opportunity to continue to serve the people of P.E.I. and of Canada, and the warmth of the near presence of his friends and family.

**Hon. Ethel Cochrane:** Honourable senators, I, too, should like to express my respect and appreciation for two senators who have devoted most of their adult life to public service. I should like to add a few extra words about my friend Senator Petten.

Senator Petten has performed his many duties with good humour and a ready smile on his face all the time. He is that rare breed of politician who makes many friends and few, if any, enemies.

Senator Petten served for many years as his party's whip in the Senate. He served as the Acting Deputy Leader of the Government. He has devoted endless hours of work in our committees, including Internal Economy, Budgets and Administration and Privileges, Standing Rules and Orders. All of these are duties which go very much unnoticed by the public and the press, but we know very well how vital these tasks are to the functioning of our institution.

Senator Petten has also devoted much time and energy to building and maintaining our relations with legislators from other countries through his involvement with inter-parliamentary organizations, especially the CPA. His wife, Bernice, has shared in that involvement for many years through her membership in spousal associations. Both of the Pettens are widely known and admired in the international parliamentary community. Their open-door policy and hospitality have been enjoyed and appreciated by many overseas parliamentarians visiting Canada.

We shall miss Senator Petten. Newfoundland and Labrador is losing a good, well-respected representative in this chamber. I wish both you, Bill, and your wife, Bernice, many long, enjoyable and well-earned golden years.

**Hon. Jeremiah S. Grafstein:** Honourable senators, on this bittersweet occasion when our colleagues Senator Bill Petten and Senator and Dr. Lorne Bonnell take leave of this place, I did not intend to speak until I heard the lyrical comments of the Maritime senators: Senators Graham, Phillips and Rompkey. I did not want Bill and Lorne to leave this place believing that we in Ontario are without some culture.

To Lorne and to Bill, may I take the liberty of saying these words from perhaps the greatest of all Irish playwrights, Sean O'Casey, in his wonderful play, *Juno and the Paycock*:

Come in the evening,  
Come in the morning,  
Come when you're asked,  
Come without warning.  
You are both darling, darling men,  
and you will both be missed.

[Translation]

**Hon. Eymard G. Corbin:** Honourable senators, as a senator from New Brunswick, one of the four provinces making up the Atlantic Provinces, I would like to add my words to the sincere speeches by my colleagues on the occasion of the departure of our two colleagues Senator Petten and Senator Bonnell.

Over the years, we have worked together on a number of matters as representatives of that Atlantic region. It has been a privilege to be associated with the two of them.

The Honourable Bill Petten has always said that his decision to vote in favour of the union of Newfoundland with Canada was made of his own free will and in complete sincerity. Canada ought to greatly appreciate having had such a devoted, loyal and indefatigable senator at its service.

Senator Bonnell is also a fellow Maritimer. Now that we have a bridge between our two provinces, he has become a next-door neighbour. I have had only one reason to find fault with Senator Bonnell over the years of happy association with him. I wish he would, for once and for all, quit claiming that P.E.I. potatoes are better than New Brunswick potatoes, because the truth is the exact opposite.

My best wishes on the retirement of our two colleagues, two real gentlemen and loyal party members. I hope they will give us the pleasure of seeing them back as visitors to the Senate of Canada for many years to come.

[English]

**Hon. Joyce Fairbairn:** Honourable senators, I should like to add a few personal words to the ones already said in wishing farewell, in Senate terms, to two very special friends.

As I have listened to the comments today, it is a pity we do not put up billboards for the Senate, because these two gentlemen and their records in this house, as well as their records in their provinces, surely would be a very visual example to Canadians of two warriors who have fought on their behalf with dignity, courage and never-failing devotion to the people whom they serve.

Senator Bonnell, Dr. Bonnell, the good doctor, is a truly modern senator. He has a record, which I looked at this morning, back in Prince Edward Island where he held several portfolios in

government, including health, welfare and housing. When he came here he brought with him his concern for individual human beings, particularly those who were the most vulnerable.

In the Senate, what subjects has he pursued? One such was children at risk — the subject of a committee which produced a very pivotal report at a time when nobody cared to speak about such matters. He has been a champion of veterans. He has worked for seniors. He has worked for low drug prices. Most recently — at a time when he should be slowing down — he took on a mammoth study under the auspices of the Senate Subcommittee on Post-secondary Education.

I have toiled for many years at the other end of the education scale. I have absolute admiration for Senator Bonnell for taking up an issue that is sometimes very difficult to discuss in federal and provincial circles. He has taken, along with other senators, an issue that in my view no one has grappled with, an issue that will follow the young people of this country into the next century.

•(1450)

I applaud you, Senator Bonnell, for having the foresight and the gumption to take on a subject that will benefit not only those in this chamber, but also young people for years to come.

As to Senator Petten, the phrase “true gentleman” comes to mind. Senator Petten became a friend of mine long before I was appointed to this chamber. He became an advisor to me about the Senate. Perhaps he does not even know how much I learned.

At a time when he was whip, we in the other place, when I was in another job working with the Prime Minister and the House Leader, decided that there had to be a better way and a better relationship between the two houses. We set up weekly meetings. The Honourable Mitchell Sharp was Government House Leader at that time. The person designated to attend those meetings was Senator Bill Petten. He demonstrated to us, first, the seriousness with which the Senate took its responsibilities and, second, the differences between the Senate and the House of Commons, and why the Senate should be worked with in cooperation. Quietly, behind the scenes, the way Senator Petten often works, he made an enormous contribution to a better understanding between the two Houses of the Parliament of Canada. I mention that because not many people knew about at the time.

Senator Petten was whip for 17 years. What a record! I doubt it will ever be matched, certainly not in the manner and style of Senator Petten.

When I arrived in the Senate, honourable senators, the place was run by Senator Petten and Senator Phillips. There was no question about that. Perhaps Senator Petten was a kinder and gentler whip. I certainly found him to be. However, underneath that kindness and gentleness, there was an absolute solid rock of insistence that we respect, not him, but what he was trying to do on behalf of his party in the Senate of Canada.



As far as Senator Phillips was concerned, however, I was a resident of the fifth floor then. You really did not do anything on the fifth floor without touching base with Senator Phillips, because he ran that too.

Honourable senators, the tributes to Senator Bill Petten paint a colourful picture of a lengthy career. People enter politics for different reasons — sometimes for personal reasons; other times for strictly party reasons; and yet other times because they want to resolve issues. Senator Petten is here because he represents the people of Newfoundland and Labrador whom he has spoken for and about on every conceivable occasion. In so doing, he has performed a profoundly important role.

Honourable senators, I wish both Senator Bonnell and Senator Petten many long years of happiness in their retirement. I know that both of them will continue to contribute, in their own ways, to the well-being of Canada.

Finally, as I look up in the gallery, it is absolutely true that wherever Bill was, so was Bernice. They are a team, and I offer them both my affection and my congratulations.

**Hon. Catherine S. Callbeck:** Honourable senators, first, I wish to acknowledge the contribution that Senator Bill Petten has made to this institution and to publicly acknowledge the kindness that he has shown me as a new senator. As well, being from Prince Edward Island, I cannot let this opportunity go by without saying a few words about my friend, Senator Bonnell.

I have known Senator Bonnell since the late sixties. Even before that, I knew him by his reputation for being colourful, energetic, innovative and, yes, at times outspoken. As Senator Graham has said, Senator Bonnell was not known as being shy or humble.

Senator Bonnell served in the provincial legislature for 20 years. During that time, he did an excellent job in charge of many, many portfolios. He had a way of hitting the headlines.

In our province, we have two newspapers, but one is *The Guardian*, which covers the Island like the dew. Senator Bonnell really knew how to capture the headlines, which he did for 20 years in our province.

As Senator Fairbairn has noted, Senator Bonnell served in many portfolios, and in each of those, he excelled.

Islanders were pleased when Senator Bonnell was appointed to the Senate in 1971 because they knew that he would represent their interests and that the views of P.E.I. would be heard. He has certainly done that.

As Senator Graham has said, Senator Bonnell roared like a lion for Islanders. I think it is fair to say that he has been an inspiration to all Islanders. He truly has made a difference. He has made a mark, both in the provincial legislature and in the Senate. He will be missed.

I wish to publicly thank you, Senator Bonnell, for the kindness that you showed to me when I was in the legislature of Prince Edward Island and which you have shown me now as a new senator.

To both Senator Bonnell and Senator Petten, I wish you many more years of good health and happiness.

**Hon. Colin Kenny:** Honourable senators, the problem with speaking last is all the good things have been said. Therefore, it falls to me to say the bad things!

Incredible as it may seem, we have two very popular and respected Islanders, but that is a fact.

Lorne, you were the pepper and spice that stirred up this place, said outrageous things, and generally made it fun.

Bill, you were the glue that held this place together. When you were whip, you got results because you were loved and because no one wanted to let you down.

This house will be poorer without both of you. I will miss you; we will all miss you. May God be with you both. Have a long and joyful retirement.

**Hon. William J. Petten:** Honourable senators, I should like to mention each senator who has spoken, if I might.

To Senators Graham, Phillips, Perrault, Doody, Rompkey, Stanbury, Cochrane, Grafstein, Corbin, Fairbairn, Callbeck and Kenny, let me say, thank you very much for your kind words.

As they apply to my wife and father, your comments are deserved. Whether or not I deserve such kind remarks does not matter — I still appreciate them.

•(1500)

When I was appointed to the Senate on April 8, 1968 by the late prime minister Lester B. Pearson, he woke up a day or so later and said, “My God, what have I done?”, after which he resigned.

**An Hon. Senator:** You are quite right.

**Senator Petten:** I should like to say a few words about my stint with Senator Keith Davey’s Mass Media Committee, on which I got to know my mentor, Charles McElman, well. He kept me in line, for he was a taskmaster.

I should like now to state publicly my appreciation to Senator Keith Davey for making me whip of that committee. That was the training that I needed to become whip of our caucus.

About two weeks after my colleague Senator Jacques Hébert took over as whip, he sent out a memo. At the bottom of that memo was, “P.S. I don’t know why Senator Petten kept this job for so long.” Keith Davey, the Rainmaker, wrote back and said, “We know why Petten kept it so long. He’s crazy!”

For me, there were many highs and lows in this place. One of the highs was when I served on the Special Joint Committee on the Constitution chaired by Jean Chrétien who was then a minister and who is now our Prime Minister. There have been many others. However, one that stands out in particular was when I had the privilege of introducing and sponsoring Bill C-29 in the Senate. It had been introduced in the other place by then fisheries minister Brian Tobin, who is now the premier of my province of Newfoundland. With his guidance, and the help of my colleagues on both sides of this house, we got that bill through this place in one day. He had pushed it through the House of Commons in one day. That was two days for a bill that meant a lot to Atlantic Canada and, in particular, to Newfoundland.

I should now like to turn to the people who have kept me on the right track and who have helped me over the years. First, I should like to acknowledge my secretary of 23 years, Shirley Tink. After 23 years, she said, "My God, I can't stand him any more," and she retired. My secretary now is Beverly. She has taken up the job and she keeps me in line pretty well, I would say.

My family, Bernice, Sharon, my daughter in the gallery, Robin, Raylene and Bill, have all been great assets to me and helped me keep my nose to the grindstone. There were times when I figured, "To heck with this. I will take it easy." However, the leadership would not let me, and my family would not let me.

To you all, I say thank you very much for your kind words. I wish I had the time, though I have never been known for long speeches. I should like to say thank you to each of you individually. However, let me say this: To the members of the committee, to the Table staff, to the protective staff, to the cleaning staff — everyone here who has been so helpful and kind to me over the years, I say "Thank you to you all and God bless you all."

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

**Hon. M. Lorne Bonnell:** Honourable senators, I had not intended to say a word. I was waiting for more people to get up and say great things about me. Everything you said about me is true. For the first time in your lives, you spoke the truth. There is a lot more that I could have helped you with, had you wanted to say more great things.

On a more serious note, I should tell you that perhaps my most memorable time in this place was some years ago when I had the privilege of guiding the Canada Health Act through the Senate of Canada. I was the chairman of the committee that studied the legislation.

For the first time in the history of the Senate or since 1867, every province in Canada and the territories appeared before my committee and give their views on health care in Canada. Some were for it, some were not so sure about it. However, I had the

privilege of guiding that legislation through the Senate of Canada. That is something I appreciate.

I thank you all for your help over the years.

I also want to take this opportunity to tell you something about my friend Senator Petten, whom I have known from the day I arrived here. His office was just across the corridor from mine. He was a very quiet, shy, modest Newfoundlander, until I came in and stirred him up. He thought I was going to change the whole of the Parliament of Canada in a week because I said, "This has to change. That has to change." He has been listening to me ever since, but he does not heed me like he used to.

One thing he did do, however, was introduce me to his wife and family. They were so gracious to me that I now consider them to be my family. I want to thank his wife, Bernice, and his children for their kindness to me over the years.

To all the staff in the Senate and in Parliament, I thank you very much. Bonne chance. Have a fantastic Christmas and New Year. I hope you can run this place without me in 1998.

**The Hon. the Speaker:** Honourable senators, it is against the rules, but the Honourable Senator Petten has asked to speak again. Shall we break the rules?

**Hon. Senators:** Agreed.

**Senator Lynch-Staunton:** It is your last leave.

**Senator Petten:** Honourable senators, my honourable colleague Senator Bonnell, and I use the expression advisedly, turned around and said to me, "If you do not mention me, I will not mention you." He double-crossed me.

I should like to say that I have enjoyed his friendship and guidance over the years. We have sometimes met head on, but we have worked it out afterwards. God bless you, my son. Look after yourself.

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## SENATORS' STATEMENTS

### BUSINESS OF THE SENATE

CANADA PENSION PLAN INVESTMENT BOARD BILL—  
PUBLICATION OF CRUCIAL DOCUMENT—  
NOTICE OF QUESTION OF PRIVILEGE

**Hon. David Tkachuk:** Honourable senators, on Thursday last, December 11, I gave written notice to the Clerk of the Senate concerning a question of privilege. My question of privilege arises out of two related actions of the Government of Canada which, when taken together, result in the Parliament of Canada and honourable senators, including me, being misled in relation to a matter arising out of our consideration of Bill C-2.

On December 4, 1997, I received a delayed answer to an oral question I asked on November 19, 1997. The questions I asked at that time were to this effect: Will the government publish the CPP withholding tables for employers before the Senate has approved Bill C-2? Will the government mail out in 1997 personal income tax forms that incorporate the 1997 CPP contribution rate increase before the Senate has approved Bill C-2?

The answer that I received under the rubric Delayed Answer to Oral Question states:

The government does not intend to release either the CPP withholding tables or the 1997 personal income tax returns until the Senate has completed its consideration of Bill C-2.

However, on December 10, 1997, the CPP premiums deduction tables, which I have here in front of me, were published by the Government of Canada on its web site.

•(1510)

Pursuant to rule 43 of the Senate of Canada, this clearly constitutes:

...a matter directly concerning the privileges of the Senate...

— in fact, of the committee to which Bill C-2 may be referred, and my privilege as a senator who has been misled by the Government of Canada.

I will argue that this action by the government constitutes a grave and serious breach of privilege, and that the only appropriate remedy for this situation is to have the matter referred, as a *prima facie* breach of privilege, to the Standing Committee on Privileges, Standing Rules and Orders. When the *prima facie* case is found, I am prepared to move the motion that it be referred to the standing committee.

In dealing with this matter, it is important for us to reflect on what constitutes privilege in this chamber. There is no better explanation of the privileges of members of Parliament than that contained on page 69 of the Twenty-first Edition of Erskine May's, *Parliamentary Practice* which states:

Parliamentary privilege is the sum of the peculiar rights enjoyed by each House collectively as a constituent part of the High Court of Parliament, and by Members of each House individually, without which they could not discharge their functions, and which exceed those possessed by other bodies or individuals. Thus privilege, though part of the law of the land, is to a certain extent an exemption from the general law. Certain rights and immunities such as freedom from arrest or freedom of speech belong primarily to individual Members of each House and exist because the House cannot perform its functions without unimpeded use

of the services of its Members. Other such rights and immunities such as the power to punish for contempt and the power to regulate its own constitution belong primarily to each House as a collective body, for the protection of its Members and the vindication of its own authority and dignity. Fundamentally, however, it is only as a means to the effective discharge of the collective functions of the House that the individual privileges are enjoyed by Members.

