# Debates of the Senate

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**OFFICIAL REPORT**
**(HANSARD)**

## Tuesday, June 16, 1998

**THE HONOURABLE GILDAS L. MOLGAT**
**SPEAKER**

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

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# THE SENATE

**Tuesday, June 16, 1998**

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

Prayers.

## SENATORS' STATEMENTS

### FAMILY VISIT TO PARLIAMENT HILL

**Hon. Jean B. Forest:** Honourable senators, you may recall that on several occasions here in the chamber I have spoken on the subjects of love of country and concern for education. Coupled together, these two great loves have led me to my enthusiastic support for such programs as Katimavik and student exchanges, programs which make it possible for young Canadians to explore their country, see something of its beauty and breadth, and rub shoulders at work and home with other young Canadians from different parts of Canada.

You will also recall my mentioning that, in 1967, my husband Roc and I piled seven children into a renovated school bus and embarked upon a cross-country tour to see Canada and its capital city, to catch a glimpse of the world at Montreal's Expo, and to visit Gaspé where their father's family had lived. Thirty years later, that family of nine has grown to 29, and no parents in their right mind would consider convoying that kind of contingent across the country.

However, this weekend, with no intention of discriminating against the male members of my family who still believe in "ladies first" and who will get their turn, I have with me here in Ottawa three of our four daughters, Leanne, Michelle, and Rosalyn, and five of our eight granddaughters, Nicole, Kira Leah, Elise, Dominique and Adrianna Jean. Nicole is a university student, and the others are in elementary school.

During my tenure in the Senate, I have spoken at various schools in Saskatchewan, Alberta, and British Columbia of the role of the Senate within Parliament, of the work of senators within their regions, in committee, on task forces, and engaging in debate within the chamber; debate conducted for the most part with the kind of courtesy that we do not often hear in other places.

The children have been excused from school for these few days. They have come equipped with journals to be completed each day, and they will report to their classes when they return. This afternoon, they will be touring Parliament Hill under the able guidance of my assistant, Martha McCulloch, and they have begun with a short stop here in the Senate.

Their mothers have assured me that the children will be on their best behaviour, and I have assured their mothers that the senators, my honourable colleagues, will be on their best behaviour, so that when the children return to their classes, the Senate will receive a better report than the parliamentarians from the other place received from Senator Lucie Pépin last week.

### THE SENATE

TRIBUTES TO STAFF AND ADMINISTRATION

**Hon. Philippe Deane Gigantès:** Honourable senators, perhaps one of the reasons the country contains journalists who dislike us so much is that we are so well treated. The Senate costs each Canadian $1.40 a year — $42 million divided by 30 million. Each one of us costs 1.4 cents. For that amount of money, the quality of tender loving care that we, as senators, receive from our marvelous staff is something that is not known in other places.

To our distinguished and wonderful Clerk, to the best Black Rod we have ever had, to Assistant Clerk Dr. Lank, and all the way down to the people who keep our offices clean and sparkling, our commissioners and our wonderful pages, thank you.

• (1420)

### THE SENATE

POTENTIALLY LIBELOUS STATEMENTS MADE ON REFORM PARTY WEBSITE—FILING OF WRIT

**Hon. Edward M. Lawson:** Honourable senators, as some of you may know, a number of weeks ago the Reform Party published a list called "Senate Scandals" on their web site. It states:

> Several senators have been involved in scandals of varying degrees. Below is the list of the names and details of the "top ten" Senate scandals.

In this scurrilous, libelous, defamatory article, they attacked honourable senators such as Senator Buchanan, Senator Tkachuk, Senator Lynch-Staunton, Senator Perrault, Senator Austin, and others. The scandal that Senator Lynch-Staunton is involved in is that he dared to ask questions of the Leader of the Government and did it vigorously and aggressively.

**Some Hon. Senators:** Shame! Shame!

**Senator Lynch-Staunton:** Do not tell your grandchildren that!

**Senator Lawson:** I will not go on to say what else they said about him because I believe it is libelous and defamatory. You would think that Preston Manning, as the Leader of the Official Opposition, would know that the role of the leader is to ask questions. They are always asking questions in the other place, as well as making false accusations to the Prime Minister about selling Senate seats and about our colleague Senator Fitzpatrick. When they do that, however, they are acting on behalf of the Canadian people whereas when Senator Lynch-Staunton does it, he is guilty of one of the 10 worse scandals.

For those who want to read this defamatory document, you can obtain a copy of it from my office.

In addition to attacking the senators whom I mentioned, I also made their "top ten" list. They attacked me in the most vicious, scurrilous way possible. Some of the senators who were attacked had their lawyers send letters to the Reform Party. In response to the letter that Senator Tkachuk sent, the Reform Party dropped him from the web site, leaving nine of us on their list. Yet when they received my letter demanding an apology and asking for other penalties, how did they respond? Well, they dropped the entire web site — after it ran for at least six weeks, reaching millions and millions of people.

We demanded a public apology, to be made in the House of Commons. I thought that if Preston Manning could violate the spirit of the rules in the House of Commons and make blistering, unfair, unwarranted attacks on this Senate as a whole and name 20 individual senators, then he could make the apology in the House of Commons. Here is the response that I received to my request, which is addressed to my lawyer. It states:

> Your letter of May 28, 1998 has been brought to my attention.
>
> The section on the Reform Party website entitled, "Senate Reform — Senate Scandals" did not intend in any way to be malicious toward your client.

The worst is yet to come. The letter continues:

> We feel that we are able to make comment of this nature and that it is not actionable in defamation. However, as an indication of our good faith we removed the reference to your client on May 12th and consider this matter closed.

**The Hon. the Speaker:** Honourable Senator Lawson, I regret that I must interrupt you. However, you may continue with leave. Is there leave to extend the honourable senator's time?

**Hon. Senators:** Agreed.

**Senator Lawson:** Honourable senators, I do not believe that they have the right — in fact, I do not think anyone has the right — to make libelous, scandalous attacks on any Canadian, and certainly not against senators.

In response to their answer, yesterday, in the Supreme Court of British Columbia, we filed a writ against the Reform Party of Canada; Preston Manning, its leader; Brad Farquhar, the agent responsible for some of this; and, in addition, Telnet Canada Enterprises Limited.

Newspapers, as many of you know, over the years have developed a track record. If there is any wrongdoing on their part they wind up in court, so they conduct themselves accordingly. This is a new experience as to what happens on web sites and whether they have the right to carry libelous, slanderous, defamatory articles against people without any penalty. I do not think so. I think we will break new ground here. We will take this to the Supreme Court as well.

Honourable senators, during my career, I have won five libel actions — four at trial and one when they settled out of court. We cannot accept that Preston Manning and the Reform Party have an unfettered right to attack whomever they please whenever they please and not be held accountable. We propose to hold them accountable.

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

## FISHERIES

### THE ATLANTIC GROUNDFISH STRATEGY—IMPORTANCE TO ATLANTIC PROVINCES OF CONTINUING COMPENSATION PROGRAM

**Hon. Bill Rompkey:** Honourable senators, I wish to make some comments about the TAGS program — that is, the Atlantic Groundfish Strategy. The cabinet will soon be making a decision, if it has not done so already.

I wish to make some points that I hope they will consider, and I think the public should consider them as well. First, what does it mean to our province and to the Atlantic area? The Atlantic area is a fishing area. It is true that the economy does not depend upon fish but the communities do. That is why we settled; that is why we are there. That is what makes us the kind of people we are.

In economic terms, if you shut down the auto industry in Ontario, that would have a huge economic impact here. However, the impact of the fishery goes further than that. It goes to the cultural heart of what it means to us as a people.

Second, there are those who say that this program has cost a lot and it may cost a lot more. I do not know how much value or cost you can put on justice, compassion, sympathy, understanding, and fairness in this country. That is something to be borne in mind. It is not the fishermen's fault that the cod are not there. I can recall years ago fishermen — long before the scientists gave their advice to the government — saying, "The fish are gone. We are not seeing them. They are not there." They

know. They are the best conservationists in the world. I am not talking about trawlers or deep sea fishermen but small boat fishermen. They are the ones who have been affected most. Those in that group who were affected most are between the ages of 45 and 55 and they do not have any alternatives. They do not have the kind of skills needed in the modern world to get jobs. Newfoundlanders, Labradorians and people in the Atlantic are not afraid of hard work. They can be found all across Canada now. There are more Newfoundlanders in Toronto than there are in the province of Newfoundland and Labrador. They are in Tuktoyuktuk; Thompson, Lynn Lake and St. Catharines. They are living wherever they can get a job. People are not afraid of hard work, but they need alternatives. For many in that middle-aged group, those alternatives are not there at the present time. That is something that the government must understand.

The last point is this: When the government makes it decision on compensation, it must remember that an element of that compensation will apply to a very important group, namely, the aboriginal group. An aboriginal group in northern Labrador did not receive compensation the first time around because an arbitrary line was drawn at the years of 1990 and 1991. The government policy was that if you did not have any fish in 1990 and 1991, you were therefore a disaster. The cod failed from north to south, and it failed along the Labrador coast long before it got to the Island of Newfoundland. There are people in that part of the country who received no compensation at all. They need some consideration at this time. At the present time those same people are negotiating a land claim settlement. Those are people who, court cases have said, have some rights — not just food rights but resource rights.

These are points that the government must bear in mind when it is making its decision. It is not an easy decision. I hope and I believe that that decision will include a maximum understanding of our needs and our possibilities, as well as a maximum amount of compassion.

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## PAGES EXCHANGE PROGRAM WITH HOUSE OF COMMONS

**The Hon. the Speaker:** Honourable senators, before I call the next item on the Order Paper, I should like to introduce to you the pages from the House of Commons who are here this week with us on the exchange program.

[*Translation*]

Karine Richer is from Gatineau, Quebec. She is enrolled in the Faculty of Social Sciences at the University of Ottawa. She is majoring in political science and history.

[*English*]

I also wish to introduce Trevor Tchir, who is enrolled at the University of Ottawa in the Faculty of Social Sciences, majoring in political science and public administration. Trevor is from St. Albert, Alberta.

On behalf of all honourable senators, I welcome you to the Senate.

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[*Translation*]

# ROUTINE PROCEEDINGS

## ADJOURNMENT

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

> That when the Senate adjourns today, it do stand adjourned until tomorrow, Wednesday, June 17, 1998, at 1:30 p.m.

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

**Hon. Senators:** Agreed.

Motion agreed to.

[*English*]

## CHILD CUSTODY AND ACCESS

### WITHDRAWAL OF SUPPORT FOR SPECIAL JOINT COMMITTEE— NOTICE OF MOTION

**Hon. Anne C. Cools:** Honourable senators, I hereby give notice that two days hence I will move:

> That the Senate withdraw its support for the Special Joint Committee on Child Custody and Access, withdraw its Order of Reference to the Committee, and refer the very same study of child custody and access with the identical Order of Reference to a Special Senate Committee constituted for the purpose of assuming the Joint Committee's work and studying the matter of child custody and access because:
>
> (a) the Senate of Canada is the progenitor of the Special Joint Committee, the establishment of which was the combined result of the Senate's sober second thought on Bill C-41 (An Act to amend the Divorce Act, the Family Orders and Agreements Enforcement Assistance Act, the Garnishment, Attachment and Pension Diversion Act, and

the Canada Shipping Act), the public's trusting support of the Senate's actions respecting that Bill C-41, and the then Minister of Justice Allan Rock's undertaking to the Senate, as recorded in the Senate Social Affairs, Science, and Technology Committee's Thirteenth Report, adopted by the Senate February 12, 1997;

(b) the Senate owes a duty of care to the public to properly examine child custody and access issues and also to well represent the public's interests;

(c) the Senate owes a duty to itself, to Parliament and to Canadians to ensure the Committee's proper operation and functioning as a committee of Parliament fully supported by both the Senate and the House of Commons as coordinate Houses of Parliament;

(d) the Senate has taken notice that the Special Joint Committee has not enjoyed the full support, participation and cooperation of the House of Commons, which has created impairment in the Committee's performance of its Order of Reference;

(e) the Senate's members of this Special Joint Committee, despite any afflictions, impairments or inadequacies, have remained steadfast, and have persevered in their study of child custody and access;

(f) the Senate, ever enduring and ever faithful, has now become the object of an unwarranted, unconscionable and unconstitutional attack by Roger Gallaway, the House of Commons Joint Chair of the Special Joint Committee, revealed in a Press Conference on June 11, 1998, which attack is also an attack on the constitution of the Senate, of Parliament and of the Constitution Act, 1867;

(g) the Senate is concerned that this attack is harmful and potentially fatal to an already impaired committee and that such conditions are neither in the public interest, nor in the interests of this Committee, the Senate, or of Parliament; and

(h) the Senate wishes to fulfil its commitment to the public and to the citizens of Canada and, in particular to the children, parents, and grandparents who have been touched by divorce by fulfilling the Order of Reference of the Special Joint Committee and conducting the proper study of the issue of child custody and access with the care and attention the issue rightfully deserves.

**The Hon. the Speaker:** Honourable Senator Cools, I regret to inform you that, even though this is a notice of motion, in view of the fact that the motion proposes the rescinding of a previous decision of the Senate, under rule 63(2), this motion requires five days' notice. I suggest that you re-word your notice of motion for Monday, June 22, rather than for two days' hence.

**Senator Cools:** Absolutely. I would make that change. I give notice that I will speak to this motion whenever I may speak to it.

**The Hon. the Speaker:** We will assume that the notice of motion is for Monday, June 22. Is that agreed?

**Senator Cools:** Absolutely, Your Honour.

## PRIVATE BILL

ALLIANCE OF MANUFACTURERS & EXPORTERS CANADA—
PRESENTATION OF PETITION

**Hon. James F. Kelleher:** Honourable senators, I have the honour to present a petition from the Canadian Manufacturers' Association, in the City of Etobicoke in the province of Ontario, praying for the passage of an act respecting the Alliance of Manufacturers & Exporters Canada.

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# QUESTION PERIOD

## CANADIAN HERITAGE

BANFF NATIONAL PARK MANAGEMENT PLAN—
RECENT STATEMENT OF MINISTER—GOVERNMENT POSITION

**Hon. Ron Ghitter:** Honourable senators, I have a question for the Leader of the Government in the Senate. By way of background to my question, I should like to bring to the attention of the chamber the "Banff-Bow Valley at the Crossroads — Summary Report." This report was prepared at the request of the government, with major input from players and task people within the area. This report was filed after a tremendous amount of public input. Parks Canada responded in January of 1997 with support for the report.

The Standing Senate Committee on Energy, the Environment and Natural Resources on two occasions visited Banff and talked to the various participants, after which time the Senate committee lauded the government for the manner, the openness and the consultation process which had been utilized by government to come to a consensus.

