Debates of the Senate

1st SESSION • 36th PARLIAMENT • VOLUME 137 • NUMBER 69

OFFICIAL REPORT
(HANSARD)

Monday, June 8, 1998

THE HONOURABLE GILDAS L. MOLGAT
SPEAKER

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

Debates: Victoria Building, Room 407, Tel. 996-0397

Published by the Senate
Available from Canada Communication Group — Publishing, Public Works and Government Services Canada, Ottawa K1A 0S9, at $1.75 per copy or $158 per year.
Also available on the Internet: http://www.parl.gc.ca

THE SENATE

Monday, June 8, 1998

The Senate met at 8:00 p.m., the Speaker in the Chair.

Prayers.

VISITORS IN THE GALLERY

The Hon. the Speaker: Honourable senators, I should like to draw your attention to some distinguished visitors in the gallery. They are a delegation from Pakistan who will be appearing tomorrow before the House of Commons Foreign Affairs Committee. They are led by Senator Muhammad Akram Zaki who is the chairman of the Standing Senate Committee on Foreign Affairs, Kashmir Affairs and Northern Affairs, who is accompanied by Colonel Gaulam Sarwar Cheema and Mr. Mohammed Ijaz ul Haq, both members of the National Assembly. They are accompanied by that country's High Commissioner to Canada, His Excellency Rafat Mahdi.

Welcome to the Senate of Canada.

SENATORS' STATEMENTS

HUMAN RIGHTS

ELIMINATION OF RACISM—RECENT DECISION OF SUPREME COURT OF CANADA

Hon. Donald H. Oliver: Honourable senators, I rise to bring to your attention a recent landmark decision of the Supreme Court of Canada in *Williams v. The Queen*, decided last Friday. This decision takes a major step toward the elimination of racism and a move toward equality among all citizens of Canada. The *Williams* case unanimously decided that if a juror enters a courtroom with a racial preconception, the court has the power to remove him or her from the jury pool. This effectively clears the way to limiting the possibility of racial prejudice being a factor in determining guilt or innocence.

The accused in this case, an aboriginal from British Columbia, pleaded not guilty to a robbery charge and elected to be tried by a judge and jury. The jury found the accused guilty of robbery. That decision was overturned on appeal because the Supreme Court decided there was ample evidence that tensions between aboriginals and non-aboriginals have increased in recent years as a result of developments in such areas as land claims and fishing rights. The court found that these tensions increased the potential of racist jurors siding with the Crown as the perceived representative of the majority interest. Consequently the Supreme Court decided Williams did not have a fair trial and ordered a new trial.

Under the Criminal Code section 638.1(*b*), a prosecutor or an accused is entitled to any number of challenges on the ground that a juror is not indifferent between the Queen and the accused. The accused must prove that there is a realistic potential for partiality. Lack of indifference or partiality refers to the possibility that a juror's knowledge, biases or beliefs may affect the manner in which he or she may decide the case. The Supreme Court now considers racial views of jurors a permissible challenge for cause to remove him or her from the jury pool. Madam Justice Beverly McLachlin who wrote the unanimous decision of the Supreme Court stated:

> Racial views are buried deep in the human psyche; these preconceptions cannot be easily and effectively identified and set aside — even if a person wishes to do so.

It is extremely rare for the Supreme Court to decide unanimously, as it did in this case. This decision is the most direct attack on racism in recent history and most emphatically manifests that Canada wants to rid itself of all types of racism. Racial prejudices are as invasive and exclusive as they are corrosive. Instructions from the judge or other safeguards will not eliminate biases that may be deeply ingrained in the juror's mind. The Supreme Court has ruled in the best interests of all Canadians. Madam Justice Beverly McLachlin stated:

> In a case where doubts are raised as to the juror's racial bias, the better policy is to err on the side of caution and permit those prejudices to be examined so that a fair and impartial trial can be had. It is better for the court to allow some unnecessary challenges than to risk prohibiting necessary challenges.

Under section 11(*d*) of the Charter of Rights and Freedoms, the Charter guarantees that all persons charged have the right to be presumed innocent until proven guilty according to the law in a fair and public hearing by an independent and impartial tribunal. This right is meaningless without the means to enforce it. This Supreme Court decision now allows this Charter right to be enforced because the accused may now challenge jurors whose prejudices could indicate unsuspected and/or unconscious impartiality.

(2010)

As stated by Madam Justice McLachlin:

> The accused's statutory right to challenge potential jurors for cause based on partiality is the only direct method that the accused has to secure an impartial trial.

The Hon. the Speaker: I regret to interrupt the honourable senator, but your three-minute period is over.

Honourable senators, is leave granted to allow Senator Oliver to complete his statement?

Hon. Senators: Agreed.

Senator Oliver: The importance of the challenge process must not be underestimated. The Supreme Court decision now gives a lawyer the power to ask the court to remove a juror based on his or her racial preconceptions. Another positive step has been taken by the Supreme Court of Canada toward eradication of racism and the guarantee of equality which is enshrined in the Charter of Rights and Freedoms.

[*Translation*]

NATIONAL UNITY

EROSION OF BILINGUALISM AND MULTICULTURALISM

Hon. Gerald J. Comeau: Honourable senators, according to news reports, Preston Manning, Lucien Bouchard and Gilles Duceppe are proposing a ménage à trois so that they can better plan the future of Quebec.

For those Quebecers who are not familiar with Mr. Manning, this is a man who fought against the Meech Lake Accord and led a campaign against Quebec in the last federal election. This same Mr. Manning wants to eliminate the protection to the francophone and Acadian communities in Canada which are in minority situations.

Messrs Bouchard and Duceppe are making a mistake by supporting Preston Manning's position and the regressive future he envisages for Canada' minorities. It is therefore essential for Quebecers to maintain the support of minorities they have always been known for.

I would like to read some comments made by Mr. Manning's spokesman, Ezra Levant, pointing out the reasons for supporting the YES side in the last referendum. I will read them in Mr. Levant's mother tongue, so as to avoid any translation errors.

[*English*]

> Eliminate bilingualism and multiculturalism. With Quebec gone, the rationale for bilingualism and multiculturalism would go, too. All of a sudden, anglophones could get a job in the foreign service and the civil service. No more translating every document.
>
> Say no to other special interest groups. Is it any wonder that Canada has so many special interest groups? After all, they see Quebec's payoff for being a constant nag. If we kicked out Quebec, we might then have the fortitude to tackle Canada's other ethnic separatists: Natives demanding their "First Nations."
>
> Next would be the National Action Committee on the Status of Women. Then the radical environmentalist groups. Goodbye lobbyists.
>
> End the corruption of Parliament. For decades, Quebec's largest export to Ottawa has been politicians who bring old-style patronage to Parliament.
>
> Stop the plunder of the west. Without whining separatists to appease, we'd be able to stop resource grabs like 1981's National Energy Policy.
>
> Trade barriers would fall. We Albertans have always loved free trade. A YES vote means no more subsidies to Quebec; remaining obstacles to outside investment could be removed.
>
> Air Canada could relocate. Canada's "national" airline is headquartered in Montreal. So is Canadian National Railways, although the bulk of CN's business is in Western Canada.

[*Translation*]

I therefore urge Quebecers to examine Mr. Manning's position and to ask themselves this last question: Is this the future you see for Canada? Absolutely not. Can you respect leaders who do not respect minorities and who do so little to support the aspirations of the people of Quebec?

[*English*]

PAKISTAN

FOREIGN MINISTER AND AMBASSADOR TO APPEAR BEFORE FOREIGN AFFAIRS COMMITTEE OF HOUSE OF COMMONS

Hon. Marcel Prud'homme: Honourable senators, I wish to echo our Speaker's gracious welcome to the Pakistani delegation. It means a lot to many people for many reasons. The delegation includes Senator Muhammad Akram Zaki, Colonel Gaulam Sarwar Cheema, who was former minister of national defence, and Mr. Mohammad Ijaz ul Haq. I am reminded that, in 1982, when I was chairman of the Foreign Affairs Committee of the House of Commons, the distinguished father of this member of the National Assembly, President Zia ul Haq, came to Canada and graciously consented to appear in front of the committee.

I also wish to thank Senator Stewart, the Chairman of the Standing Senate Committee on Foreign Affairs who, on a moment's notice came to salute these distinguished people. For those who agree or disagree — and this is part of Canada's way — and who wish to participate in this debate, I remind honourable senators that at 3:15 p.m. tomorrow, these distinguished visitors shall appear before the Foreign Affairs Committee of the House of Commons, in room 269. They will subject themselves to questions from all members of the House. I am sure honourable senators would like to be present.

I welcome our visitors as well as His Excellency Rafat Mahdi, the High Commissioner of Pakistan.

ROUTINE PROCEEDINGS

FOURTEENTH CONFERENCE OF COMMONWEALTH SPEAKERS AND PRESIDING OFFICERS

REPORT TABLED

The Hon. the Speaker: Honourable senators, I have the honour to table the Report of the Fourteenth Conference of Commonwealth Speakers and Presiding Officers, held in Port of Spain, Republic of Trinidad and Tobago, from January 2 to 8, 1998.

[*Translation*]

BILL TO CHANGE THE NAME OF CERTAIN ELECTORAL DISTRICTS

REPORT OF COMMITTEE

Hon. Pierre Claude Nolin: Honourable senators, I have the honour to present the ninth report of the Standing Senate Committee on Legal and Constitutional Affairs on Bill C-410.

Monday, June 8, 1998

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

NINTH REPORT

Your Committee, to which was referred Bill C-410**,** an act to change the name of certain electoral districts, has, in obedience to the Order of Reference of Thursday, June 4, 1998, examined the said Bill and now reports the same with the following amendments:

l. Page 2, Clause 6: Replace lines 13 and 14 with the following:

"ing the name "Beauport — Montmorency — Côte-de-Beaupré — Île d'Orléans" for".

2. Page 4, New Clause 19: Add after line 16, on page 4, the following:

"**19.** In the representation order declared in force by Proclamation of January 8, 1996, under the Electoral Boundaries Readjustment Act, paragraph 17 of that part relating to the Province of British Columbia is amended by substituting the name "Port Moody — Coquitlam — Port Coquitlam" for the name "Port Moody — Coquitlam"."

Respectfully submitted,

PIERRE CLAUDE NOLIN

Acting Chairman

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

On motion of Senator Nolin, and notwithstanding rule 58(1)(*g*), report placed on the Orders of the Day for consideration later this day.

CANADA ELECTIONS ACT

BILL TO AMEND—REPORT OF COMMITTEE

Hon. Pierre Claude Nolin: Honourable senators, I have the honour to present the tenth report of the Standing Senate Committee on Legal and Constitutional Affairs on Bill C-411.

Monday, June 8, 1998

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

TENTH REPORT

Your Committee, to which was referred Bill C-411**,** an act to amend the Canada Elections Act, has, in obedience to the Order of Reference of Thursday, June 4, 1998, examined the said Bill and now reports the same without amendment:

Respectfully submitted,

PIERRE CLAUDE NOLIN

Acting Chairman

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

[*English*]

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

Hon. Sharon Carstairs (Deputy Leader of the Government): With leave, later this day.

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

Some Hon. Senators: Agreed.

Some Hon. Senators: No.

The Hon. the Speaker: Leave is not granted.

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

(2020)

CANADA GRAIN ACT
AGRI-FOOD ADMINISTRATIVE MONETARY PENALTIES ACT
GRAIN FUTURES ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-26, to amend the Canada Grain Act and the Agriculture and Agri-Food Administrative Monetary Penalties Act and to repeal the Grain Futures Act.

Bill read first time.

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

On motion of Senator Carstairs, bill placed on the Orders of the Day for second reading on Wednesday next, June 10, 1998.

QUESTION PERIOD

HUMAN RIGHTS

ESTABLISHMENT OF SENATE COMMITTEE—GOVERNMENT POSITION

Hon. Donald H. Oliver: Honourable senators, my question is for the Leader of the Government in the Senate. Human rights violations around the globe are of great concern to senators on both sides of this chamber. Concerns over the abuse of women and children in many developing countries have been raised in this place. Almost as frequently, we have called upon the Leader of the Government in the Senate to use his office to immediately establish a committee, either a standing committee or a subcommittee of this chamber, so that Parliament would have a forum in which to fully debate human rights crises as they arise. Thus we could attempt to reach an informed resolution of this issue.

Canada has long been on the forefront of human rights reform, so why can this chamber not have an opportunity? Could the minister please advise this house when he will set up such a committee?

Hon. B. Alasdair Graham (Leader of the Government): Honourable senators, I know that this matter is under review by the Standing Committee on Privileges, Standing Rules and Orders, and it would not be up to the Leader of the Government to provide the Senate with a new standing committee or special committee; it would be up to the Rules Committee to do so, and I understand that that matter is under active consideration at the present time.

Incidentally, I agree, Senator Oliver, that it would be very wise for the committee to take seriously your recommendation.