When any of these rights and immunities is disregarded or attacked, the offence is called a breach of privilege and is punishable under the law of Parliament.

Honourable senators, when we debate this matter, I will be raising a number of other issues that are important not only to me but to all of you.

This has happened before. It happened in the House of Commons. In the 1980s, the Conservative government published the GST information, saying that it was for information purposes only. Speaker Fraser at that time was quite strong in his condemnation of this action and this conduct.

What is important to all of us is the fact that I was misled, but I also know the senators in this place, and I know where the answer came from. I know there was no deliberate intention to mislead, but the bureaucracy and the executive of the Government of Canada went ahead and published information as if this place meant nothing, and Parliament meant nothing, and that only the executive has the power. When we have not yet passed a piece of legislation but the Government of Canada is proceeding as if the piece of legislation already exists, we have a real problem, and we must deal with it.

I hope, honourable senators and Your Honour, that we deal with this issue with some speed so that the matter can be debated and referred to the Standing Committee on Privileges, Standing Rules and Orders.

**Hon. Noël A. Kinsella, Acting Deputy Leader of the Opposition:** Honourable senators, I rise to give oral notice, pursuant to rule 43(7), speaking to the question of privilege of which I gave written notice pursuant to rule 43(3), to the effect that the privileges of the Senate have been breached by the publication of this document T4127(E), which is the Payroll Deduction Formulas for Computer Programs, effective January 1, 1998.

This document has been published prior to Bill C-2 being passed by the Senate and becoming law. By this action, the Government of Canada has committed a contempt of Parliament. Through this publication, the government has expressly led the people of Canada to believe that the Senate has no role in the passage of the bill, and future proceedings of the Senate and of the committee, to which study of this bill would be given, have been prejudiced.

Honourable senators, I will be prepared to move a motion referring this matter of contempt of the Senate to the Standing Committee on Privileges, Standing Rules and Orders at the appropriate time. I will be relying on a number of precedents in bringing this matter before the chamber. In addition to the rules of the Senate, I will be relying on precedent and parliamentary literature such as Erskine May's *Parliamentary Practice* the Twenty-first Edition at page 115 under the general headings of contempt. I shall also be relying on the second edition of Maingot's *Parliamentary Privilege in Canada* at page 216.

I will also rely on a precedent established in Parliament by the ruling of Speaker Fraser in the other place, given on October 10, 1989, which involved a similar type of situation. At that time, *inter alia*, although Speaker Fraser did not decide in that particular case that there was a *prima facie* case of contempt, the Speaker said at page 4461 of the Hansard of that House:

However, I want the House to understand very clearly that if your Speaker ever has to consider a situation like this again, the Chair will not be as generous. This is a case which, in my opinion, should never recur. I expect the Department of Finance and other departments to study this ruling carefully and remind everyone within the Public Service that we are a parliamentary democracy, not a so-called executive democracy, nor a so-called administrative democracy.

Honourable senators, at the appropriate time, I will be explicating on those points. The purpose now, however, is to give oral notice.

## ROUTINE PROCEEDINGS

### ADJOURNMENT

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

That when the Senate adjourns today, it do stand adjourned until tomorrow, December 17, 1997, at 1:30 p.m.

**The Hon. the Speaker:** Honourable senators, is leave granted?

**Hon. Senators:** Agreed.

Motion agreed to.

## CANADA-JAPAN INTER-PARLIAMENTARY GROUP

SENATE PARLIAMENTARY DELEGATION  
VISIT TO JAPAN—REPORT TABLED

**Hon. Dan Hays:** Honourable senators, I have the honour to table the report of the delegation led by our Speaker, Senator Molgat, on its meetings in Japan from March 23 to 30, 1997, which constituted an official visit by the Speaker and the delegation in returning a visit of the President of the House of Councillors of the Japanese Diet, Mr. Juro Saito.

•(1520)

## SPEAKER'S VISIT TO MONGOLIA

REPORT TABLED

**The Hon. the Speaker:** Honourable senators, I have the pleasure to table the report of the visit to the Great Hural of Mongolia by myself as Speaker of the Senate in the period from March 31 to April 4, 1997.

[Translation]

## ENERGY

SABLE ISLAND GAS PROJECTS—NOTICE OF MOTION TO  
AUTHORIZE ENERGY, THE ENVIRONMENT AND NATURAL  
RESOURCES COMMITTEE TO EXAMINE AND REVIEW THE PROCESS

**Hon. Jean-Maurice Simard:** Honourable senators, I give notice that on Wednesday, December 17, 1997, I will move:

That the Senate of Canada urge the Governor in Council not to give final approval to the project submitted by the consortium that proposed the Maritime and Northeast Pipeline Project until the Government of Canada has fulfilled its obligation to hold full and fair hearings on the proposals submitted by all interested parties, including the TransMaritime Pipeline Proposal, considering the following:

(a) the natural resources of Canada are the property of all Canadians;

(b) the needs and interests of Canadians should be considered first and foremost in the exploitation, development and use of Canada's natural resources;

(c) the recommended Maritime and Northeast Pipeline proposal overwhelmingly favours American interests over the interests of Canadians by channeling 83% of the natural gas extracted from the Sable Offshore Energy Project to the United States, while a mere 17% will be allocated to only two Canadian provinces, Nova Scotia and southern New Brunswick;

(d) the TransMaritime pipeline proposal places the interests of Canadians first by allocating 64% of the Sable Offshore natural gas to four Canadian provinces, including 34 % to Nova Scotia and New Brunswick, as opposed to a total volume of only 36% to the United States;

(e) the TransMaritime proposal allows the provinces of Ontario and Quebec to benefit from any natural gas from the Sable Offshore Energy Project;

(f) the TransMaritime Pipeline proposal offers support for Canadian industry and security of energy supplies for central Canada, and offers more Canadians a greater supply of natural gas at a lower cost;

(g) the TransMaritime Pipeline proposal generates employment opportunities and provides long-term benefits to disadvantaged northern New Brunswick;

(h) the TransMaritime Pipeline proposal will unite Canada, since it sends a positive message of inclusion, security, opportunity, and sharing within the Confederation, to Canadians in four provinces, including Acadians, Quebecers and francophone Ontarians;

(i) the refusal of the Sable Offshore Energy Project Joint Review Panel and the National Energy Board to hear the proposal submitted by TransMaritime Pipeline may seriously prejudice the rights of Canadians in the development and use of their energy resources and may undermine Canada's sovereignty over these resources;

(j) a significant amount of time will not be saved in the development of one pipeline instead of the other; and

(k) deciding the matter without considering all available options may be more damaging than any relatively minor delay that could result from a thorough and fair review;

That the matter of the process undertaken by the Sable Offshore Energy Project Joint Review Panel and the National Energy Board, in recommending that the Maritime and Northeast Pipeline project be allowed to proceed, be referred to the Standing Senate Committee on Energy, the Environment and Natural Resources and that the Committee be authorized to examine and report upon the matter; and

That the Committee present its final report to the Senate no later than February 28, 1998.

[English]

## QUESTION PERIOD

### NATIONAL DEFENCE

SEARCH AND RESCUE HELICOPTER REPLACEMENT PROGRAM—  
TIMING FOR AWARDING OF CONTRACT—  
GOVERNMENT POSITION

**Hon. J. Michael Forrestall:** Honourable senators, I have a question for the Leader of the Government in the Senate concerning when a contract will be awarded to replace our search and rescue helicopters.

Canadians are having to guess when the call will go out for bids to replace our search and rescue helicopters. For example, today it has been 70 days since the minister said it will happen "soon." As the minister knows, this has been going on for years.

The speculation today is that the selection team of cabinet, apparently dismissed one week or so ago by the Prime Minister in a fit of justifiable anger, has now been reconstituted to consider the options before government.

The three options as we know them are: purchasing the Chinook, purchasing the EH-101; or letting the bids ride through until January 5 and recalling the tender.

Although I am interested in the decision which will be made by government, I am more interested in knowing today whether the selection committee met. If it did not, can the minister advise whether it will meet before we adjourn, or will it wait until after we have adjourned? If that is to be the case, when will full cabinet meet to consider the recommendations of the selection committee?

**Hon. B. Alasdair Graham (Leader of the Government):** Honourable senators, I wish I could be more forthcoming. It would be inappropriate for me, however, to comment on either the agenda or the discussions that took place in full cabinet or in a cabinet committee.

I wish to assure my honourable colleague that all of the options are being considered and, hopefully, that decision will be forthcoming.

**Senator Forrestall:** Honourable senators, we are playing games with the lives of people. If the Prime Minister is concerned that I will get up and criticize him for picking the Cormorant or the EH-101, I would ask the Leader of the Government to please advise him that I will do no such thing. Quite the contrary, I will support him. Indeed, I will support him in virtually anything we put in place.

I am not sure what the lead time is between a decision by cabinet to purchase and the actual delivery of the first machine, but I would suspect it is probably five or six years.

Can we have a more definitive statement? We are preparing to adjourn for the holidays, so the minister will be able to enjoy peace and quiet for the next six or eight weeks. However, in the meantime, our people will have to fly on missions using unreliable equipment. Is there no good news for them? Is there any hope we will have this decision before next spring?

•(1530)

**Senator Graham:** Honourable senators, I would say that there is definitely that hope. I wish to assure my honourable friend that his words will be very comforting to the Prime Minister, that even he would support one specific bidder.

I also wish to assure all honourable senators that the process is very transparent and very objective. The people responsible are endeavouring to bring forth the best product in the best interests of the Canadian taxpayer. I fully understand Senator Forrestall's concerns with respect to those wonderful people who have to fly those machines.

**Senator Forrestall:** Is the question of commonality of equipment before cabinet?

**Senator Graham:** As my honourable friend knows, it would be very inappropriate of me to respond to such a question.

SEARCH AND RESCUE HELICOPTER REPLACEMENT  
PROGRAM—POSSIBLE ABANDONMENT OF PROJECT—  
GOVERNMENT POSITION

**Hon. Donald H. Oliver:** Honourable senators, my question is for the Leader of the Government in the Senate and is supplementary to the questions raised by my learned colleague Senator Forrestall.

In the media, there was a disturbing statement about the process currently going on in relation to the choice of these helicopters. The learned Senator Graham knows that search and rescue helicopters save lives, but it appears that politics is playing such a major role in the choice of these helicopters, that politics may be taking priority over the life-saving ability of these helicopters.

Media sources say that some of Mr. Chrétien's top advisors are urging him to kill the process completely, on the advice of justice department lawyers who maintain that the only way to avoid a costly legal battle is to select none of the competitors and to stand down the project.

Could the Honourable Leader of the Government in the Senate confirm that this is in fact what is happening?

**Hon. B. Alasdair Graham (Leader of the Government):** Honourable senators, I certainly would not, and I have not heard any advice of that nature.

**Senator Oliver:** The reports go on to say that federal lawyers have said that to reject the winner of the bid in favour of another could expose the government to a costly lawsuit, particularly in

light of written assurances given by former defence minister David Collette to both his English and Italian counterparts that the EH-101 Cormorant Group would be objectively reviewed as a contender.

Would the Honourable Leader of the Government in the Senate table those written assurances given by the former minister so that the Senate can have an opportunity to read and study them?

**Senator Graham:** Honourable senators, if such written assurances exist, I will determine whether it is appropriate to table such correspondence on such an exchange. If they do not exist, my honourable friend will recognize that it would not be proper for me to do so.

**Senator Oliver:** In view of the closeness of the Christmas break, if the honourable senator is able to table them, could he table them tomorrow for us so we could read them before the chamber rises?

**Senator Graham:** If it were appropriate, yes. I will try to act as expeditiously as I can on the matter.

MANITOBA—SOWIND AIR CRASH AT LITTLE GRAND RAPIDS—  
LACK OF AVAILABILITY OF STRATEGICALLY POSITIONED SEARCH  
AND RESCUE EQUIPMENT—GOVERNMENT POSITION

**Hon. Terry Stratton:** Honourable senators, my question is for the Leader of the Government in the Senate. Does Tuesday's air crash in Manitoba indicate that the government should have bought new helicopters in 1993?

**Hon. B. Alasdair Graham (Leader of the Government):** Honourable senators, I would not want to link such a tragedy with when or how helicopters were purchased in this country.

**Senator Stratton:** That was a question asked in a Winnipeg newspaper on Saturday. Five out of six people emphatically agreed.

The next question is: Why must people die to show the need for helicopters in Manitoba?

**Senator Graham:** Honourable senators, again, I would not want to link such a tragedy in that way. I know how terrible the effects have been on the lives of Manitobans in that particular disaster. I am also aware of the heroics of both military and civilian people in helping those who were severely injured. I commend them for that.

Again, I would not want to link the present situation with the terrible tragedy in Manitoba.

**Senator Stratton:** Honourable senators, I do not think I would want to link the two either. However, there are 22 airstrips in Manitoba like the airstrip in Little Grand Rapids. The weather can get pretty atrocious, and the Canadian Armed Forces did everything they could with the equipment they had, namely, a Hercules.

If this occurs — and it does occur — why can there not be a helicopter capable of helping these people out? It does not have to be an armed forces helicopter. It could be chartered. Instead, the helicopters are located along the coasts of our country, around the Great Lakes, and there is nothing in the Prairies.

The question is this: Why did these people have to suffer needless pain for that length of time because there was nothing available?

**Senator Graham:** Honourable senators, that is a legitimate question. There are two parts to that question and certainly to the problems put forward by Senator Stratton.

One relates to the condition of those 22 airstrips and the location of the facilities available for aircraft that have to land in those areas and on those airstrips. The other is the question of locating helicopters strategically for the purposes of search and rescue in certain parts of the country. Perhaps that is the question that should be reviewed.

I certainly shall bring the representations and concerns of my honourable friend to the attention of those responsible.

**Hon. Gerry St. Germain:** Honourable senators, I hold a valid commercial pilot's licence, and I fly on an ongoing basis in the province of British Columbia. Only those of us who fly in these unsettled areas really know the value of immediate search and rescue in the case of a crash.

With respect to the recent tragedy in Manitoba, I do not want to link anything to what could have happened. However, I know one thing: Unless we have proper search and rescue equipment, we will continue to lose lives in this country unnecessarily.

I stand here before you, honourable senators, saying that this is basically a matter of common sense. As one who flies over these remote areas on an ongoing basis, Mr. Minister, please deliver to your Prime Minister and to your cabinet the urgent message that we must have proper equipment.

Senator Forrestall has been raising this issue day after day since I have been in this place. The government scrapped a helicopter that would have met the requirement of most search and rescue situations in this country on the coast and inland.

For the government to make a political issue of this — if, indeed, it has — is shameful. I ask my honourable friend to go to the Prime Minister and deliver the message loud and clear. Those of us who are actively flying and in the air need this type of support. If you do not want to rescue me, rescue the rest of them, please.

**Senator Graham:** Honourable senators, I recognize Senator St. Germain's many qualifications. I am aware that he has a pilot's licence and speaks with great experience. Senator Forrestall speaks with great knowledge of the armed forces and of transportation matters generally.

I agree that this is a matter of common sense and great urgency.

**Senator Lynch-Staunton:** Well, what are you waiting for?

**Senator Graham:** I certainly shall bring your representations again, forcefully and vigorously, to the attention of those responsible.

•(1540)

## THE ENVIRONMENT

### REDUCTION IN GREENHOUSE GAS EMISSIONS—RATIFICATION OF UNDERTAKINGS MADE AT KYOTO—COMMITMENT RELATED TO POSITION OF UNITED STATES—GOVERNMENT POSITION

**Hon. Lowell Murray:** Honourable senators, we are sorely in need of clarification on the question of the government's position with regard to the Kyoto agreement. I am waiting for an answer to a question I asked the other day as to what undertakings, if any, had been given by Prime Minister Chrétien to Premier Klein or others concerning possible modifications in Canada's position.

This morning I heard a statement attributed to the Minister of the Environment, the Honourable Christine Stewart, that it should not be taken as a given that Canada will ratify the Kyoto agreement; that we will wait to see what the United States does, and then decide on our course of action.