The government then filed the Banff National Park Management Plan. In the management plan, the government stated that it would "adopt a clear and open process for reviewing development proposals," and that they would "invite the public to review proposed changes." The Town of Banff came forward, therefore, with their plan, as they are obliged to do under the mandate given to them by the government. The minister in charge then flies into Banff and, without even examining the material, comes forward and says that "there will be nothing doing" in Banff National Park; that there is "no way."

Is this, then, the approach that the government is taking towards park management? Is it the government's desire now to scrap all of the prior documentation and work relating to the involvement of stakeholders' groups; which groups will now have to deal with a minister who ignores all of the prior negotiations and merely says "no way" without any consultation whatsoever? Is that how the government intends to deal with their parks management?

**Hon. B. Alasdair Graham (Leader of the Government):** No, honourable senators. The matter is under review. Minister Copps, who has made statements with respect to Banff National Park, took the reports under consideration. They are still under review.

I want to personally comment on the Banff National Park. It is one of the finest parks in the country, perhaps second only to the Cape Breton Highlands National Park.

**Senator Ghitter:** Honourable senators, is the media wrong, then, in their reports, in these many clippings which I have before me, where the minister has apparently stated — and is quoted in *The Globe and Mail* and throughout the country as having stated — that she will cap the growth in the parks? On June 9, it was reported that the government "will introduce within three weeks a tough, new blueprint to control commercial development in Canada's national parks." Are all of these media reports incorrect?

**Senator Graham:** No, I believe that the minister is interested in capping the growth in our national parks to ensure that they are available for the enjoyment of all Canadians, no matter where they live and, indeed, when they are visiting that beautiful part of Western Canada in your home province of Alberta, Senator Ghitter. I have had no indication personally that the minister would be introducing new legislation or new laws which might affect the park, but I certainly shall make the appropriate inquiries.

**Senator Ghitter:** Might I then ask who in fact speaks for the parks and to Canadians? Minister Copps made her statements and they have been reported. We have also heard from the Honourable Minister Mitchell, who is the Secretary of State for Parks, as I understand it. He has said different things than Minister Copps.

• (1430)

In fact, Mr. Mitchell stated that his department would evaluate every application on its merits, as they did with the expansion in Lake Louise, and that that is what they would do in Banff. Who, then, are we to believe, Minister Mitchell or Minister Copps, when they are speaking at cross-purposes and not in concert with each other?

**Senator Graham:** Minister Mitchell has special responsibilities with respect to Parks Canada, but the ultimate responsibility rests with Minister Copps.

**Senator Ghitter:** Will there be consultation with the stakeholders in the park and with the town relative to their management plan, so that they can determine the position of the government, and then carry out the plan that is best for the people of Canada and the people who live in the area, rather than being faced with unilateral action by the minister, as we have seen to this point in time?

**Senator Graham:** I would be pleased to bring that recommendation to the attention of both Minister Mitchell and Minister Copps.

## FOREIGN AFFAIRS

### SITUATION IN KOSOVO, SERBIA—ROLE FOR CANADIAN FORCES IN NATO INVOLVEMENT—POSSIBILITY FOR DEBATE—GOVERNMENT POSITION

**Hon. J. Michael Forrestall:** Honourable senators, my question relates to the events occurring in Kosovo over the last few days. My understanding is that when cabinet met this morning, it was for the purpose of, among other things, revisiting the question of our involvement, and making some determinations.

We learned this morning that there has been a deal arrived at between the Russians and Serbia. I do not know what is involved in that deal, or what the arrangements are, or even whether the details have been communicated to the NATO partners. In any event, could the minister bring us up-to-date as to what he understands the situation to be? Perhaps he could tell us what the position of the government would be should the matter not be resolved. Would we then be considering the presence of Canadian Forces in that zone? Should the House of Commons itself be recalled for debate? Should a special resolution be introduced in this chamber, before we leave at the end of the week, so that Canadian Forces personnel, their families and all Canadians, will understand the basis upon which Canadian Forces are present in that part of the world?

**Hon. B. Alasdair Graham (Leader of the Government):** Honourable senators will know that, yesterday morning, 83 aircraft from 13 NATO countries participated in an air exercise over Macedonia and Albania as a show of force, intended to pressure the Yugoslav government into bringing an end to the fighting in Kosovo. I understand that the countries represented were Belgium, Britain, Denmark, France, Germany, Greece, Italy, the Netherlands, Norway, Portugal, Spain, Turkey and the United States.

As my friend the Honourable Senator Forrestall has indicated, Serbian president Milosevic met earlier today with Russian President Yeltsin to discuss the situation in Kosovo. It is accurate to say that media reports indicate that Milosevic was prepared to show some flexibility in negotiating with the ethnic Albanian minority in Kosovo, although Russian authorities, I hasten to point out, have not yet officially confirmed this. Canada fully supports NATO's decision to send a clear signal to the Yugoslav government that the ongoing fighting in Kosovo is unacceptable, and must be stopped.

**Senator Forrestall:** Honourable senators, I appreciate the response of the Leader of the Government in the Senate. The difficulty with listing the participants is that you might have said that Canada was the only nation with aircraft that did not participate. The other two nations, of course, do not have air forces.

Now that the actual situation seems to be in a state of limbo, the very important consideration remains the policy of discussion, of debate, of voting, although I do not like the term "voting" in matters as delicate and as sensitive as this. What is the government's position with respect to providing a platform and a forum for debate over these issues?

We have had trouble with this sort of situation so many times in the past, and all current, useful writing on military matters would seem to predict that the next century will not see much change from that basic parameter. Perhaps we should have some kind of policy which requires the members of Parliament, those in the House of Commons and in the Senate, to stand up and comment upon and to question the government on why our troops are going, how long they will be there, how we extract them afterwards, how we will clothe and feed them: all these other questions which are so important, and which now just sort of hang out there in never-never land.

Could the minister shed some light on the government's feeling with respect to this matter?

**Senator Graham:** Honourable senators, first, the conduct of the exercises to which my honourable friend refers was approved by NATO defence ministers at their meeting last week, at which Minister Eggleton was present. Ministers at that time, with Canada participating, directed NATO military planners to examine other, more robust options for further consideration. Although Canada, as I indicated, supports the conduct of the NATO exercises in Albania and Macedonia, no decision on the use of Canadian fighter aircraft in this role has been made.

My understanding is that, in terms of the other countries I mentioned, they are in closer proximity to the area in question. My honourable friend would know better than I, but our fighter jets are located, I believe, in Cold Lake, Alberta, and Bagotville, Quebec.

Having said all that, and in responding more directly to the honourable senator's question, I know that the matter is under very active consideration by the government. One of the options, of course, before any final decision is taken, would be to ensure that the proper parliamentary authorities, or a portion thereof, would be consulted appropriately.

## NATIONAL FINANCE

### LONG-RANGE PROJECTIONS OF FISCAL POLICY BASED ON DEMOGRAPHIC TRENDS— POSITION TAKEN BY AUDITOR GENERAL—GOVERNMENT POSITION

**Hon. Terry Stratton:** Honourable senators, my question is addressed to the Leader of the Government in the Senate. We keep asking this question, and again and again we are turned down by the Minister of Finance.

According to an article in today's *Financial Post,* it appears that the Auditor General is again clashing with the Department of Finance. This time Mr. Desautels wants the department to provide regular, long-term fiscal projections on the likely impact of an aging population on the government's financial condition, because pressures will be immense if debt burdens remain high.

My question is: Why, for the sake of debate and policy, is the government refusing to do long-term projections?

**Hon. B. Alasdair Graham (Leader of the Government):** Honourable senators, I would think that the government has that matter under consideration at the present time. As my honourable friend knows, a different approach is being taken by officials in the Ministry of Finance to that taken by the Auditor General, but the whole matter is the subject of an ongoing review.

**Senator Stratton:** Honourable senators, the concern is that Mr. Desautels makes a strong case for more regular reporting by the government on the possible impact of demographic trends so that policy choices can be properly debated and better understood. For example, the United States, the United Kingdom, Australia and New Zealand all provide this kind of information in some form or other. The Labour government in Britain recently introduced a code for fiscal stability that calls for projections of not less than ten years to show the intergenerational impact of fiscal policy.

• (1440)

If other governments are doing that because of the impact of the ageing baby boomer population on the fiscal house of the government, why are we not doing something about it? This issue will be haunting the leader for some time.

**Senator Graham:** It could well haunt me, honourable senators. However, I am quite satisfied that the Government of Canada has embarked upon long-range studies, and as soon as they are available they will be made public.

**Senator Stratton:** Honourable senators, I am sure that these studies have not just started. I am sure that they are available. We are asking that those studies be brought forward because it is important to have a policy debate about what appears to be coming down the track at us like a freight train.

**Senator Graham:** Honourable senators, if those studies are available at the present time, I would be happy to bring them forward.

## DELAYED ANSWERS TO ORAL QUESTIONS

**Hon. Sharon Carstairs (Deputy Leader of the Government):** Honourable senators, I have a response to a question raised in the Senate on June 4, 1998, by the Honourable Senator Donald Oliver regarding the percentage of minister's permits issued to convicted criminals.

I also have a response to a question raised in the Senate on June 3, 1998, by the Honourable Senator Oliver regarding the action taken for inappropriate behaviour by members of the armed forces in the former Yugoslavia.

## CITIZENSHIP AND IMMIGRATION

PERCENTAGE OF MINISTER'S PERMITS ISSUED TO CONVICTED CRIMINALS—GOVERNMENT POSITION

*(Response to question raised by Hon. Donald H. Oliver on June 4, 1998)*

The Immigration Act specifies that any persons who are deemed criminally inadmissible will be refused abroad or refused processing from within Canada, even if they do meet other immigration requirements. Immigration issues are, however, rarely cut and dry. There are cases where extenuating circumstances call for the exercise of discretionary authority. Minister's permits allow people who would otherwise not be admissible, to come into or remain in Canada under specific circumstances. This discretionary authority allows the immigration program the flexibility to take into consideration humanitarian and compassionate factors. It also allows the program to ensure that the security of the Canadian public is protected.

It should be made clear that the vast majority of Minister's permits which are issued to people to overcome past convictions are for temporary entry only. Often, these persons are seeking temporary entry for employment reasons. They may be delivering goods, installing or repairing equipment or providing entertainment. Workers, consumers, the general public in Canada may benefit from their presence. They may also be visiting or joining close family in Canada. The interests of their relatives in Canada are often served by issuing permits.

Before determining whether or not a permit should be issued, Immigration and visa officers thoroughly review and assess each individual's situation on a case-by-case basis. Officers fully appreciate the importance when recommending or issuing a permit and adhere to strict guidelines for assessing who qualifies for and deserves favourable discretionary consideration in these cases.

Whenever a Minister's permit is considered, of paramount concern is the health and safety of Canadians. A permit will be issued only if there is evidence that the person has not committed recent offences, is unlikely to commit offences in Canada and the need for the person to enter Canada is compelling. For example, individuals convicted of minor, non-violent offences in their youth, who can demonstrate successful rehabilitation, often receive permits for temporary entry.

Permits are issued for short periods of time. They can be revoked at any time, but this almost never happens. However, if a permit is cancelled, the Minister may order the removal from Canada of that person.

While persons who have been issued Ministerial permits in order to allow them to live in Canada for lengthier periods of time may be eligible for landing after five years, this is a rare occurrence in cases of criminal inadmissibility. Those few who obtained permanent residence do so because they were successful in applying for rehabilitation or pardons and, as such, are no longer considered inadmissible.

As noted above, the health, safety and good order of Canadian society are of paramount concern when the issuance of a Minister's permit is being considered. Immigration and visa officials rely on access to criminal records, referrals from local police and the statements of applicants as part of their thorough assessment of the individual's case. Permits will only be issued to people who have satisfied CIC officials that they represent no threat to Canadian society and need to be in Canada for compelling reasons.

In the cases of the two individuals which were brought to the attention of the Senate, although the charges were for serious crimes, the crimes were not particularly violent. For this reason, both individuals received a suspended sentence and terms of probation from the courts. In both cases, the justice system did not consider the individuals to be dangerous or likely to re-offend.

## NATIONAL DEFENCE

ACTION TAKEN FOR INAPPROPRIATE BEHAVIOUR BY MEMBERS OF ARMED FORCES IN FORMER YUGOSLAVIA—GOVERNMENT POSITION

*(Response to question raised by Hon. Donald H. Oliver on June 3, 1998)*

The Department of National Defence and the Canadian Forces do not tolerate racism. An initial administrative investigation was conducted by the Chain of Command. The Canadian Forces National Investigative Service has now assumed responsibility for this case. Since the investigation has yet to be completed, it would be inappropriate to comment on this case at this time.

## THE SENATE

PENDING ANSWERS TO ORAL AND ORDER PAPER QUESTIONS—GOVERNMENT POSITION

**Hon. John Lynch-Staunton (Leader of the Opposition):** Honourable senators, as I assume there are only a few days remaining before we break, is the Leader of the Government able to inform us that his quadruple efforts will bear fruit and that answers to questions asked as far back as seven months ago, or last November, including the answers Senator Kenny is complaining about, will be forthcoming before we break, whenever that is, this week or next week?

**Hon. B. Alasdair Graham (Leader of the Government):** I wish to assure Honourable Senator Lynch-Staunton and all honourable senators that every effort is being made. I hope to have some positive results by tomorrow.

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# ORDERS OF THE DAY

## QUESTION OF PRIVILEGE

SPEAKER'S RULING

**The Hon. the Speaker:** Honourable senators, on June 11, 1998, Senator Cools raised a question of privilege. Her question of privilege related to the announcement made earlier the same day that some members of the other place propose to circulate petitions soliciting public support for the abolition of the Senate. With leave, several documents relating to the matter were tabled. In Senator Cools' view, this intended action on the part of the members of the other place constitutes a breach of the privileges of the Senate.

[*Translation*]

Whether or not they are justified in taking this action, it is my responsibility as Speaker to determine whether the question of privilege is founded. If I determine that it is, Senator Cools has indicated that she is prepared to introduce a motion.

After citing a number of sources, and the Constitution Act, 1867, Senator Cools explained what I think is the crux of her argument, which is that the abolition of the Senate is tantamount to the abolition of the country and that the ensuing unicameral Parliament would, in her view, be irreconcilable with Canada's history, convention, context, culture and Constitution.

[*English*]

Whatever the merits of this point of view, Senator Cools has failed to show how the actions of members from the other place in promoting this cause by circulating petition forms constitutes a grave and serious breach of the privileges of the Senate or of herself, in particular. Yet, if this issue is to be accorded any priority as a question of privilege it must meet this test, among others, according to rule 43(1)(*d*) of the *Rules of the Senate*.