ATOMIC ENERGY OF CANADA

AID AND INFORMATION SUPPLIED TO PURCHASERS OF CANDU REACTOR—SAFEGUARD OF SIGNING NON-PROLIFERATION AGREEMENT—GOVERNMENT POSITION

Hon. Mira Spivak: Honourable senators, a report in today's *Ottawa Citizen* makes it clear that Canada has offered, and is still offering, technical assistance to India and Pakistan, violating the spirit if not the letter of our 22-year ban on abetting nuclear weapons efforts in those countries. What is more, we have welcomed Indian nuclear scientists based at cloned CANDU reactors into the CANDU Owners Group where they attend seminars and receive valuable information. However, their reactors are not subject to international safeguards and inspections and, according to authoritative *Jane's Intelligence Review*, India has extracted military tritium from its civilian reactors.

My question for the government leader in the Senate, which I know he will be prepared to answer, is this: Should the government not be considering immediately withdrawing its permission for our nuclear experts to assist India and Pakistan until those countries agree to inspections, safeguards, and non-proliferation agreements?

Hon. B. Alasdair Graham (Leader of the Government): Honourable senators, that is an excellent question, and a very timely one. Senator Spivak mentioned the period of 22 years. I believe she is quite accurate in her time-frame. Canada terminated nuclear cooperation with India and Pakistan in 1976, when both countries refused to accept Canada's strengthened nuclear non-proliferation requirements.

However, in response to growing worldwide concerns about nuclear safety following the Chernobyl accident, and I believe that was in 1986, Canada agreed to allow India and Pakistan to participate in what they call the Information Exchange Program of the CANDU Owners Group. Through this program, India and Pakistan had access to non-proprietary, safety-related information that was in the public domain.

Then, in 1990, Canada was urged by the International Atomic Energy Agency, commonly known as IAEA, under international auspices to allow that agency limited safety assistance in order to address serious and urgent safety concerns at the Canadian supplied, IAEA safeguarded reactor in Pakistan and the two Canadian supplied reactors in India; all safeguarded under the IAEA.

However, India rejected the offer, and no safety assistance has been provided to them. Pakistan, however, accepted the offer and a carefully managed program of limited safety assistance under the auspices of the IAEA has been authorized. This assistance is diagnostic in nature and is aimed purely at determining the safety of the reactors themselves.

Senator Spivak: The point is that these Indian scientists at the cloned CANDU reactors are not subject to international review, and there is information getting through.

I want to pursue that line of questioning perhaps at another time, but right now I want to move to another question, which is related: That is that the Department of Finance, again according to sworn affidavit, has not seen or reviewed the contract for the CANDU reactor sale to China, or the contract to finance the deal, even months after both were signed. Considering that Canadian taxpayers will be on the hook for the next 22 year to the tune of $1.5 billion for the loan guarantee supporting that sale, that revelation is astounding. *The Ottawa Citizen* also reports that the former minister of international affairs received no help or advice from his department before he cosigned the $1.5-billion loan guarantee.

My question to the Leader of the Government is this: Why did the government rely solely on the salesman, that is Atomic Energy of Canada Limited and the Export Development Corporation, for financial advice?

(2030)

Can the leader assure us that the government received more thorough and objective advice and analysis when considering its loan guarantee in the CANDU sale to Turkey?

Senator Graham: I hope that I can answer that in the affirmative, but I want to bring more specific information to the honourable senator.

[*Translation*]

POST-SECONDARY EDUCATION

MILLENNIUM SCHOLARSHIP FOUNDATION—STUDIES UNDERTAKEN TO ESTABLISH PRIORITY—REQUEST FOR TABLING OF RESULTS

Hon. Jean-Claude Rivest: The Government of Canada has decided to invest $2.2 billion in a millennium scholarship program. Could the minister table in the Senate copies of the studies done by the federal government that led it to choose this very specific aspect of the problems faced by Canadian students in our educational systems? Why did the government prefer this aspect of the educational system to that of improving elementary teaching, teacher training, maladjusted children or university research? Why did the government specifically choose a very limited program of scholarships, since it does not apply to masters and doctoral programs?

I suppose the Government of Canada did studies to arrive at this choice to intervene in the field of education? Could the Leader of the Government in the Senate table in this house the studies the government used to arrive at its choice?

[*English*]

Hon. B. Alasdair Graham (Leader of the Government): Honourable senators, there is no question that education is a provincial responsibility. The Government of Canada, however, has a role in providing Canadians with equal access to education —

Senator Simard: Answer the question.

Senator Graham: — and access to knowledge.

Senator Simard: Answer the question.

Senator Graham: Canada Millennium Scholarships are precisely about access to knowledge and skills, and not about curricula and structures. I am not aware of any specific studies that were used in preparing and making this announcement, but if such studies are available, I would be pleased to bring them to the attention of my honourable friend.

[*Translation*]

Senator Rivest: Does this mean that we will consider the bill without the choice and the decision by the government being based on any sort of study? Do you not think that this intervention by the government in the field of education appears — if there are no such studies — totally out of the blue and no doubt rather opportunistic?

[*English*]

Senator Graham: This is Canada's way of celebrating the new millennium. We are investing in Canadians and in the future of Canadians rather than investing in new buildings and monuments. Despite the absence of an agreement between Canada and the Province of Quebec, we must move forward. We must move forward without interfering with Quebec's priorities in the area of education and without unjustifiably penalizing students who reside in Quebec.

Senator Lynch-Staunton: And who do not want the fund in its present form.

[*Translation*]

Senator Rivest: That means there are no specific studies, documents or research to support the choice. Why not start the millennium by promoting the training of teachers? Why not celebrate the millennium by combating the high school dropout problem, promoting research in Canadian universities, or encouraging graduate and doctoral students?

What studies and what logic prompted the government to choose this particular aspect of the field of education as a place to intervene in provincial jurisdiction?

[*English*]

Senator Graham: Honourable senators, as Senator Rivest has indicated, there would be a variety of choices. The government has selected this particular one, the millennium scholarship fund, in the interests of the future of the youth of this country and in the interests of the future of the country as a whole.

Senator Lynch-Staunton: Why wait two years? Do it now.

ORDERS OF THE DAY

BUDGET IMPLEMENTATION BILL, 1998

SECOND READING

On the Order:

> Resuming debate on the motion of the Honourable Senator Bryden, seconded by the Honourable Senator Pearson, for the second reading of Bill C-36, to implement certain provisions of the budget tabled in Parliament on February 24, 1998.

Hon. David Tkachuk: Honourable senators, the budget implementation bill before us underscores the need to separate legislative changes resulting from the budget. An omnibus bill forces the legislative bodies of Parliament to deal with, in fact, more than one bill, in this case making it impossible, to my way of thinking, to vote for the bill, in principle, itself.

An omnibus bus bill can be used to initiate broad tax reform affecting many pieces of legislation and many departments of the government, with the principle of the bill being tax reform of one kind or another.

This omnibus bill resulting from the budget itself will impose: changes to the way we treat pension benefits for seniors, with which I disagree; the sale of the federal government's Hibernia interests, with which I agree; and scholarships to students, clearly something within the purview of the provincial governments.

As many of you know, I have serious concerns about the management of the scholarship fund, apart from its constitutional ramifications. I have written a letter to all provincial and territorial leaders outlining my concerns with the administration of the fund, and a suggestion for possible solution. I believe all senators have received a copy.

I am still not sure — nor has the government made it clear — if scholarships will be based on need which, in effect, will make them bursaries, or on merit alone, or will simply be scholarships for the poor, that is, you win because you are the best academic from an impoverished group. Since these questions are not addressed, I question whether the government is responding to a need or is putting forward a program which some have suggested — as did the honourable senator who raised the issue during Question Period — is simply a program to send out "maple leaf" cheques, surely a bad reason for an initiative of this kind.

Honourable senators, in debate on this bill last Wednesday, Senator Bolduc pointed out that the foundation outlined in Bill C-36 makes the CPP Investment Board look like a model of accountability and transparency. I would have thought that, following the work of the Banking Committee on the CPP board, the government would have learned a thing or two. What is proposed is a foundation that will be given $2.5 billion, but without proper input from the provinces who are responsible for education, without proper accountability for how it will expend its funds, without a framework to ensure that the $2.5 billion the fund is to be given to invest will be properly managed, without legal protection for the personal information that several hundred thousand applicants will file every year, and without any role for Parliament to review its operations.

Honourable senators, last week the government introduced legislation to turn Revenue Canada into an agency. The tax agency will have direct provincial representation on its board of directors. Why not do this with the foundation as well? At the least, a nominating committee should be appointed by the provinces to draw up a list of names for the foundation's board, as was the case with the CPP board.

Bill C-36 requires that the foundation's board be knowledgeable about education and the needs of the economy. With $2.5 billion invested, should it not be the law that someone on the board of directors knows the difference between dividends and derivatives? Should the board not be required to set up, in addition to the auditing committee as set out in the bill, an investment committee as well?

(2040)

How will the foundation pick its investments? Will it be done in-house, or will they hire Gordon Capital? The Auditor General is the taxpayers' watchdog and an officer of Parliament, albeit an officer of the other place. I know this government does not like the Auditor General. Indeed, the tone used by the department to reply to the Auditor General's April report bordered on contempt. However, should the Auditor General not at least be listed as an eligible auditor for the foundation, and should the government not pick the auditor, given the amount of public money at stake?

The usual rule is that the auditor is there to protect the stakeholders, which are the shareholders in the case of a public company, and the taxpayers as represented by the government in the case of a Crown corporation. In this case the government is creating members to stand in place of the shareholders, and the members will thus pick the auditor.

A key question we should ask ourselves is, are the members the stakeholders in this foundation, or are the taxpayers of Canada the stakeholders? If the answer is the taxpayers of Canada, which it certainly is, then the legislation ought to assign the power to the Crown to hire or fire the auditor.

The board is required by law to keep its operating costs down. Should it not also be required to give Parliament sufficient information for us to judge if it is doing so? Transparency and accountability are essential to good governance.

This past spring, the Standing Senate Committee on Banking, Trade and Commerce looked closely at the governance structure set out for the CPP board. Some of the problems we thought should be fixed with respect to the CPP board are with us again today in Bill C-36, this time for another body. We wanted maximum transparency in the operation, administration and investment of the CPP board. Bill C-36 provides minimum transparency for the foundation board.

We recommended that the annual report of the CPP board and the results of any special examination or audit be referred to the appropriate committee of the House and the Senate. There is no referral of anything the foundation releases to anyone.

We recommended that the auditor and at least one board member be required to attend the public meetings held by the CPP board. While Bill C-36 requires that the foundation have a public meeting once a year, the law does not specify who must attend.

We recommended that the appointments to the board come from a list drawn up by a nominating committee and that this process be open and publicized in an appropriate manner. No such requirement exists in Bill C-36.

We recommended that all appointments to the board be on the basis of expertise and qualifications. Again, no such legal requirement is written in the bill.

We argued that the auditor be chosen by the minister so that we have accountability. As I have already noted, the auditor will be chosen by an artificially created group of members.

Honourable senators, my remarks are focused on the governance aspects of the foundation, but let us remember there is also a federal-provincial relations aspect to this bill, as so properly outlined by many of my Quebec colleagues. The legislation does say that the foundation may enter into agreements for administering the scholarships with interested provinces. However, as Senator Bolduc pointed out, the operative word is "may" and not "shall." This, too, is an area where the bill ought to be amended.

I want to revisit the background of what is happening with the millennium fund because I wish to address a more fundamental question exemplified in this session by the creation of the Canada Pension Plan board and in this bill the Millennium Scholarship Foundation board, and that is the question of accountability to Parliament. These two creatures of government have unique characteristics rarely found in other government hybrids such as Crown corporations, Treasury Board Crown corporations and agencies. Auditors are not appointed by the shareholders but by the board itself, and the Auditor General is nowhere to be seen. They are non-profit organizations operating under the auspices of the Crown and funded by tax dollars, unlike real non-profit organizations, which constantly have to explain to their volunteers and donor base why they should be supporting these non-profits. The boards set up by the government do not have to explain themselves or their actions to anyone. Parliament in the other place does not seem to have woken up to the threat to their very essence to approve and examine Crown moneys.

It seems very strange that I am making this speech while the leader of the Reform Party in the other place is criticizing the Senate. Frankly, honourable senators, he and his pack of Reform members are passing bills with cursory examination. There is very little opposition, and then they attack the very essence of Parliament itself. It is disgraceful work.

We also have the same attempt at removing responsibility and accountability at the airport level, where non-profit organizations are being given the assets of Canadian taxpayers. I admit that this was started by the previous government and continued with great speed by this government. However, the fact remains that the airports of this country are being given the assets of the Canadian taxpayer. They are being asked to use the business of the airport and consumer fees — which is another form of tax, a user fee — to pay for airport infrastructure. In fact, the term "non-profit" is a misnomer in this case. They will have to make a profit to pay for depreciation and capital investment. At the same time, there has been no corresponding decrease in income tax. The government has said that it will give these non-profit organizations all the assets, but the money it used to spend on supporting infrastructure like airports will no longer be spent. However, this money is not being given back to the taxpayer. Not only will taxpayers continue to pay the same taxes they used to pay to provide for the airports, but now taxpayers will have to pay $10 to get on a plane and pay up to $56 on any airplane ticket they buy.