Is it possible that this is Canada's position? Did we not sign the Kyoto agreement? Are we committed unconditionally to ratifying it? These are questions which can be answered in one word, and which I hope will be answered before Friday.

**Hon. B. Alasdair Graham (Leader of the Government):** Honourable senators, the Prime Minister discussed climate change with the first ministers at their meeting last week. They agreed that climate change is an important global issue, and that Canada must do its part in such a way that no region is asked to bear an unreasonable burden.

I understand the concerns. I will need to be updated with respect to Minister Stewart's statements as to ratification, but I certainly understand that there will be consultation, not only with the provinces of Canada but with neighbours around the world.

**Senator Murray:** Can the minister say whether, having signed the Kyoto agreement, we are committed unconditionally to ratifying it? What position are we taking before the other nations of the world which also signed it?

**Senator Graham:** I am not aware that as a result of signing the agreement, Canada is unconditionally bound to ratify it, because there are a lot of stakeholders in this process, including industry and the provinces.

**Senator Murray:** Did we enter a qualification to our signature when we signed this? Was there an asterisk by our name with a footnote?

**Senator Graham:** Yes, ratification is a separate matter. I shall further consult my colleague and bringing forth an answer.

## HEALTH

### GRIEVANCES FILED BY GOVERNMENT SCIENTISTS—POSSIBLE APPROVAL OF CONTROVERSIAL VETERINARY DRUGS—GOVERNMENT POSITION

**Hon. Mira Spivak:** Honourable senators, I was shocked by another revelation. According to *The Toronto Star*, six scientists at Health Canada are accusing their managers of trying to pressure them into approving drugs of questionable safety. The scientists, who work for Health Canada's Bureau of Veterinary Drugs, have filed three separate grievances asking for an outside investigation into their allegations. The allegations include coercion, conspiracy, threats, intimidation, defamation due to libel, and slander against the grievors.

The researchers say they are not convinced of the long-term safety of several veterinary drugs containing growth hormones. The drugs are used to help cattle gain weight, or produce more milk. At issue here is whether residues from growth hormones can be passed on to people through the beef and the milk, possibly accelerating the onset of puberty in children. The European Union, as we know, had banned the import of such products, although I do not know if that is still the case. The official position of Health Canada seems to be that drugs such as rBST are perfectly safe, even if people ingest some of the residues. The researchers disagree.

Honourable senators, this is 'déjà vu all over again.' We had this same situation in relation to fisheries, where scientists were that told they had to suppress their findings because of certain considerations.

My question is directed to the Leader of the Government in the Senate: Is the government prepared to approve these drugs, notwithstanding the action by its researchers in Health Canada primarily with regard to rBST, a drug which makes cattle produce a great deal more milk?

**Hon. B. Alasdair Graham (Leader of the Government):** Honourable senators, I saw the same story in *The Toronto Star*. I will endeavour to obtain more information for my honourable friend.

## TREASURY BOARD

### MILLENNIUM COMPUTER PHENOMENON—EFFECT ON GOVERNMENT COMPUTERS—GOVERNMENT POSITION

**Hon. Fernand Roberge:** Honourable senators, my question is with respect to the year 2000 computer date problem, otherwise known as the 'millennium bug.'

In October, the Auditor General criticized the pace of the government's efforts to deal with the millennium bug with respect to systems that support government services. Calling for more urgent and aggressive action, the Auditor General observed that, if the government's efforts to deal with the millennium bug

were to continue at the current rate, it would be too slow, in all likelihood, to ensure that the government systems, including those critical to support major programs and essential services, would be ready in time.

In its response to the Auditor General's criticism, the Treasury Board secretariat promised that the pace of government activities is accelerating and will continue to accelerate in addressing this unique challenge.

Could the Leader of the Government in the Senate please provide us with an update of the government's efforts to accelerate its activities in this regard?

**Hon. B. Alasdair Graham, Leader of the Government:** Honourable senators, I am aware that the situation and the potential treatment is being monitored very carefully. I will bring forth an answer as soon as possible.

**Senator Roberge:** Before the year 2000, I hope.

My second question deals with the government's efforts to assist individual companies and other levels of government responsible for potentially affected systems not under the federal government's purview. After all, that constitutes over 90 per cent of the potentially affected systems in Canada.

Thus far, the government's efforts with respect to systems beyond its purview have consisted of appointing a task force, conducting surveys and distributing information packages.

Could the Leader of the Government in the Senate please provide us with an update of the government's efforts and activities targeted at addressing the potentially damaging impact of the millennium bug on systems beyond the immediate responsibility of the Government of Canada?

**Senator Graham:** Yes. That is a concern which is being addressed not only by governments but by people in the private sector and private industry. Again, I shall bring an update and, yes, it is to be hoped, before the year 2000.

## ENERGY

### SABLE ISLAND GAS PROJECTS—POSSIBILITY OF SUBSIDIES FOR BUILDING SPUR PIPELINES TO ADDITIONAL AREAS OF THE MARITIME PROVINCES—GOVERNMENT POSITION

**Hon. Eymard G. Corbin:** Honourable senators, my question follows up on the one I put to the Leader of the Government in the Senate last Friday concerning Sable Island Gas. I appreciate the government leader's response on that occasion, but I should like to pursue the matter further.

In this instance, could Eastern Canada be treated in a similar fashion to Western Canada when gas from the western fields were extended into central Canada? It is my understanding that at that time the government provided generous subsidies to allow the construction of spur lines to localities within Western



Canada to Manitoba and other areas. Eastern Canadians are asking to be linked to this important national resource in whichever way is most economical and profitable for all concerned. The important consideration, after all these years of promises, is that this finally be done.

I hope that the Leader of the Government in the Senate will convey this added message to cabinet before a final decision is reached, if a decision on that matter has not already been made.

**Hon. B. Alasdair Graham (Leader of the Government):** Honourable senators, I am not aware of any discussion on generous subsidies, but I have the same knowledge and same awareness of what was done in other parts of the country in another time.

•(1550)

I know there has been widespread discussion with respect to laterals to various parts of Eastern Canada. I will attempt to bring to my honourable friend a more up-to-date answer in response to his question.

## HEALTH

### REPORT OF COMMISSION OF INQUIRY ON BLOOD SYSTEM IN CANADA—COMPENSATION FOR HEPATITIS C VICTIMS— REQUEST FOR ANSWER

**Hon. Stanley Haidasz:** Honourable senators, I should like to follow-up on a question which I directed to the Leader of the Government in the Senate about two weeks ago.

Will the federal government announce before Christmas that it will grant compensation to the victims of tainted blood, in particular those who have contracted hepatitis C?

**Hon. B. Alasdair Graham (Leader of the Government):** Honourable senators, it is my understanding that the federal, provincial and territorial governments are reviewing Mr. Justice Krever's report and his comments with respect to compensation.

Federal, provincial and territorial ministers of health will be discussing this issue at a meeting which I believe is planned for January. At that time, I am sure the question, as posed by Senator Haidasz, will be addressed.

**Hon. John Lynch-Staunton (Leader of the Opposition):** Honourable senators, what is the position of the federal government? Is it in favour of rallying the provinces to develop, jointly, a compensation formula, and for whom?

**Senator Graham:** Honourable senators, I know that the honourable senator is asking about the Government of Canada. However, I know that the Government of Saskatchewan is planning to compensate hepatitis C victims. The Government of Canada is presently reviewing the matter.

**Senator Lynch-Staunton:** Honourable senators, the question is: What is the policy of the Government of Canada? Is it in

favour of compensation, limited as it may be, or is it not in favour of compensation, jointly with the provinces or alone? What is its position?

**Senator Graham:** Honourable senators, I am sure the Government of Canada is very sympathetic to those people who have been affected; but I do not think any announcement will be made until the joint meeting is held in the month of January.

## INTERNATIONAL TRADE

### TRADE POLICY, HUMAN RIGHTS AND THE CONCEPT OF ETHICAL SOURCING ON IMPORTED GOODS— NOTICE OF INQUIRY

Leave having been given to revert to Notices of Inquiries:

**Hon. Jeremiah S. Grafstein:** Honourable senators, I give notice that on Thursday next, December 18, 1997, I will call the attention of the Senate to Canada's trade policy, human rights, and the concept of ethical sourcing on imported goods.

## DELAYED ANSWER TO ORAL QUESTIONS

**Hon. Sharon Carstairs (Deputy Leader of the Government):** Honourable senators, I have a response to a question raised on December 2, 1997, by the Honourable Senator Stratton regarding the Auditor General's report, Farm Income Protection Act.

## AGRICULTURE

### AUDITOR GENERAL'S REPORT— FARM INCOME PROTECTION ACT—LACK OF ORDERS IN COUNCIL AUTHORIZING PROGRAMS—GOVERNMENT POSITION

*(Response to question raised by Hon. Terry Stratton on December 2, 1997)*

The government acknowledges its obligation under section 12(7) of the Farm Income Protection Act to table all Orders In Council pursuant to section 12(5) of that Act. Agriculture and Agri-Food Canada has been negotiating and implementing these agreements as part of a comprehensive three part safety net strategy currently being implemented.

The first two elements of this strategy are the Net Income Stabilization Account (NISA) program and the Crop Insurance program. The third element is a series of province specific programs, known as companion programs. These programs are intended to address regional needs as the industry adapts to a new system based on whole farm programs such as NISA. Companion programs are currently either implemented or are in the process of being negotiated and developed.

The intention of the government was to lay before parliament a complete set of these companion program agreements in order to provide a comprehensive picture of safety net initiatives. However, in light of the OAG's concerns, a process has been initiated to table the existing orders as soon as possible. Future orders dealing with agreements currently being developed and negotiated will be tabled as soon as possible after they are ratified.

## BUSINESS OF THE SENATE

### ANSWERS TO ORDER PAPER QUESTIONS—STATUS OF ANSWERS

**Hon. John Lynch-Staunton (Leader of the Opposition):** Honourable senators, might I ask the Deputy Leader of the Government in the Senate when I might expect a response to the question I asked on September 30? I note that answers are being furnished to questions asked in October, November and early December, yet, a question which asks only for factual answers, not opinions or argumentation, remains unanswered. What is the status of it?

**Hon. Sharon Carstairs (Deputy Leader of the Government):** Honourable senators, I can only assure honourable senators that I am bringing the answers to the house as fast as they are being provided to me.

**Hon. B. Alasdair Graham (Leader of the Government):** Honourable senators, it would be appropriate for us to identify the specific question to which Senator Lynch-Staunton is referring. We shall undertake to bring forward an answer to that question, if at all possible, before the break.

**Senator Lynch-Staunton:** What I am hearing is that I have to remind the government nearly three months after the question was put on the Order Paper that an answer is required.

**Senator Graham:** Honourable senators, I am just saying I do not have an encyclopaedic mind like my friend. I cannot recall every single question asked by the Leader of the Opposition in the Senate.

We will attempt to identify the question which the honourable senator has asked. I agree that it has been outstanding for a long period of time. We will attempt to bring it forward quickly.

## ORDERS OF THE DAY

### CANADA SHIPPING ACT

#### BILL TO AMEND—THIRD READING

**Hon. Wilfred P. Moore** moved the third reading of Bill S-4, to amend the Canada Shipping Act (maritime liability).

He said: Honourable senators, I am pleased to speak to the third reading of Bill S-4, to amend the Canada Shipping Act in respect of maritime liability.

I am sure honourable senators will agree that this bill will improve our liability regimes for maritime claims in general and for oil pollution claims in particular.

The proposed legislation consists of two sets of amendments, those relating to limitation of liability for maritime claims in Part IX of the Canada Shipping Act, and those relating to liability and compensation for oil pollution damage in Part XVI of the same act. In both cases, the amendments will provide implementation of international conventions to which Canada plans to adhere.

The revision to both Parts IX and XVI contained in Bill S-4 is of extreme importance to the shipping community in Canada. Our current legislation concerning limitation of liability for marine claims contained in Part IX of the Canada Shipping Act is based on an international convention adopted in 1957. As honourable senators can readily imagine, the limits of liability set out in that convention, and by this very fact in our legislation, are very low. I can assure this house that this feature helps neither claimants nor shipowners.

The current limits are so unsatisfactory that, most of the time, claimants have had to take legal action to try to break the limits to obtain adequate compensation. This has often resulted in long and protracted litigation with uncertain results for both the claimants and shipowners.

One has to remember that this regime of limitation of liability for maritime claims brings some sense of reality into the operations of ship owners. Without this regime, their exposure to liability would be completely unpredictable and a function of many variables.

Under the current regime and with the inadequate limits, the courts have been quite strict with ship owners who have sought to maintain the limitation of liability. It is, thus, very difficult for a ship owner to assess his potential liability.

With higher realistic limits of liability as proposed in Bill S-4, it will be much easier for all parties involved to settle claims. Claimants will no longer have to spend a lot of time and energy to try to break the limits, and ship owners will be in a position to clearly assess their potential liability.

Honourable senators, the new regime of limitation of liability for maritime claims is based on an international convention adopted in 1976 and its protocol adopted in 1996. The 1996 protocol to the convention contains a new procedure for future amendments of the limits of liability which responds to concerns raised in the past that the method of revision of the limits was too cumbersome and costly. It will now be easier to amend the limits in the international convention.

The spirit of this innovative provision has been incorporated in Bill S-4 to ensure that limits of liability in the Canada Shipping Act keep their value over the years to come. It will now be feasible to increase the limits in the Canada Shipping Act by Order in Council to keep up to date with any increases in the limits adopted under the 1996 protocol.

As honourable senators probably know, Canada signed the 1996 protocol this past September. This protocol is a major step in the modernization of international maritime law, and we can be proud to be at the forefront of this initiative. When Bill S-4 is passed, we will be in a position to formally ratify this important treaty.

Before I turn to the second issue presented in Bill S-4, the revision of the regime of liability and compensation for pollution damage, I would like to reiterate that this regime of limitation of liability for maritime claims applies to all ships, including pleasure vessels. Recreational boating has by far the largest share of accidents involving serious injuries or loss of life. It is therefore important that Bill S-4 be adopted as soon as possible in order to adopt the issue of liability respecting claims of maritime incidents in general, and specifically of those who are injured, sometimes fatally, in pleasure vessel incidents.

•(1600)

Bill S-4 will increase the limits of liability of owners of pleasure vehicles and will thus considerably improve the position of victims in the future.

As regards pleasure vessels, the proposed legislation will increase the limits of liability for loss of life or personal injury from approximately \$140,000 to \$1.5 million. This new limit will be more in line with the liability levels long established in the automobile sector.

As I said at second reading, honourable senators, the new limits are not expected to have any dramatic impact on the insurance cost of pleasure vessels, and the same can be said about commercial ships. The insurance representatives who appeared before the Standing Senate Committee on Transport and Communications clearly indicated that there will not be much impact on the cost of insurance for shipowners in Canada as a result of the passage of Bill S-4.

The second issue presented in Bill S-4 deals with the revision of the existing regime of shipowners' liability for oil pollution damage.

This regime was last revised in 1989 when Canada implemented and acceded to the 1969 International Convention on Civil Liability for Oil Pollution Damage and the 1971 International Convention on the Establishment of a Fund for Compensation for Oil Pollution Damage, thus becoming a participant in the international regime of compensation and liability for pollution damage caused by oil tankers.

The 1969 convention establishes the liability of owners of laden tankers for oil pollution damage, while the 1971 fund convention provides complementary compensation to the extent that the protection under the 1969 convention is inadequate.

The 1969 and 1971 conventions were updated in 1992 when protocols were adopted under the auspices of the International Maritime Organization. Under the 1992 protocols, the amount of compensation available for pollution damage caused by oil tankers was increased from the level of \$120 million per incident to approximately \$270 million per incident.

A number of other important changes were made in the 1992 protocols to improve the original conventions. Shipowners are now liable for the cost of reasonable measures of reinstatement where oil pollution from a ship results in damage to the environment. The geographic scope of application of the convention will now include the exclusive economic zone of Canada which extends to 200 nautical miles from shore. The protocols also extend the convention to claims for preventive measures taken before a spill to prevent or minimize pollution damage. As well, it provides for a new and simplified procedure for amending the liability limits. Finally, the convention will now also apply to empty tankers, with specific reference to the voyage subsequent to the voyage during which it was carrying oil.