Reform of the Senate, even its possible abolition, has been a subject of national debate for many years. I co-chaired the Special Joint Committee on the Reform of the Senate some years ago. I do not think I need remind honourable senators about recent constitutional proposals regarding Senate reform, nor about the inquiry of the Honourable Senator Ghitter that is currently on the Order Paper.

The right of Canadians to petition Parliament respecting any matter which might fall within its competence or jurisdiction is fundamental to our Constitution. It is a right that cannot be denied. Certainly, the reform of the Senate and its possible abolition are subjects that are appropriate for petition. I am advised that numerous petitions on Senate abolition containing several thousand signatures have been received in recent months in the other place. The question of privilege alleged by Senator Cools appears to challenge this fundamental right without providing any justification for the action.

It is my ruling that no *prima facie* case of privilege has been established.

## BUSINESS OF THE SENATE

**Hon. Sharon Carstairs (Deputy Leader of the Government):** Honourable senators, I have provided a list to the Deputy Leader of the Opposition which indicates my intention to call the bills in the following order: Bill C-28, Bill S-2, Bill C-6, Bill C-45, Bill C-26, the National Finance Committee's report, Bill C-46, Bill C-36, Bill C-47, Bill C-30, Bill C-37, Bill C-25 and the motion on the Information Commissioner.

POINT OF ORDER

**Hon. Noël A. Kinsella (Acting Deputy Leader of the Opposition):** Honourable senators, I rise on a point of order.

Honourable senators, I seek clarification as to whether, under Orders of the Day, a report from a committee can outrank consideration of legislation.

**The Hon. the Speaker:** Do any other honourable senators wish to participate in the debate on the point of order raised by the Honourable Senator Kinsella?

**Hon. Sharon Carstairs (Deputy Leader of the Government):** Bills and reports of committees in this instance all come under government business. In my understanding of the rules, it is the right of the government to establish the order of business.

**Hon. John Lynch-Staunton (Leader of the Opposition):** Honourable senators, that committee business is Senate business. The report is brought in by the chairman of the committee or the deputy chairman in the absence of the chair. It may be reporting on a government bill, but committee business is not government business.

**The Hon. the Speaker:** Do any other honourable senators wish to participate in the debate on the point of order?

**Hon. J. Michael Forrestall:** Honourable senators, I should like to direct a question to the Deputy Leader of the Government.

If that is the order of priority, is the honourable senator telling this house that we will not deal with any committee reports? I have a committee report that I wish to have dealt with later today, of which I have given notice. If it is not called, I will be somewhat alarmed.

**Senator Carstairs:** Senator Forrestall, to answer your question, when we get to the rest of the business on the Order Paper it will fall in its normal order. This is a government bill. For all honourable senators' clarity, the reason why the National Finance Committee's report is called before Bill C-46 is that we cannot proceed to second reading of Bill C-46 until we have heard from the committee on the supply issue.

**The Hon. the Speaker:** Do any other honourable senators wish to speak on the point of order?

**Hon. B. Alasdair Graham (Leader of the Government):** Honourable senators, both Senators Kinsella and Lynch-Staunton may be correct in terms of the rules or procedure. However, Senator Carstairs is correct in terms of the order in which a report and legislation should be considered and that we do it in a logical way. Precedents are available to support that procedure.

**Senator Kinsella:** Honourable senators, it having been just conceded that the *Rules of the Senate* provide for what I had assumed to have been the proper order; namely, that bills are considered and then reports, the particular problem which the Deputy Leader of the Government has addressed is resolved by having the report considered when it is time to consider reports. Tomorrow one would move on to dealing with the bill to which that report provides an undergirding. Honourable senators, it is clear that the rules are the rules of the house, and unless and until we change those rules, we must follow them.

• (1450)

**Hon. Pierre Claude Nolin:** Honourable senators, is one of the options that we sit next week?

**Senator Carstairs:** Honourable senators, we have a number of important pieces of business that we must get through. I have been very clear to the other side as to what that important business is, and we will sit, honourable senators, until we have dealt with that business, even if it is three weeks hence.

**Senator Nolin:** Are the bills and reports that were mentioned by the Deputy Leader on the "must" list?

**Senator Carstairs:** Honourable senators, I have tried to be accommodating. For example, Senator Simard indicated to me that he wished to leave for a medical appointment this afternoon, and that is why I have put Bill C-28 in the primary order this afternoon. The other bills clearly are the ones that are on the "must" list.

**Senator Lynch-Staunton:** Honourable senators, I can certainly understand the logic in what both the leader and the deputy leader are saying. However, paramount to that is respect for the rules. The rules are clear that the order of government business can be rearranged at the sole discretion of government side, but committee business is not government business. However, to be accommodating, as we usually are, if the deputy leader asks for leave to insert a committee report in the middle of government business, she might find agreement on this side, which would mean we would not be setting a precedent by accepting the order of business without leave.

**Senator Carstairs:** I thank the Leader of the Opposition for that. However, I would refer honourable senators to rule 27. Estimates are actually referred by the government and are for that reason unique. Therefore, I maintain that we can ask for that committee report along with bills.

**Senator Lynch-Staunton:** We were trying to hasten the business, but if the deputy leader wants to be stubborn in interpretation of the rules and identify committee business as government business, she may as well identify the Senate as a government entity. The Senate, in most of its work, is independent of government wishes, and the committees, as extensions of the Senate, are the most obvious proof of that. What we are saying is, yes, you may have leave to have a committee report before a certain bill is passed but do not identify it with government business. Committee business is not government business.

**The Hon. the Speaker:** Honourable senators, is there a disposition to ask for leave? If not, I am prepared to rule.

Honourable senators, if no other honourable senator wishes to speak, I will rule on the point of order raised.

I refer honourable senators to rule 26 on page 29 which states:

> Unless otherwise ordered by the Senate and except as provided elsewhere in these rules, the Orders of the Day shall take precedence over all other business according to the following order of priority:

And then under (1) Government Business, I refer honourable senators to (*b*):

> Orders of the Day for the consideration of reports from committees in relation to government bills;

I would then refer honourable senators to the Order Paper and Notice Paper No. 74 for today, Tuesday, June 16. On page 5, honourable senators will see in the list under Government Business, Reports of Committees, item No. 1:

Consideration of the Fifth Report of the Standing Senate Committee on National Finance (*Supplementary Estimates (A) 1998-99*)...

I remind honourable senators that the consideration of Supplementary Estimates is proceeded with by way of a motion moved by the government. It is government business and it appears under Government Business on the Order Paper, not under Other Business.

I rule the point of order out of order. We can proceed.

[*Translation*]

## INCOME TAX AMENDMENTS BILL, 1997

THIRD READING

On the Order:

Resuming debate on the motion of the Honourable Senator Carstairs, seconded by the Honourable Senator Wilson, for the third reading of Bill C-28, An Act to amend the Income Tax Act, the Income Tax Application Rules, the Bankruptcy and Insolvency Act, the Canada Pension Plan, the Children's Special Allowances Act, the Companies' Creditors Arrangement Act, the Cultural Property Export and Import Act, the Customs Act, the Customs Tariff, the Employment Insurance Act, the Excise Tax Act, the Federal-Provincial Fiscal Arrangements Act, the Income Tax Conventions Interpretation Act, the Old Age Security Act, the Tax Court of Canada Act, the Tax Rebate Discounting Act, the Unemployment Insurance Act, the Western Grain Transition Payments Act and certain acts related to the Income Tax Act.

**Hon. Jean-Maurice Simard:** Honourable senators, I would like to thank Senator Carstairs for her cooperation.

As Conservative opposition critic in the Senate, the last time I commented on Bill C-28, at second reading, I took the opportunity to speak of the greater impact of the federal government's fiscal policy. It underlies in fact some of the elements of Bill C-28, as do a number of earlier legislative measures.

To summarize briefly the contents of Bill C-28, Part I, the pièce de résistance, concerns the formula for the new Canada Health and Social Transfer. Part II deals with the many tax measures affecting certain categories of taxpayers, including students, banks and retirees. The bill also addresses the CPP and the QPP, labour-sponsored venture capital corporations, Canadians with disabilities, charitable donations, charitable organizations, investment tax credits and environmental trusts, measures arising from the 1997 budget and even from the 1995 budget.

For 10 years, up until last year, I sat on the Senate Committee on Banking, Trade and Commerce. I am not very proud of the way that Senate committee handled Bill C-28. It invited representatives from an aboriginal community in Alberta to appear as witnesses. With the exception of three or four Department of Finance and Department of Revenue employees, not a single witness showed up. The bill was rushed through in a little over two hours. That is why I asked Senator Kirby, the chair of the Senate Committee on Banking, Trade and Commerce, to take it upon himself to invite the Minister of Finance, Paul Martin.

Senator Kirby deserves credit. He promised me that he would invite the minister and he kept that promise. Senator Kirby reached agreement with his committee colleagues to delay passage of the bill at the third reading stage. Senator Carstairs cooperated. Finance Minister Paul Martin appeared before the Finance Committee and discussed Bill C-28 at the same time as Bill C-36.

Then, yesterday morning at 9:30, I got a phone call from Minister Martin's office, informing me that he had discovered a possible conflict of interest. The House of Commons had referred to this possibility, and so had I during second reading. I said then that I had accepted Paul Martin's explanations. I had had an explanation from the ombudsman on conflicts of interest.

I therefore felt it was necessary for us to have the Minister of Finance, and not some "pinch hitter," a colleague or a departmental employee. I demanded that the Minister of Finance, Paul Martin, himself come before the committee. The government had to make some choices. About two weeks ago, I saw Paul Martin on television speaking in connection with *The Globe and Mail* headlines about the $20-billion surplus in the employment insurance fund. Mr. Martin spoke of the choices he and his government had had to make. This is why I called for the presence of Finance Minister Paul Martin, with the assistance of Senators Carstairs and Kirby. We know the government had to make choices: on whether to lower or to raise taxes, on spending and priorities and so on. Then, yesterday morning, Paul Martin decided there was a potential conflict of interest, because Bill C-28 dealt with exemptions for ships. We know about Paul Martin's investments.

We could even have debated it under cover of Bill C-36, which deals with the millennium fund, student scholarships and other fiscal measures in the 1998 budget. Bills C-28 and C-36 implement the 1997 and 1998 tax measures.

We could have told the Minister of Finance's office yesterday morning that he was not authorized to discuss Bill C-28 because of a conflict of interest. We could have discussed it.

I therefore find the attitude of Paul Martin and the Liberal government cavalier. It is unacceptable. My colleagues and honourable senators on this side of the house should also be able to hear the Minister of Finance explain not just the particular features and repercussions of a bill or budget, but also the principles underlying the government's budgetary policies.

If the Minister of Finance had shown up, we could have uncovered certain underlying principles. What would we have been able to accomplish? We would perhaps have been given an explanation of the ongoing saga of the perpetually growing surplus in the EI fund, which will reach $20 billion by the end of the year.

Never have we seen a Minister of Finance provide so many different explanations for continuing in his refusal to lower EI premiums to a reasonable level, given the present situation and the costs of the program. And there is no doubt that never has a minister been the target of so many attacks by unions, small business and provincial governments. Whether it is Premier Klein of Alberta, the Premier of Ontario, Mike Harris, the National Assembly of Quebec, Premier MacLellan of Nova Scotia or Premier Thériault of New Brunswick, all are critical of the use to which the Liberal government has put the surplus in the EI fund.

In the 1995 budget, the minister had announced his intention to let the employment insurance fund keep accumulating a surplus of up to $5 billion in order to avoid having to raise the contribution rate in the event of a recession. When the $5-billion level was exceeded, Minister Paul Martin seized upon the calculations of the plan's actuary, according to whom a $12-billion to $15-billion surplus was required in order to avoid having to raise the contribution rate in the event of a recession. Now that Statistics Canada is indicating that this level has been exceeded as well, they have concocted a new justification.

The explanation of the day is that the volatility of international financial markets requires the dollar to be protected. I hardly need report that the Canadian dollar broke its record low yesterday, plunging to 67 cents. Paul Martin wants to protect the dollar, really now!

In other words, the employment insurance fund has to continue to serve as a cash cow for a good cause: financial stability. Over the past five years, you and I have both seen the Chrétien government, with Finance Minister Paul Martin at the head of the line, patting themselves on the back, these last three years in particular. He claims full credit for eliminating the deficit. Yes, the Chrétien government has eliminated the deficit, as Premier Mike Harris said a couple of weeks ago, by stealing $20 billion from Canadian workers and employers, and $6 billion or $7 billion from the provincial governments via the new Canada Health Transfer formula.

This is why my party and I called for Paul Martin to come and debate his choices and his priorities on television directly with Canadians.

What are they funding with the employment surplus? Among other things, the Canadian Millennium Scholarship Fund, a program highly criticized in Quebec, which many consider far too little to really improve access to higher education. With the considerable reductions to the transfer payments to the provinces and the increases in tuition fees, a program like the Canadian Millennium Scholarship Fund only partly resolves the problem the federal government itself created.

Clearly, this program was chosen much more for Liberal partisan reasons than for its real impact on education. In passing, I note that the Liberal government wanted to erect a monument to Jean Chrétien, except that he remained deaf to the appeals and sincere arguments of my colleagues in opposition and in Quebec, who were appointed to the Senate by Brian Mulroney. I am thinking of Thérèse Lavoie-Roux, Roch Bolduc, Gérald Beaudoin, Jean-Claude Rivest, but there are many more.

Prime Minister Chrétien and the Liberal government remained deaf to the appeals from Quebec, from students, universities, experts, researchers and so on. They went on from there to seek a cut to the Canada transfer. After cutting 25 per cent from the equalization payments to the provinces in 1994 and 1995, the Liberal government is boasting about having increased the value of the Canada transfer program from $11 billion to $12.5 billion.

What the Liberal government is not telling Canadians is that the seven have-not provinces, including New Brunswick and Nova Scotia, will receive, because of this 25-per-cent cut, $784 million between now and 2001. They stole from seven of the provinces.

The headline in today's *La Presse* is very appropriate. The Montreal daily headed this morning's edition by saying that, after robbing the provinces, Chrétien turned his back on them. The Minister of Finance did the same to the provinces yesterday.

What do the budget implementation measures tell us about the federal government's policies and priorities? All the federal post-secondary education measures reveal a government that is trying to promote "federal" measures for improving access to education, but that, at the same time, is penalizing the provinces, which actually have jurisdiction over this sector. Whether in the case of direct financial assistance to students through millennium scholarships or indirect assistance through the tax system, there exists a direct link between the need for new federal measures and the withdrawal of federal government assistance to the provinces. Were all these upheavals in education funding not designed to call public attention to federal funding?