Passengers are paying at the gate. This wholesale give-away of taxpayer's assets is behaviour that shows a terrible negligence towards the taxpayers' dollars. I put the CPP board and the millennium fund in exactly the same place because they are being funded by taxpayers and are being given taxpayers' money. In the case of the CPP board, they are extracting taxpayers' money, forcing them by law to pay money into a pension plan with respect to which they really have no say because Parliament will give up its say on how the the pension plan board operates. I think that is an abomination and something to which we, senators on both sides of this place, should pay very close attention. I know many senators, Senator Bolduc being one, who are afraid of this kind of negligence because it is an abrogation of our duty as parliamentarians.

There appear to be two reasons for this unhealthy drift in public policy. Political responsibility is seen as a negative. That is a strange thing to say about Parliament. As well, the federal government has lost its way and does not know where its priorities lie, and Bill C-36 is a perfect example.

The right of an elected official to sit on the board of a Crown or a non-profit organization to represent the shareholders is being withdrawn. We have become embarrassed because other political parties say it is political. Of course it is political. We live in a political system. Instead of defending our political system, we are abrogating our responsibility, but we are causing a greater sin by abrogating our responsibility to the people who pay the taxes in this country. That word "political" connotes badness, as if people who are not elected are pure of heart; and those elected, particularly if they are the government, are branded as corrupt. The electoral process corrupts, except it does not corrupt everyone, just those in government, according to opposing forces to the political system.

Some lawyer, banker, farmer or plumber who has been an outstanding member of his or her community may run for elected office and get the support of the majority of the constituents. They may say, "We like this person, and we want this person to represent our interests as soon as they become elected". They cannot be trusted to represent the interests of either the government or the Crown. We must appoint to those boards people who have absolutely nothing to do with the electoral system, for no one is responsible to the House of Commons."

(2050)

Governments, fearful of being seen as political, are handing over powers to people with no accountability in the mix — that is, no Auditor General and no ministers directly responsible in the House of Commons.

From what I have been reading, the second reason for this move is the lack of priorities by government. The federal government is abandoning its traditional role of tying the country together by way of ports, airports, highway systems and railroad lines so that we can move people and traffic across the country. This abandonment is occurring in favour of provincial areas of responsibility, where the federal government has no right. Today the federal government is more involved in health, education and social safety nets. It prefers to be seen as the saviour of these programs, and to impose its wishes upon the provinces, instead of ensuring that the resources and finances are available to them to service their own problems in their own particular way.

In response to a question, the Leader of the Government said, "We will not build buildings." Surely we have already given up the right to build airports. We are giving up the right to build ports. We are charging tolls on highways. We are no longer tying the country together. We have abandoned passenger traffic and have said, "No. We will not do any of that. We are not responsible for anything for which the federal government is responsible. We want to become involved in those things for which the provinces are responsible."

We give grants to businesses rather than providing an economic climate in which businesses can survive, and establishing a tax regime so businesses can make profits, pay dividends and create wealth in the country. We supply elites by giving tax breaks and subsidies to artists, filmmakers, novelists and television programs, while the Canadian military —

The Hon. the Speaker: Honourable senators, I regret that I must interrupt the Honourable Senator Tkachuk because his 15-minute time period has elapsed.

Is leave granted for the honourable senator to continue?

Hon. Senators: Agreed.

Senator Tkachuk: The arm of the government whose duty it is to protect the sovereignty of our laws has deteriorated to the point where rapes are described by Minister Eggleton as "poor behaviour."

We in the Senate must be the guardians of parliamentary sovereignty. We must apply the experience of this place to take a stand against these creatures of government such as the millennium fund and the CPP fund. Honourable senators, I ask you to defeat this bill.

Hon. Thérèse Lavoie-Roux: Honourable senators, I rise this evening to address Bill C-36, the Budget Implementation Bill.

I am most alarmed that this bill was passed in the House of Commons, despite objections to a number of aspects of it from all opposition parties and, more significantly, from the citizens whom we serve. It seems that the government is steadfast in its intent to proceed with implementing the budget, regardless of how Canadians feel about it.

Last week, and this evening, we heard from fellow senators who raised concerns about Bill C-36. We listened to their concerns with due consideration. Although it is not my wish to be repetitive, I feel impelled to express a few points concerning some of the harmful effects which implementing this bill will have on children, youth and seniors, as well as on federal-provincial relations.

Honourable senators, please do not misconstrue my objections to the bill as a rejection of it in its totality. On the contrary, there are several sound ideas brought forward in the bill. The omnibus nature of Bill C-36, however, invites controversy since the target is enlarged. The likelihood is greater of people objecting to one part or another. I will speak only to four parts of it.

Part I of the bill establishes the Canadian Millennium Scholarship Foundation, a new federal body which will grant scholarships to post-secondary students to the amount of $2.5 billion, beginning in the year 2000. Honourable senators, I strongly disapprove of the millennium foundation on a matter of principle. It was set out in the Canadian Constitution that education falls under provincial jurisdiction. The division of power — and this was, and continues to be, agreed upon — is such that the federal government is responsible for transferring public funds for education to the provinces, and the individual provinces are responsible for administrating their respective educational systems.

Senator Bolduc told us last Wednesday that, in 1964, Quebec opted to administer its own system of loans and bursaries, and that this settled a dispute which the government is now reopening by undermining the agreement. Given the present contentious and perhaps volatile relations between the federal government and Quebec, it is of extreme importance that we foster mutual respect and honour existing federal provincial agreements, not violate them.

[*Translation*]

Honourable senators, this is not a partisan question. I would like to quote a portion of my response to the Speech from the Throne in 1991, when the Conservative Government was in power.

At that time, I was defending the provincial jurisdiction over education, and I quote:

> Those real problems do not warrant however that the federal government, through its spending power, interferes directly in the area of education. Surely, it is the area where Quebec is more jealous of its autonomy.

Of all provincial jurisdictions, education and culture are the ones that matter the most to Quebec.

On that same occasion I reread a passage from the beige book, released in 1979 by the Liberal Party of Quebec, as follows:

> In both areas of education and culture, we want to maintain the historical position of Quebec, which has always stated the primordial role of the province and has always viewed rather unfavourably the federal initiatives. The Constitution of 1867 fully supported that attitude. Quebec has prime responsibility for the protection and the development of its French cultural heritage. Its government is in the best position to determine which measures are required in order to maintain the originality of Quebec's society and to help it develop.

If I quote these two passages, it is to show you that, regardless of the political stripe of the federal government, regardless of its objectives, there are certain principles concerning federal jurisdictions that must not be tampered with or made the subject of exceptions. I am thinking of education in particular.

[*English*]

That the federal government is involved at all in loans and bursaries is problematic. Might I remind honourable senators that the Subcommittee on Post-Secondary Education — and I was a member of that committee — in its December 1997 report, made reference to the problem of the existing patchwork approach of our federal-provincial note system, and called for a more harmonized system. The creation of the Millennium Scholarship Foundation only further complicates an already troubled system.

Should I remind you, honourable senators, that when we heard witnesses from all of the provinces, the only province that already had a program of bursary scholarships — and, I might add, has had one for a number of years — is Quebec. This makes everything more difficult.

Also addressed in the same Senate report was the fact that, despite rising enrollment in Canadian post-secondary institutions and the ever increasing demands, expectations and costs of higher education, government financial support of education is eroding. It is no secret to anyone in this chamber that the universities are in trouble. The quality of the education that they are dispensing is being questioned more and more every day.

(2100)

The special Senate committee recommended that the federal government, while continuing to respect provincial jurisdiction, renew its strong commitment to post-secondary education. It is understandable that government resources were cut back in times of economic constraint. It stands to reason, then, that when the government has the kind of fiscal room of which it presently boasts, it would reinvest its resources in the foundations which had been eroded.

Is it not surprising that the federal government is choosing to ignore the myriad of needs of the education systems of our provinces which are outlined in the report as well as they are in countless other studies and reports? Consider, for instance, quality of education, equal accessibility — with which we know there are tremendous problems even at the secondary level — and research, to name only a few. Instead, the government has arbitrarily and unilaterally decided to set up an additional bursary system with its surplus fund. This does not at all show a respect for provincial jurisdiction, nor does it show a strong commitment to post-secondary education. It shows a need to mislead the public with an act of tokenism, one which is exclusive since it targets only a fraction of students in need, and maybe not even those most in need.

Honourable senators, further to the concerns we have raised, Bill C-36 is riddled with problems with regard to how the Millennium Scholarship Foundation will be governed. In the Senate, over the past week, we have heard that the foundation will not be obligated to enter into agreements with any province, that the provinces have no direct say in the selection of the members of the board of the foundation, that there have been no processes set up by which the funds will be invested, that privacy of student information and accountability of the board have not been adequately taken into account, that the foundation does not take into account post-graduate students, et cetera. We have also heard, both in this chamber and in the House of Commons, a number of suggestions for possible solutions to such problems. At the very least, Senator Beaudoin's recommendation that this bill be sent to committee for further discussion must be adopted.

[*Translation*]

I also support Senator Bolduc's proposal to obtain an administrative agreement and I wholeheartedly support the motion passed unanimously in the National Assembly on May 14, which I quote:

> That, for the benefit of Québec students, the National Assembly urgently ask the Federal Government and the Quebec Government to resume the negotiations regarding the millennium scholarship in order that an agreement respecting the following principles may be reached:
>
> the part granted each year to Québec students is determined by means of a formula based on demographic parameters;
>
> Quebec selects the students who shall receive a scholarship and provides the foundation with this list;
>
> the foundation sends, according to the methods agreed upon with the Quebec Government, the scholarships to the recipients;

They are prepared to add a little Canadian flag, if you like:

> Furthermore, the National Assembly acknowledges the Québec Government$s intention to allocate the amounts thus saved in its scholarship program to the funding of colleges and universities.

[*English*]

Earlier in my address, I stated my intention to speak to four parts of the bill. With respect to the remaining three, honourable senators, I will be brief.

Part 9 of the bill relates to the Canada Child Tax Benefit. Although the intended additional spending will aid in addressing the problem of child poverty in our country, the Canadian Council on Social Development estimates that over 1 million children will continue to live in poverty. Furthermore, because the benefit will not be fully indexed to the cost of inflation, the actual value of these funds will be reduced by about $100 million per year.

As well as reducing their value over time, partial deindexation weakens child benefits since fewer and fewer low-income and modest-income families will be receiving the maximum amount. Since the 1989 resolution in the House of Commons to work toward eliminating child poverty by the year 2000, ironically, and most unfortunately, there are now 482,000 more poor children in Canada. The child tax credit is the primary means by which to increase the income of low-income families. It is time to consider not only the poverty of children but also —

[*Translation*]

The ingredients of poverty are family instability, family problems, and the minimal support given families. Six months ago, I suggested that we should perhaps look at the overall picture of the family.

[*English*]

More alarming, however, is the general reduction in federal spending on health, social assistance and education. Although the Canada Child Tax Benefit could, potentially, be a positive strategy, it does not begin to replace the funds taken out of federal government spending in these areas. For Quebec alone, the government has cut transfer payments to the province by $1.7 billion since it was elected. By the year 2002, it is estimated that cash transfers to Quebec will have fallen by $2 billion.

The government had promised to increase by $1.5 billion its Canada Health and Social Transfer payments to all provinces. Yet, it is reducing its spending on health, social assistance and education by $6.3 billion. The impact of such cuts on social condition is indeed very serious, as I am certain you can appreciate.

[*Translation*]

As I said in my reply to the 1991 Throne Speech, and I quote:

> Efforts towards better education and better integration in the workplace will greatly remain useless, because poverty is the source of ill health, of school failures and dropping-out, in other words, of the development of the poverty subculture with all its consequences.

[*English*]

Honourable senators, senior citizens will also be affected by the budget implementation act; in particular, the poorest of the elderly population. Part 12 of the act targets the Guaranteed Income Supplement, a benefit provided to the lowest income seniors. The elements of clawing back and rounding off the income of Guaranteed Income Supplement recipients represents an erosion of their earnings. How unconscionable it is to seek to worsen the financial plight of the poorest of Canadian seniors, even if the government might intend to rectify the problem in future legislation.

[*Translation*]

In conclusion, I would like to say a few words about the part of the bill requiring that the Minister of Finance approve foreign aid. If this were to be passed, we would be giving the Minister of Finance complete authority to distribute up to $2.5 billion U.S. without prior approval by the Minister of Foreign Affairs. This means removing government control over very significant foreign aid spending. It was suggested to the House of Commons that two conditions be placed on approving an expenditure of this sort, those being that human rights and the ratification of the land mine treaty be examined before aid was approved. As it stands, the bill contains no such conditions.