The new legislation will implement the provisions of the 1992 protocols, thus increasing the amount of compensation available to Canadian claimants, private and public alike, for any pollution damage caused by oil tankers in the future. As with the regime of limitation of liability for maritime claims in Part IX of the Canada Shipping Act, it will now be feasible to increase the limits of liability for oil pollution damage by Order in Council.

The adoption of Bill S-4 will enable Canada to follow many other countries which moved rapidly to the 1992 regime and, as a result, terminated their membership in the old regime in May, 1977, with effect from May, 1998.

It is therefore critical that we adopt Bill S-4 as soon as possible. Next May, Canada will become one of the major contributors under the old regime. While not entitled to any improved compensation, we could be exposed to higher contributions to the international fund due to the reduced membership in the old regime.

Honourable senators, Bill S-4 is an important step toward the modernization of our legislation to ensure that it meets current Canadian requirements in the area of shipowners' liability, particularly in the area of oil pollution liability.

I would express sincere thanks on behalf of the government to the Standing Senate Committee on Transport and Communications. During the hearings held by the committee on Bill S-4, industry groups expressed their general support of this legislation. The committee also listened to concerns raised by the industry and proposed an amendment to Bill S-4 which makes the bill acceptable to all parties involved.

We now have in front of us a bill which will considerably improve the amount of compensation available to Canadian claimants, private and public alike, for maritime claims in general, and for oil pollution claims in particular. I would urge all honourable senators to support the bill with the amendments proposed by the Standing Senate Committee on Transport and Communications.

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

Motion agreed to and bill read third time and passed.

### CANADA ELECTIONS ACT

REPORT OF LEGAL AND CONSTITUTIONAL AFFAIRS COMMITTEE  
ON REVIEW OF PROPOSED REGULATIONS IN ACCORDANCE WITH  
THE REFERENDUM ACT TABLED

Leave having been given to revert to Presentation of Reports from Standing or Special Committees:

**Hon. Lorna Milne**, Chair of the Standing Senate Committee on Legal and Constitutional Affairs, tabled the fifth report of the committee concerning the proposed regulations pursuant to subsections 7(6) and 7(7) of the Referendum Act.

### CRIMINAL CODE INTERPRETATION ACT

BILL TO AMEND—REPORT OF COMMITTEE

**Hon. Lorna Milne**, Chair of the Standing Senate Committee on Legal and Constitutional Affairs, presented the following report:

Tuesday, December 16, 1997

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

#### SIXTH REPORT

Your Committee, to which was referred Bill C-16, An Act to amend the Criminal Code and the Interpretation Act (powers to arrest and enter dwellings), has, in obedience to the Order of Reference of Thursday, December 11, 1997, examined the said Bill and now reports the same without amendment.

Respectfully submitted,

LORNA MILNE  
*Chair*

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

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

### CANADA PENSION PLAN INVESTMENT BOARD BILL

SECOND READING

On the Order:

Resuming debate on the motion of the Honourable Senator Kirby, seconded by the Honourable Senator Joyal, P.C., for the second reading of Bill C-2, to establish the Canada Pension Plan Investment Board and to amend the Canada Pension Plan and the Old Age Security Act and to make consequential amendments to other Acts.

**Hon. Erminie J. Cohen:** Honourable senators, I rise today to join the debate on Bill C-2. Since I have dedicated the better part of the past two years learning about and working for the poor and disadvantaged in this country, I am compelled to share with you the fears I have concerning the proposed changes to one of the most important pieces of our social safety net, our cherished public pension plan.

Since their inception in the 1920s, public pensions like the Canada Pension Plan and Old Age Security have played a profound role in the lives of Canadians. Over the years, those public pensions have been improved with coverage expanded and benefits enhanced. This is the only social program we have which is fully indexed to ensure the benefits keep pace with the cost of living.

•(1610)

Honourable senators, the bill now before us will reduce benefits for future beneficiaries, while increasing the premiums that Canadians must pay. Bill C-2, in turn, will be followed by legislation next year to replace Old Age Security and the Guaranteed Income Supplement with the new Seniors Benefit.

Both measures will be particularly hard on women. During their working lives, most women earn about one-third less than men. While all workers will be hit hard by rising Canada Pension Plan contributions, those who earn less will be hit the hardest.

Consider the case of Mary, a single mother of two children earning \$30,000. Despite the best efforts of the various government agencies to collect the child support due from her ex-husband, she is simply on her own. She cannot afford to pay the extra \$530 a year in CPP premiums that she will have to pay by the year 2003 as a result of this bill. Honourable senators, \$530 is about what she pays each fall for school clothes, shoes, snowsuits and snow boots. It is a fact that women outlive men. It is also a fact that this is one reason that many women live out their final years in poverty.

Within the next eight years, changes to the way CPP survivor's benefits are calculated will knock about \$200 per year off potential benefits. For those women who claim both a survivor's benefit and a retirement pension, the changes could take about \$500 off their benefits.

Women who work in the home are less likely to be part of any other pension plan, just the CPP. Indeed, 57 per cent of women have no other pension plan, compared to 50 per cent of men. Women rely upon the CPP, honourable senators. The benefit reductions will hurt them.

A large number of women live out their final years in poverty. Sometimes, this is because they earned less than men all their lives; sometimes, it is because their pension died with their husband. In 1995, 472,000 elderly women lived below the poverty line. Cutting CPP benefits will not reduce those numbers, nor will the planned reduction in the death benefit to \$2,500 from \$3,800 reduce those numbers, as widows will have less money at the very time they need it most.

For many married senior women, Old Age Security is the only cheque they receive in their name. They did not work outside the home and they have no Canada Pension Plan. The Old Age Security cheque is theirs. It gives many women a measure of independence that they would not otherwise have. If the Seniors Benefit takes effect as proposed, many women will no longer be entitled to that monthly benefit.

There are many aspects of this bill which weigh unfairly on the shoulders of the poor. Currently, workers do not pay premiums on their first \$3,500 of earnings. Until this year, the amount has been indexed, rising with average wages. This bill proposes de-indexing, which leaves \$3,500 as the fixed amount of wages allowed before CPP premiums are applied for all time.

It has been calculated that ending the indexation of this basic exemption is the same as increasing premium rates not to 9.9 per cent but to 11.3 per cent. If wages were to rise at the same rate assumed by the chief actuary when he advised the government on premium rates, then this exemption would rise to \$5,300 by the year 2006. The cost of freezing this exemption is, thus, about \$90 per year — not a big sum for you and I, but a hardship for a low-income earner.

Honourable senators, round one of the changes to the Canada Pension Plan are but the tip of the iceberg. Round two will come next year, when the government finally brings in legislation for the Seniors Benefit. Unless it is fundamentally amended before it comes to Parliament, the debate over changes to the Canada Pension Plan will pale in comparison to the debate over the Seniors Benefit.

The battle lines are already being drawn, with experts and associations ranging from the Canadian Institute of Actuaries to

the Canadian Association of Retired Persons expressing concern. The Canadian Association of Retired Persons, in an analysis released last June, outlined several problems with the proposal. First, they point out that today's pensioners, even if they decide to remain in the current system, could lose up to \$2,000 per year through elimination of their age and pension tax credits. Second, the new clawback structure has made it almost impossible for single seniors, especially women, to escape poverty.

The third point addresses the issue of new taxation policies. I believe that Canada's poor already pay an unfair share of their earnings in taxes. This new tax system will increase that burden and further disadvantage low- and middle-income seniors. According to the report by the Canadian Association of Retired Persons:

With the clawbacks, they are losing income that is tax exempt, and continuing to pay full tax on any earned income. In the real world, this is double taxation, even if it doesn't meet the fine points of the Department of Finance's technical definition.

Honourable senators, the proposed increase of \$10 a month, or \$120 a year, to seniors' benefits would do next to nothing for impoverished pensioners. It does, however, enable the government to declare that 75 per cent of single seniors and elderly couples will receive the same or higher benefits. This is shameful, given that this government knows fully that many pensioners will continue to live well below the poverty line.

To add insult to injury, the Canadian Association of Retired Persons has calculated that if you combine the effects of the CPP changes and the Seniors Benefit, the result is to leave seniors not \$10 a month ahead of where they are now, but \$2 per month less.

Honourable senators, the government is trying to sell the Seniors Benefit as an improvement to the current system, yet the organization that speaks for seniors, the Canadian Association of Retired Persons, states that it is fundamentally flawed in that it will add to the hardships already faced by our poorer seniors. They are calling for both a higher basic benefit and a lower clawback. When we finally see the legislation next year, we will also see if the government is listening.

Honourable senators, the Canadian Association for Retired Persons is not alone in expressing concern. Last July, Fred Thompson, Malcolm Hamilton and Robert Brown, of the Canadian Institute of Actuaries, held a media briefing in Toronto to highlight problems with the Seniors Benefit. They pointed out that a major flaw of the proposal is that it will create a disincentive for low- and middle-income Canadians to save for retirement, as any savings would be deducted from their government support.

When talking about changing our seniors' benefits, we must also consider today's young, for they are the seniors of tomorrow. The changes that will come, if we agree to this bill, will remove any incentive for younger Canadians to save for retirement and have the potential to destroy the current RRSP system.

Robert Brown said:

The Seniors Benefit will put Canadians into a circumstance where the middle-class will have a difficult decision. Do they save for retirement and disqualify themselves from government support, or do they not bother to save for retirement and rely on the government?

Malcolm Hamilton added:

...if your family income is under \$45,000, and quite frankly, even up to \$60,000, I wouldn't save in RRSPs if the Seniors Benefit is implemented.

Honourable senators, the Canadian Real Estate Association has joined in the attack on the proposed seniors benefit. They have raised concerns that are not just unique to their profession, but to all Canadians who prepare for their retirement through RRSPs and other private savings. They point out, in an analysis prepared after the details were first made public, that the seniors' benefit:

Will have a profound impact on Canadians who have saved for their retirement. It will impose a punitively high effective rate of taxation on seniors who have retirement income outside of the Seniors Benefit.

Before I close, I wish to briefly touch upon other ways that this government has chipped away at the Registered Retirement Savings Plan. First, they froze RRSP contributions at lower limits; and, second, they lowered the age at which Canadians must convert their RRSPs, from age 71 to age 69.

I am deeply concerned about Bill C-2. As a government, we should be encouraging Canadians to prepare for their retirement, not discouraging or hindering them. I was excited when government claimed that, with this new package, few of our cherished seniors would be forced to live out their last years in poverty. However, my excitement was short-lived. I fear the changes are not what they seem, as most of us will be paying a lot more for a lot less.

•(1620)

**Hon. Marjory LeBreton:** Honourable senators, Canadians are understandably concerned about the Canada Pension Plan, especially since we are fast approaching the time when our so-called "baby boom" generation nears retirement age. Let it be clear: This side of the chamber and the Progressive Conservative Party believe the Canada Pension Plan is a fundamental part of the social safety net.

It is important for each political party to propose clear and understandable alternatives to Canadians. It is not enough to oppose for the sake of opposing, to say merely, "We are opposed to this or that provision." The impact of this legislation on the lives of Canadians is such that we must clearly say where we stand regarding this bill.

What we represent in this place, in this debate, is solid opposition to some aspects of the bill — not obstructive opposition but, rather, constructive opposition.

When this piece of legislation came before the other place, our leader and caucus consented, in good faith, to send the bill to second reading and to committee in order to debate its merits fully and to allow witnesses to appear before the Commons committee to ensure that there was full understanding of the impact of this legislation. It was assumed that the government would listen — assumed, and you all know the parody when one assumes. We were wrong. The government did not listen. It did not care to listen. It did not even pay scant attention.

It is important that Canadians know that this government is ramming this through Parliament now. Damn the torpedoes, they will say.

One could reasonably ask why. There is a reason for this, which is entirely in keeping with how this government conducts its affairs. It has to do with the fact that it is trying to get this through before Canadians actually find out what hit them. This government imposed closure on this bill twice in the other place and attempted to do so here in the Senate. So much for democracy. So much for openness. So much for accountability. So much for honesty and integrity.

For Canadians, this is an \$11-billion bite out of our economy. In six short years, this government will literally lift \$11 billion out of the Canadian economy, through nothing less than added payroll taxes by increasing premiums 73 per cent. Already, \$12 billion to \$13 billion is being taken out of our economy through payroll taxes and employment insurance premiums.

In a democracy like ours, it is important that every political party puts forward its position. One would think that the Reform Party, as the Official Opposition in the other place, would feel obliged not only to oppose this legislation but to put forward its own ideas. That is what an effective opposition should do. What we got from them was a non-policy, something that does not even come close to reflecting the needs of Canadians.

The Reform Party said it would like to have some sort of recognition bond. They have overlooked a major problem. The CPP currently falls as much as \$600 billion short of meeting its future obligations to Canadians. In response to that the Reform Party says: "Scrap it. Forget it." Some policy that is. Forget those Canadians who are old and sick even though they put money into the system. Just cut them off. Talk about ideology gone berserk. So much for the Official Opposition in the other place. In fact, the Reform Party's position on the CPP has undermined the debate. They played no role and, worse, offered no alternative.

As for my party, the Progressive Conservative Party, we obviously are troubled by this legislation. I wish to emphasize again that, on this side, we agree that the CPP should be made sustainable. We must ensure that this fund is put on a very solid footing, and, yes, we agree, with some regret, that there has to be an increase in premiums. However, we take a different position from that of the government, in that this large increase in premiums should not be allowed to take place without offsetting tax reductions, particularly with other payroll taxes, such as employment insurance premiums. The CPP must get the required funding without increasing the personal tax burden of Canadians. We cannot continue to pile on. Canadians are buckling under the pressure.

There is an important point which we must keep in mind in regard to these payroll taxes. These are the most damaging taxes to jobs, in particular for the most vulnerable in our society: women, lower-income Canadians, and young Canadians. They are the ones who are the most affected when we increase payroll taxes, whether it is through CPP or through EI.

We also propose a change in the yearly basic exemption. The government is freezing that exemption at \$3,500, again targeting the most vulnerable people in our society. Who are the people that this freeze affects most? Part-time workers, students, women, low-income earners.

My colleagues in the other place called for a revision of this exemption. Did the government listen to this suggestion? The answer is no — no to a very constructive change that could have allowed low-income Canadians a break.

This is a payroll tax, pure and simple. We have suggested to the government that, in the next three years, it could offset the increase in CPP premiums with reductions to EI premiums. We received the same answer: No.

The Chief Actuary of the Employment Insurance Fund of Canada has said that the fund could very well sustain itself with a premium level of \$2.00 to \$2.20 instead of the just announced relatively minor reduction to \$2.70.

We suggested another amendment that would force the government to return to Parliament if premiums went to 10.25 per cent. They are now scheduled to go to 9.9 per cent. Did it listen to that? Is debate something that it wants? No. Again, the answer was no.

Another change our party proposed to try to improve this legislation was to get rid of the foreign investment rule. Canada represents about 3 per cent of the global equity market. The government imposes a foreign investment rule of 20 per cent. This is the Canadian taxpayers' money we are speaking of here. They should be allowed to get the best benefit from their investment.

What of the CPP? In 15 years, this fund, by most estimates, will have close to \$150 billion in it to be invested in the marketplace. How are we to expect the best return on this

investment if the investors are not allowed to invest where they can get the best return?

Of course, very important changes are required with regard to accountability and transparency. These are very important issues. To enhance credibility, to ensure that those in charge of administering the fund enjoy credibility with the Canadian public, it is important that this fund is transparent. We must create an investment fund at arm's length from the government, similar to those found elsewhere. The Ontario Teachers Pension Fund is a model which could be followed.

We have been consistent on all these points as they were part of our platform in the last election. We say we must increase premiums, obviously, but we should offset them with tax reductions and lower employment insurance premiums. We say that we should create an independent board for the investment of the funds, "independent" in the true sense, and that it must be transparent. We should not create a new \$11-billion tax grab, a killer of jobs in our economy. I urge the government not to lose sight of the fact that 9.1 per cent of Canadians are unemployed, a large number of whom are young.

**Hon. Ethel Cochrane:** Honourable senators, I should like to offer a few remarks on Bill C-2. Like most Canadians, I am prepared to acknowledge that we must ensure that the Canada Pension Plan rests on a solid financial footing, but I am not convinced that the measures proposed in this bill are the best way to go about ensuring that.