The federal measures to fund education certainly do not square very well with the federal government's refusal to do anything to stop the brain drain. It is all very well to help Canadians go on to higher education, but if the tax system encourages them to leave the country as soon as they have pocketed their degree, how will we be any further ahead as a society? Every year, Microsoft hires approximately one-third of the University of Waterloo's computer graduates, who head off to work not in Canada, but in the United States. We have every reason to be proud of the calibre of these graduates and the institution that produced them, but we cannot be proud of the tax system that encourages them to exercise their profession in another country.

The fact that Canada is also a destination for specialized workers from the rest of the world is not necessarily any great consolation. We must ask ourselves whether the economic value of the workers we are losing is greater than the value of those we are acquiring. If specialists in leading sectors are merely using Canada as a stopping-off point on the way to the United States, then the loss of our most brilliant minds is an economic tragedy.

Many factors influence the migration of workers, but there is one thing over which the federal government has control when it comes to stopping the brain drain, and that is the level and structure of taxes.

• (1520)

Unfortunately, the federal government is refusing to undertake the necessary tax reforms. It is even refusing to debate its policies on television. Thus it is refusing to explain its priorities and the tax measures it has adopted, even in committee, even behind closed doors. Really!

First, the federal government does not appear prepared to forego even part of the substantial increase in the tax revenues that precipitated the spectacular drop in the deficit and the balanced budget. According to projections, tax revenues should increase by $35 billion between 1994 and 1999. Analysts think today that these projections are too cautious and that the increase in revenues will be more in the order of $40 billion. The government is boasting of having reduced the deficit primarily by cutting expenditures, but it is clear that the increase in tax revenues is the source of the government's success in fiscal matters and of the excess in the employment insurance fund.

Once again, as we saw in the saga of the employment insurance premiums, the federal government is extremely hesitant to give up any of its tax revenues. This is one reason for the continued brain drain.

The other reason is that the government's concern for egalitarianism takes precedence over an analysis of the economic effects of income tax. The tax relief the government has permitted up to now goes not to those who might join the brain drain, but focuses, and so much the better, on low-income families. What the government fails to see, however, is that one does not preclude the other. The tax relief offered by the Government of Ontario directs some 90 per cent of the impact toward people with incomes of less than $60,000, but does still offer significant benefits to those who might be tempted to leave the country. The Minister of Finance is caught up in outmoded concepts whereby equity and economic efficiency are mutually exclusive. So he spends a lot of time denigrating the achievements of the Government of Ontario. What he does not realize is that a well-designed tax system permits the achievement of both objectives at once.

In conclusion, for all the reasons I have mentioned, the Minister of Finance should be required to appear before the Senate. He could then debate his fiscal and economic choices with honourable senators representing the various regions.

I would just like to say a few words about the situation in the Atlantic provinces, a region that is generally lagging behind the rest of the country economically and which has been particularly hard hit by the present government's economic policies over the last five years. Here might lie the explanation for the fact that over 15 Liberal members, including two ministers, were defeated in the last federal election in June 1997.

There is no denying that New Brunswick's economic prospects are improving, but the unemployment rate is still over 12 per cent in my province, and it is expected to continue to exceed 10 per cent at the beginning of the new millennium. In only two of the last 10 years has New Brunswick's GDP made it over the national average. More important still, New Brunswick's demographic growth has been under the national average since 1991 and, for half that period, it was approximately one-fifth the national rate. These figures are among the lowest in the country and mean that economic growth continues to be disappointing.

The situation is the same in the other Atlantic provinces. Nova Scotia's rate of unemployment is also expected to exceed 10 per cent at the turn of the century. Prince Edward Island's is expected to top 12 per cent and Newfoundland's 15 per cent.

Naturally, the federal government does not bear all the responsibility for these regional disparities, which are longstanding. The fact remains, however, that it does not appear to know what to do about them, and the Minister of Finance should be accountable for that as well.

For all these reasons, honourable senators, I recommend that the Minister of Finance be required to appear annually before the Senate to report on the government's budgetary and economic policy, on the choices it has made, and to reply to questions from honourable senators.

[*English*]

**Hon. John G. Bryden:** Would the Honourable Senator Simard accept a question?

**Senator Simard:** Yes.

**Senator Bryden:** It was probably not the intention of my honourable friend, but his words have left the impression that the Minister of Finance refused to appear before the committee dealing with the budget bills. The Minister of Finance appeared before the Standing Senate Committee on National Finance yesterday morning at eleven o'clock. He was questioned by all members of the committee who had questions, including myself. Indeed, in reply to one questioner, he smiled and said, "I was expecting that question from Senator Simard." Senator Simard was not there.

I do not wish to enter into a debate, but I should like to make it very clear that my understanding is an arrangement was made that the Minister of Finance would not appear before the Standing Senate Committee on Banking, Trade and Commerce but would, in fact, appear before the National Finance Committee dealing with the budget. He adjusted his schedule to fit the schedule our committee asked him to meet.

**Senator Berntson:** I am sure there is a question here somewhere.

**Senator Bryden:** The minister in fact did appear.

If my honourable friend was aware of that, I am sure he did not intend to leave that out of his remarks. I merely wish to ensure that he has an opportunity to clarify his remarks.

**Senator Simard:** I referred to the presence of Paul Martin yesterday. I received a phone call from my office at 9:30 informing me that Paul Martin would not accept to deal with Bill C-28. I attended the committee for half an hour to witness Paul Martin's opening statement. He praised himself and the government for fighting and defeating the deficit.

I was still there when my colleagues Senators Bolduc, Beaudoin and Jean-Claude Rivest, appealed to the government and to Paul Martin to understand and deal with Quebec and the National Assembly. He said no. That, of course, is when I left. Obviously, Paul Martin, the Minister of Finance, was not ready to deal with this choice.

**Senator Bryden:** As you recall, I was also at that committee meeting. I did not hear the minister say that he would not deal with the Government of Quebec. Try to stick to the facts.

**Senator Simard:** All senators can read the proceedings of the meeting of the Finance Committee yesterday.

**Senator Bryden:** Why did you not ask him a question?

**The Hon. the Acting Speaker:** Order.

**Senator Bryden:** Were you intimidated?

**The Hon. the Acting Speaker:** Order.

**Senator Simard:** I was never intimidated by the minister.

**The Hon. the Acting Speaker:** Order. Senator Simard has the floor.

**Senator Simard:** I was at the committee meeting and, as I said, twice Paul Martin refused to debate the choice he made in Bill C-28 with regard to transfer payments because of a so-called conflict of interest. That is why I left.

**The Hon. the Acting Speaker:** Are senators ready for the question?

It was moved by the Honourable Senator Carstairs, seconded by the Honourable Senator Wilson, that this bill be read the third time. Is it your pleasure, honourable senators, to adopt the motion?

**Some Hon. Senators:** Agreed.

**Some Hon. Senators:** No.

**An Hon. Senator:** On division.

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

## CANADIAN TRANSPORTATION ACCIDENT INVESTIGATION AND SAFETY BOARD ACT

BILL TO AMEND—AMENDMENTS FROM COMMONS ADOPTED

The Senate proceeded to consideration of amendments by the House of the Commons to Bill S-2, to amend the Canadian Transportation Accident Investigation and Safety Board Act and to make a consequential amendment to another Act:

1. *Page 9, clause 17*: Strike out lines 5 and 6 and substitute the following:

"(i) the flight deck of an aircraft,"

2. *Page 9, clause 17*, Strike out lines 16 and 17 and substitute the following:

"ing personnel, on the flight deck of the aircraft, on".

**Hon. Bill Rompkey:** Honourable senators, I move:

That the Senate concur in the amendments made by the House of Commons to this bill, without amendment, and that a message be sent to the House of Commons to aquaint that house accordingly.

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

**Hon. Senators:** Agreed.

Motion agreed to.

## MACKENZIE VALLEY RESOURCE MANAGEMENT BILL

THIRD READING—
MOTION IN AMENDMENT, AS AMENDED, ADOPTED

On the Order:

Resuming debate on the motion of the Honourable Senator Forest, seconded by the Honourable Senator Fitzpatrick, for the third reading of Bill C-6, to provide for an integrated system of land and water management in the Mackenzie Valley, to establish certain boards for that purpose and to make consequential amendments to other Acts;

And on the motion in amendment of the Honourable Senator Kinsella, seconded by the Honourable Senator DeWare, that the Bill be not now read a third time but that it be referred to a Committee of the Whole for further consideration.

**Hon. Sharon Carstairs (Deputy Leader of the Government):** Honourable senators, Bill C-6 was thoroughly debated in the Committee on Aboriginal Peoples. I thank the Chair, Senator Watt, for arranging videoconferencing with witnesses from northern communities who otherwise, perhaps, could not have been heard.

Upon reading the testimony, I noted with interest that there seemed to be two areas which witnesses wished to discuss. Some wished to debate the entire land and water management policy in the Mackenzie Valley; others wished to debate the seriousness of land claims by aboriginal people.

Honourable senators, there is no doubt in the mind of anyone in this chamber that land claim settlements in Canada have been very slow and arduous, and that frequently our aboriginal people have not received the justice that they deserve.

Because the debate was on these two divergent tracks, the minister felt that she was in an difficult situation. She was concerned that if she appeared before the committee, she would be examined not on the content of the bill, which establishes a land and water management authority, but rather on the land claim settlements. She was concerned that she would be asked to negotiate land claim settlements in public. Honourable senators, I think that would have been unwise, not only for the minister but, with the greatest of respect, for our aboriginal people.

There is another serious issue here. This being a serious piece of legislation, a request was made for the minister to appear. The minister, because of concerns in an area unrelated to the specific matters in the bill, chose not to appear. In this chamber, we consider our privileges sacrosanct, as we should. We believe that we have the right to hear a minister on government legislation.

MOTION IN SUB-AMENDMENT

**Hon. Sharon Carstairs (Deputy Leader of the Government):** Therefore, honourable senators, I shall move a sub-mendment to the amendment proposed yesterday by Senator Kinsella.

I move:

That the motion in amendment be amended by striking out the words "be referred to a Committee of the Whole for further consideration" and substituting therefor "be referred back to the Standing Senate Committee on Aboriginal Peoples for the purpose of hearing the Minister of Indian Affairs and Northern Development.

[*Translation*]

**Hon. Noël A. Kinsella (Acting Deputy Leader of the Opposition):** Honourable senators, I would like to indicate our support of this motion in amendment and to ask all members of the Senate to attend tomorrow's meeting of this committee.

**Hon. Marcel Prud'homme:** I support Senators Kinsella and Carstairs on this.

[*English*]

**The Hon. the Acting Speaker:** Is it your pleasure, honourable senators, to adopt the amendment by Senator Carstairs to the motion in amendment?

**Hon. Senators:** Agreed.

**The Hon. the Acting Speaker:** Is it your pleasure, honourable senators, to adopt Senator Kinsella's motion in amendment, as amended?

**Hon. Senators:** Agreed.

Motion in amendment, as amended, agreed to.

## APPROPRIATION BILL NO. 2, 1998-99

SECOND READING

On the Order:

Resuming debate on the motion of the Honourable Senator Cools, seconded by the Honourable Senator Mahovlich, for the second reading of Bill C-45, for granting to Her Majesty certain sums of money for the public service of Canada for the financial year ending March 31, 1999.

**Hon. Terry Stratton:** Honourable senators, in speaking to Bill C-45 today, I would indicate that we were somewhat negligent in bringing this bill forward, because the committee was busy with its study of the civil service and its restructuring.

That being said, I would thank Senator Cools for congratulating Finance Minister Martin and Prime Minister Chrétien for balancing the budget. I have never seen a budget quite like it, nor do I believe we shall see one like it again for a while. As each year passes, the minister will have an even tougher time attempting to pull off what he did this year.

**Senator Gigantès:** Do not count on it.

**Senator Stratton:** When you eliminate a $16-billion surplus in the employment insurance fund, you do not have a balanced budget. Most people have envelopes for rainy-day funds. Unfortunately, the $16 billion is considered to be general revenue, but I think it should not be counted. However, according to the Mr. Martin's method of accounting, this is quite appropriate.

The Minister of Finance has then taken $2.5 billion from the $16 billion to start a millennium fund and then calls it a "balanced budget." Honourable senators, that is, indeed, a shell game. We are coming down the track and surpluses are being projected. I pray that is what, in fact will happen, taking into consideration the worry we now have with Asia and a 67-cent dollar. It appears to me that our situation is just getting worse.

I want to focus on the Millennium Scholarship Foundation and the fact that the government appears to be putting all its eggs in one basket, as it were. Notwithstanding that, they are putting money back into research, specifically into the Medical Research Council and other research centres. However, it is simply not enough. Compared to other countries, Canada is coming up short.

Couple that with our high taxes, and you will understand what is happening in Canada today. By way of illustration, I visited Las Vegas for the first time to celebrate a fiftieth wedding anniversary. There I met a young engineer from Canada who was working in Las Vegas. I might add that Las Vegas is a surreal place with all sorts of construction happening everywhere. This young engineer has lived there for about one year and is earning around $50,000 a year. He pays tax at a rate of 18 per cent. When you consider our unbelievably high tax rate and the fact that we keep this employment insurance fund chugging away to produce mega dollars for the Department of Finance, you must start to wonder where it will all end. Young people, including our hockey players, are leaving Canada for the south. I am sure if Senator Mahovlich had been dealing with our current situation when he was most active in hockey, he would also have left Canada for the U.S.

With our high taxes and a 68-cent dollar, I am sure that any young researcher, or someone who has just finished a Ph.D., would ask himself: "Why should I stay here?" Anyone with a doctorate in medicine, looking for a research grant has only one chance in five of being awarded that grant. Formerly, it was at least two in five or three in five. The grants are awarded to the older, established researchers. As a result, our young people are going south for the big dollars — dollars with a much higher value than ours — the lower taxes, and the higher research grants. This situation is beginning to worry many people. When you see the government announce a millennium fund of $2.5 billion over 10 years for undergraduate work you must conclude that will never cover it.

A multiplicity of events are now occurring which are causing concern. The government should recognize what is transpiring. The millennium fund will not provide a solution to this problem, but cutting taxes and increasing spending in the field of medical research will. We must bear in mind that our per-capita grant for medical research is about $6 versus $66 in the United States. When you put that down in cold, hard facts, it is quite worrisome.

Our young people are going south, and I cannot blame them. In fact, based on the cold, hard facts, I would do the same.