[*English*]

Honourable senators, I have outlined my concerns with Bill C-36 as it relates to children, youth and seniors, as well as to federal-provincial relations and international affairs. I firmly believe that, in good conscience, we cannot proceed with this bill. It is characterized by contradiction and risks which we must address as responsible parliamentarians. The role of the Senate, that of sober second thought, is being called upon by Canadians and must now be exercised in the interests of protecting the public interest.

[*Translation*]

I issue a special appeal to all my colleagues across the way, but especially to those from Quebec. Why create this sort of problem at a time when relations between Quebec and Ottawa are strained? What will be the gain? I think that Senator Bolduc suggested finding some sort of administrative arrangement that will allow each level of government to act within its own sphere of responsibility.

I make this request to all my colleagues, particular those from Quebec.

[*English*]

(2110)

Hon. A. Raynell Andreychuk: Honourable senators, I, too, wish to speak to Bill C-36. I will not go over the ground covered already by other senators. I wish to discuss several measures in Bill C-36 related to post-secondary education and limiting the burden of student indebtedness.

Several honourable senators have already spoken at some length on one of the proposed measures, the Millennium Scholarship Foundation. I, too, shall have something to say on that subject. Before doing so, however, I should like to comment on other post-secondary educational measures contained in the bill and also those that should have been there.

Honourable senators will recall the primary concerns of the Special Senate Committee on Post-Secondary Education. I commend to your reading the five points upon which the recommendations of this committee were based.

In its report, the committee advanced 27 recommendations directed to the attainment of the objectives that were outlined. Since the deliberations of the committee that resulted in the release of the report, three events have occurred which warrant our revisiting the subject of post-secondary education. First, the first report of the Standing Committee on Human Rights and the Status of Persons with Disabilities, a document that covered much the same ground as our own report, was tabled in the House of Commons. Second, the Minister of Finance has brought down a budget in which measures affecting post-secondary education figured prominently. Third, Human Resources Development Canada has released a document entitled, "Ensuring Opportunities: Access to Post-Secondary Education," its response to the report of the standing committee.

It is regrettable that the government has not seen fit to respond to our report. Given these developments, I believe it is appropriate to take stock and inquire to what extent the recommendations of the Senate special committee are reflected in the current government policy.

I am gratified by the attention given in the budget to the problems of post-secondary education and those related to student accessibility to our post-secondary education institutions. For example, the funding of the granting councils is to be restored to their former levels. However, there can be no doubt that those former levels were decidedly inadequate to sustain Canada's competitiveness in the global economy. One statistic suffices to show the magnitude of the problem — per capita spending by the Canadian federal government on research is $9.25. The comparable figure in the United States is $73.

What is necessary here are policy initiatives that will raise the percentage of gross domestic product devoted to R&D in Canada, at least to the levels of our major international competitors. Unfortunately, I find little evidence of an appreciation of this imperative in the documents that I have identified, and these would be legitimate areas of concern for the federal government. Without further significant developments, we will continue to lose many of the brightest and ablest of our younger and more innovative researchers. This is a critical issue that demands immediate attention.

On a related issue, I continue to be concerned about what I perceive to be an excessive reliance in the R&D area on partnership arrangements with the corporate sector. As I indicated in my earlier statement, listing the participation of our corporations in supporting research at our universities is clearly desirable. However, there must be recognition that potential corporate partners are not equally available across Canada or to all institutions. In consequence, it is essential that partnership arrangements be supplemented by alternative programs that maximize the benefit and full potential of all our post-secondary institutions. This matter is still to be addressed.

On the issue of accessibility to post-secondary education, the government has introduced a series of initiatives under the heading Canadian Opportunities Strategy. There is much in the strategy that follows the recommendations advanced by our committee to improve access to post-secondary education and to lessen the burdens of post-secondary student indebtedness.

While our recommendation to restructure registered education savings plans to parallel the structure of registered retirement savings plans was not adopted, I applaud the introduction of the Canada Education Savings Grant to augment the savings by families within registered education savings plans. I also commend the introduction of a tax credit in respect of the interest payments on Canada student loans, a measure that achieves the same objective as the deduction proposed by the Senate committee.

I was disappointed, however, by the failure of the budget to make the tuition and post-secondary education tax credits refundable. Since unused credits may now be carried forward and utilized, probably after graduation when circumstances permit, they will not go to waste. Why not make them refundable so that the students can benefit from them when their need is greatest, that is, when they are still students?

The improvements to the Canada Study Grants that provide assistance to students with disabilities and to student loan recipients with dependants is also covered. They parallel the recommendations advanced in our report. Again, however, I am disappointed with the failure to provide an infrastructure funding strategy directed to making our post-secondary institutions more accessible to the disabled as we so strongly recommended.

I believe it was one of the strengths of the report of the special Senate committee that it emphasized the importance of our post-secondary education system as a determinant of the competitiveness of Canada in the global economy. These are areas to which I have pointed and to which the federal government could have paid attention in furtherance of the cause of post-secondary education in Canada, rather than some of the measures upon which they embarked, in particular, the Millennium Scholarship Fund.

The report of the special Senate committee emphasized that the realization of Canada's needs and potential in the area of post-secondary education would require the concerted efforts of both the federal and provincial governments working in conjunction with our post-secondary institutions. In other words, the subcommittee recognized that there was a role for the federal government, an overwhelming role for the provincial governments, and a role for the post-secondary institutions. If we were to succeed on a post-secondary education strategy in Canada, all three would have to be taken into account.

Most important, both levels of government must be guided by a mutually acceptable course of action or strategic plan. The joint development of such action is a prerequisite for concerted action. The various initiatives included in the Canadian Opportunities Strategy, and thus Bill C-36, are largely unilateral federal measures. Of course, this is particularly true of the Millennium Scholarship Foundation. The proposed structure of these scholarships is undoubtedly the most problematic.

While I support the objectives of the scholarships, namely to increase accessibility and reduce the level of student indebtedness by taking into account both the need and the academic merit of recipients, I consider it most unfortunate, ill-timed and counter-productive to add an entire further layer of federal administrative apparatus, one that, in my opinion, flaunts provincial responsibility.

It is also unfortunate that the method of awarding the scholarships is a direct federal intrusion into an area of provincial constitutional responsibility. I realize that there were serious difficulties. For several decades, the federal government has been financing approximately 50 per cent of the costs of post-secondary education in Canada, but many of the student beneficiaries were totally unaware that the national government was providing this support. Surely, it would have been possible in a spirit of cooperation for the federal government to work with the Council of Ministers of Education to develop a scholarship disbursement process that utilizes existing structures and which also ensures that scholarship recipients are aware of the magnitude of the contributions from each of the supporting governments.

(2120)

Facilitating improved access to our post-secondary institutions is too important for political egos to hinder a mutually acceptable solution.

I am also aware that the federal government cut-backs have meant that the systems of post-secondary education which the provinces have put in place have been scaled back and underfunded. Cut-backs in provincial government resources due to their own deficits compound the problem. Each province's route to the solution has also compounded the pressures on post-secondary education.

Some provincial governments are opting to increase tuition fees, while others are freezing them. While tuition fees for students in Quebec have been frozen and hence they do not carry the debt loads of other students in Canada they, nonetheless, suffer the hidden costs of schooling such as housing and other costs of modern technology and education. More important, post-secondary institutions have not been adequately supported. This has taken a toll on the quality of education and on the infrastructure of post-secondary institutions. An example of this is the posting of the University of McGill's massive deficits and the restriction of options for students to study outside of Quebec. Ontario has proposed massive hikes in the costs for students in their professional colleges. The lack of support for research graduates throughout Canada is leading many Canadian scholars to leave Canada. The competitive edge due to our technologies for our businesses is in jeopardy.

The first signs of Balkanization of our post-secondary education system are becoming evident. Quebec already imposes discriminatory fees on out-of-province students, and British Columbia is threatening to do so. It is folly to attempt to provide every specialization in every region. That is a prescription for academic mediocrity. Rather, we must encourage and have a system that permits and facilitates Canadians to study in those institutions that best meet their needs, wherever these institutions may be in Canada or, in some cases, elsewhere.

Such interregional mobility of post-secondary students would make an enormous contribution to better understanding and competitive learning. We must ensure a coherent national strategy for post-secondary education to which both levels of government are prepared to commit and be guided.

Senator Bolduc and Senator Rivest have spoken eloquently about the need to respect the role of the provinces in education. In its report, the Special Senate Committee on Post-Secondary Education urged the federal government to establish a long-run strategy for the future development of our post-secondary education system. We felt that this could be done without inappropriately intruding upon the provinces' constitutional jurisdiction, while still ensuring improved intergovernmental articulation of post-secondary matters.

With such a strategy, I believe we could all have more confidence that post-secondary education will develop in a consistent and coherent manner that will provide this vital sector of society the opportunity to contribute as it must contribute if this nation is to prosper in the new millennium.

I am disturbed at the apparent absence of such a strategy or even an appreciation of the need for such a strategy in the three documents to which I have referred.

The federal government hints that cooperation with provinces, especially Quebec, was not forthcoming. I suspect quite the contrary. A political process has been charted for the millennium; when post-secondary education was not the flavour of the month, the Prime Minister's millennium fund surfaced. It was not accepted by our Senate committee. Lo and behold, it surfaced in a draft before the last election. We again said, "no."

A millennium fund run by the federal government was not an option; however, funds to the provinces was an option, along with the need for provincial cooperation and coordination. As this unusual charade was being played out before the members of our committee, all officials, including provincial government officials, were pointing to the Council of Ministers of Education as the appropriate and working vehicle for a national strategy.

The Hon. the Speaker: I regret that I must interrupt Senator Andreychuk as her speaking time has expired.

Is leave granted for the senator to continue, honourable senators?

Hon. Senators: Agreed.

Senator Andreychuk: Thank you.

This national strategy of post-secondary education was to be directed from within the council of ministers; it was to be national, but not federal. That distinction is worth noting.

A consensus of provinces with input from the federal government is necessary. In something as sensitive as education, Ottawa ought to display a position of sensitivity. This would be a cause to build confidence in Canada.

Perhaps students will remember a cheque from Mr. Chrétien. I hope it will not be a remembrance of a prime minister's ego above the best interests of a unified Canada. It is not too late to accomplish both, with the utilization of clause 29 of Bill C-36, or a return to the council of ministers' solution.

Our efforts may be for naught if the federal government ignores the future of young Canadians by ignoring and not respecting our federation. Real education can be achieved by example. The federal government's involvement in post-secondary education is necessary but it should not usurp the role of provincial governments.

Education is personal and highly sensitive. Its positioning in provincial hands is a comfort to many that they control their own destiny. It is a tribute to the Fathers of Confederation that they placed placing education in provincial hands.

My concerns about the millennium fund are also directed at the fact that it is operated at arm's length. We do not need a think-tank style for new initiatives. We need a federal government fully responsible and accountable for the integrated strategies with education, employment and innovative research, all in the context of cooperation with the provinces. We do not need an outside agency to be in charge of our future. This tendency to appoint agencies, institutes, czars and provocative groups to prod the collective conscience of our government is admirable as an adjunct, but there are no substitutes for parliamentary governments.

What is most ironic is that everybody speaks about the urgency for students, for Canada, for unity. However, for all the action that has been taken, the millennium fund does not click in until the millennium. Yet, we are now feeling the negative impact of the political actions within the millennium fund.

Therefore, it is time for a change. I would urge the government to work with and not against the provinces towards a comprehensive education strategy with full input from the federal government, the provinces and post-secondary education. It is not too late. There are vehicles by which Bill C-36 could be incorporated.

Hon. Ethel Cochrane: Honourable senators, I am pleased to have the opportunity to contribute to the debate on Bill C-36, particularly as it relates to the Millennium Scholarship Fund.

Senator Bolduc spoke at length on Bill C-36 last week. In his review of the legislation, he made some discerning remarks about problems with the organization, and with the administration of the proposed Millennium Scholarship Fund. He also expressed concern about intrusion into this area of provincial jurisdiction.

I should like to raise some additional concerns about the Millennium Fund. First, I will deal with the timing of the expenditures.

(2130)

The government acknowledges that many students face a crisis situation and that is why this scholarship fund is being established. It is intended as aid for needy scholarship students. There are many of them, as we all acknowledge. Tens of thousands of students are graduating from colleges and universities with debt loads of over $20,000. Over 20 per cent of graduates are defaulting on their loans and many thousands are declaring bankruptcy. Financial institutions are increasingly reluctant to take on student loans.

This situation, honourable senators, is not getting any better; it is getting worse, as large annual tuition fee increases continue to be the order of the day. Increases of 10 per cent for undergraduates seem to be the norm across the land, with much larger increases for professional programs. New medical students

at the University of Ottawa face 20 per cent higher fees next year. The University of Toronto will more than double fees for medicine, law, and other professional programs over the next couple of years.