I know that honourable senators are well aware of the many criticisms that have been levelled at this proposed legislation. It will impose rapid increases in payroll taxes on employers and employees over the next few years. As you have heard many times from this side of the chamber, there should be significant reductions in EI premiums to compensate for that. There will be an especially severe burden on the self-employed who make up an ever-increasing proportion of our work force.

You know that these and other issues are of serious concern to all Canadians. I will not belabour these points. I would strongly suggest that it would be in the best interests of the government and of the people of Canada if some consideration were given to the many constructive suggestions that have been made on this side of the chamber.

We are not simply trying to disrupt the proceedings on this bill. We are trying to improve Bill C-2 and the administration of the Canada Pension Plan.

•(1630)

In the time I have remaining, I would like to draw the attention of honourable senators to two other problems with Bill C-2 that have received very little attention. The first problem is what this bill does with the year's basic exemption and the year's maximum pensionable earnings for the CPP. The basic exemption will be frozen at the current level of \$3,500, while the maximum pensionable earnings currently set at \$35,800 will continue to increase as average wages increase. This means that

an ever-larger proportion of our incomes will be subject to Canada Pension Plan premiums. It will also especially penalize low-income workers because, while their wages remain below the maximum, the value of their exemption will be gradually eroded by inflation. It seems obvious to me that if the maximum pensionable earnings subject to the contribution rate continue to increase, then the basic exemption should also rise at the same rate.

The second problem I would like to bring to your attention is the proposed decrease in the death benefit. Currently, that is set at a maximum of \$3,580. Under Bill C-2, that amount will be reduced to \$2,500.

Honourable senators, this may seem to you to be a small amount, but I want to tell you that it is not. This money, payable to the estate of a Canada Pension Plan recipient and intended to pay for funeral and other costs, is the only source of money many of these low-income families have available to pay those expenses. I have seen it.

Bill C-2 is raising the cost to workers of their pension plan and reducing the benefits that will be provided for them in retirement. Is that not enough damage without this added insult of threatening the welfare of their families after they are gone?

This provision in Bill C-2 also amounts to a massive money grab by the federal government, spread out over the next century. Again, \$1,000 may not seem like all that much, but consider that there are approximately 30 million Canadians. Admittedly, not all of them are in the labour force. Far too many, especially in my province, are unemployed, and many more are children. However, the government at least says it is trying to stimulate job creation, and we can safely assume that most, if not all, of today's children will grow up to be tomorrow's workers.

In the future, these young people will join the labour force and will be paying Canada Pension Plan premiums. This reduction in the death benefit is a future reduction of \$1,080 in the estate of every single man, woman and child in Canada. That, honourable senators, is a \$30-billion money grab that is buried — if you will pardon the expression — in this one provision of Bill C-2.

Honourable senators, the Minister of Finance is not satisfied with imposing huge increases in payroll taxes. He also wants to rob our graves.

**The Hon. the Speaker:** Honourable senators, I must inform the Senate that if the Honourable Senator Kirby speaks now, his speech will have the effect of closing debate on the second reading of this bill.

**Hon. Michael Kirby:** Honourable senators, I rise to make a few comments in reply to comments made by senators opposite about Bill C-2. Conservative senators have essentially made three points in connection with this bill, and I thought it would be worthwhile if I commented briefly on all three of them.

The first issue is that Bill C-2 constitutes a tax grab. The second issue is that the bill constitutes a very significant burden on future generations, or to put it another way, it is a very significant intergenerational transfer of funds from young Canadians today to people who are already over age 65 or will go over age 65 shortly. The third issue relates to governance and the accountability provisions of the Canada Pension Plan Investment Board, which is a new creation laid out in Bill C-2.

Let me comment on the first issue. This bill constitutes — in the language of a couple of speakers this afternoon and several speakers late last week — a massive tax grab. Let me be clear that CPP contributions are not, as has been claimed by senators opposite, a payroll tax. Clearly, they are not taxes at all. They are in fact a contribution toward a pension. To make the argument that a CPP contribution is a tax is also to make the argument that any other pension contribution we make is a tax. That is clearly a fallacious description of any pension contribution.

With regard to contribution rates, senators opposite have very carefully and studiously ignored the fact that the CPP in its current form is actuarially unsound. It clearly cannot continue to exist in its current form at the rate of current contributions. Contribution rates had to change.

As evidence before this chamber has pointed out, the Canada Pension Plan is currently some \$600 billion in actuarial deficiency. That means that if we do not change the rate of contributions and we continue to pay out to people the obligations that the CPP currently calls for, then, over time, the plan will be massively in debt.

Senators opposite have made no attempt to indicate how one ought to deal with this issue. Nor have they made any attempt to address the question of this deficiency existing for a long time. In fact, we had nine years of a Conservative government refusing to address this question. The actuarial deficit in the CPP was compounded by several hundred billion dollars during the period of time that the Mulroney government was in power.

This is not to say that part of the deficit was not accumulated under Liberal governments — obviously it was. All I am saying is that if one is addressing a public policy problem, one ought to be honest enough to recognize that there is a problem that needs a solution. One must also recognize the fact that the responsibility for having created the problem in the first place does not rest entirely with either the government of the day or with the governments of this party.

What can I conclude from the fact that senators opposite are not prepared to address the \$600 billion problem, since it will obviously hit us at some point in time? The only reasonable conclusion is that honourable senators opposite think that once the fund actually starts to run out of money, pensions to seniors ought to be cut off. That is the only plausible interpretation one can make from the refusal of senators opposite to deal with the financial situation the plan finds itself in at this time.



The last thing in the world Robert Stanfield — a well-known red Tory from my part of the country — would have done is argue that seniors ought to be cut off from the Canada Pension Plan. The last thing in the world the true red Tory tradition would have argued is that we ought to be doing away with some of the benefits that are of most importance to Canadians who need help. Instead, honourable senators, it seems to me that the Progressive Conservative senators opposite have clearly become the “Reform Conservative Party.” They have lost their concern for the people in Canada who most need help.

•(1640)

One of the underlying principles of this country has always been the willingness of Canadians to redistribute income from those who have to those who do not, both in regional and individual terms. It is very clear from the complete refusal of members opposite to address the actuarial deficit issue, on the one hand and call it a tax grab on the other, that they have abandoned the principle that Canadians who have incomes should use part of that income to help people who have none.

That is a sad commentary on where the senators opposite have moved their party. However, I think that is the only possible interpretation of the position they have taken on this issue.

The second complaint of senators opposite with this issue concerns what I would call that “intergenerational transfer issue.” Senators opposite take the position that pensions for seniors will have to be paid for by younger Canadians, which is said to be a disaster.

Honourable senators, ever since the Canada Pension Plan was started in 1967, pensions for older Canadians have been paid by working Canadians. It has always been the situation that CPP benefits paid to seniors came from income earned by working Canadians. There is nothing new about this. This is exactly the way the CPP has been structured for the 30 years of its existence. Why this has, all of a sudden, become a dramatic issue is beyond me.

Again, one can only conclude from this that senators opposite have decided that they are no longer prepared to support the principle that older Canadians ought to be supported in their retirement years, after the contributions they have made to their country, by working Canadians. This has never been a position that any major political party has supported until the opposition in the other place recently took the position that there should not be some redistribution from working Canadians to Canadians in retirement.

It is a tragedy that the Conservative Party has reduced itself to the position expressed by the Reform Party, which is that redistribution is not a good thing, that Canadians ought to each take care of themselves.

I am surprised they did not argue the private RRSP model offered by the Reform Party. Presumably, because it was a

Reform idea, they did not want to use it. Instead, they simply argued for the same outcome.

It is sad that what I have always thought of as the other major political party in Canada has clearly walked away from the notion that the CPP ought to contain an element of redistribution from younger working Canadians to their older fellow citizens. That is how it has always worked. That is how it should work.

The third major complaint of senators opposite with respect to this bill has to do with the governance provisions of the CPP Investment Board. Honourable senators may be surprised to know that I completely agree with most of the points made by members opposite with respect to this issue. I agree with the press release put out today by the Leader of the Opposition, the Honourable Senator Lynch-Staunton, in which he spoke about the issues of governance and accountability. He did not explicitly mention the foreign investment rule in his press release, but I would have agreed with him had he included it.

The issue is: How do you ensure that a fund, which will grow to over \$100 billion in five years, is accountable to the Canadian public? It has to be governed in a truly objective arm’s length manner, and not managed with political overtones.

I am delighted that members opposite have been involved in discussions which have led the Minister of Finance to agree to delay the coming into force of clauses 1 to 57 until the Standing Senate Committee on Banking, Trade and Commerce has had an opportunity to study them, and the regulations governing investment policy.

All of this constitutes substantial progress on this bill from where we were a week ago. I congratulate honourable senators opposite for the position they took on this issue. I only wish that senators opposite had been equally progressive on the fundamental underlying principles of the CPP. It is a tenet of this country that we will use the incomes of working Canadians to help those who are older and retired and need help. I and others on this side have absolutely no difficulty accepting that principle.

Therefore, I am delighted to move second reading of this bill on the basis of the principle that we must ensure that the CPP pension fund is financially stable so that future generations who need that income in retirement can rely on it. That is the principle we are defending with this bill. That is why I am delighted to urge the support of all members of this chamber at second reading of this bill.

**Hon. Jeremiah S. Grafstein:** Honourable senators, would the honourable senator accept a question?

**Senator Kirby:** Certainly.

**Senator Grafstein:** Is it therefore open to the Standing Senate Committee on Banking, Trade and Commerce to review the size of the pension fund itself and whether it could be divided into five or six parts on a regional basis?

**Senator Kirby:** With regard to the size of the fund, the answer is no. The cumulative size of the fund is set by contribution rates.

With regard to how the fund should be managed and whether there should be four or five managers in an attempt to provide a competitive element, I presume that all those questions are open to consideration by the committee and will, in fact, be the subject of committee hearings early into the new year.

[Translation]

**Hon. Roch Bolduc:** Honourable senators, Senator Kirby has given a brilliant speech. In the second part, he said that it was normal for his children and mine to have to pay for our retirement from a fund to which we have made a relatively small contribution, and for them to have to put more in so that they will have a pension. Does it seem right to you for our children to contribute not only to pay for our pensions, but also to ensure that they have a decent one themselves? Does the honourable senator not find ours is too generous compared to what will be demanded of our children?

[English]

**Senator Kirby:** Honourable senators, that is a good question because it goes to the root of the problem that has bothered me.

At the beginning of the CPP, the ratio of working Canadians to those receiving CPP benefits was roughly eight to one. We had a very large workforce and a relatively smaller number of people in retirement.

Those who first received CPP benefits had contributed nothing. This country, on a non-partisan basis, decided that we would attempt to provide long-term income security for older Canadians, regardless of whether they had actually contributed to the fund. That is how the plan began.

•(1650)

Senator Bolduc seems to imply with his question that that, perhaps, what was okay to do in 1967 when the fund began, and what perhaps, it was okay to do in 1987 when his party was in power, is not okay in 1997. I have a problem with that. Either one accepts the principle that older Canadians will be helped by those who are working or one does not. The honourable senator has contributed to the income of my 86-year old mother who is receiving the CPP. He has done that throughout his working life. I thank him very much. What is the rationale for suddenly deciding that there is some magic in 1997 that says we ought to reject the principle Behind his generous support of my mother? His rationale would undercut all the principles behind the CPP. That is why I have difficulty with his position. That is not how the CPP has always worked. Indeed, it is not how Canadian society works.

[Translation]

**Senator Bolduc:** There is a difference between our parents' generation and ours. Our parents lived through the Depression at

a time when there was no social security, while we have been able to benefit from a welfare state providing social security, education and health care.

[English]

**Senator Kirby:** Honourable senators, I would love to engage Senator Bolduc in a much longer argument on social policy and what the redistribution effect would be. However, he is now attempting to move the discussion into a broader social policy debate, and this is not the right place to do that. Perhaps it will be the right place when the Seniors Benefit comes before this chamber sometime early in the new year. I would be pleased to debate the matter with him then.

**Hon. Sharon Carstairs (Deputy Leader of the Government):** Honourable senators, there has been agreement on both sides that if Senator Pitfield wishes to speak to Bill C-2 before the vote on second reading, he would be given leave to do so. I know it is highly unusual, honourable senators, but if Senator Pitfield wishes to speak to Bill C-2 at second reading, now would be his only opportunity to do so.

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

**Hon. Senators:** Agreed.

**Hon. P. Michael Pitfield:** Honourable senators, I am not prepared to participate, but I would be pleased to do so, if that is acceptable to the house.

Honourable senators, at the outset may I say that amongst the weeds of politics grow flowers of friendship. I am touched by the willingness of the house to entertain my remarks.

I wanted to speak to this bill because the excellent speech of Senator Bolduc the other day reminded me that we are creating one of the largest and most powerful institutions this country has ever seen. The Senate is not without experience in this area of government. Not so long ago a number of us, including Senator Kirby, under the chairmanship of Senator Austin, were spending a good part of our time in another government trying to figure out whether to privatize or wind up the previously uncounted hordes of agencies, boards and corporations that were the inheritance of that government from previous governments.

I confess that the experience gave rise to a conviction that these corporations are far more difficult instruments to administer than is generally understood; that they are, indeed, very costly, cumbersome and, in their second and subsequent generations, inherently unstable.

To summarize, the message that came out of that quite successful and instructive review was a clear warning that a government should be very careful and know exactly what it wants to do when it makes these decisions, and that it should stay very close to the principles of the Constitution when it resorts to

this form of organization. The fluidity offered by this form of organization is exceptional. It is an escape from the normal systems of governance, and so, eventually, a source of serious misunderstanding and miscalculation.

This warning is relevant for at least four reasons: First, the size and power of the institution involved; second, the importance of the pension system to our collective and our individual well-being; third, the novelty and the scope of the release from normal complaints implicit in what is being proposed; and, fourth, the sad record of all governments in Canada over many years in setting up this sort of corporation, particularly when it reaches its second or its third generation.

Any one of these reasons would be enough to seriously alarm us, but we must also remember that, once this legislation is passed, changing it will be virtually impossible. The present minister will be long gone. Commitments will be hidden in the complexity of circumstances. The incontrovertible lesson of the past tells us with certainty that the board will begin to cloak itself in secrecy and will be wholly committed to self-protection from the moment of its establishment.

Some may say that independence is the name of the game, but it is not. Independence, when necessary, is the name of the game. Hopefully, that is a rare occurrence. The rest of the time, the operation of government must be one seamless cloth, always for the benefit of the people.

It seems to me that, as members of Parliament, we would be derelict in our duties if we did not carefully scrutinize the regime the government is proposing. That subject falls clearly into two parts. The first is the policy being proposed. The second is the way in which it is being implemented.

I am not an expert on the matter of policy. However, having read the minister's papers and the debates here and in the other place, I find the policy objectives underlying this legislation very desirable. So far as they go, I support them. I wish they had been taken a good deal further. It strikes me that this was an opportunity for officials to use their imaginations. They did not, and it is a pity.

Other states and savings plans have shown the way. Within the framework of the government plan, it seems to me that the people could have been allowed greater freedom to run their own plans. This would have reduced government interventionism, simplified state responsibility, and left some more room for the citizen. Alas, this way of looking at things is often beyond the bureaucratic mind. The bill shows this quite clearly. The general attitude is that pension assets are not really the contributor's assets; they are the government's assets. The general rule is that the citizen must really be protected from himself; only with exceptional difficulty can officials contemplate permitting the citizen the risk of being free.

•(1700)

That said, would I, on policy grounds, prefer this bill or no bill at all? Certainly I would prefer this bill. It is better to make some headway than none at all.

Leaving aside questions of policy, the bill itself raises important questions. This is a major measure. Senator Bolduc has calculated that, in 10 years, this will be an institution of \$150 billion. It will be a very important player in terms of both economic policy and social policy. Potentially, its reach will surpass that of the Bank of Canada and, in its immediate grasp, more fields of jurisdiction. We are, in a sense, setting up a quasi-government. Look at the Caisse de dépôt et placement and I suspect you see our tomorrow.