Looking at this situation, I must ask the Finance Minister to do something. While recognizing that the 67-cent or the 68-cent dollar is, to a great degree, a result of the effects of the Asian crisis — although our dollar was in the low 70-cent range before this happened — surely something more must happen. It is not acceptable to keep taxes at their current level, nor is it acceptable to keep either employment insurance premiums or medical research funding at its current level and still expect our brightest and our best to remain in Canada.

Motion agreed to and bill read second time.

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

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

• (1550)

## CANADA GRAIN ACT
## AGRICULTURE AND AGRI-FOOD ADMINISTRATIVE MONETARY PENALTIES ACT
## GRAIN FUTURES ACT

BILL TO AMEND—SECOND READING

**Hon. Dan Hays** moved the second reading of 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.

He said: Honourable senators, this bill is the government's response to the rapid growth of the special crops industry over the last decade. The grain futures industry has also undergone significant changes. Bill C-26 was developed by the Canada Grain Commission in cooperation with stakeholders representing special-crops producers and dealers and stakeholders representing the grain futures industry.

The commission, which is responsible for administering the provisions of the Canada Grain Act, regulates grain handling in Canada and establishes and maintains standards for Canadian grain to ensure a dependable commodity for domestic and export markets. It is also responsible for administering the Grain Futures Act which regulates grain futures trading.

The proposed amendments contained in the bill would establish a licensing plan for special crop dealers, a producer-funded insurance plan for special crops, a special crops advisory committee, modify the current enforcement system for the Canada Grain Act and transfer the regulatory responsibilities for grain futures trading on the Winnipeg Commodity Exchange to the Province of Manitoba by repealing the Grain Futures Act.

[*Translation*]

Now, to review the aspects of this bill which address special crops.

Once they have a licence, companies and individuals may purchase and sell special crops and use official grade names. The security which dealers currently have to provide will be replaced with a levy. Dealers will collect the levy and remit it to the administrator of the insurance plan, that is, the Canada Grain Commission. After deducting administrative expenses, the Commission will remit the levy to the insurer. The Export Development Corporation has agreed to act as insurer.

Initially, the list of special crops will apply to the following special crops: beans, buckwheat, corn, fava beans, lentils, mustard seed, peas, safflower seeds, soybeans, sunflower seed and triticale. This list could be expanded or reduced if the special crops industry so desires.

The traditional crops, namely wheat, oats, rye, barley, flax and canola, are specific exceptions.

[*English*]

The Canada Grain Commission would act as the initial administrator of the insurance plan. It could be replaced at a later date, if this is recommended by the Special Crops Advisory Board and approved by the Minister of Agriculture and Agri-Food. The cost of the levy is proposed to be 38 cents per $100 of sale. The levy would be the sum total of the insurance premium and administrative charge. Initially, the premium would be 20 cents per $100 of sales and the administrative fee would be 18 cents per $100 of sales.

[*Translation*]

By proposing these amendments to the current security arrangement, we wish to encourage businesses presently excluded from the special crops sector to join it. This bill will also encourage unlicensed businesses to apply for licences.

The present security arrangements will be replaced by a producer-financed optional insurance plan. Participants will be protected against a special crops dealer's failure to meet payment obligations, or his insolvency.

[*English*]

Producers could opt out of the plan with the understanding that they would not be covered if a licensee could not pay for their grain. They would still be required to pay the levy but would receive an automatic refund from the program administrator. The mandatory refundable model is a compromise arrived at by the interim special crops advisory committee which included representatives from the Alberta, Saskatchewan and Manitoba pulse crop associations, special crop processors and exporters.

Although some people might advocate for a completely voluntary plan, the interim committee identified the following goals which had to be achieved to ensure the plan's viability. They said we should not leave some producers unknowingly without coverage and we should make the plan cost effective and administratively efficient for licensed dealers.

The mandatory refundable model is the model of some provincial pulse crop levies and the Saskatchewan canola levy. For these reasons, the interim special crops advisory committee felt that a similar model should be applied to the insurance plan.

[*Translation*]

It is anticipated that the plan's administrative costs will be recovered through levies for services provided. The proposed levies were arrived at by estimating variable factors such as participation rate and delivery volume. When the plan is implemented, the administrator will be in a better position to evaluate costs and make the necessary adjustments. For example, if the portion of the levy set aside for administrative costs is too high, it will be lowered.

In the course of consultations, stakeholders requested that an official mechanism be set up to enable them to express their views on the plan and to transmit their concerns directly to the minister.

[*English*]

Accordingly, the proposed legislation requires the appointment of a special crops advisory committee. The nine-member committee would be appointed by the Minister of Agriculture and Agri-Food. Producers and dealers from each of the western provinces would be represented with producers in the majority. This reflects the fact that the cost of the insurance plan would be borne by producers.

The committee would advise the minister on licensing and security operations, the replacement of the administrator or insurer, the addition or removal of special crops to the plan, and other issues related to special crops referred to it by the minister.

[*Translation*]

I would now like to examine the amendments related to the Agriculture and Agri-Food Administrative Monetary Penalties Act. This act provides for various forms of monetary penalty for infractions of acts, regulations and orders in council.

The Agriculture and Agri-Food Administrative Monetary Penalties Act, which was passed in 1995, is a regulatory tool for applying legislation in a fair and efficient manner in the grains sector. It "decriminalizes" regulatory offences and provides for less coercive application measures. The Fertilizers Act, the Plant Protection Act, the Health of Animals Act, the Pest Control Products Act, and the Feeds Act are subject to this legislation. We are now trying to add the Canada Grain Act to this list.

• (1600)

When there has been an infraction of the Canada Grain Act, the only option is to suspend or revoke licences or lay criminal charges. Such measures can result in the temporary or permanent shutdown of operations. Since their impact is so major, they are contemplated as measures of last resort.

[*English*]

The Administrative Measures Penalty Act, or AMPA, makes a range of monetary penalties available based on the severity of the infraction. Fines could be set as high as $15,000 for serious or with repeated non-compliance with regulations. AMPA allows for negotiated solutions with offending parties which could result in fines being reduced or waived. This should also result in more efficient enforcement and less reliance on court prosecution. The system is not intended to generate revenue and the regulatory framework and fee structure would be developed with this principle this mind.

Under AMPA, fines or monetary penalties could be contested through an appeal process, which would include an initial review, a review by an independent tribunal and, if necessary, a review by the Federal Court of Canada.

[*Translation*]

Since the sanctions are determined by the seriousness of the offence, most of the parties concerned will agree to and comply with the law's provisions. We can expect that 90 per cent of fines will be paid out of court resulting in a saving of time and resources.

Offenders paying their fines without requesting a hearing will have their fines reduced by half. This arrangement should increase the efficiency of the plan and reduce the number of unjustified appeals. This formula has been tried with success by a number of departments, including Transport Canada.

Penalties may be applied according to the principle of absolute responsibility, in other words, the government does not have to prove intent or omission. This concept lends itself to resolution through the use of moderate penalties without the possibility of imprisonment.

[*English*]

Finally, honourable senators, I wish to talk about the proposed repeal of the Grain Futures Act. The proposed legislation would have the effect of allowing the Manitoba Securities Commission to become the sole regulatory authority over the trading of grain futures. This would assist the Winnipeg Commodity Exchange in its plan to develop and trade non-grain contracts. At present, the exchange is the only facility for trading grain future contracts in Canada. The Grain Futures Act only provides for the regulation of grain futures contracts. Furthermore, the Grain Futures Act focuses on the regulation of trading on the floor to ensure effective price discovery and risk management. It does not extend the protection to members of the public dealing with traders or provide the supervision of options trading. In addition, there is no recognition of the principle of self-regulation by market participants.

The current act does not extend to the trading of non-grain commodities, such as hog or natural gas futures, and could not be altered to apply to this type of contract. Moreover, the Canadian Grain Commission's legislative mandate is focused exclusively on grain, the commission is not a suitable entity for regulating non-grain contracts.

[*Translation*]

In 1996, Manitoba passed legislation on futures contracts, which gave the Manitoba Securities Commission authority to regulate grain futures. The law regulates all aspects of trading, from the order placed with commissioners to trading operations to payment. In addition, the provincial legislation complies with international standards on the regulation of commodities futures trading.

The repeal of the Grain Futures Act would put an end to the existence of two regulatory schemes, one under the authority of the Government of Canada and the other one under the Government of Manitoba and would eliminate the inefficiencies and problems caused by the overlap. With only one scheme, there would be no risk of a problem not coming under the responsibility of either of the regulatory bodies.

The Grain Futures Act should be repealed as the Manitoba legislation comes into effect. The Canadian Wheat Board and the Manitoba Securities Commission will formulate a transition plan to cause the least disturbance possible and to ensure a smooth transition.

[*English*]

An ongoing liaison between the commissions would continue through a memorandum of understanding. The memorandum would be used to communicate grain industry concerns, share information and ensure harmonization of the two regulatory frameworks. Outstanding investigations of committed infractions would be unaffected by the repeal of the act. Cases would be dealt with and settled under the provisions of the current legislation. The federal government would continue to maintain jurisdiction over national standards, grain handling and marketing through the Canada Grain Act. The Winnipeg Commodity Exchange has recommended that the statute be repealed so that the development of new contracts can be facilitated. This will likely increase the range of products that will be made available to producers by the exchange.

Honourable senators, I encourage you to support the legislation.

**Hon. Leonard J. Gustafson:** I would like to make a few remarks, honourable senators, in regard to this bill and what in fact is happening on the Prairies that makes this legislation important.

Specialty crops and diversification in agriculture is the trend today. In fact, in talking with the pulse growers who support this bill, they indicated that they are now the second largest crop on the Prairies next to wheat. That is a major step forward in diversification.

With diversification, there have been some growing pains. Some farmers have sold to small companies and when they not have adequate insurance and, as a result, they were out the value of their crop. Also, for the smaller companies that are trying to get licensed, it is very difficult when they have no record to fall back on to get licensed and to put up enough collateral to maintain the licence.

With this approach under the grain commission, there will be a check-off. If farmers wish to sell through a company and they have no concern about their licences or their ability to pay and feel they do not need insurance, they can go that route.

I believe the main thrust of this bill is to encourage the pulse growers and the farmers who are changing over to those crops which Senator Hays named. Even in the area that we farm in the southern part of the province, it is amazing how many new crops are being planted, such as peas, beans, mustards, sunflower, soybeans, triticale and corn. Corn is not a big crop on the Prairies, but it is a specialty crop.

This bill is needed. Farmers are calling for it. The pulse growers are calling for it. We intend to support it. It should go to committee for some direction from our agricultural people, so we have a clear understanding. I have gone through the pros and cons and I feel the bill is very positive. It is something that is necessary and should be in place for the beginning of the new crop year on the first of August.

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

Motion agreed to and bill read second time.

• (1610)

REFERRED TO COMMITTEE

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

On motion of Senator Hays, bill referred to the Standing Senate Committee on Agriculture and Forestry.

## THE ESTIMATES, 1998-99

REPORT OF NATIONAL FINANCE COMMITTEE ON SUPPLEMENTARY ESTIMATES (A) ADOPTED

The Senate proceeded to consideration of the fifth report of the Standing Senate Committee on National Finance (Supplementary Estimates (A) 1998-99) presented in the Senate on June 15, 1998.

**Hon. Terry Stratton** moved the adoption of the report.

He said: Honourable senators, I should like to speak briefly to the report, which is not very substantial. However, it does talk about $1.3 billion of supplementary spending that we should know about.

The spending breaks down as follows: There is $350 million for the Aboriginal Healing Strategy; $182 million related to the January 1998 ice storm that affected Ontario, Quebec and New Brunswick; $105 million for National Defence payments to the provinces for assistance related to other natural disasters, including the 1996 Saguenay and the 1997 Manitoba floods; $120 million in additional funds for the Natural Sciences and Engineering Research Council, the Social Sciences and Humanities Research Council and the Medical Research Council.

While I applaud the government for this spending, it would be marvelous if we could increase the numbers. I have a suggestion to make in that regard. The next item is $88 million for the Department of Justice to set up and operate the firearms control plan. Let us get rid of that and take the $88 million and put it where it should be — into research instead of the control of items that the public out in my neck of the woods does not want. If we were to take that $88 million and add it to the $120 million, we would have $208 million. I am also concerned about where the bottom line is on firearms.

Minister Martin, please listen. The situation is rather urgent when it comes to research.

There is $83 million for Health Canada to deliver the health initiatives announced in the February 1998 budget, including funding for the National HIV/AIDS Strategy, the Canadian Breast Cancer Initiative, and for the establishment of a new blood agency.

There is something going around that has a greater effect on the population than AIDS. Men do not like to talk about it at all. They are macho and will not talk about it, but it kills more of them than does AIDS. It is called prostate cancer. Surely to goodness, if we have money for a high profile disease such as AIDS, then we must push for funds to research prostate cancer, and I look at the gentlemen in this room as I make my request. It is our bodies that will be nailed — we are ripe for it. Money must be directed to this disease because many of us are dying needlessly. I know we all know the ramifications of getting that fatal pronouncement. The average life expectancy of a man with slow-growth prostate cancer is 17 years. Therefore, if at age 60 you are diagnosed, and treated, you could live to be 77. It is a hell of a way to die; and, if you have the surgery, it is a hell of a way to live. Please, Mr. Minister, do something about research on prostate cancer in the next budget.

There is $50 million for the Climate Change Action Fund and $50 million for the Canadian Television Production Fund.

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

Motion agreed to and report adopted.

## APPROPRIATION BILL NO.3, 1998-99

SECOND READING

**Hon. Anne C. Cools** moved the second reading of Bill C-46, for granting to Her Majesty certain sums of money for the public service of Canada for the financial year ending March 31, 1999.

She said: Honourable Senators, when Bill C-46 is passed into law and granted Royal Assent, it will be cited as the Appropriation Act No. 3, 1998-99. Bill C-46 represents the Supplementary Estimates (A) 1998-99, and provides for the release of the whole amount set out in the Supplementary Estimates, amounting to $1.3 billion.

Supplementary Estimates (A) are the first Supplementary Estimates for this fiscal year whichhat will end March 31, 1999. The Supplementary Estimates (A) seek Parliament's authority to spend $1.3 billion on expenditures already provided for in the February 24, 1998 budget, but not specifically identified or sufficiently developed in time to ask Parliament's authority in the Main Estimates 1998-99.

Honourable senators, as you recall, the Supplementary Estimates (A) 1998-99 were tabled in the Senate on May 26, 1998 and were referred to the Standing Senate Committee on National Finance on May 28, 1998. The National Finance Committee met on June 3, 1998 to examine the Supplementary Estimates (A). We heard from Treasury Board Secretariat officials on June 3. Our committee approved Supplementary Estimates (A) on June 3, 1998. The committee report was adopted by the Senate just a few moments ago, for which I thank honourable senators.