This problem of rising costs for students was created by the federal government. The large cuts to transfer payments to the provinces in the Finance Minister's 1995 budget, the cuts in funding for post-secondary education and health care, now mean the provinces are receiving $6 billion less per year in cash transfers. The result has been hospital closures and increased tuition and rising student debt.

In the face of this situation, the government is acting shamelessly. The $2.5-billion millennium fund has been put on the books as an expenditure for 1997-98. The money has been allocated and the fund is in the bank, yet not a single scholarship will be given out to a needy student until two years from now. Why? Why is the government refusing to help students this year, or next year, when it has already spent the money to do so? Why must 100,000 students for each of the next two years take on thousands of dollars in additional debt? In response to this budget, Mr. Brad Lavigne, the national chairman of the Federation of Canadian of Students, said:

> We need a national system of grants now, not in the year 2000.

I share his view. The government recorded a surplus of $4 billion last year, and economic forecasters expect a surplus of about $10 billion this fiscal year, but the government will not give out a dime of this scholarship money until the year 2000.

My second concern is the effect of this program on provincial priorities. The federal government has a budgetary surplus and has money already set aside for scholarships but because the government refuses to assist students this year, my provincial government in Newfoundland and Labrador was forced to set aside $4 million for student assistance this year. Canada's poorest province is running a deficit and must borrow that money. Why should the province add to its debt because the Prime Minister and the Minister of Finance refuse to give aid to students now?

I know that in Quebec the situation is very different. Tuition fees there are about half the cost of elsewhere in Canada, unless you are a student from another province, but that is a separate issue. The result is that student debt loads there are about $11,000 on the average, less than half the average student debt load in the rest of Canada. In British Columbia, student fees have been frozen in recent years.

These provinces might reasonably argue that their priority might be to make expenditures elsewhere, such as on health care. I see some danger that, in future years, some provinces may seize on this millennium fund as an excuse to even further reduce funding to post-secondary education. That may result in even more drastic increases in tuition fees and even higher student loans. These scholarships will go to only about 7 per cent of post-secondary students, according to the estimate of the Canadian Federation of Students. The other 93 per cent of our students may face even higher future debts as an unintended result of this program.

A further potential distortion for the provinces is in enrollment. It is possible, in fact it is likely, that the availability of the millennium scholarships will attract some high school students to go on to post-secondary studies when they would not otherwise. That is, of course, quite desirable, but we should recognize that tuition covers only a portion of the cost of post-secondary education. Additional students mean additional costs for the provincial treasuries; costs which the federal government should consider alleviating through increased transfers to the provinces for post-secondary education.

My final concern is not with the millennium fund or with the provisions of Bill C-36, but with what is not in Bill C-36 and that is meaningful assistance for young Canadians. Apart from the scholarship fund, there are several other measures in the budget to assist students; study grants for students with children, partial tax credits on the interest of student loans, interest rate relief, and extended payment periods for low-income graduates, incentives to save for education, and some tax relief for part-time students.

All of this adds up to $3.15 billion in spending commitments in this budget for post-secondary students, but the majority of young Canadians do not take post-secondary education. The unemployment rate for youth continues to hover at around 16 per cent nationally, and much higher than that in provinces like mine. The only new initiative in this budget for unemployed young Canadians is a $50 million addition to the Youth at Risk Program which provides skills development and on-the-job training for school drop-outs. The majority of young Canadians should be very disappointed at being virtually ignored by the federal government.

In summary, honourable senators, it is a national shame that a government that now has significant budget surpluses will ignore for two years longer a student debt crisis that this government largely created. I see significant problems here for provincial governments and I am quite sad to see that the majority of our youth are being ignored.

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, I too, would like to say a few words on that part of Bill C-36 dealing with the millennium fund. I may repeat what some of my colleagues said. I do not apologize for that because I feel that some of the sentiments expressed on this side are extremely important. I will try as much as possible not to repeat but if I do there is a purpose.

A number of my colleagues have already outlined the reasons behind the universal condemnation in Quebec of the foundation, not only in a unanimous resolution of the National Assembly, but also by those directly involved in education there; teachers, students, and administrators alike. Before touching on that, however, I wish to point to some of the features of the foundation which, if interpreted correctly, will lead to the creation of a multi-billion dollar organization, answerable to no one but itself and made up of individuals whose association with the foundation's objectives need only be cursory at best.

The foundation is to be made up of 15 directors and 15 members. The first six directors, including the chairman, are to be named by the government. The first six members, also named by the government, then name nine other members after, and I quote from the bill:

> ...taking reasonable steps to consult with provincial ministers, and with representatives of post-secondary and learning organizations in Canada that they consider appropriate...

Then the 15 members name nine additional directors, again, after taking additional steps, et cetera.

There is no definition of "reasonable steps". There is no definition of what is considered appropriate. I believe that these omissions are deliberate.

(2140)

The least one would have expected is that it be required that each province and territory have direct representation on the board and on the foundation, thereby allowing direct participation by a majority with direct experience in education, which, after all, is exclusively a provincial jurisdiction. In fact, the wording of the clauses relating to the make-up of the board and of the foundation is such that both can be made up of individuals more sympathetic to the partisan value of the foundation than to the true educational needs of Canadians.

This is reinforced by clauses 10 and 14, which simply state that one, whether a director or member should be:

> ...knowledgeable about post-secondary education and learning in Canada and the needs of the Canadian economy.

The foundation will have up to $2.5 billion at its disposal which, with interest, must be paid out over a 10-year period beginning on the day the foundation grants its first scholarship. One looks in vain for a clause directing the board's investment policy. After all, we are talking about $2.5 billion of taxpayers' funds, already set aside in this year's budget despite the Auditor General's strong objection to such a serious breach of basic accounting practices. All we can find is clause 22 which instructs the board to:

> ...establish investment policies, standards and procedures that a reasonably prudent person would apply in respect of a portfolio of investments to avoid undue risk of loss and obtain a reasonable return, having regard to the Foundation's obligations and anticipated obligations.

This reads to me as if it has been lifted from any number of mutual fund prospectuses that cross one's desk all too frequently. It does not recognize a 10-year limit on the fund or the need to emphasize income. Inexplicably, it makes no restriction on the type of investments which can be made, except for real property, and casually grants the board authority to invest in any form of security anywhere in the world, if it is so inclined. Furthermore, it can do so without fear of outside supervision as, once again, the Auditor General is refused an opportunity to exercise his responsibilities despite the fact that taxpayers' money will be at risk.

What Parliament is being asked to approve is a government-controlled foundation with unlimited investment jurisdiction over $2.5 billion in taxes without outside supervision by a group of individuals whose only qualification is to be knowledgeable about post-secondary education and learning, which I do not think exempts very many Canadians, by my interpretation of that qualification. They need no expertise even in the evaluation of a scholarship application, or in how to award them. There is no requirement that they have any knowledge on investment procedures. I can only hope that the Finance Committee can find witnesses who can refute the assessment I have made of certain clauses of this bill, because, if it cannot, the foundation as presently proposed does not deserve to be proceeded with.

Finally, I want to draw the attention of honourable senators to recent remarks made by the Minister of Intergovernmental Affairs, which serve to reinforce some of the anxieties expressed earlier by a number of colleagues on this side. While I am not convinced that the minister has yet to make his mark as a politician, I recognize his knowledge in constitutional matters and listen with respect when he speaks as an academic.

It was in such a role that on May 28 last, he spoke on federalism to the Queen's University Institute of Intergovernmental Relations. The following extracts which I am about to read are not, I assure you, taken out of context:

> I maintained that it was identity, rather than the division of powers, that is at the source of our unity problem. Francophone Quebecers want the assurance that their language and culture can flourish with the support of other Canadians. They want to feel that their language and culture are seen by other Canadians as an important asset, rather than a burden. They want the assurance that they can be both Quebecers and Canadians, and they don't have to choose between Quebec and Canada.

The minister continued:

> The Constitution must be respected. We must do away with the all-too-convenient excuse that a given governmental initiative responds to a need that is too urgent to be stymied by issues of "jurisdiction". Infringement of jurisdiction creates confusion which damages the quality of public policy.

Minister Dion continued:

> There are few policies that the Government can accomplish alone without the active cooperation of the provinces.
>
> Autonomous spheres of activity are important in our federation; they must not be needlessly whittled away so that we fall into what the Europeans call the 'joint decision trap.'
>
> In striving for joint action, we must also take into account the diversity of the country. The provinces have their own specific characteristics and sometimes adopt differing policies. So, for example, the job training agreements allow the provinces to choose between a co-management formula with the federal government or greater autonomy. In the same way, federal funding for the new child benefit comes with budgetary flexibility that allows the provinces to use the funding in accordance with their own child and family poverty policies.

In an earlier speech, given on March 28 at the University of Ottawa, one can find a similar approach as the following extracts from Minister Dion's speech there will demonstrate:

> Let me take another example from the headlines that places our federation in a comparative perspective: the Millennium Scholarships. The federal government has decided to establish a private foundation and provide it with initial funding of $2.5 billion over ten years to give scholarships to low- and middle-income students. The federal government is committed to consulting the provincial governments to ensure that the foundation avoids duplication, uses existing provincial needs assessment mechanisms, and has the power to contract with the provincial authorities to select recipients. Moreover, Canada's Council of Ministers of Education will play a key role in determining the foundation's directors.

This by itself would satisfy a lot of Quebec's concerns, but little of this is included in the bill before us.

Minister Dion continued:

> The Government of Quebec is understandably concerned about the risk of duplication. Indeed, that province has developed a very complete scholarships program since it exercised its right to opt with financial compensation in this field in 1964. So the governments need to talk and find a solution to help each other help students.
>
> But I will merely add here that all federations have a federal spending power, but only in our federation is there a right to opt out with financial compensation.
>
> Moreover, any new shared cost program in an area of exclusive provincial jurisdiction will be designed so that provinces that exercise their right to opt out are compensated, provided they establish equivalent or comparable programs.

Honourable senators, these sentiments were reflected during the special joint committee which looked into an amendment to section 93 of the Constitution Act concerning the Quebec school system.

At that time, and again in Committee of the Whole of the Senate, the minister emphasized the wide consensus which supported the amendment: two unanimous resolutions by the National Assembly of Quebec, and wide agreement among Roman Catholics and Protestants, including letters of support from the President of the Quebec Assembly of Bishops and from the Anglican Bishop of Montreal. This support was the main argument used in favour of the amendment and was determinative in gaining favourable votes both in the other place and here.

Now we have a similar situation, in that the National Assembly has unanimously condemned the foundation as presently proposed, as have individuals and groups directly involved in the education field in Quebec, be they students, teachers or administrators. Yet, as far as the Liberal government is concerned, these apprehensions fall on deaf ears. In other words, we are back to the old Liberal centralist philosophy which is at work again: My way or no way. Simply put, the government feels that by dangling cheques, it can buy support. What it forgets is that, in Quebec anyway, exclusive jurisdiction, particularly in the field of education, is not for rent and much less for sale.

Senator Lavoie-Roux has already read into the record the motion which was passed unanimously by the National Assembly on May 14. I would urge honourable senators to read it in the *Debates of the Senate* tomorrow.

(2150)

I would conclude by saying that at one time the Senate did not only not ignore the National Assembly while debating an amendment to section 93, it supported the amendment, largely because of the assembly's resolutions in favour of it. We now have before us another unanimous resolution by the same National Assembly on the same subject, something which is dear to Quebecers — education. Surely the Senate can show the same respect for the assembly today as it did only a few months ago.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

On motion of Senator Bryden, bill referred to the Standing Senate Committee on National Finance.

CANADA LABOUR CODE CORPORATIONS AND LABOUR UNIONS RETURNS ACT

BILL TO AMEND—SECOND READING

On the Order:

> Resuming debate on the motion of the Honourable Senator Maheu, seconded by the Honourable Senator Fitzpatrick, for the second reading of Bill C-19, to amend the Canada Labour Code (Part I) and the Corporations and Labour Unions Returns Act and to make consequential amendments to other Acts.

Hon. Noël A. Kinsella (Acting Deputy Leader of the Opposition): Honourable senators, the other place, in adopting Bill C-19, has once again provided an example of very poor legislative drafting which does not meet even the standard of mediocrity.

Honourable senators, what I will say this evening in debating Bill C-19 speaks to the legislative process and the quality of legislative analysis that is done. I do not intend to speak to the issues which one might describe as "substantive". One can argue and come down on one side or the other of substantive issues. However, we have here a sample or an example of a the very poor quality of legislative work being done in the other place.

Bill C-19 was introduced in the other place on November 6, 1997, some eight months ago, with the stated purpose, as in the press release from the minister, of modernizing the Canada Labour Code. Regrettably, this bill was adopted on May 26 by the House of Commons. If honourable senators would only pick it up and read it, which very few members of the other place have obviously done, you would read a bill that is drafted in gender-specific language, for which there is no excuse. They should be ashamed of this work, as should be the officials in the Department of Labour who contributed to the drafting of the bill.