Senator Bolduc has warned us of the enormity of the task of policy-making and management involved in what we are setting up. Realizing these objectives effectively will be no easy task. The extent to which members and public policy commentators have tended to gloss over the size of the job, first in setting it up and second in making it work, is somewhat troubling. Let me repeat that this is not, in either context, the slam dunk that governments, public policy commentators, professional advisors, bureaucrats, and politicians are presenting it as being.

Look also at Bill C-2. Recalling that what we label contributions are, by any other name, taxes, Bill C-2 is also a significant taxing measure, and this will raise the issue of how true it is that the power to tax is the power to govern. Because of the way the government has organized its work, the implications of this question will be a test for the Senate to determine.

Likewise, the determination of the consequences of other features of the bill will be germane. High amongst them is that the bill contains a number of criminal law items. This is a measure of criminal law.

Given that it is a tax measure, given that it is a criminal law measure, given, above all, that it is a measure for the control of the bureaucracy in our system of government, it seems to me important that the committee have a good chance to examine the details of the bill. I will leave to our committee the inquiry into the details of its criminal law aspect and its taxing power aspect in order to focus for a few minutes on its control of bureaucracy aspect.

Important as the issues of criminal law and taxation are, what concerns me most is that the bill we are creating seems to have an extraordinarily little and confused system of accountability. If this is so, then it is a far more fundamental failing than all the other failings that it may have put together.

While I would not claim to be an outstanding expert in the law and practice of accountability, it is a subject that I have had something to do with in my career. Indeed, of all the ideas that underlie the great institutions of society, it is my experience and belief that none is more crucial than the idea of accountability.

Accountability is an essential ingredient of all our systems of government — management, justice, democracy itself. Take accountability out of them and there is nothing left but the empty husk of hope, the dream of what might have been.

Accountability is every bit as vital in business as it is to and in government. To both, it brings the requirement of discipline, the inescapable command that we face up to reality: That actions count, that results matter, that truth is essential, that excellence conquers, and that anything short of these values cannot be tolerated.

Again, while no longer practising in this field of law, I speak of these things because, in reading the dispositions of the bill, I was disturbed to find little attention to the question of accountability. Who does one go to see when this beast we are creating starts to snarl? Which minister is responsible, and what will be done? What will Parliament know, and what will it be able to say? Will anyone listen? Read the bill. Ponder these questions.

This board will not be an agent of the Crown. Its employees will not be part of the public service. Its administrative costs can be paid out of the Consolidated Revenue Fund. The board has the rights, powers, and privileges of a natural person. In other words, this is a very independent organization with extraordinary power, and its objects are equally broad. They are, simply, "to make investments."

The board's directors are appointed through a consultative process in keeping with provincial participation, and they in turn are consulted in the appointment from their number of "the chairperson." The officers, including the CEO, if any, may be designated by the board of directors. The representative character of the directors and the special standing of the chairperson imply each has something of his or her own.

In the end, it is far from clear that the directors are responsible to the minister or that the minister is responsible for the board to the cabinet or to Parliament. In the end, one must ask what the structure of accountability is. The traditional lines seem absent, or internally contradictory, or somewhat confused, with the result that the minister's necessary task cannot be done.

Honourable senators, the clear experience of the last 30 years is that institutions, however brilliantly conceived and responsibly led, cannot be left without vigorous oversight; that the mixes of different values and cultures and systems must be approached very carefully and with a clear mind; and that policy must truly and clearly be in ministerial hands. There must be a direct and completely informed connection between those in authority.

•(1710)

I have perused this bill very carefully. I am not saying that it is a bad bill; I am saying that it is a difficult bill to understand. In particular, in the area of accountability, it leaves many questions to be answered. I trust that the committee will have its opportunity to examine those questions and decide what it wishes to recommend to the house. If it decides that the parameters that are necessary for accountability are missing, that is not the end of the world. It can commission, or the government can

commission, the fulfilment of a design of accountability that is adequate.

The law is a living thing. It can be used to create new institutions. That is what is before us today. It may take some innovative thinking, it may be risky to propose, and it may take some extra time to develop, but a structure of accountability, adequate to the requirements of this legislation and to the grand design of those who are proposing it, is within our reach.

Motion agreed to and bill read the second time.

REFERRED TO COMMITTEE OF THE WHOLE

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

**Hon. Sharon Carstairs (Deputy Leader of the Government):** Honourable senators, I move, seconded by the Honourable Senator Kirby:

That the bill be referred to a Committee of the Whole, to sit at 2:15 p.m., tomorrow, Wednesday, December 17, 1997, and that all items then on the Order Paper and Notice Paper be deferred until the Committee of the Whole has reported.

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

**Hon. Senators:** Agreed.

Motion agreed to.

## CANADA PENSION PLAN INVESTMENT BOARD BILL

MOTION TO AUTHORIZE ELECTRONIC COVERAGE  
OF PROCEEDINGS OF COMMITTEE OF THE WHOLE

Leave having been given to revert to Notices of Motion:

**Hon. Sharon Carstairs (Deputy Leader of the Government):** Honourable senators, with leave of the Senate and notwithstanding rule 58(1)(f), I move:

That the Cable Public Affairs Channel (CPAC) be authorized to bring television cameras into the Chamber to broadcast the proceedings of the Committee of the Whole on Bill C-2, An Act to establish the Canada Pension Plan Investment Board and to amend the Canada Pension Plan and the Old Age Security Act and to make sequential amendments to other Acts, tomorrow, Wednesday, December 17, 1997; with the least possible disruption of the proceedings.

Motion agreed to.

## CANADA COOPERATIVES BILL

### SECOND READING

On the Order:

Resuming the debate on the motion of the Honourable Senator Callbeck, seconded by the Honourable Senator Bacon, for the second reading of Bill C-5, respecting cooperatives.

**Hon. J. Trevor Eyton:** Honourable senators, I rise today to speak to Bill C-5. Bill C-5 overhauls the rules and regulations governing federally incorporated non-financial cooperatives. It does not apply to credit unions and caisses populaires, which fall exclusively under provincial law. Indeed, these financial cooperatives were dealt with in the last Parliament under the Cooperative Credit Associations Act.

For over a century, the cooperative movement has been part of the landscape, especially in the area of agriculture. In fact, for many, the two are synonymous. However, the cooperative movement is not limited to the agricultural sector — far from it. It is present in the forest industry, in retailing, in fisheries and in housing. There are health cooperatives, child-care cooperatives, consumer cooperatives and aboriginal cooperatives.

In Canada today, there are 10,000 cooperatives, employing 135,000 people. Approximately 7,000 of these cooperatives are non-financial; 14 million Canadians are members of a cooperative, a credit union, or a caisse populaire, including 4.5 million in the non-financial sector.

Honourable senators, I do not intend to go into the substance of this bill, especially since Senator Callbeck laid out its main clauses the other day. However, Bill C-5 is the first reorganization of the Canadian Cooperative Associations Act which was passed 27 years ago in 1970. That act was the first legislation specifically tailored for cooperatives and was largely based on the Canada Corporations Act which then governed business corporations in this country. Since then, corporate legislation has evolved to meet the changing needs of the business community. The same cannot be said of the cooperatives legislation. Thus, Bill C-5 is long overdue.

The bill before us proposes a number of changes designed to streamline and modernize the cooperative industry in Canada. Perhaps the most significant proposal would allow the cooperatives to sell shares to the public. This is a reversal of traditional policy whereby cooperatives relied on their members and on debt to finance their operations. This is an important change. It will offer cooperatives greater flexibility in terms of financing, and that will help them to compete more successfully in both the national and the global economies.

I mention the global economy because people forget that the cooperatives are big business. The Saskatchewan Wheat Pool and Federated Cooperatives, also of Saskatchewan, each has annual sales in the billions of dollars.

There are a host of other proposed changes which, in the briefest of terms, include simplified procedures for incorporation, an allowance so that up to one-third of directors may be other than cooperative members, clarification and limitation of director's liability, and new options for cooperatives wishing to restructure themselves along the lines of business corporations.

Honourable senators, I do not believe I should say much more. Bill C-5 seems to be overdue and just right, and it is a sound proposal. It gives cooperatives the tools they need to adapt to changing economic realities and to compete effectively. At the same time, it permits them to maintain the cooperative ethic under which they were founded and continue to operate today.

I see no reason to oppose this bill. Its provisions are endorsed and were largely proposed by the major stakeholders involved, including the Canadian Cooperative Association and its francophone counterpart, le Conseil canadien de la coopération.

To quote the spokesman for this group, Bill C-5 will facilitate the expansion of cooperatives within the Canadian economy and sustain an alternative form of economic participation that emphasizes democratic principles and self help.

In addition, all parties here in Ottawa support the bill, as does the Standing Committee on Industry in the other place which made minor amendments to only six clauses. Given all of this, I propose that the bill be read a second time and referred to committee.

•(1720)

**The Hon. the Speaker:** Honourable senators, is it your pleasure, to adopt the motion?

**Hon. Senators:** Agreed.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

On motion of Senator Carstairs, bill referred to the Standing Senate Committee on Banking, Trade and Commerce.

## POST-SECONDARY EDUCATION

### FINAL REPORT OF SPECIAL COMMITTEE TABLED

Leave having been given to revert to Presentation of Reports from Standing or Special Committees:

**Hon. M. Lorne Bonnell,** Chairman of the Special Senate Committee on Post-Secondary Education, tabled the final report of the committee.

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

**Hon. M. Lorne Bonnell:** Honourable senators, with leave of the Senate and notwithstanding rule 97(3), I move that the report be taken into consideration now, so that I may be able to say a few words.

**Hon. John Lynch-Staunton (Leader of the Opposition):** Honourable senators, this is the season of being generous; however, we are moving our agenda around. Some of us are expecting to speak to certain items on the agenda. Suddenly, out of the blue, we have a request to consider this report. I find it more than irregular.

If the Honourable Senator Bonnell would like to speak to this item at the end of our agenda today, I will agree to it. However, we are waiting to deal with other items.

We have reverted already to three items on the Order Paper. Now the Honourable Senator Bonnell wishes to discuss the report of his committee. It will be discussed, but why must we do it at this moment in time? We have other obligations, and we are basing the timing of these obligations on the agenda before us.

**The Hon. the Speaker:** Leave is not granted.

**Senator Lynch-Staunton:** If I am the only senator opposed to proceeding with this item at this time, I will not refuse leave. Quite frankly, I find this highly irregular, and it makes a mockery of the agenda before us. However, I will not be the only one to protest.

**Hon. Sharon Carstairs (Deputy Leader of the Government):** Honourable senators, it is not appropriate for Senator Lynch-Staunton to be put in that position. I had an agreement with Senator Kinsella that we would allow the report to be tabled. I did not know that we would be asked for leave for Senator Bonnell to speak now, and I would ask him to defer his comments until tomorrow.

**Senator Lynch-Staunton:** No. If there is an agreement between the deputy leaders, I will honour that above anything else.

**Hon. Noël A. Kinsella (Acting Deputy Leader of the Opposition):** We agreed only to table the report.

**Senator Lynch-Staunton:** Then, honourable senators, I have had my say.

**Senator Bonnell:** Honourable senators, tomorrow morning at 7 a.m., I will be travelling with Senator Phillips, chairman of the Subcommittee on Veterans Affairs, to Toronto to begin our study on the current state of health care for the veterans of this country. We will then travel to Montreal and on to Charlottetown. I thought that if I could speak to the report tonight, we could adjourn the debate, and senators could talk for the next three days about this great report.

**Senator Kinsella:** Honourable senators, I think we can reach a compromise by calling this item after we complete the Order Paper. We are prepared to place this order in the hands of the

Deputy Leader of the Government to be called when the other items of government business have been dealt with.

**Senator Bonnell:** That suits me, honourable senators.

**Senator Carstairs:** If I understand correctly, we shall call this item at the end of today's Order Paper.

**The Hon. the Speaker:** Is it agreed, honourable senators, that this item will be called at the end of the Order Paper?

**Hon. Senators:** Agreed.

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

## NEWFOUNDLAND

### CHANGES TO SCHOOL SYSTEM—MOTION TO AMEND TERM 17 OF CONSTITUTION—DEBATE ADJOURNED

**Hon. Bill Rompkey,** pursuant to notice of October 29, 1997, moved:

Whereas section 43 of the *Constitution Act, 1982* provides that an amendment to the Constitution of Canada may be made by proclamation issued by the Governor General under the Great Seal of Canada where so authorized by resolutions of the Senate and House of Commons and of the legislative assembly of each province to which the amendment applies;

Now therefore the Senate resolves that an amendment to the Constitution of Canada be authorized to be made by proclamation issued by His Excellency the Governor General under the Great Seal of Canada in accordance with the schedule hereto.

### SCHEDULE

#### AMENDMENT TO THE CONSTITUTION OF CANADA

1. Term 17 of the Terms of Union of Newfoundland with Canada set out in the Schedule to the Newfoundland Act is repealed and the following substituted therefor:

“17. (1) In lieu of section ninety-three of the *Constitution Act, 1867*, this Term shall apply in respect of the Province of Newfoundland.

(2) In and for the Province of Newfoundland, the Legislature shall have exclusive authority to make laws in relation to education, but shall provide for courses in religion that are not specific to a religious denomination.

(3) Religious observances shall be permitted in a school where requested by parents.”

## CITATION

2. This Amendment may be cited as the *Constitution Amendment*, year of proclamation (Newfoundland Act).

He said: Honourable senators, I rise to ask for your support for this resolution. I do so as a representative from my province, knowing that I speak for the majority of people in my province.

I would remind honourable senators that, in a referendum held in the province on this issue, 73 per cent of the people voted in favour of this resolution, in spite of the fact that a referendum was not necessary in the legislative process. In addition to the 73 per cent public vote, every member of the Newfoundland and Labrador legislature voted for this resolution, no matter their party or religion. Every single member of the Newfoundland legislature voted for this resolution.

Honourable senators, the will of the people I represent is very clear. I say to all in this country who consider themselves democrats in 1997 that we should heed the will of those people. Those people approached us under section 43 of the Constitution, as is their right, and asked us to amend the Constitution of Canada, as is their right. They asked it on their own behalf and on behalf of no one else, as is their right.

Section 43 states that where a province, with the consent of the Parliament of Canada, agrees to amend the Constitution for a matter that affects that province only, it has the right to do so. Within their rights, the people of my province ask you to support them in doing what they want to do, which is to put into place in our province a modern system of education.

Some say that the people did not really know what the question was, that there was some misunderstanding, or that one side had more money than another. I suggest that this is a very unfair and unfortunate comment to make about the judgment of the people of my province. It is patronizing to suggest that those people, who know that system intimately and who have known it since the middle of the 19th century, after 10 years of exhaustive debate on this issue, should now not understand the question put before them. I suggest they understood the question very well, and I think they voted overwhelmingly for the new Term 17.

They knew that their education system is unique in Canada. No education system anywhere in the country is like the system in Newfoundland and Labrador. The system was not a public school system and a Catholic school system. The system was not a public school system and a Protestant school system. From 1949 onwards, seven Christian denominations have had the right in our province to taxpayers' dollars on a per-capita basis to run their own schools. That system did not exist anywhere else in the country. It did not exist in Manitoba, Alberta, Quebec or Nova Scotia. It was a unique system in this country.

Since 1949, the seven Christian denominations — the Anglicans, the Roman Catholics, the United Church, the Presbyterians, the Seventh-day Adventists, the Pentecostals and the Salvation Army — have had the right under the Constitution

to taxpayers' dollars on a per-capita basis to operate school systems. I suggest that those were privileged groups. Jews did not have the right to operate schools; neither did aboriginal people, francophones, Muslims, Baptists or the Apostolic faith. No other Christian denomination or non-Christian church had the right that these seven denominations had; the right to taxpayers' dollars on a per-capita basis. I suggest that if there was any discrimination or unfairness it was in the old law and not in the new law.

•(1730)

There has been some suggestion that minorities have rights, and that is true. However, how do we determine what a minority is and who speaks for minorities? Do the bishops speak for the church or do the people speak for the church? Does the head of the United Church Conference speak for the people of the United Church, or do they speak for themselves? What is a minority and who speaks for the minority?