Honourable senators, I will list some of the major items that were not specifically identified or sufficiently developed at the time of the 1998-99 Main Estimates and for which Parliament's authority to spend money is now being sought. These items include $350 million for Indian and Northern Affairs Canada for the Aboriginal Healing Strategy, an element of "Gathering Strength — Canada's Aboriginal Action Plan" announced in January 1998; $182.2 million for Agriculture and Agri-Food Canada, National Defence, and the Economic Development Agency of Canada for the regions of Quebec for the tragic January 1998 ice storm; and $105.4 million for the Department of National Defence for payments to the provinces under the Disaster Financial Assistance Arrangements, for assistance regarding other natural disasters, including the 1996 Saguenay and 1997 Manitoba floods.

• (1620)

There is also $119.9 million for the Natural Sciences and Engineering Research Council, the Social Sciences and Humanities Research Council and the Medical Research Council for additional support for advanced research and for graduate students, as announced in the February 1998 budget; $87.5 million for the Department of Justice for the establishment and operation of the now very famous firearms control program; $83.2 million for Health Canada for the health initiatives of the February 1998 budget, including the Canadian Strategy on HIV/AIDS, the Canadian Breast Cancer Research Initiative and, in addition, for the establishment of the new blood agency.

As well, there is $50 million for the first year of the three-year $150-million Climate Change Action Fund announced in the February 1998 budget — $40 million to Natural Resources Canada and $10 million to Environment Canada each to manage federal initiatives towards Canada's Kyoto commitments on greenhouse gas emission reductions; $50 million for the Department of Canadian Heritage, as a contribution to the Canada Television and Production Fund which was established to enhance Canadian television programming. An independent, non-profit corporation oversees the Fund, which is funded by the Cable Television Industry, Telefilm Canada, and the Department of Canadian Heritage.

Honourable senators, the above major items represent $1 billion of the $1.3 billion for which authority from us and Parliament is being sought. The $262-million balance is spread among a number of other departments and agencies, the specific details of which are included in the Supplementary Estimates (A) 1998-99.

Honourable senators, in a nutshell, that represents the proposed provisions of Bill C-46. Once again, I take the opportunity to thank the Minister of Finance for his initiative, and I would invite all honourable senators to pass Bill C-46.

Motion agreed to and bill read second time.

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

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

## BUDGET IMPLEMENTATION BILL, 1998

THIRD READING—DEBATE ADJOURNED

**Hon. John G. Bryden** moved the third reading of Bill C-36, to implement certain provisions of the budget tabled in Parliament on February 24, 1998.

He said: Honourable senators, it is not my intention to speak to the principle of the bill or the public policy purposes of the bill that we canvassed in this house on second reading. I should like, though, to address some of the issues that were considered at our committee hearings.

I first wish to say something about the committee's activities. I make my next remark not to gain any favour, I say it for its face value: I congratulate the chair for the way in which he conducted the hearings. Everyone who wanted to be heard was heard. Members of the committee were allowed to ask detailed questions. On occasion, the preambles to those questions could have turned into short speeches; however, everyone had an opportunity to fully participate in the deliberations of the committee.

Four parts of the bill engaged the committee's detailed attention. However, I assure honourable senators that all aspects of this bill were considered by the committee. I will highlight certain areas.

Certain proposed provisions in Part 2 will enable the divestiture of certain holdings of the Crown, such as in Hibernia. The committee had no difficulty with that. We considered it and passed it unanimously.

In regard to the separation benefits on early retirement, a technical adjustment was required to be made. This was addressed in detail.

The committee also considered the proposed provisions respecting the Canada Education Savings Grants under Part 5 of the bill and found no problem with those.

Part 7 addresses the increase in the tax on a carton of cigarettes in various provinces from 80 cents to $2. Once again, that was considered and no disputes ensued.

The modification of the air transportation tax is simply a phasing out of the tax which is being replaced by a user fee for NAVCAN as the traffic control facilities of Canada move more towards the private sector.

Part 9 of this omnibus bill deals with the national child benefit system. It will provide $1,625 for the first child and $1,425 for each child thereafter for any family with an income of under $21,000. Therefore, by the year 2000, the total tax benefit for children will be up by $1.78 billion or 30 per cent since 1996.

Part 11 provides for an employee insurance premium holiday to employers who employ 18- to 24-year-olds for the years 1999 and 2000 and attempt to give that class of young people their first work experience. Once again, this was considered and comments were made that the money might be better spent elsewhere, however this part was, nevertheless, adopted.

Part 12, supplement and allowances, will improve the situation for 1.4 million seniors in need who have difficulty filing their returns. We have not only streamlined the system but made it more user-friendly for these people. Once again, this was discussed and adopted.

Finally, the provisions for financial assistance to international financial agencies and to foreign countries, as part of the ability to implement certain treaties, was discussed and adopted.

The areas where we concentrated our time will not surprise anyone. As at debate on second reading, a great deal of time was spent in committee dealing with the millennium scholarship fund.

Part 1 establishes a foundation funded initially by $2.5 billion of federal money. The foundation will grant scholarships to students in financial need and who demonstrate merit in a fair and equitable manner.

• (1630)

For the most part, the establishment of the Millennium Scholarship Foundation has been welcomed by students, provincial ministers and academics across the country. The exception, and the one that was of concern to the committee, was the concern coming from Quebec that, while they welcomed the fund, they would prefer to apply the same opting-out formula that has been in place since 1964 or 1974 whereby they would administer their own program and would receive money in lieu.

There was a great deal of discussion and debate over this — passionate discussion from Senators Bolduc, Beaudoin and Rivest, and while perhaps not quite as passionate, an equally thorough defence of the government's position by Senator Joyal, by the parliamentary secretary who appeared before us at the beginning of our study, and then by the Minister of Finance who appeared before our committee yesterday.

Senator Joyal may speak on this in more detail, but the government's position is that, while it recognizes that one of the ways to have proceeded was that suggested by senators opposite, which is the opting-out choice, the mechanism in the bill that sets up the foundation is an empowering piece of legislation and contains sufficient flexibility to permit the negotiation of administrative arrangements acceptable to both the foundation and whatever organization will be on the other side of the negotiations for Quebec, whether it is the Department of Education or the government. This will ensure that there is no duplication and will provide for the implementation of the foundation's grants in a manner that will be consistent and acceptable to the people of the province of Quebec.

There was a suggestion that there be an amendment that would delay the setting up of the foundation for a period of three months, in an attempt to bring pressure on the two governments to negotiate more, and more thoroughly, than they had in the past to and come up with a deal. Quite clearly that is an option, but the option that was taken by the minister, and the one preferred by the government, is that the bill be passed, the foundation and its directors put in place, and then, and only then, will all of the parties get down to serious negotiation of how to make that approximately $600 million available to students in Quebec as well as the portion that is available to students in other parts of Canada.

Another amendment was proposed by Senator Bolduc regarding the provision in the bill that empowers and enables the foundation to enter into an agreement with a province. The bill is permissive, it says "may," and Senator Bolduc argued strenuously that that provision be made mandatory. He argued that the bill should state that the foundation "shall" enter into an agreement with a given province. The position of government, which I support, is that, as soon as you make a situation like that mandatory, you tie the hands of at least one party and say, in effect, "Make a deal, regardless of the cost or the terms. It simply shall be done."

It is a normal situation to have empowering legislation that allows an agency, which in this instance is the foundation, to negotiate; and it takes two to make an agreement. It will force both parties into a position where they must do that.

A point was raised by the student representatives who appeared before us, regarding the make-up of the board of directors. Currently, the bill states the that initial board will be composed of a chairman and five directors, one of whom shall be a student. The students wanted us to add one more, so that there would be five initial directors, two of whom would be students. The position of the government — and the position I had put forward at the committee — is that the minimum number of students on the board is mandated at one of the five but that there is nothing to prevent the Governor in Council, if a student happens to be the best person, to add another student to the board. However, they are not required to do so. The minimum is one student.

Another factor that was raised and strenuously argued by senators on the other side and by the chairman, was that, because $2.5 billion is involved here, one of two things should happen. The first option proposed was that the bill should be amended to require the directors of the foundation to be experienced and skilled not only in higher learning, education and community affairs, but also in investment. The other option put forward was that the bill could be amended to require the board to establish an investment committee to ensure that they invested these funds wisely.

These are valid positions. However, the position the government has taken — and which I support — is that the board is an arm's length board. It is made up of people who are drawn from the community, expert in administration and in the education system.

**Senator Tkachuk:** And Liberals.

**Senator Bryden:** Some may be. If we want the best people in the country, how do you avoid it?

**Senator Grafstein:** We make up 75 per cent of the population.

**Senator Bryden:** The foundation will have the legal personality of a person, and will not be prevented from having an investment committee if it is in the best interests of the foundation. It will also not be prevented from adding to the board of directors and its membership people who would have expertise in investment.

However, the principal job of the board is to ensure that they look after and spread the $2.5 billion plus any new funds that may come in from the private sector.

Another point wasraised by the student union representatives and by the CNTU who both appeared to be speaking for the Quebec "coalition," for want of better term. They placed an ad in the newspaper, and they appeared to be speaking for the political parties, the academics, the professors and others. They put forward a good case. I must make it clear that their first option was that Quebec should be allowed to opt out, be given their share of the money, and be allowed to use their own system.

Failing that, however, they made two points. One was that the bill should read that the foundation "shall" enter into an agreement with the province. The second was that they wanted two students on the board, initially.

They also requested that we amend the bill to make the scholarships available to post-graduate students working towards MAs and Ph.D.s.

Once again, the position of this government, supported by the members of the committee on our side, is that this fund is intended to get people first out of the post. The idea is that, once they are through high school, this will give them the opportunity to get their first degree, which is often the most difficult. One should also keep in mind the fact that there is a least a half billion dollars of post-graduate study money available through NSERC and other agencies.

The final amendment suggested regarding the millennium fund was that it not come into force for a period of three months in order to put pressure on the governments for negotiation. We are saying that you must put the system in place, and that will create the pressure for negotiation.

• (1640)

Honourable senators, I wish to canvass two other areas that were at the top of the minds of committee members. Part 4 and Part 6 of the bill deal with the Government of Canada entering into administrative agreements with aboriginals, in particular, the Kamloops band. The act specifically empowers the Kamloops band to levy a 7-per-cent tax on tobacco, alcohol and gasoline to be used for band purposes on the reserve.

We had representation from the Iroquois as well. First, they believe that these parts of the bill are in violation of the Indian Act.

Individual citizens of the Kamloops band then appeared, indicating that the meeting called to pass the resolution had not been properly called.

We listened to both points of view very carefully. We brought back additional legal expertise from the department, and it was determined that we could not nor would it be proper for us to go behind the decision of the purported spokespersons for the band when they made their application. That was their business.

In relation to the legal question as to whether we are in violation of the Indian act — and Senator Beaudoin will follow this because he was part of it — the Indian Act under section 87 states that notwithstanding any other legislation, section 87 applies. It states that an Indian on a reserve cannot be taxed for his personal property. In relation to this specific instance, Bill C-36 states that notwithstanding section 87, we will grant the band this agreement in order to use the funds for band purposes.

After taking advice and having an opportunity to think about this issue, the committee concluded that it is legitimate to have the provision in Bill C-36, the reason being that there is no jurisdictional question here. It is not a constitutional issue and it is not a jurisdictional question between a provincial legislative body and Parliament.

The same Parliament, the legislated body that passed section 87 of general application, instead of passing the provision in Bill C-36, could have amended section 87. They had the authority to do so. Instead, they overrode section 87 for a particular purpose and stated such in the Bill C-36.

I stand corrected if I am wrong, but by a later act, a legislative body of competent jurisdiction is overriding an issue of general application. On that basis, the committee agreed that it could pass those parts of the bill, but it took time. The committee conducted a very thorough analysis.

With respect to the issue of student loans, much has been done to alleviate the hardship for students who currently have loans. I am speaking about the ability to reduce interest rates, the ability to make gratuitous payments to reduce the capital of the loan by half, and the ability of all students to deduct their interest on both provincial loans and federal loans from their income tax.

There is also an exemption under the bankruptcy laws. The committee heard representations from the National Bankruptcy and Insolvency Section of the Canadian Bar Association and the Canadian Insolvency Practitioners Association. It used to be that if a student went bankrupt, the loan could not be discharged for two years. With these new provisions, the minister and the department are targeting relief, which normally would come through general bankruptcy. They are targeting students through buydowns and the forgiveness of loans. Therefore, one cannot also receive a complete discharge. The time-frame has been extended from two years to ten years.

To make it as clear as I can, if a student goes bankrupt in his fifth year, in a proper case, all loans would be discharged, except what is left of the student loan. That would stay for ten years. The reason this measure is there is that the other provisions in the budget would give as much or better relief to the student than if he went through normal insolvency procedures.

Honourable senators, that is the best I can do at summarizing what the committee did and in giving you the government's point of view in response to what was a very passionately and well-argued issue. The committee members disagreed fervently with one another, but we were not disagreeable until a ringer came to the committee from Saskatchewan at the last minute.

On motion of Senator Bolduc, debate adjourned.

## PARLIAMENT OF CANADA ACT, MEMBER OF PARLIAMENT RETIRING ALLOWANCES ACT, SALARIES ACT

BILL TO AMEND—SECOND READING

On the Order:

> Resuming debate on the motion of the Honourable Senator Carstairs, seconded by the Honourable Senator Hébert, for the second reading of Bill C-47, to amend the Parliament of Canada Act, the Members of Parliament Retiring Allowances Act and the Salaries Act.

**Hon. Eric Arthur Berntson:** Honourable senators, this bill gives those in the other place and ourselves a small raise in pay for the first time since 1991. It also provides for a significant change in the pension legislation affecting members of Parliament, and for some who hold specific positions in this place and in the other place, it provides an increase in salary over and above the general increase that has been provided.

There is never a good time to bring forward legislation that gives politicians increases in pay, no matter how small. During my time back home as deputy premier and house leader, we dealt with similar pieces of legislation on more than one occasion. They are very difficult to put together. You can never win the debate. Inevitably, whatever package you do put together, once it comes to the floor of the house, you are criticized with some degree of vigour by the same people who perhaps two days ago were part of a lobbying effort for these very measures from which they will benefit.

Honourable senators, I noted earlier in the debate over how much we should all be paid that the Prime Minister promised a clause in this bill whereby those who did not want a raise did not have to take one. From my perusal of the bill, I do not think that clause is there. I do not know what to conclude. Perhaps the Prime Minister simply found it easier to make the application of the bill compulsory or, perhaps, it was part of the deal cooked up in the back rooms. This particular item could well have been argued for by the Leader of the Opposition. It would give him the opportunity to go home and tell his constituents, "We had no choice. The government made us take this raise."