Honourable senators, I do not condemn the Minister of Labour. However, as a former deputy minister I have had some experience with how legislation is developed at the departmental level. In this instance, it is the officials of the Department of Labour who come up with a draft proposal and typically give drafting instructions to the drafting branch of the Department of Justice, and a bill is produced. I do not rise this evening to condemn the minister for the poor drafting work, but heads should roll in the Department of Labour or the Department of Justice for the poor quality of drafting that was done.

I must comment on our legislative colleagues in the other place and their failure to carefully examine legislation. Honourable senators, the Leader of the Opposition in the other place often implies that the Senate of Canada is not an effective second chamber in our Parliament. When I consider the poor quality of legislative drafting which the lower chamber considers and approves, I must ask how effective the Leader of the Opposition in the other place and his colleagues have been. Are they even reading the legislative proposals which are introduced? Are they in attendance in the house during the debate on these bills? What kind of legislative analysis are they doing in their committees?

I want to be fair, honourable senators, because I believe that, for the past 131 years, freedom has had grand success in Canada, and perhaps we have had this success in Canada because of our system of governance. Perhaps our model of parliamentary democracy is pretty darn good. Perhaps the Senate of Canada has, indeed, been an effective check among the series of checks and balances which make up our system of governance within the Canadian Confederation. Perhaps the Senate's work as a second chamber which reviews the legislative work of the other place has been an effective means in the achievement of the best possible legislation for Canadians.

Honourable senators, look at Bill C-19. I have declared it to be a very poor piece of work. What we have received is another example or case study confirming why it is very important to have the Senate of Canada as a chamber for second thought or legislative review.

Some Hon. Senators: Hear, hear!

Senator Kinsella: With Bill C-19, the Senate can show its effectiveness by cleaning up the disgraceful gender-specific language in which it is written. To fail to do such would be to fail in our duty as a chamber of effective legislative review.

In terms of the art of legislative drafting, honourable senators will be disappointed to discover over 15 areas of the Canada Labour Code which have been opened up for amendment by Bill C-19 — to be written in gender-specific language. When honourable senators turn to the labour code itself, they will be astonished by the large number of sections of the labour code which are expressed in outdated, gender-specific language.

(2200)

Honourable senators, clearly these sections must be changed. That is self-evident. It is also reinforced by the Speech from the Throne of the government itself, which said that they wanted to modernize the Canada Labour Code. When the predecessor to Bill C-19, Bill C-66, was introduced by Minister MacAulay, the Minister of Labour of the day, he also said that it has been 25 years since a serious look was taken at the labour code and we should modernize.

These evidences, looked at in themselves, indicate that clearly the labour code must be changed. The minister's speech and the Speech from the Throne stated that the bill is intended to modernize the labour code, and that speaks *a fortiori* to the required drafting amendments that we in the Senate must make to this bill.

Honourable senators, this is not a partisan matter of which I speak now; rather, it is a matter that underscores the very raison d'être of the Senate itself. This bill needs to be placed in the context of other bills that the Senate has improved, such as the improvements the Senate made to Bill C-70, the harmonized sales tax, which made tremendous improvements for my part of Canada; or Bill C-41, the Divorce Act; or the amendments we made to Bill C-24, the Judge's Act; and recently Bill C-4, to amend the Canadian Wheat Board Act. As my honourable colleagues will recall, these bills all arrived in the Senate with their respective ministers pushing hard for passage. These bills were on their must list, and the pressure was on the Deputy Leader of the Government in the Senate to pass them.

Well, these bills were discovered by the Senate to be wanting and in need of improvement. There were areas of great legislative inaccuracy, inaccuracy of substance as well as form, passing through the other place. However, we did our job with those bills — as I am sure we will do with this bill — and we cleaned them up.

Honourable senators, in addition to the matter of the drafting language, given that the other place and the minister, together with his officials, had the benefit of our Senate study on Bill C-66 before the last election, one cannot help but question the astuteness of the drafters of the bill, not only in terms of language but some of its substance.

Understand that what I am saying is that when the drafters were drafting Bill C-19, they had before them the study that the Standing Senate Committee on Social Affairs, Science and Technology had tabled in this chamber. You will recall that it was the seventeenth report of that committee in the last Parliament. The majority members in that committee came from the government side of this house. A unanimous report came before us, and some very important recommendations were made.

In the Senate committee's study of Bill C-66 and the report that was tabled in the Senate on April 25, 1997, the committee recommended improvements in a number of areas, such as privacy, certification and replacement workers.

Lo and behold, honourable senators, the first draft of Bill C-19 that the officials of the department and the minister in the other place worked on failed to address the concerns we had underscored on the matter of privacy. Somewhat slowly, the light began to dawn on this issue, and they began to understand what the Senate committee was saying about privacy for employees in the bargaining situation. When the House committee was studying the bill, our recommendations on this topic were finally seized upon. The House did amend the bill on the matter of privacy from the state it was in when it arrived from the minister, along the lines with what we had said.

One of the other important areas our committee had suggested needed attention was the matter of certification. What, we can ask, did the drafters of this bill learn from the Senate study as it relates to the certification of a trade union contrary to the majority vote of the employees? If one reads the bill, very little did they learn from us.

Clause 46 of Bill C-19 provides that:

> The Board may certify a trade union despite a lack of evidence of majority support...

Honourable senators, in its report on Bill C-66, our committee stated clearly that we strongly endorsed the principle of majority support as the basis of certification. That is the principle the Senate of Canada, through its committee, had embraced. We have one principle accepted by the Senate through its report, but we now have a bill before us based on the contrary principle.

Therefore, honourable senators, how can we adopt Bill C-19 at second reading, which is a motion to accept the bill in principle? How can we accept when we are on record as having endorsed the contrary principle of majority support as the basis of certification of a trade union?

Furthermore, the Senate committee report on Bill C-66 demonstrated great prescience on the part of the Senate when it recommended:

> ...in interpreting and applying section 99.1, the Canada Industrial Relations Board should respect the findings of the Sims Task Force, namely, that this is an unusual remedy which should be reserved for "truly intolerable conduct" by an employer.

In dealing with this issue of principle, our committee went on to say that if the board began to disregard the democratic will of employees, then the clause should be deleted. This is what we said.

The Hon. the Speaker: I regret to interrupt the honourable senator, but his time had expired.

Is leave granted, honourable senators, to allow the Honourable Senator Kinsella to continue?

Hon. Senators: Agreed.

Senator Kinsella: Given the situation in Ontario and British Columbia, our committee's advice should now be heeded. They are only two jurisdictions in North America that allow a labour board to override the wishes of a majority and certify a union anyway.

The remedy to the problem, honourable senators, is not to insert this anti-democratic principle, but rather to have the board conduct another vote. The board conducting a second vote must meet all the requirements of a free society dealing with votes, such as that the vote be secret and not held under conditions of intimidation, et cetera.

(2210)

Assuming, however, that we are buying into this anti-democratic measure that is contrary to the principle we have already embraced as a Senate, if one were to accept the model of board override as a vote, it would attribute an awesome power and authority to the Canada Industrial Relations Board, and even Solomon would hesitate to exercise it. It raises the question of the experience and expertise of all members of the board, who would have such an awesome democracy override power.

As you know, honourable senators, Bill C-19 requires that only the chairman and the deputy chairman have experience and expertise in labour relations. Given the democracy override power which the bill gives to the board, is it not reasonable to expect that all members of the board should be knowledgeable about the rules of natural justice and have experience and expertise in labour relations? Is it not all the more reasonable that that board should be eminently qualified if they are to have such a democracy override power?

This is what was asked for by some groups who studied Bill C-66. This is also a principle subscribed to and argued by the government when Bill S-5 was recalled. In discussions on Bill S-5, to amend the Human Rights Act and creat the new human rights tribunals, the government argued that these tribunals were important and that we must have people on them who have experience and expertise. They determined that experience and expertise by requiring them to be members of a bar. You will remember that we argued that situation. The government argued — convincingly, because Bill S-5 is now law — that certain administrative tribunals such as the Human Rights Tribunal and, in this case, the new Canada Industrial Relations Board, must have specialized expertise. Having the democracy override power is all the more reason why they must have the expertise.

Honourable senators, there are a number of other issues, but I am over my time. There is the issue on replacement workers, and so on. Unfortunately, it does not look like we will have many honourable senators participating in this debate on principle at second reading, which is unfortunate, particularly when we have, in this chamber, former ministers of labour and a few distinguished colleagues who are amongst the country's top labour lawyers. It would have been helpful to have had the benefit of that expertise.

Fundamentally, I have demonstrated, honourable senators, that we are debating the principle of the bill at second reading. One of the principles speaks to this certification process which is providing a democracy override. The principle contained in the bill is contradictory to the principle that the Senate embraced in Social Affairs Committee report No. 17 in the last Parliament. Also, as I have demonstrated, there is the poor quality of draftsmanship and the gender-specific language of the bill, all of which must be corrected.

MOTION IN AMENDMENT

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

> That Bill C-19, An Act to amend the Canada Labour Code (Part I) and the Corporations and Labour Unions Returns Act and to make consequential amendments to other Acts, be not now read the second time but that the subject-matter thereof be referred to the Standing Senate Committee on Social Affairs, Science and Technology.

Some Hon. Senators: Hear, hear!

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

Some Hon. Senators: No.

Some Hon. Senators: Yes.

The Hon. the Speaker: Will those in favour please say "Yea"?

Some Hon. Senators: Yea.

The Hon. the Speaker: Will those opposed please say "Nay"?

Some Hon. Senators: Nay.

The Hon. the Speaker: In my opinion, the "Nays" have it.

And two honourable senators having risen.

The Hon. the Speaker: Honourable senators, I have received a letter advising me that Senator Gigantès is officially the whip for the government side.

Is it agreed that the bell ring for five minutes?

Hon. Senators: Agreed.

The Hon. the Speaker: The bell will ring for five minutes and the vote will be held at 10:21 p.m.

(2220)

Motion in amendment negatived on the following division:

YEAS

THE HONOURABLE SENATORS

Andreychuk	Johnson
Beaudoin	Keon
Berntson	Kinsella
Bolduc	Lavoie-Roux
Buchanan	LeBreton
Cohen	Lynch-Staunton
Comeau	Murray
DeWare	Nolin
Grimard	Spivak
Gustafson	Tkachuk—20

NAYS

THE HONOURABLE SENATORS

Adams	Johnstone
Austin	Joyal
Bacon	Kenny
Bryden	Kirby
Butts	Losier-Cool
Callbeck	Maheu
Carstairs	Moore
Chalifoux	Pépin
Cook	Pearson
Cools	Perrault
Corbin	Poulin
Fairbairn	Prud'homme
Ferretti Barth	Robichaud (*Acadia*)
Fitzpatrick	Rompkey
Gigantès	Stewart
Graham	Taylor
Hervieux-Payette	Watt—34

ABSTENTIONS

THE HONOURABLE SENATORS

Nil

The Hon. the Speaker: Honourable senators, we will now deal with the main motion.

If no other senator wishes to speak, I will put the question.

It was moved by the Honourable Senator Maheu, seconded by the Honourable Senator Fitzpatrick, that this bill be read the second time.

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

Some Hon. Senators: Agreed.

Some Hon. Senators: On division.

Motion agreed to and bill read second time, on division.

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 Standing Senate Committee on Social Affairs, Science and Technology.

ROYAL CANADIAN MOUNTED POLICE SUPERANNUATION ACT

BILL TO AMEND—THIRD READING

Hon. Thelma J. Chalifoux moved the third reading of Bill C-12, to amend the Royal Canadian Mounted Police Superannuation Act.

Motion agreed to and bill read third time and passed.

CANADIAN PARKS AGENCY BILL

SECOND READING—DEBATE ADJOURNED

Hon. Ross Fitzpatrick moved the second reading of Bill C-29, to establish the Canadian Parks Agency and to amend other Acts as a consequence.

He said: Honourable senators, it is indeed an honour to rise in the Senate today to address, at second reading, Bill C-29, to establish the Canadian Parks Agency.

For more than a century, the Government of Canada has been involved in protecting outstanding natural areas and commemorating significant aspects of Canadian history. Canada is recognized internationally as a world leader in the management of protected heritage areas. Our system of national parks and national historic sites is one the great glories of Canada. It all began in 1885 when 26 square kilometres around some mineral hot springs near present-day Banff, Alberta were set aside for public use. Today, Parks Canada has stewardship over 38 national parks, 130 national sites owned and operated by Parks Canada — including nine historic canals — some 660 national historic sites operated by third parties, and three national marine conservation areas.

The responsibilities of Parks Canada do not stop there. They also include administering 165 heritage railway stations, 27 heritage rivers, together with more than 1,000 federal heritage buildings, and a vibrant federal archaeology program.

(2230)

Twelve Canadian locations have such outstanding universal value that they have been designated as UNESCO World Heritage Sites. These sites are a special focus of the stewardship of the Parks Canada program of the Department of Canadian Heritage.