It has been suggested that the minority itself should vote before its rights are taken away. It must first be determined who is in the class. Second, it must be determined what percentage of those need to vote in favour in order to do away with the minority rights. For example, is there a minority within a minority? Suppose the Baptists had rights in Newfoundland — although they do not — and you asked the Baptists to vote on giving up those rights. If 25 per cent of the Baptists voted to retain their rights, would they have the right to retain a per-capita allowance of taxpayers' dollars to operate schools? The question of minorities is a very interesting one. It includes how we determine what a minority is, what rights they have, and when those rights can be extinguished.

Another question to consider is the impact of the rights of the minority on the rights of others. Surely rights are held, but only as long as they do not limit the rights of others. These are important questions for us to bear in mind.

I believe there is evidence that the people of the Pentecostal class did not vote in a majority to do away with their rights, but there is no way to prove that.

I think that, in the future, more people and more groups will have rights than in the past. The new Term 17 says that there will be a public school system in Newfoundland and that people will have the right to vote for school boards. We have not had a school board vote in my province for about 10 years. For the first time in a long time, parents will have the right to vote for those who will be on the school boards. That vote is pending the passage of this legislation.

As well, the whole question of the organization of education in Newfoundland and Labrador next year is pending. We do not know what teachers will be hired for next year. Those decisions are pending this legislation. We do not know what schools will be open next year and what schools will be closed. Those decisions are pending this legislation. We do not know what buses will be on the roads and what buses will not be on the roads next year. Those decisions are pending this legislation.

I do not think it is an overstatement to say that there is chaos in the school system in my province at this time. That insecurity and disorganization cannot be resolved until the will of the people is listened to and the Constitution is amended in order that the necessary legislation can be put in place in Newfoundland.

Parents will have the right to vote for school boards. Parents will have the right to religious education for their children. It has been asked why this legislation should include a clause that there will be, not only religious observances in Newfoundland schools, but the teaching of religion in Newfoundland schools. The answer is because that is what the people want. It may not be what people in other provinces want, but it is what the people in my province want.

The referendum results showed that that was the clearly expressed will of the people. They have had a system of religious education for decades and they wanted to ensure that religion would be taught in schools. That is why it became an issue in the referendum debate and that is why it is in the legislation before us. The right to the teaching of religion and to religious observances is included in the legislation because the people want it there.

I know there are those who say that it can be done in other ways but, as I said at the beginning, this is the express will of the people. I think that in a democracy in 1997 it is up to us to listen to that will.

What others do in other provinces is up to them, and this legislation will not affect that. However, I submit that it is very important that we pass this resolution expeditiously. I stress again the situation in our province at this time. I am not suggesting this to lay guilt on this chamber, because that would be absolutely wrong. I simply put the matter on the table as a fact. There is disorganization in our province now.

I will refer to one more right before I close, that being the right of the children themselves. The children in my province — a province with prospects, yes, but with the lowest per-capita income in this country, with the highest taxes in this country — have a right to the best education that we can give them in 1997. They have rights, and I ask you today to consider a system which has been in turmoil for several years while we have debated this issue. The new system must be put in place so that those children can have a decent education in order that they can have a chance at the best possible place in this part of the 20th century.

**Hon. Nicholas W. Taylor:** Honourable senators, I have listened to the debate on both the Quebec question and this resolution with some interest since I arrived here. I have tried to be as objective as I could about them. I was involved in education for a number of years. I started in politics about 30 years ago as a school trustee.

I am afraid that I will be a little more subjective on the Newfoundland question because I have a couple of grandchildren who recently moved with their family to Newfoundland and will

be entering the Newfoundland school system soon. If at one time Newfoundlanders sang *Alberta Bound*, Albertans are now singing “Newfoundland Bound” as they emigrate to that great province. With two grandchildren preparing to enter the system in the next year or two, I thought I would put in my two cents worth.

I will not repeat all the arguments, but one argument made is that the province wants this change. I have heard Senator Doody and others question whether indeed it is what the province wants, whether the question was worded properly, whether the calculation of whether there is a majority within a minority was done. I leave that for others to address, except to point out to Honourable Senator Rompkey, who was also on the committee with me and who certainly knows more about the area than do I, that our system of elections is “first past the post.” One of the big complaints is always that a minority is not represented in the legislature after an election. I should know, after losing many elections in Alberta. I would always point out to the media that I got such a percentage of the vote but, unfortunately, I did not get such a percentage of the seats.

•(1740)

Relying on unanimous or near unanimous votes just means you have all the winners. It does not mean the minority was counted.

Moving on, there are other options besides asking the Canadian government to change the Constitution. I am quite worried about the fact that what we do in Quebec and even more so in Newfoundland will be used as the key by other provinces to change the Constitution. It may not be in education; it might be in other areas. In other words, we are going back to 19th century liberalism where the mob cannot be wrong, and I say that sometimes the mob is wrong.

If Newfoundland wants to change their system — and perhaps they do need a change, I am not so sure — there are other ways to do it than asking for a constitutional change. Other provinces will soon be at the door asking for constitutional changes on the strength of an overpowering vote in the legislature or in a referendum. Those things do not make me happy.

More than anything else, I want to touch on the underlying thinking that seems to be abroad here — again going back to 19th century liberalism — that somehow or other the state knows better how to educate the child than anyone else. Therefore, any other interference, whether it be from church or anyone else, should be sublimated in such a way that we put in a system that hires teachers from coast to coast and sets the curriculum from border to border.

Honourable senators, in this day and age, I find this really puzzling, because we have tried to privatize everything. We privatized our airlines. We have privatized many other areas, but, somehow or other, when we come to education, we think that is the one area that private and other types of opinion should have no say. Somehow or other they are not wanted as a catalyst to



each other. That seems to be the underlying thought — that we will be more efficient, with bigger buses, going faster, all to one school, all to one teacher, all to one philosophy.

That bothers me more than anything else. I am not particularly fond of having churches in charge of education but we are moving away when we should be looking at how to bring more outsiders into education. Just as in automobile manufacturing, the state could set the standards or provide the exams, but they should not be running the system.

I would submit to my grandchildren growing up in the Newfoundland school system, if you like the post office, you will like the new school system they are proposing over there. From border to border, all will be alike. That is something which concerns me very greatly. It may well be that the churches have had more than enough control, but I heard Senator Doody answer and I have seen it in a few other places, that no child was denied an education in the school of their choice, regardless of whether or not they belonged to that faith. If they wanted to go to the closest school, they could. That is the system which, in many areas, we should be targeting.

In the west, there are big efforts now to try to allow for diversified school systems. They may not be based on religion; they could be the “free thinkers” or “the fingerpainters,” whatever they want to be, and they can start up a school. As a matter of fact, the wife of the Reform Party leader and I opened a school in Calgary last week which, as it happens, will be based on Christian doctrine. As far as I am concerned, that is diversifying. As long as we subscribe to the idea that the state has a right to set exams and set minimum standards, that is fine. However, the state need not run the education system.

This is one of the main things that bothers me in this debate. We hear, time and time again, that the new system will be more efficient. I have to question: Is efficiency our goal? Do we need to move kids to schools in a hurry and see how little we can pay our teachers? That is not what measures a school system. If that was the standard, the Russian system would be surviving in the world today. One of the few areas that had a monolithic school system with a curriculum monopolized from the capital was Russia. It was probably the most efficient system for moving children around, but it did not survive.

Probably the most inefficient system is found in Holland or Switzerland. There, a child can attend almost any school. They have a voucher system where the state hands over money to the schools in proportion to the children who are attending, but it has no say in how the school is run except to set exam standards. In studying society over the last hundred years, those societies which introduce catalysts and competition within their school systems, even in the U.S., are the societies that survive.

Systems that worship the god of efficiency and operate under it from one end of the province to the other will use that as an excuse to rid the province of the other thinking, the interplay and the competition that goes on between the school systems.

I submit that if you get rid of competition in your school system, you will pay for it dearly in the long run.

[ Senator Taylor ]

**Hon. Philippe Deane Gigantès:** On a point of order, honourable senators, I should like to give to my colleague from Alberta the opportunity to correct the impression he might have left, that a parliamentary majority is a “mob.”

**Senator Taylor:** I am not sure I want to correct that. It is the feeling of the times. To say that the parliamentary majority is always right insults those who voted for the minority.

**Senator Gigantès:** I do not think you should call it a mob or refer to the rule of the mob.

On motion of Senator Kinsella, debate adjourned.

[Translation]

## INTERNAL ECONOMY, BUDGETS AND ADMINISTRATION

SPEAKER'S RULING—  
SEVENTH REPORT OF COMMITTEE ADOPTED

On the Order:

Resuming debate on the motion of the Honourable Senator Rompkey, P.C., seconded by the Honourable Senator Whelan, P.C., for the adoption of the Seventh Report of the Standing Committee on Internal Economy, Budgets and Administration (*the use of Senate Resources by Senator Thompson*), presented in the Senate on December 9, 1997.—(*Speaker's Ruling.*)

**The Hon. the Speaker:** Honourable senators, yesterday, Monday, December 15, the Honourable Eymard G. Corbin raised a point of order questioning the authority of the Standing Committee on Internal Economy, Budgets and Administration to present its Seventh Report, dated and presented Tuesday, December 9.

Senator Corbin characterizes the measures recommended in the report as disciplinary in nature. Consequently, he believes they involve the privileges of Senator Thompson, a matter beyond the mandate of this committee. He finds in recommending this action that the committee has taken upon itself the exclusive power of the full Senate in a matter that is essentially one of privilege. In support of this position, he refers to the requirement for a reference to the Committee on Privileges in rule 86(1)(f)(ii). In addition, he submits that the power of the Internal Economy Committee to see to the administration of the Senate does not extend to the actions of individual senators.

[English]

Speaking in support of the report and the actions of the Internal Economy Committee, Senator Kenny pointed out that the committee was merely reporting recommendations to the Senate for its consideration and decision. He noted that the Internal Economy Committee possesses statutory powers under the Parliament of Canada Act.

[Translation]

Senator St. Germain then intervened to draw the attention to rule 43(1) which states that it the duty of every senator to defend the privileges of the Senate and of all senators. He also expressed concern about the possibility of developing a vigilante mentality.

In assessing the powers of the Internal Economy Committee, Senator Bolduc maintained there is an important distinction between its power to manage the Senate as a body and the power to manage each individual senator. He questioned whether the Internal Economy Committee has the right to judge, prejudge or evaluate the performance of any particular Senator.

[English]

Finally, Senator Carstairs spoke to urge the Chair to rule as quickly as possible. I have reviewed the comments made yesterday, and I am prepared to rule on the point of order.

Honourable senators, the Standing Committee on Internal Economy, Budgets and Administration is unique among Senate committees in that it has a statutory mandate. I do not interpret the law but must, of course, take note of it. Section 19.3 of the Parliament of Canada Act provides that the committee may act on all financial and administrative matters respecting the Senate, its premises, its services, its staff, and the members of the Senate. Powers, however, are to be exercised subject to the rules, direction, and control of the Senate as provided in subsection 19.1(4).

Under the *Rules of the Senate*, the committee has a special power, possessed by only one other committee, to act upon its own initiative. The other committee that has a power to act on its own initiative is the Standing Committee on Privileges, Standing Rules and Orders, whose participation in the study of this issue is mentioned in the report. In the words of rule 86(1)(g), the Internal Economy committee is

...authorized on its own initiative to consider all matters of a financial or administrative nature relating to the internal management of the Senate.

[Translation]

The Internal Economy Committee decided to use its power to act on its own initiative to look into and consider a particular matter. Its report is limited to recommendations that would temporarily suspend Senator Thompson's access to Senate resources, clearly a matter of a financial or administrative nature. The report does not reflect upon Senator Thompson or his conduct. The recommendations are careful to preserve the senator's ability to travel to Ottawa to safeguard his privileges to attend, to speak and to vote. They are careful to preserve his ability to regain access to Senate resources as soon as he sees fit to apply.

[English]

The committee's recommendations as presented in this report modify the application of general policies relating to the resource entitlements provided to all senators. It must be noted, however, that the committee is not undertaking this action on its own authority. Indeed, it has placed its recommendations before the full Senate for consideration, as it must. Under this procedure, the suspension of Senator Thompson's access to resources will be determined by no less a body than the one charged with the protection of his privileges.

Honourable senators, in these circumstances, it seems to me that the committee has simply exercised its right to act on its own initiative and consider a matter of a financial or administrative nature. The recommendations seem carefully limited to matters concerning Senate resources.

[Translation]

The only mention of attendance is a factual and neutral reference to a public record which can explain why action of the kind being proposed is appropriate. The participation of the Standing Committee on Privileges, Standing Rules and Orders noted in the report only serves, to my mind, to underline the respect that each committee is obviously showing for the mandate of the other in this area where mandates can overlap.

It is precisely because the report is essentially about resources, and not about attendance, that I conclude that it does not involve a question of privilege. Had the report reflected critically on the character of Senator Thompson, it would have triggered in my mind the privilege concerns invoked by Senator Corbin.

As to whether the power of the Internal Economy Committee is limited to the adoption and administration of general policies, to the exclusion of decisions relating to individual senators, I know of no such limitation. On the contrary, I suspect that such a limitation would not be beneficial. In fact, it could impair the ability of the committee to help individual senators by providing resources in appropriate circumstances.

In my view, the committee is limited in its mandate to financial and administrative matters, whether of a general or a particular application, and this limitation has been respected in this report.

During his intervention yesterday, Senator St. Germain drew the attention of all honourable senators to their duty to preserve the privileges of the Senate and of individual senators. I thank Senator Corbin for giving honourable senators a chance to look into, and reflect on, what this report does and does not do. I rule the report to be in order.

[English]

Debate may then proceed on the motion.

**Hon. Senators:** Question!

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

Motion agreed to and report adopted.

### BUSINESS OF THE SENATE

**The Hon. the Speaker:** Honourable senators, It is now six o'clock. Is it your wish that I not see the clock?

**Hon. Sharon Carstairs (Deputy Leader of the Government):** I understand that we have leave not to see the clock.

**The Hon. the Speaker:** Is it agreed, honourable senators, that I should not see the clock and that we proceed?

**Hon. Senators:** Agreed.

### PRESENT STATE AND FUTURE OF AGRICULTURE

#### REPORT OF AGRICULTURE AND FORESTRY COMMITTEE ADOPTED

The Senate proceeded to consideration of the second report of the Standing Senate Committee on Agriculture and Forestry (budget—study on the present state of agriculture in Canada), presented in the Senate on December 9, 1997.—(*Honourable Senator Gustafson*).

**Hon. Leonard J. Gustafson:** Honourable senators, I move the adoption of this report.

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

Motion agreed to and report adopted.

### PRESENT STATE AND FUTURE OF FORESTRY

#### REPORT OF AGRICULTURE AND FORESTRY COMMITTEE ADOPTED

The Senate proceeded to consideration of the third report of the Standing Senate Committee on Agriculture and Forestry (*budget—study on the present state of forestry in Canada*), presented in the Senate on December 9, 1997.

**Hon. Leonard J. Gustafson:** Honourable senators, I move the adoption of this report, standing in my name.

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

Motion agreed to and report adopted.

### FAMOUS FIVE FOUNDATION

#### MOTION TO COMMEMORATE EVENTS BY PERMITTING THE BUILDING OF STATUE ON PARLIAMENT HILL— DEBATE CONTINUED

On the Order:

Resuming debate on the motion of the Honourable Senator Fairbairn, P.C., seconded by the Honourable Senator LeBreton:

That, in the opinion of this House, the government should consider the request of the Famous Five Foundation to honour the memory of Emily Murphy, Nellie McClung, Irene Parlby, Louise McKinney and Henrietta Muir Edwards, known as the Famous Five, by allowing a statue commemorating them to be placed on Parliament Hill.—(*Honourable Senator Kenny*).

**Hon. Erminie J. Cohen:** Honourable senators, yesterday, with great eloquence, our colleague Senator Fairbairn retold the struggle and the victory of the Famous Five and moved a resolution, seconded by Senator LeBreton, to approve the placement of the statues commemorating them on Parliament Hill, a fitting tribute to these five women, Emily Murphy, Nellie McClung, Irene Parlby, Louise McKinney and Henrietta Muir Edwards, who changed the course of history for Canadian women.

Monuments educate, commemorate and inspire. In this case, education is the key, as many Canadians are not aware of the significant contributions and achievements of these five women. Canadians need to know their heroes and their heroines.