This form of compulsion from the Prime Minister's office is, perhaps, more acceptable to Liberals than the compulsory orders to vote against aid for all victims of hepatitis C. In any event, when this bill was tabled, forcing Reform and others to take the pay package, my guess is that the happiest man in town was the Leader of the Opposition.

• (1650)

I wish to address two matters that are troubling me about this bill. I hope these points will be expanded upon during the discussions by others who will speak as well as in committee. The first item deals with process and the second with the changes to the Members of Parliament Retiring Allowances Act proposed in the bill.

Honourable senators, there must be a better way to go about the members of Parliament salary and allowance review than the one in place at the present time. As we all know, following a general election, a small group is selected and appointed by the Governor in Council to review, report and make recommendations regarding members' and senators' pay allowances. Recommendations are made and, in this case, studied by the House of Commons, and they proceed through the house Affairs Committee as well as the board of Internal Economy.

In the case of this recent report of the review commission, the government chose not to follow the commission's recommendations. Therefore, we have a situation where the commission established a statute to review salaries and make recommendations that are virtually ignored. This leaves the commission puzzled — frankly, it leaves me puzzled — and the people of Canada are given one more reason to wonder what on earth we are doing here in Ottawa.

Would it not be preferable to establish a commission at established intervals — say, every three or four years — to review salaries and allowances and make the implementation of the review body report compulsory, either through an Order in Council or regulation? There must be a way to get out from under this yoke of voting for and, in some cases, against pay increases to ourselves.

The second issue I wish to address involves the changes proposed to the MPs' pension plan. During the 1993 election, and again in 1997, those candidates for the Reform Party and those who were subsequently elected ran a campaign against Ottawa. They stated that they would do politics much differently, if the public would only give them the chance. With the passage of this bill, I believe the last of their promises to "do things differently" falls by the wayside. Their innocence has long since evaporated.

Who among us can forget the Leader of the Opposition — not of that day but today — who, after the 1993 election, placed a "For Sale" sign on the front of his car, which was provided to him by the government? He was doing politics his own way. He did not need this car. Of course he did not need this car. This was merely an opportunity to grand stand because he had a car provided for him by the Reform Party, which was probably bigger than the one that was offered to him by the government. Furthermore, the Reform Party had already provided him with a clothing and housing allowance.

**Senator Tkachuk:** Shame!

**Senator Berntson:** We all know the promises that were made about not using business-class seats on airplanes and not using the parliamentary dining room. We have all seen breaches of those fabled promises.

We all heard the comments the Reform Party leader made about Stornoway during the election campaign, but we all know his address today. He says that he moved into the residence because a ground swell of supporters insisted that he do so for fear he would bring disrepute to the institution of Parliament. Honourable senators, the degree of disrepute that this institution wears because of his behaviour has nothing to do with Stornoway.

It is with their criticisms of the MPs' pension plan that Reform MPs were successful in convincing the public that something was terribly wrong in Ottawa. Somehow, we were getting a lot more than we deserved. Of course, the Reform members never spoke about the contribution rates from members. That would not serve their purpose. With Bill C-47, we now have the introduction of the Reform Party's answer to the gold- or platinum-plated — that is, depending upon the metal of your choice — pension plan and severance package that they so vigorously criticized.

Once again, we have more promises that have all been broken. And this is the party that criticizes this chamber? This is the party that would teach us — specifically me and several of our colleagues on both sides of this house — about the question of ethics?

Honourable senators, I can tell you that I need no lesson from the Leader of the Opposition.

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

**Senator Berntson:** I wish my colleague Senator Lawson all of the best. Being the ethical man that he is, I am certain that the Leader of the Opposition in the other place will be happy to tell his story to the judge.

In conclusion, honourable senators, I hope that between now and the next election the government will try to find some mechanism that is not quite as obscene as this one. When I was the leader in Saskatchewan, we dealt with these situations. It mattered not whether it was a Liberal, an NDP or a Tory government, these matters were always handled in a similar fashion, namely, there were late night meetings where someone said, "I will do this and you do that but whatever we do, the public will not be happy. Let us get this through in a hurry." That is how it was done. It was obscene. The people of the province said "These guys are lining their own pockets." They became big cynics.

• (1700)

It is no different here. We send this commission out to take a look at what would be fair and reasonable for a pay package for parliamentarians. The commission brings in their report but it is totally ignored.

I remember a commission back home which consisted of a Queen's Bench judge, the president of Saskatchewan Wheat Pool, and the president of the university. They were to make recommendations as to what is fair and reasonable. There was a linkage, although I forget what it was now. Perhaps it was 80 per cent compared to a Queen's Bench judge or something

like that. This commission was supposed to be the answer for all time so that we would never have to vote for a raise for ourselves again. Nothing works. They brought in their report. We thought it was too rich to sell to the electorate so we ignored the report and went on with some other things. We were criticized anyway. There is no winning.

I find it absolutely offensive in this whole exercise that the Reform and all the other parties went into the back room, cooked up the deal that was supposed to work, brought it to the House with a House order that said when debate is concluded, the bill would be deemed to have passed. There was no vote, no nothing. Everyone can go home and say that the government made them do it and that it was really not what they wanted.

It is absolutely obscene. I do not think the total debate took two hours from the time they started until it found its way over to this house.

**Senator Tkachuk:** We have already debated it longer and with more vigour.

**Senator Berntson:** In any event, honourable senators know what I am talking about. We continue to shoot ourselves in the foot. We engage in this obscene behaviour every time we want to make a change. Do not get me wrong. I am not at all ungrateful for the 2 per cent. I will take it. I may even vote for the bill. I will stand up and tell the world that I am worth it and thank you.

Finally, we should give serious thought to the mechanisms which are in place but which do not work. We should give serious thought to finding some kind of linkage so that we never have to do this again. I do not know if the appropriate linkage is to a judge's salary or to that of an average executive director across the government. I do not know the proper linkage, but this is not the way to run the train. In addition, it does absolutely no good, indeed great harm, to the reputation of this place and to the other place as well.

**Hon. Orville H. Phillips:** Honourable senators, I would like to briefly intervene in the debate on what I call or have heard called the "Presto bill" or the "Prestone bill." I am not sure whether it is a play on the name of the Leader of the Opposition or whether they are referring to the fact that it passed the House of Commons in about 40 minutes.

When I was at home over the weekend, a number of people referred to the 2-per-cent raise in pay. I replied that I really was not very excited about that because for every $2 you get as a result of a 2-per-cent pay increase, Paul Martin gets $1 back. It is really nothing to get excited about. It does nothing to help the cost of living for members of the other place and this chamber.

The real issue here has been touched on by my colleague Senator Berntson, and that is the hypocrisy of members of the other place, particularly the members of the Reform Party. During the last two elections, they placed great emphasis on attacking members' salaries, members' benefits and, above all, the pension plan. We heard it called the gold-plated pension plan. Now, honourable senators, we find out why they objected. They wanted a better plan and they have got it in what I call the "platinum parachute" provided in this bill.

I am particularly surprised that Deborah Grey and Preston Manning, who for 10 years have attacked Parliament on this issue of pay, are silent on the matter, but perhaps they are too ashamed to stand up and vote on it. My colleague from Nova Scotia reminded me in the Halifax airport yesterday as we were returning that there is one benefit of this bill: Preston Manning cancelled the press conference which he normally holds at the end of the session. Perhaps we should be grateful for that.

Senator Berntson referred to the manner in which members' allowances have been increased from $6,000 to $12,000. This I find rather strange. Think back, honourable senators. Perhaps some of you were not here at that time, but I remember when it was proposed that this chamber receive a little more than we were receiving. I remember the uproar it caused in the other place.

In addition to the $12,000 received by members, there are certain other benefits which are likely there but probably hidden in the global budget. They are not brought out. I am not sure of the present situation, but I am asking these questions of the Deputy Leader of the Government who introduced the legislation.

First, I have been told that members have an expense allowance. I was not aware of that until I started looking into this bill. That has been increased from $1,000 to $3,000. Second, the members have a scheme whereby they are paid for automobile travel within their constituency. That used to be out in the open and it was a maximum of $3,000 per month. That benefit has disappeared from the Estimates. I believe it has disappeared into the global budget because several members got caught billing for days travelled in the constituency when the House of Commons records showed that they were present in Ottawa. It was a bit difficult to explain how they could be travelling in their constituencies and be in the House of Commons at the same time.

I have a further question for the Deputy Leader of the Government in the Senate, and it relates to the salaries to paid to secretaries of state. The last clause of the bill makes provision for an increase in payment to secretaries of state which will, effectively mean that they will be getting a $12,000 increase per annum over and above what everyone else will receive. This, too, will be indexed. Is my interpretation of that clause correct? I will await the explanation of Senator Carstairs.

Honourable senators, the public should consider all the tax-free exemptions and benefits the members of the other place receive. I would not be surprised if their tax free benefits and allowances, in some cases, equaled their salary. I do not think that is right. The Blais commission did not think it was, and their views were completely ignored. I hope that we will hear an explanation as to why the findings of the Blais commission were ignored.

Honourable senators, I had intended to refer to the secrecy surrounding this agreement in the House of Commons, but Senator Berntson has sufficiently covered that. I will just say that I, too, find it offensive that the motion was worded as follows:

> This motion shall be deemed to have been carried on division.

In making the motion the outcome has already been decided. It will be carried on division. This is a new and rather strange parliamentary procedure. I presume that is the reform of the House of Commons that the Reform Party would make.

Honourable senators, members of the Reform Party are always complaining about cost and, of course, the cost of running this chamber is often one of their favorite targets. However, I would point out that the housing allowance increase is calculated on the basis of $6,000 for 301 members over four years which exceeds $7 million. The office budget increase of $20,000, calculated on the same basis of 301 members over four years, amounts to $24 million. The 2-per-cent increase, the one I do not object to, figured on the same basis, comes to $2.1 million and, with the indexing of ministers' car allowances and other items, you have an amount close to $35 million which the members of the House of Commons have voted themselves in their first year.

I do not read the House of Commons Hansard as keenly as I once did when I was first appointed, but I do not recall reading anything in the newspaper or hearing anything on any newscast to the effect that the Reform members had objected to the expenditure of one cent of the $35 million. They grabbed it and held on just as tightly as anyone else.

I will close with a reference to the pension plan. This bill provides for Deborah Grey and Preston Manning, and all those who opted out of the plan, to participate in it again. They can do this by means of a severance package. A member of the Reform Party who has been defeated or retires, will probably get a severance package of about $150,000 which, of course, will be taxable. If he wants to avoid paying income tax on the additional $150,000, he can, within 90 days, put it in the pension fund and, eventually, draw a pension. This bill provides them with that opportunity. They can continue to criticize everyone else who contributes to the plan and draws on it.

Honourable senators, I would ask Senator Carstairs if she could shed some light on what I recently heard. I was shocked to hear it stated on a news broadcast that anyone inquiring about whether a member of the House of Commons had re-entered or opted into the pension plan would not be given that information because that would contravene the Freedom of Information Act. However, I do not believe the house is bound by that. Surely that information could be made public. I would ask for assurance in that regard.



[*Translation*]

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

**Hon. Senators:** No.

[*English*]

**The Hon. the Speaker:** It is moved by the Honourable Senator Simard, seconded by the Honourable Senator Rossiter, that this debate be adjourned until the next sitting of the Senate.

It is your pleasure, honourable senators, to adopt the motion?

**Some Hon. Senators:** Agreed.

**Some Hon. Senators:** No.

**The Hon. the Speaker:** Those in favour please say "yea."

**Some Hon. Senators:** Yea.

**The Hon. the Speaker:** Those opposed please say "nay."

**Some Hon. Senators:** Nay.

**The Hon. the Speaker:** The motion to adjourn the debate is not debatable.

**Hon. John Lynch-Staunton (Leader of the Opposition):** Honourable senators, when the adjournment of a debate is refused, I believe that some reason should be given. We just started the debate on an item today, and it is not the subject-matter which is my concern; my concerns is that members of this place should be allowed to debate any item for a reasonable period. This is a thinly disguised form of closure. The debate only started today, yet we are being told by the majority that they do not want to hear any more. I object, and if I am out of order I apologize, but I had to make that statement.

**Hon. Edward M. Lawson:** Honourable senators, I have a few comments on this bill.

**Senator Lynch-Staunton:** Just a moment. I rise on a point of order. They have refused to permit senators to participate in this debate by allowing Senator Simard to adjourn the debate. However, now Senator Lawson is being allowed to speak.

**The Hon. the Speaker:** The question of the adjournment of the debate is not debatable.

• (1720)

**Senator Lynch-Staunton:** What if some of us wish to have a standing vote on the motion to refuse the adjournment of the debate? Let us finish the procedure. The refusal to adjourn was moved. We were in the process of voting verbally but the process was interrupted to allow someone to speak, and that is highly irregular.

**The Hon. the Speaker:** Senator Lynch-Staunton, I thought the nays had carried it, but I did not say so, so I will repeat the question.

Will those honourable senators in favour of the motion for adjournment please say "yea."

**Some Hon. Senators:** Yea.

**The Hon. the Speaker:** Will those opposed to the motion for adjournment please say "nay."

**Some Hon. Senators:** Nay.

**The Hon. the Speaker:** The motion for adjournment is defeated. Debate can continue.

**Senator Lawson:** Honourable senators, I have only a few comments to make on this bill.

I am pleased that the government, in presenting this bill, rejected most of the Blais commission report. In my view, the Blais commission was a disgrace to independent tribunals as they are supposed to function. When they brought their recommendations, they had much to say about the conduct of the senators, the media view of the senators, and they interpreted that as the public view of senators, which is totally wrong. An independent tribunal should be dealing with the merits and the issues of the case, not allowing themselves to be influenced by extraneous matters in the media or elsewhere. They did not do that. I thought their conduct was highly improper, and I am pleased that, to a large degree, the government has rejected its recommendations.

Another issue that must be of concern is those members of the other place, and they are not all Reformers, who attack and criticize, saying that the increase is reprehensible, a contempt of the taxpayers, there should not be increase, they do not want it and they will not be a part of it. The members agreed, jointly and unanimously, to pass the bill without benefit of a vote so no one could be held accountable. Some of them, such as Randy White of the Reform, said they were opposed to it. The Conservatives in the other house said they were opposed to it for a variety of reasons, as did some of the NDP.

There is a very simple solution. Those who think it is contemptible to taxpayers and reprehensible to have an increase can do what other people have done. When we received an increase a number of years ago, John Diefenbaker said, "I do not want the increase. I will not take it. Send it back." He sent it back to the Treasury. They did not come over with a hammer and force him to take it. Senator Everett in this house said he did not want a salary, did not think he was entitled to a salary, and sent it back. They did not send a bill collector to his house to say, "You must take it."