In all, the national parks and national historic sites that are managed receive more than 24 million visitors per year. The economic activity they generate is extremely significant. In 1994-1995, visits to national parks and national historic sites totalled more than $2 billion in direct and indirect economic effect.

Parks Canada currently employs approximately 5,000 people, more than 1,000 of them on a seasonal basis. More than 90 per cent of these dedicated people work outside the National Capital Region.

Clearly, honourable senators, this is an organization which is different from all but a handful of Canadian corporations because it is larger in scope, in its number of employees, and it has far greater assets.

There is another difference. A corporation is responsible to its shareholders for the value of their holdings in the company. Parks Canada is responsible to each and every individual Canadian for the priceless value of our national heritage and the very fabric of our history.

We are all shareholders of the assets the program manages. We all have an important stake in how well it is able to fulfil its responsibilities and protect its assets for the benefit of future generations. That is why the bill we are considering today is so important.

In the March 6, 1996 budget, the government announced its intention to establish a Canadian Parks Agency. Bill C-29 will enable the program to become a new government entity suitable for our times and economic circumstances.

The creation of the new agency will result in three key benefits, benefits that will ensure continued excellence of the stewardship of the precious heritage now entrusted to Parks Canada. First, the Canadian Parks Agency will be an autonomous organization accountable to the Minister of Canadian Heritage and, in turn, to Parliament, an organization able to make necessary decisions in a more timely fashion and at less cost to the Canadian taxpayer. Second, the new agency will be able to deliver continued cost-effective and efficient services to visitors of our national parks, national historic sites, and other related protected heritage areas. Third, the Canadian Parks Agency will have new financial authorities and flexibilities to retain and reinvest revenues. This will allow appropriations to be used to create new national parks, national historic sites, and other protected heritage areas throughout the country.

The mandate of the program will not change after the new entity comes into existence. The legislation creating the new agency will support and, where possible, strengthen the existing mandate.

The Canadian Parks Agency will be in a better position to continue to maintain the current system of national parks, national historic sites and other related protected heritage areas. It will be better able to continue to provide high-level service to park and site visitors, to work toward the completion of the national parks system and toward the expansion of systems of national historic sites in the national marine conservation areas. It will be able to continue to strengthen and reflect Canada's values and identity, enhancing pride in Canada and building Canadian unity, and to ensure a continued contribution to national and local tourism and economies.

In conclusion, honourable senators, the scope and magnificence of our national parks, national historic sites, and other related protected heritage areas, — and the passion and the dedication of the people behind them — are inspiring. These special places deserve special measures to ensure that they are protected and preserved, to be celebrated by future generations, just as Canadians take delight and pride in them today. These special places deserve a special and dedicated organization the sole aim and function of which is to develop, promote and present them to Canadians and to the world. We must ensure that the parks program and the people who make it happen are there with the tools they need so that Canadians can continue to benefit from Canada's very special places.

Honourable senators, each of our national parks is a unique yet characteristic natural ecosystem which is constantly renewing itself in order to survive. Organizations, too, must renew themselves. That is why the Canadian Parks Agency is being created. Canada's parks service is the oldest in the world, with a distinguished history and a promising future.

The creation of the agency is an important step forward, one which will ensure that we will satisfy our obligation to Canadians and to the world to protect and conserve our most enduring and cherished symbols. Bill C-29 is an excellent example of draft legislation that reflects and represents the needs and values of Canadians.

Honourable senators, I am proud to sponsor this bill for second reading. I am confident of the support of senators who will recognize the importance of this proposed legislation. By supporting Bill C-29, we can ensure the renewal of the organization that Canadians have entrusted with their cherished national parks, national historic sites, and other related protected heritage areas.

On motion of Senator Tkachuk, debate adjourned.

NUNAVUT ACT
CONSTITUTION ACT, 1867

BILL TO AMEND—SECOND READING

Hon. Willie Adams moved the second reading of Bill C-39, to amend the Nunavut Act and the Constitution Act, 1867.

He said: Honourable senators, I rise to speak to Bill C-39 which amends the Nunavut Act and the Constitution Act, 1867. I am pleased to present this bill for second reading in the Senate.

On April 1, 1999, Nunavut will celebrate the eve of a new era. A new government will be born. It will be a government which will be largely in the hands of the Inuit of the Eastern Arctic — a people who have waited since Confederation to regain control of their institutions, their local affairs and their future.

That government must be accountable to the people of Nunavut from the moment it exercises its authority. Above all else, it must have an elected legislative assembly. Honourable senators, I urge swift passage of the proposed legislation now before us.

Almost five years have passed since both Houses gave all-party support to the Nunavut Act, an historic piece of legislation that will redraw the map of Canada for the first time in 50 years. It has been a period of intense planning, consultation and negotiation in the North — a far more complex process, given the realities of modern-day government, than previous divisions of the Northwest Territories to create the Yukon, Manitoba, Alberta and Saskatchewan.

As we meet today, the creation of Nunavut is less than a year away. On April 1, 1999, after more than two decades of negotiation and effort, the Inuit and other residents of the Eastern Arctic will regain control over their local affairs and political future. I know this strengthening of northern governance and political accountability is something that all honourable senators can and will support.

I should like to take a few minutes to provide an overview of Nunavut's new government so that honourable senators can understand the rationale for proceeding with this legislation. The Government of Nunavut will have the same status and powers currently exercised by the governments of the Northwest Territories and Yukon. It will have an elected legislative assembly, a cabinet, a territorial court and a public service.

Nevertheless, Inuit will make up a large majority of the population of the new territory and will be able to control the government through the democratic process of electing representatives who reflect their views and aspirations.

Over the past four years, the Nunavut Implementation Commission, under the leadership of Mr. John Amagoalik, has been advising Canada, Nunavut Tunngavik Incorporated and the Government of the Northwest Territories on a number of issues related to the establishment of Nunavut. The commission has done an excellent job of consulting stakeholders and developing balanced, affordable and realistic recommendations.

About a year ago, Mr. Jack Anawak was appointed Interim Commissioner to implement some of these recommendations and perform a number of important transitional duties set out in the Nunavut Act. Mr. Anawak's job is to ensure that a functioning government and public service will be in place in Nunavut on April 1, 1999. That is a difficult task, given the pressures of time and the shortage of skilled and experienced public administrators in Nunavut. Nevertheless, progress is being made on a daily basis.

The design of an affordable, cost-effective government structure has been determined. Iqaluit has been selected as the capital. Deputy ministers have been recruited and infrastructure for the new government and its employees is being built in Iqaluit and elsewhere. More than 500 Nunavut residents are being trained for new jobs.

We can now be confident that the April 1, 1999, target will be met. However, in order for Nunavut to come into being with a fully functional and viable government, a number of important transitional issues need to be addressed through amendments to the Nunavut Act.

Bill C-39 will allow for an early election in Nunavut so that the new territorial government can convene on April 1, 1999. An early election has been endorsed by all political leaders in Nunavut to strengthen the territory's capacity for political control, autonomy and accountability in its inaugural days. Without this amendment, it would be mid-summer of 1999 before the new territory has the leadership of an elected legislative assembly.

If a vote is to be held in early 1999, organization and preparation must begin now. The need to set the election machinery in motion within the next few weeks is a key reason we are seeking quick passage of Bill C-39. This proposed legislation also contains amendments that are intended to ensure continuity and stability of governance and public administration once the new territory comes into being. For example, Bill C-39 clarifies the grandfathering of Northwest Territories laws in Nunavut and the creation of a court system that is similar to that of the Northwest Territories. These amendments are important to ensure that Nunavut will have a reliable and effective legal system on April 1, 1999.

Bill C-39 also clarifies how pending administrative and judicial actions will be dealt with. It clarifies the powers of the Interim Commissioner, who is playing a critical role in the creation of Nunavut. For example, the amendments will give the Interim Commissioner clearer authority to enter into contracts for goods and services and intergovernmental agreements in the lead-up to Nunavut that would then be binding on the new government.

(2250)

On day one of the new territory, the Government of Nunavut must have what it needs to conduct its business. Toward this end, the Office of the Interim Commissioner and the Government of the Northwest Territories are currently negotiating the division of assets and liabilities. This is a made-in-the-north solution to ensure that the Government of Nunavut has an equitable share of assets, including vehicles, office furniture and computers.

Bill C-39 also allows for the assigning of leases from the Government of Canada to the Government of Nunavut for offices and housing that are being built specifically for the new territorial government. This will ensure that the federal government is not liable for these leasing costs.

Another clause of Bill C-39 will make labour agreements signed by the Government of the Northwest Territories binding on the Government of Nunavut. This amendment also provides for the extension of labour agreements past their stipulated expiry date, with the consent of the Government of Nunavut and the union in question, of course.

Finally, the proposed legislation will amend several other federal statutes to reflect the creation of the Territory of Nunavut. For example, we are proposing to amend the Constitution Act, 1867 to guarantee that both Nunavut and the Northwest Territories are represented in the House of Commons and the Senate. Even with a Nunavut government, we still want to represent our people in the Parliament of Canada.

The overriding objective of these amendments is to achieve maximum certainty and predictability for the transition process. The amendments are consistent with commitments made to the Inuit of Nunavut, and they will not alter in any way Canada's commitments under the Nunavut Land Claims Agreement to adjacent aboriginal peoples who make use of lands and waters in Nunavut.

Bill C-39 is what we commonly call a "housekeeping bill," but we must not underestimate its importance. This legislation is essential to achieve the smooth creation of Nunavut and a good start-up to a new territorial government.

For the people of the Eastern and Central Arctic, the creation of Nunavut, represents a kind of homecoming. Nunavut is a home where they can remain rooted in an ancient language and culture, while embracing the possibilities of new technologies. People living in the Arctic are no longer isolated. Our people can use computers in schools and in offices.

Honourable senators, we are not leaving Canada. We are still part of Canada, and we are will be part of the future of Canada and the Nunavut territory.

Bill C-39 will lay the foundation for a new partnership between the Inuit of Nunavut and Canada, based on the principles of mutual respect, mutual recognition, mutual responsibility and sharing.

The minister responded to the Royal Commission on Aboriginal Peoples in January of this year. We all know the stories of what happened in the residential schools, and we want someone to be accountable. The passage of Bill C-39 is an important step in meeting that goal.

I would remind honourable senators that there is overwhelming support in the North for this proposed legislation, including the majority of witnesses who appeared before the House of Commons Standing Committee on Aboriginal Affairs and Northern Development.

John Amagoalik has been working on the bill since August 1996. There have been many meetings and conference calls regarding amendments. He did a good job.

(2300)

The executive director of the Inuit Tapirisat of Canada has also spoken in favour of the proposed amendments. Alan Braidek, the executive director of the Inuit Tapirisat of Canada, reminded the standing committee that the establishment of the territory of Nunavut was one of his organization's original goals.

Overall, the comments to the standing committee serve to underline the strong support for this bill and the need for quick action.

Cooperation among all parties is essential to achieve a smooth transition to Nunavut. I would ask honourable senators to join me in this cooperative process by giving Bill C-39 their full support at second reading so that it can proceed quickly to the Standing Senate Committee on Aboriginal Peoples.

Hon. Janis Johnson: Honourable senators, it gives me great pleasure this evening to rise and speak in support of Bill C-39, the Nunavut Act, at second reading. This bill completes the process started many years ago leading to the creation of a new territory in Canada's north. It is part of a tradition of building Canada and democratic institutions in Canada.

We on this side of the chamber congratulate the government for following through and completing this process leading to the establishment of the new territory. Much of the work, as we all know, such as the settlement of the land claims agreement and the passage of the enabling legislation for the process leading to where we are now, was done under the previous Progressive Conservative government.

Both political parties represented in the Senate, while we have philosophical differences, believe in the building of Canada. We believe in self-government for Canada's aboriginal peoples. We believe that our aboriginal peoples should be represented in the North in their own parliamentary institution. It is this desire to build Canada which separates the parties in the Senate from the Bloc and the Reform Party.

Hon. Senators: Hear, hear!

Senator Johnson: It is important to recount the history of the proposal to create Nunavut. It is a long history of consultation and compromise, so that the end result benefits both those resident in the North and all Canadians.

In 1976, the Inuit Tapirisat of Canada, a national Inuit organization, proposed that a new territory be created in northern Canada. This, to them, was a logical development of the North, as the current Northwest Territories had been carved out of Rupert's Land and the Northwestern Territory. The provinces of Manitoba, Saskatchewan and Alberta were also carved out of this large land mass.

Along with the settling of the boundaries of this great area, over the years the system of government matured. The Northwest Territories was directly administered by the federal government until the 1950s. The territorial council, which was originally composed of senior civil servants, became an elected territorial council in 1975. During this period, the Northwest Territories started to assume from the federal government greater jurisdiction over its affairs for matters such as education, social services, and the establishment of local municipal governments.