Although several persons cases preceded, the 1927 challenge to the British North America Act is regarded by both women and historians as the mother of all persons cases. Featuring those who became known as the Famous Five, this case clearly illustrates the courage, strength of conviction, and solidarity of our Canadian "foremothers."

•(1800)

When the Famous Five took their appeal to the highest court of the day, the judicial committee of England's Privy Council, Luckin Johnson of the Canadian Press wrote in July of 1929 that,

In a quiet room at Number One, Downing Street, five great judges, with the Lord Chancellor of England at their head, and a battery of bewigged lawyers from Canada and from England, are wrestling with a question, propounded on behalf of their sex, by five Alberta women. Deep and intricate questions of constitutional law are debated back and forth. The exact shade of meaning to be placed on certain words is argued to the finest point. And so it goes

on, and probably will continue to go on for several days. At the end of all these endless speeches, lessons on Canadian history, and questions by five great judges of England, it will be decided, if one may hazard a guess, that women undoubtedly are Persons, which, one might say, without exaggeration, most of us know already!

This prediction, honourable senators, proved to be correct, as we heard from the speakers yesterday. The Privy Council sided with the Famous Five and ruled that women in Canada were indeed “persons” under section 24 of the Constitution and for all other legal purposes. The *Ottawa Evening Journal* of the day supported the decision with its editorial that very night, which stated that:

We knew all along that we were right. When our Supreme Court last year said that women weren’t “persons” we got into a towering rage. We said that in our judgment a woman was not only a person but a personage. The Privy Council, of course, did not mention us — probably they didn’t want to create hard feelings, or sort of rub the thing in. Some people, and especially some judges, are terribly touchy.

Four months after the landmark ruling in the early days of 1930, the Honourable Cairine Wilson was appointed the first female senator. The Local Council of Women in Saint John, New Brunswick wrote of the Famous Five regarding this Senate appointment:

These women made themselves stepping stones for all women in Canada to cross the river of injustice and gain the solid shores of human rights.

According to historian Valerie Knowles:

Whether there were many women who coveted a Senate seat is unimportant. The real significance of this decision lay in the fact that Canadian women had at last become persons in the eyes of the law and that a formidable psychological barrier to political equality had been removed.

This, honourable senators, is a significant piece of Canadian history and one which should be placed front and centre in our nation’s capital on Parliament Hill.

For Henrietta Muir Edwards, one of the Famous Five, the challenge meant that women would have their place at the table — and not just the kitchen table. She wrote of the ruling:

The woman is queen in her home and reigns there, but unfortunately, the laws she makes reach no further than her domain. If her laws, written or unwritten, are to be enforced outside, she must come into the political world as well — and she has come.

Honourable senators, that is why I rose to speak today to this issue: because I may.

**Hon. Jerahmiel S. Grafstein:** Honourable senators, I, too, am an enthusiastic supporter of this resolution to erect a statue on Parliament Hill commemorating the five women who were instrumental in provoking the 1929 change in Canadian law so that women could be considered “persons,” equal under the Canadian Constitution, the British North America Act of 1867 — hence, eligible to serve in the Senate. It is long overdue.

As students of history, we should also take note that, back in 1938, a plaque was erected in the Senate lobby commemorating that event by the then prime minister Mackenzie King. Honourable senators, sometimes the Senate is slightly ahead of our times.

Honourable senators, while we commemorate the political work of the Famous Five that enabled women to join the ranks of parliamentarians and public officials, we should not neglect to praise at the same time the unsung work of millions of women who toiled and continue to toil to make Canada the great country it has become today. This news is not new. All senators know about it from their own personal experience.

As for me, my maternal grandmother came to Canada in 1908 with her family and worked all of her adult life to support her blind husband and her two young daughters until her premature death over 50 years ago — some say because of over work. In turn, my mother — born in 1900 and now 97 years old, alive and lively, worked all her adult life throughout this century to sustain first her parents and her younger sister and then our family. When my late aunt, my mother’s younger sister, came of age, she worked all of her adult life to help her parents and then her own family. She worked until her death some years ago when she was in her 80s. My late sister worked all of her adult life to support her family, culminating in the establishment of her own business, which started in her kitchen and became a food company with global reach.

The women in my life have always been graceful, critical and forceful partners in all aspects of my life. They taught me and my family that the greatest dignity was the dignity of hard work.

It would be remiss of me if I did not comment on one aspect of Senator Fairbairn’s passionate and informative speech yesterday. She reminded us that she would not have become a member of the Senate without the efforts of Emily Murphy, Nellie McClung, Irene Parlby, Louise McKinney and Henrietta Muir Edwards, known as the Famous Five, the women who are the subject of this resolution that we support.

For those who know me and also know of my career, by the same token, I could not have become a senator without the efforts of those strong women in my family who I mentioned, as well as my wife and my mother-in-law who continue to be equal and active partners in all phases of my life.

I am confident, honourable senators, that I speak for the millions of other men in our country who would say no less about the women who have shared their lives.

In conclusion, may I note the special efforts of an old friend, Frances Wright, whose drive and single-mindedness brought the contents of this resolution to its fruition. By her focus and strength of purpose, she reminds me of all the strong women — both family and friends alike, and more in number than the Famous Five — who have contributed so much to me in my public and private careers.

To you, Frances, I say, “Well done!” I hope that the statue that we will erect will serve as a living symbol to all Canadian women in every walk of life. To them, I say: “Well done. The best is yet to come!”

On motion of Senator Kenny, debate adjourned.

### THE SENATE

#### ATTENDANCE OF SENATOR THOMPSON REQUIRED

On the Order:

Resuming debate on the motion of the Honourable Senator Kenny, seconded by the Honourable Senator Nolin:

That Senator Andrew Thompson be ordered to attend the Senate in his place when the Senate resumes sitting in February 1998 following the Christmas adjournment;

That, should he fail to attend, the matter of his continuing absence be referred to the Standing Senate Committee on Privileges, Standing Rules and Orders for the purpose of determining whether his absence constitutes a contempt of the Senate;

That, if the Committee is obliged to undertake this study, it be authorized to examine and report upon any and all matters relating to attendance in the Senate and how it specifically applies in the case of Senator Thompson; and

That the Committee report its findings and any possible recommendations within two weeks from the day the matter is referred to the Committee.—(*Honourable Senator Carstairs*).

**Hon. Sharon Carstairs (Deputy Leader of the Government):** Honourable senators, I stood this motion for a few days because I felt it was appropriate that we deal with the motion from the Internal Economy Committee before we proceeded to this motion.

•(1810)

I am confident that the motion moved by Senator Kenny is appropriate. I believe that it is a means by which we can, hopefully, receive an explanation from Senator Thompson as to why he has been absent for so long from this chamber, and I hope that it will receive speedy passage.

**The Hon. the Speaker:** If no other senator wishes to speak, it is moved by the Honourable Senator Kenny, seconded by the Honourable Senator Nolin:

That Senator Andrew Thompson be ordered to attend the Senate in his place when the Senate resumes sitting in February 1998 following the Christmas adjournment;

That, should he fail to attend, the matter of his continuing absence be referred to the Standing Senate Committee on Privileges, Standing Rules and Orders for the purpose of determining whether his absence constitutes a contempt of the Senate;

That, if the Committee is obliged to undertake this study, it be authorized to examine and report upon any and all matters relating to attendance in the Senate and how it specifically applies in the case of Senator Thompson; and

That the Committee report its findings and any possible recommendations within two weeks from the day the matter is referred to the Committee.

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

**Hon. Senators:** Agreed.

Motion agreed to.

### BUSINESS OF THE SENATE

**The Hon. the Speaker:** Honourable senators, this concludes the Order Paper. According to rule 43(8), we should proceed to questions of privilege. However, I have been advised by the Honourable Senator Kinsella and the Honourable Senator Tkachuk that they would prefer to defer this matter to tomorrow at the same time as the conclusion of the Orders of the Day or eight o'clock, whichever comes first.

Is that agreed, honourable senators?

**Hon. Senators:** Agreed.

### POST-SECONDARY EDUCATION

#### CONSIDERATION OF FINAL REPORT OF SPECIAL SENATE COMMITTEE—DEBATE ADJOURNED

The Senate proceeded to consideration of the final report of the Special Senate Committee on Post-Secondary Education, presented in the Senate on Tuesday, December 16, 1997.

**Hon. M. Lorne Bonnell** moved the adoption of the report.

He said: Honourable senators, thank you for allowing me speak to this report today.

I would like to take a few moments to summarize and highlight some of the more important sections and recommendations of our report. Before doing so, however, there are a number of people I would publicly like to thank. First and foremost are my colleagues who supported me throughout this study — Senator Lavoie-Roux, our deputy chair and former chair of the largest public school board in all of Canada; Senator Andreychuk, a former chancellor of the University of Regina; Senator DeWare, a former provincial minister responsible for higher education in the Province of New Brunswick; Senator Forest, a former chancellor of the University of Alberta; Senator Losier-Cool, herself a former educator; and Senator Perrault, a former Leader of the Government in the Senate and a champion of technology in education.

In addition, I would like to acknowledge Dr. Robert Farquhar, our special advisor, and the dedicated staffs from the Library of Parliament, Committees Directorate, and senators' offices who worked so hard to see this project through to completion.

Honourable senators, so many government initiatives are launched without someone asking, "What are we trying to achieve?" I truly wonder when the Fathers of Confederation drafted our Constitution, did they foresee the system of higher education that Canada now enjoys? Indeed, on an annual basis, over \$16 billion of direct public funding goes to a system that produces thousands of graduates, published academic papers, ongoing qualitative and quantitative research, and community services. However, what are we, as a nation, as Canadians, trying to achieve?

As a committee, we felt very strongly about presenting our ideals — our realistic benchmarks — for Canadian post-secondary education in the 21st century. To quote directly from the report:

What Canada requires from our post-secondary education sector is the knowledge and human resources that will keep our country among the world's leading nations with respect to recognition of progress abroad and the quality of life at home.

Therefore, honourable senators, to the fullest extent that resources permit, we envision: research and development of the highest standard; programs of education and training beyond secondary school, the quality of which rivals the best of those available anywhere in the world; a strong post-secondary education sector able to absorb those with the ability and determination necessary to benefit from such education; and an extension of talents, services and facilities as an available resource to be tapped for the resolution of problems, the development of policies, and the improvement of living conditions, not only in the local communities across the country, but at the provincial, national and international levels as well.

Honourable senators, these are important principles, important goals by which future generations will gauge the accomplishments of our governments and our higher education

community. Failing to live up to this vision, failing to ensure post-secondary education becomes a public policy priority of the highest order, means failing Canada.

Having outlined our vision, our framework for our analysis, I now wish to focus on a few of the recommendations found in the report.

No other issue has garnered more attention in the media, by our government or by our committee over the past year and one-half than the grave concern over managing student debt. Throughout our hearings, as hard as we tried to obtain student opinion on international education, student mobility or the quality of education being received, testimony always returned to the problems students faced in financing their post-secondary schooling and their fear of debt levels that would cripple their finances indefinitely. The average level of debt among those who borrow from a government program has risen from \$8,700 in 1990 to an expected \$17,000 this year and an anticipated \$25,000 next year. Therefore, honourable senators, our committee supports the view that there is no single solution to the problem of helping students finance their higher education. Families who can afford it must be encouraged to set aside money for the retraining of their adult members and for the education of their children.

For those who do require government financial assistance, Special Opportunity Grants under the Canada Student Loan Program should be expanded to include grants for high-need, first- and second-year students. For heavy student loan borrowers, the federal government should implement a package of measures to assist them in managing their debt, including: allowing borrowers greater flexibility in the repayment of their loans, providing a one-time grant to borrowers who have had chronic difficulty repaying their student loans and who have exhausted their maximum period of interest relief, enabling borrowers to undertake community services work as a means of repaying part of their loan, permitting borrowers to deduct from their income tax the interest on their student loans, and making the existing student tax credits fully refundable in order that the benefit may be received when students are most in need.

Student loan reform is at the top of the agenda for both the federal government and the provinces, and our recommendations will provide them all with a blueprint for further discussions and cooperation on the very serious and pressing issue of student debt.

•(1820)

I wish to speak to the growing internationalization of higher education. As you know, international education can provide our post-secondary institutions with new sources of revenue, a continuing flows of intellectual stimulation, and richer educational experiences for our students. At the same time, it plays an increasingly important role in Canada's foreign trade.

Mr. Jim Fox of the Canadian Bureau of International Education told our committee:

We must establish internationalization as a priority for Canada...developing goals and contributing strategies which integrate trade diversification issues, official development assistance, international cooperation and defence, research and development and education and training...

Honourable senators, we have concluded that the major downfall in our current effort is the lack of an overall commitment and coordinated plan to develop our role in international education. In concert with the Council of Ministers of Education Canada, the federal government must develop a national strategy for aggressively intensifying Canadian government involvement and encouraging private sector participation in all aspects of international education.

My last comment about our recommendations, honourable senators, is with respect to research and development. Canadian business and political leaders, including myself, have frequently pointed out that our future as a trading nation depends on innovation and productivity. However, witness after witness testified before our committee on just how poor Canada's research and development effort was in comparison with those of the other developed countries and our major trading partners.

Universities and colleges make a disproportionate contribution to Canadian research and development — about one-quarter of Canadian investment in 1995 — and almost all of the direct federal contribution to college and university research is provided by the three granting councils: the Medical Research Council, the Natural Sciences and Engineering Research Council, and the Social Sciences and Humanities Research Council.

In considering the present status of research and development in our post-secondary institutions, our committee is convinced that two principles should guide the federal government in determining its policy: First, Canada cannot afford to treat the funding of research and development in general, and the funding of post-secondary education research in particular, as some kind of tap which can be turned on and off at will. Second, Canada cannot afford to lag behind the research and development efforts of its major trading partners.

We have recommended restoring the funding of the Medical Research Council, the Natural Sciences and Engineering Research Council, and the Social Sciences and Humanities Research Council to 1993 levels to assist in raising Canada's investment in R&D to the average of the other OECD countries within five years. This, honourable senators, should only be one facet of a long-term, strategic and detailed commitment to funding research and development in post-secondary institutions by the federal government.

Finally, one area our committee failed to comment upon is the Prime Minister's recently announced new scholarships to be

created from the Canadian Millennium Endowment Fund. As I have mentioned in this chamber before, the endowment fund is intended to provide thousands of scholarships each year beginning in the year 2000; it is intended to be arm's length from government, to reward academic excellence, and to target low- and moderate-income Canadians to help them attend universities and colleges.

Expectations now are that the initial investment for the fund will range between \$1 billion and \$3 billion. The interest generated by the investment would then assist tens of thousands of Canadian students on an annual basis.

As I mentioned in my Address in reply to the Speech from the Throne, the policy debate that the higher education community faces in the creation of the Millennium Endowment Scholarship is balancing the government's two priorities: financial need and rewarding excellence. My concern from the beginning has been that those students most in need, while still performing at their best, will not qualify for that award. I will therefore reiterate my recommendations to the federal government that the millennium scholarship should have two funds: one for merit and one for need. The merit-based scholarship, based on academic performance to reward excellence, would still find lower- and moderate-income Canadians, helping them to attend university or college. A second needs-based award, or bursary, would promote or encourage excellence in another way, ensuring that all Canadians would have the opportunity to prove themselves in a post-secondary institution.

Some say that splitting the available funds into two categories may weaken the impact intended for the fund. With the size of the investment now expected to be in the range of \$3 billion, the creation of two strongly endowed awards seems quite possible. It could only strengthen the government's commitment, as we have recommended throughout our report, to ensuring access to higher education, lowering debt loads, and promoting excellence.

In conclusion, honourable senators, this report is truly only the beginning. Fulfilment of our vision will require a significant financial investment and a great deal of cooperation and coordination that has perhaps never before been seen between all stakeholders in Canada's post-secondary education. We believe that our recommendations deserve both attention and action by the Government of Canada, and we urge a quick response.

**Hon. Thérèse Lavoie-Roux:** Honourable senators, those were Senator Bonnell's last word in this chamber. Good luck, Senator Bonnell.

On motion of Senator Lavoie-Roux, debate adjourned.

The Senate adjourned until Wednesday, December 17, 1997, at 1:30 p.m.

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