Even before the recommendations in 1976 by the Inuit Tapirisat to create a new territory, the Carruthers Commission appointed by the federal government reported in 1976 that the creation of a new territory was inevitable but that it should have its own elected representative of government.

In 1982, a plebiscite was held in the Northwest Territories to determine the level of support for dividing the territory. While the idea was supported by an overall majority of only 56.6 per cent, support for the idea was particularly high in the Eastern Arctic. The principle of creation of the new territory was accepted by both the territorial and the federal government. After considerable discussions, which were unsuccessful, the federal government appointed John Parker, a former commissioner of the Northwest Territories, to determine a suitable boundary between east and west. His choice or recommendation was approved in the May 1992 plebiscite.

The creation of Nunavut was also supported in the agreement in principle to settle the Inuit land claim signed in 1990. In December 1991, negotiations were finalized on this agreement, and it was formally signed in October, 1992. The agreement commits the parties to negotiate a political accord which would set out the methods by which Nunavut would come into being. This land claim agreement was ratified by an overwhelming majority of voters in the Northwest Territories in November of 1992.

In the first half of 1993, legislation necessary to implement the establishment of this new territory was introduced by the Progressive Conservative government and passed by Parliament. The Nunavut Act, which Bill C-39 seeks to amend and which established the legal framework for the new territorial government, received Royal Assent on June 10, 1993.

The bill before us today represents the culmination of the work of the Nunavut Implementation Commission, the federal government, the government of the Northwest Territories, and the Nunavut Tunngavik Incorporated. It calls for the establishment of a public government structure to be in place by April 1, 1999. Therefore, the bill requires the holding of a territorial election prior to this date so that a territorial government and legislature will be in place on April 1, 1999.

I note that Bill C-39 deals with a number of transitional matters and the establishment of a public service unit in Nunavut to support the new government. Matters such as the new law courts, administration of justice, division of territorial assets, continuance of collective agreements, and the transferral of legislative matters from the legislature of the Northwest Territories to the new legislature of Nunavut are all matters covered in the transitional clauses of Bill C-39.

I am heartened as well by the optimism which prevails in the North for this new great endeavour, both from the western region and the eastern areas of the Northwest Territories. The action plan adopted by the legislative assembly of the Northwest Territories, which deals with the new western territory, states:

> Westerners face division from a strong starting position. The west is rich in natural resources and there is great potential for jobs for current and future generations. We have a government which has developed a unique northern character over several decades. We now have the opportunity to develop it further to better suit the residents of the new Western territory as we move into the next millennium.

This optimism is shared by those involved in the creation of Nunavut. In his appearance before the Standing Committee on Aboriginal Affairs in the other place, Alex Campbell of Nunavut Tunngavik stated:

> Nunavut will have a long awaited representative government. Nunavut will have a growing representative workforce conducting territorial government business through a decentralized government across eleven of the Nunavut communities. Nunavut will promote, protect and preserve the language and culture in the work place, in our laws and amongst our citizenship through the delivery of programs and services. As always, Nunavut will draw from previous lessons to make Nunavut a better place to live. This is the will and the desire of Inuit in Nunavut.

As well, the Nunavut Implementation Commission, in its appearance, supported Bill C-39 as representing a fair balance between the competing points of view advanced by those involved in the creation of Nunavut.

However, it would be naive to think that the creation of this new territory will be without problems. This is an expensive proposition, and I hope the federal government will continue to find the resources necessary to support both the newly formed government in Nunavut as well as the remainder of the existing government in Yellowknife. A lot of training and resources will be required for the legislatures and their governments in order for them and their staff to function effectively to serve the people of the north.

As we all know, this vast territory has only approximately 25,000 inhabitants. Life for them has been fraught with unemployment, suicide, alcohol, and substance abuse. The challenges facing this new government are enormous. Attracting or developing industry must be near the top of the list of matters to be addressed. If the new government can solve the unemployment problem, many other problems will resolve themselves.

We believe in aboriginal self-government. With Nunavut, we will have an example of self-government in action. However, it will require continuing support from the federal government and continuous monitoring of the problems associated with it.

I should like to see us review the implementation of the Nunavut Act at five-year intervals. There is no point establishing this division in the Northwest Territories and throwing money at it without comprehensive reviews. Therefore, I suggest to the government and to the Standing Senate Committee on Aboriginal Peoples that this action be reviewed at five-year intervals to determine its successes, its failures, and what should be done to help in areas where it is needed.

This is an experiment, and at some point we may need to determine whether the experiment is worth continuing. However, I have faith in the people of Canada's North that, given self-government and the support that it needs, we will see a dramatic turn-around in the social and economic environment of the Eastern Arctic.

(2310)

Before I close, honourable senators, I wish to draw your attention to two issues which I believe arise out of the drafting of Bill C-39. I raise them this evening so that the minister and her officials will be prepared to deal with them if they appear before the committee.

The first matter occurs at page 18 of Bill C-39 between clauses 19 and 20. The way Bill C-39 is presently written one would think that clause 20 was an inconsequential amendment to the Canada-Nova Scotia Offshore Resources Accord Implementation Act, but it is not. Though clause 19 amends the Offshore Resources Act, clause 20 actually provides consequential amendments to the Criminal Code. The drafting problem is that clauses 20, 21, 22, 23, 24 and 25 of Bill C-39 all deal with consequential amendments to the Criminal Code but are listed under the heading of the Offshore Resources Accord Implementation Act. For the sake of clarity, if not good legislative drafting, this problem should be resolved.

The second point deals with the creation of a new Senate seat by way of ordinary statute that seeks to amend the Constitution Act of 1867. I am aware that the Senate seats for the Yukon and the Northwest Territories were created by ordinary statute passed by the federal Parliament in 1975, known now as the Constitution Act (No. 1) 1975. This was the proper way to proceed in 1975. However in 1982, Canada, for better or worse, through the patriation process adopted an amending formula for the Constitution.

By virtue of section 42(1)(*c*), the general amending formula applies to the number of members by which a province is entitled to be represented in the Senate. I remain to be convinced that sections 21 and 28 of the Constitution Act, 1867 can be amended to provide for the extra Senate seat simply by providing, as clause 44 of Bill C-39 does, that a province can be equated with a territory under the Interpretation Act. I trust an answer will be forthcoming to resolve this matter to our satisfaction at committee stage.

In conclusion, may I extend on behalf of myself and the Official Opposition in the Senate to the people of the soon to be new territory of Nunavut all our best wishes as you embark on this new and exciting adventure.

The Hon. the Speaker: If no other senator wishes to speak, is it your pleasure, honourable senators, 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 Aboriginal Peoples.

PRIVILEGES, STANDING RULES AND ORDERS

CONSIDERATION OF FIFTH REPORT OF COMMITTEE—ORDER STANDS

On the Order:

> Resuming debate on the motion of the Honourable Senator Maheu, seconded by the Honourable Senator Ferretti Barth, for the adoption of the fifth report of the Standing Committee on Privileges, Standing Rules and Orders (attendance in the Senate), presented in the Senate on June 3, 1998.—(*Honourable Senator Pitfield, P.C.*).

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, this item was adjourned in Senator Pitfield's name. I believe he will be here tomorrow. We agreed last Thursday, as I recall, that we would wait for his return before proceeding with the report.

Order stands.

[*Translation*]

BILL TO CHANGE THE NAME OF CERTAIN ELECTORAL DISTRICTS

REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the ninth report of the Standing Senate Committee on Legal and Constitutional Affairs on Bill C-410, an act to change the name of certain electoral districts, presented in the Senate on June 8, 1998.

Hon. Pierre Claude Nolin: Honourable senators, I move the adoption of the report.

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

Some Hon. Senators: Agreed.

Motion agreed to and report adopted.

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

[*English*]

POINT OF ORDER

Hon. John Lynch-Staunton (Leader of the Opposition): On a point of order, honourable senators, I find it unfortunate that we often do not receive copies of reports when they are tabled and read. The report on Bill C-410 was not distributed tonight. I know what is in it, so I am not objecting to that. However, out of courtesy to senators who are asked to pass a report, a copy should be on our desks before we take a decision.

Hon. Sharon Carstairs (Deputy Leader of the Government): I agree.

The Hon. the Speaker: That sounds like a reasonable proposition.

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

[*Translation*]

CANADIAN HUMAN RIGHTS ACT

BILL TO AMEND—REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the eighth report of the Standing Senate Committee on Legal and Constitutional Affairs (Bill S-11, an act to amend the Canadian Human Rights Act in order to add social condition as a prohibited ground of discrimination, with amendment), presented in the Senate on June 4, 1998.

Hon. Pierre Claude Nolin: Honourable senators, I move the adoption of the report.

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

Some Hon. Senators: Agreed.

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.

[*English*]

AGRICULTURE AND FORESTRY

STUDY OF PRESENT STATE AND FUTURE OF FORESTRY—REPORT OF COMMITTEE REQUESTING AUTHORIZATION TO ENGAGE SERVICES AND TO TRAVEL ADOPTED

The Senate proceeded to consideration of the fourth report of the Standing Senate Committee on Agriculture and Forestry (budget—study on the present state and the future of forestry in Canada) presented in the Senate on May 14, 1998.

Hon. Leonard J. Gustafson moved the adoption of the report.

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

Hon. Senators: Agreed.

Motion agreed to and report adopted.

PENSION BENEFITS STANDARDS ACT, 1985 OFFICE OF THE SUPERINTENDENT OF FINANCIAL INSTITUTIONS ACT

BILL TO AMEND—MESSAGE FROM COMMONS

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons returning Bill S-3, to amend the Pension Benefits Standards Act, 1985 and the Office of the Superintendent of Financial Institutions Act, and acquainting the Senate that they had passed this bill without amendment.

[*Translation*]

DEPOSITORY BILLS AND NOTES BILL

MESSAGE FROM COMMONS

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons returning Bill S-9, respecting depository bills and depository notes and to amend the Financial Administration Act, and acquainting the Senate that they had passed this bill without amendment.

[*English*]

(2320)

CANADA PENSION PLAN INVESTMENT BOARD

REPORT OF BANKING, TRADE AND COMMERCE COMMITTEE—MOTION TO ELICIT RESPONSE OF GOVERNMENT—DEBATE ADJOURNED

Hon. David Tkachuk, pursuant to notice of June 3, 1998, moved:

> That within 90 days of the adoption of this motion, the Leader of the Government shall provide the Senate with the response of the Government to the Eleventh Report of the Standing Senate Committee on Banking, Trade and Commerce entitled: "The Canada Pension Plan Investment Board: Getting it Right," tabled in the Senate on March 31, 1998.

He said: Honourable senators, I gave notice of this motion last Wednesday. Some two and a half months have passed since the Banking Committee submitted its eleventh report. We have yet to receive a reply from the minister responsible as to its recommendations.

The report was tabled in the Senate after unanimous agreement — and I emphasize unanimous agreement — by the committee. It remained on the floor of the Senate for its maximum time so that dissenting voices could table their objections. Honourable senators, there were none. Last Tuesday, the Senate adopted the report.

In debate in this chamber last December, we were told that it was imperative that the bill pass. We were promised by the minister that serious consideration would be given to the study. That was the reason for the agreement that we had at that time to allow the Senate committee to study the report. We did that. We also understand that, as of yet, no board or chair has been elected. Therefore, it seems that there is no urgency with respect to the matter at this time. Perhaps — and I am hoping that this is true — the minister is ready now to accept our recommendations on how the board should be selected. If that is the reason for the delay, then we welcome it.

Honourable senators, I am not so naive as to believe that all promises are always kept. However, I have prided myself on the fact that in this place when you give your word, even though it was to your political adversary, it is your bond. I am sure Minister Martin feels the same way. I expect that in this matter we will all be supportive of this resolution, since all members of the Banking Committee supported the report to the minister and the Senate adopted the report last week.

With this show of bipartisan support in the Senate, we would strongly urge a reply to the recommendations adopted by this chamber. I urge you to support this motion.

On motion of Senator Carstairs, debate adjourned.

FOREIGN AFFAIRS

COMMITTEE AUTHORIZED TO MEET DURING SITTING OF THE SENATE

Hon. John B. Stewart, pursuant to notice of June 4, 1998, moved:

> That the Standing Senate Committee on Foreign Affairs have power to sit at 4:00 p.m. Tuesday, June 9, 1998, even though the Senate may then be sitting, and that rule 95(4) be suspended in relation thereto.

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

Hon. Noël A. Kinsella (Acting Deputy Leader of the Opposition): Honourable senators, this is an instance where the exception to the general rule does apply. Senator Stewart has indicated that there are some special visitors to Canada who will appear before the Foreign Affairs Committee at 4 p.m. These distinguished visitors are only here for today and tomorrow. That is the kind of circumstance where we have said before that an exception to the rule should be applied, and we have no objection.

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

Hon. Senators: Agreed.

Motion agreed to.

The Senate adjourned until tomorrow at 2 p.m.

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Monday, June 8, 1998