Any of these people who are troubled by taking this money can do the honourable thing, and the press should check up on them. One month after this legislation passes, on pay-day, the press can check how many took it and how many sent it back. Then they will know who are the hypocrites and who are the honest MPs.

We made a mistake in this chamber, as Senator Phillips has commented by proposing a different expense allowance than the House of Commons. Somehow suddenly we are two houses of Parliament, all members of Parliament, and it should be different. The reason being that they have all these expenses for their constituencies and so on. However, they also get a very large budget for that. The members of this chamber, foolishly, in my judgment, accepted that we should take less.

The point has already been made that you can go to the Château, the Minto, any hotel in town, and ask, "What do you charge for MPs, and what do you charge for senators? I get less; can I pay less?" No, I pay the same rate. I am an old trade unionist. Equal pay for equal work. Equal expenses for everyone.

We made a mistake, and we will be a long time catching up. That was a serious mistake.

Another thing bothers me, although it is somewhat on the pleasant side. One of the recommendations is that the Speaker receive an additional increase. It is well deserved and well earned, and he should have it. However, there is also a provision for a Deputy Speaker to get a pay increase of some kind. I must ask, perhaps of the government leader, do we have a deputy speaker? We had one, but he is no longer here. Do we have one now? Is someone an acting deputy speaker, and if so, are they being paid? If not, let us do something about it. It violates my trade union principles to have someone working for nothing. If we do not have one, let us deal with that.

Another thing that bothers me relates to the issue of the pension plan. This has nothing to do with the previous issue of the law suit. That is a separate transaction and it should be judged on its own merits or lack of them. On the issue of the pension, we all heard the comments about pigs at the trough gorging themselves and going for the pension plan, and we all went through that. As someone pointed out, many Reformers were elected to Parliament because they were seen to be more noble than the others. They were doing things differently. If you count their votes, many of them would not have been elected except for the view amongst the electorate that they were more noble and would not take gold-plated pension plans or anything like it.

What happens now? Some of them will now opt in. Good on the government for making the provision to allow them to opt in. I have respect for John Cummins, Reform member from B.C., one of the originals who said, "I was a teacher. I was entitled to a pension plan. I have a family, and I need the pension plan, and I will take it." They said, "You will lose your seat." He ran again. They challenged him. He said, "I need a pension. I have a family. I will take it." I have respect for people like that and nothing but contempt for the others who talk out of both sides of their mouth. They seize the benefit of attacking people for taking the plan while they are also trying to find a way, as a part of the Blais commission, to get back in.

I think it would be great if they decided to go back in. Can they not face the electorate by simply saying, "We made a mistake. We were wrong to attack and criticize the others. I have five kids and have been here nine years. I now need a pension"? A number of them have said that. If they have now discovered what the rest of us discovered many years ago, that people, no matter what job they hold, need a pension, they can simply say, "I made a mistake. I want in."

That leads me to my final point. We have a severance package, which is a nice way to let them in. They can say they did not take pension but rather took a severance package. This applies to the 38 Reformers, and maybe one or two others. You used to get six months severance, but under the new scheme you now get an additional 12 months, one month for each year for a total of 18 months. I have to shake my head in bewilderment. Through these investigative reporters and their reports, I heard they get $50,000, $60,000, and someone recently said it might be as high as $100,000. Senator Phillips said $150,000. You need not be a genius to figure it out. It will be 18 months at the salary at the time you collect it, which in all these cases cannot be sooner than the next three years. Salary will be about $70,000. They get one and one half years, so it is $105,000. It is pretty simple. However, is that all? No.

I am waiting for someone in the media, the geniuses, these investigative reporters and/or people in the House of Commons, to ask us, "What about the other half?" What other half, you ask? Those in the pension plan contribute 9 per cent of their salaries as the employee's share. Those 38 Reformers get the 9 per cent, approximately $6,000 a year, in their pocket. They have told us repeatedly that they are better able to manage their affairs than the government pension and will put it in RRSPs. Again, you need not be a genius to figure it out. Setting aside the $105,000 they will get for the 18 months severance pay, that means they will get $6,075 a year times 12 years in an RRSP. It must be at least $72,000. I called the Royal Bank and said, "If I put $6,000 a year into a RRSP, at the end of 12 years, how much would it be?" I was told it would be approximately $110,000. Therefore, when they tell you they will leave with $105,000 with the severance and will not opt back in, it is not true. They will get $105,000 plus the RRSP from each year for 12 years, which is at least another $110,000 at 4.5 per cent interest. If they put it in a mutual fund, it is $150,000 or $160,000. If they are better financial managers, as they would have us believe, they will leave with not less than about $260,000 cash severance.

• (1730)

I do not object to it. I just wish they would tell the truth about it. They spend time attacking us and everyone else, but they cannot defend themselves. What is wrong with simply saying, "We made a mistake. We need it. We are going to take it," and that is the end of it? The issue is very simple. I have listened to the members over there. Several Reformers are calling the government leader of the House a weasel. Why is he a weasel?

Honourable senators, the day before, all parties agreed unanimously to the method for approving the legislation. Then, one of the Reformers jumped up and said, "Look what they did. I went to the bathroom and they passed this bill." One has to assume that the 260 MPs in attendance were waiting to say, "There he goes. Pass the bill."

This bill did not get passed as it did because of a bladder problem; it got passed because of a stomach problem. They did not have the guts to tell the truth and face their electors.

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

**Senator Lawson:** All I would like these members to do is to be honest. I do not know how we will vote on this motion today. I do not know if an arrangement has been made between the two sides. If an arrangement has been made, I will agree. If an arrangement has not been made, I will vote in favour of it. It is fair, reasonable and supportable.

Honourable senators, I go on record as being in favour of the bill!

[*Translation*]

**Senator Simard:** Honourable senators, I wish to speak out against the hypocrisy shown by the five federal parties, including the Conservatives.

I would like to expose the process that was used to push Bill C-47 through in secret, in less than two hours. For several years now, it has been common knowledge that all Canadians have, on a number of occasions, expressed skepticism toward politicians, the elected MPs and the non-elected senators, at a time when the Senate is being challenged by many Canadians.

Five years ago, on Monday, July 12, 1993, the Senate reversed the decision to approve the reimbursement of expenses incurred in Ottawa. Senator Norbert Thériault of New Brunswick was the only one courageous enough to speak out against this motion. I abstained. I lacked the courage to explain why I did so. I was in favour of the reimbursement of senators' expenses in 1993, as I still am in 1998. I am also in favour of the 2-per-cent annual raise provided for the next few years.

Senator Carstairs and her Liberal colleagues have forced me to debate Bill C-47 at second reading. I will do so at third reading, explaining why MPs and senators ought to have the courage to express their views, even when the matter is a controversial one.

Over my 30-year career, some of my youthful illusions have gone by the wayside, but I have also realized that taxpayers demand frankness from politicians. I have also discovered that the taxpayers know how to appreciate frankness from an MP or a senator, from any elected official at the municipal, provincial or federal level. Taxpayers may not necessarily agree with all legislative decisions made by parliamentarians, but they do respect frankness and loyalty.

At third reading, I shall make some suggestions on Bill C-47. I could move a motion in amendment. I am entitled to express my views, even if we are about to adjourn. I am ready to sit again next week, or for the next two months. I am in no hurry. I do not, moreover, want to be an accessory to what the MPs are doing, or to procedures. I would have some things to say about the way the House committee — the equivalent of the Senate Committee on Internal Economy, Budgets and Administration — has turned down three increases.

The first recommendation by the Blais commission was to increase senators' salaries, with the tax equivalent, to $110,000. I would like to hear some comments on why the MPs rejected that recommendation by the Blais commission. The real reason is that they said "Tough luck." They were afraid of what taxpayers would think, although they gave another cooked-up, far-fetched excuse, the one that appears in the report by this House of Commons committee.

According to that excuse, senators from 10 different provinces would not have been taxed uniformly. Do they think they are a breed apart? Are they so special that they think they are above the Income Tax Act? MPs should be treated the same way as senators, and the taxpayers of their respective provinces.

We will address this tomorrow at third reading. If the Liberal Party and the Liberal senators are in a rush, perhaps I will work into next week. They will not make me a party to approving Bill C-47 in a secretive way, according to a rarely used procedure.

[*English*]

• (1740)

I will see you at third reading.

**The Hon. the Speaker:** Honourable senators, I wish to inform the Senate that if Honourable Senator Carstairs speaks now, her speech will have the effect of closing debate on second reading.

**Hon. Marcel Prud'homme:** Honourable senators, I rise to say that I am as interested as any other senator; however I shall not speak.

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

**Hon. Sharon Carstairs (Deputy Leader of the Government):** Honourable senators, this debate is a perfect example of how this chamber differs from the other one. Let us examine the process. We had first reading last Thursday. Not first, second and third reading debate in 45 minutes. We began second reading last evening. We continued with debate on second reading today.

It is my intention, if we pass second reading within the next few minutes, to move that this bill be referred to the Standing Senate Committee on Banking, Trade and Commerce.

If this bill is referred to committee, we shall hear from the Honourable Don Boudria as a witness. We will then proceed to report stage and third reading of this bill. We will proceed in the manner in which the Senate usually does its business.

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

**Senator Carstairs:** I cannot answer all of the questions that are presently before the chamber in terms of what honourable senators have asked. I will answer some of the questions. However, I encourage honourable senators to attend the committee meeting tomorrow, if we refer the matter to committee, and to ask their questions at that time.

In response to Senator Phillips' question with respect to the expense allowance for members of the other place and it being within the global budget, at the present time they have an expense allowance of $1,000 for which a receipt is required. They can use the allowance, for example, to entertain constituents in the Parliamentary Restaurant. That global budget has now been increased to $3,000. This is not new money, it is a reallocation of how members may spend their global budget. Members have been permitted for some time to apply an automobile per kilometer rate of 37 cents within their global budget.

With respect to the question on the secretaries of state, I am not able to provide an answer. I encourage Senator Phillips to put that question to Mr. Boudria. I also encourage the senator to put the question regarding the secrecy surrounding the names of those who have opted in or out of the pension plan.

As to Senator Lawson's question about the Speaker *pro tempore*, we have had a Speaker *pro tempore* in the past. We do not have one at this moment and have not since the regrettable, untimely death of Senator Ottenheimer. During the time that Senator Ottenheimer held the position of Speaker *pro tempore*, he was not paid. We should have a Deputy Speaker or a Speaker *pro tempore* as we refer to it, and that Speaker *pro tempore* should be paid. I am delighted that, for the very first time, an allowance is being established.

I also agree — as would anyone who was so well entertained as we all were last evening — with the increase in the budget for the Speaker of this chamber.

Honourable senators, this legislation treats members of the other place and senators differently in that we do not have a severance package. We have a different pension plan, which is far less generous than that which is received by members of the other place. We do not have the same tax-free allowance. I agree with Senator Lawson that that was a mistake made some years ago. Unfortunately, it has not been rectified. I do know that when we in this chamber deal with legislation, we do it right.

**Senator Prud'homme:** Honourable senators, I have a short question.

I support the question of payment for the position of Speaker *pro tempore*. I have raised this issue in committee. However, in view of parliamentary reform, would consideration be given to the possibility of starting reform of the Senate by electing our Speaker *pro tempore*, as it is done in the House of Commons? If the deputy leader can indicate that consideration would be given to this possibility, I would be satisfied.

**Senator Carstairs:** Honourable senators, this question is not related to the legislation. The reality is we do not elect our Speaker. The House of Commons does not elect their deputy speakers, either.

It would be appropriate for us maintain the present status.

**The Hon. the Speaker:** Honourable senators, if no other senator wishes to speak, I will put the question.

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

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 Banking, Trade and Commerce.

## MI'KMAQ EDUCATION BILL

SECOND READING

**Hon. Mary Butts** moved the second reading of Bill C-30, respecting the powers of the Mi'kmaq of Nova Scotia in relation to education.

She said: I am pleased to be asking honourable senators to support this historic legislation. Bill C-30 provides for the transfer of jurisdiction for education to nine Mi'kmaq First Nations in Nova Scotia. This is the first time since Confederation that such a transfer has been executed and the Mi'kmaq people must be commended for this groundbreaking initiative.

No one will question the need for First Nations youth to acquire the learning and skills demanded by the new economy. Education is critical if these children and young adults are to achieve self-sufficiency for themselves and their communities.

• (1750)

I also believe, honourable senators, that no one will dispute that control of education should be exercised at the local level by the parents and communities whose children are being educated. This is the underlying objective of Bill C-30: to restore jurisdiction over education on reserves to the community level where it has always belonged.

Honourable senators, this delegation of authority will strengthen the participating communities, consistent with the goals set up by this government in the document "Gathering Strength," which is the government's response to the report of the Royal Commission on Aboriginal Peoples. It will do so by allowing the Mi'kmaq people of Nova Scotia to deliver education in a way that is culturally relevant and locally responsive. Mi'kmaq customs and traditions will be taken into account in the development of the curriculum, and some courses will be delivered in the Mi'kmaq language.

The Mi'kmaq people are ready to take up this work. Having taught many of these community leaders at the university level, I can verify that they have the education and training required. To illustrate the progress that has been made in the past 10 years, for example, I can tell you that in 1987 in Nova Scotia, there were 26 Mi'kmaq high-school graduates. In 1997, there were 72. In 1987, there were 22 Mi'kmaq university graduates. In 1997, there were 46. What is even more significant, I believe, is that, in the early 1990s, there were 121 high-school dropouts in the aboriginal schools, and in 1997, that number is down to 59.

I should like to speak for a few minutes about the extensive community consultation and ratification process that was undertaken in relation to this final agreement.

Community consultation has been a cornerstone of the transfer initiative from day one. During the five years required to reach this final agreement, there was a steady flow of information to and from the Mi'kmaq people, and literally dozens of community meetings were held in First Nation communities across Nova Scotia. Individuals from the Mi'kmaq community briefed band councils on the progress of the negotiations. They held community meetings and made representations to First Nations schools, university officials, the Nova Scotia School Boards Association, and provincial education officials. Newsletters were circulated to Mi'kmaq households. Information booths were set up at the annual powwows and other events, and poster contests were held for students in First Nation and provincial schools. Nova Scotia's aboriginal newspaper, *The Mi'kmaq-Maliseet Nations News*, carried many articles on the negotiations and consultations.

In November, 1994, the 13 Mi'kmaq chiefs and the Minister of Indian Affairs and Northern Development signed a political accord committing all parties to negotiate the transfer of jurisdiction of education to the Mi'kmaq.

During January and February, 1996, First Nations and federal officials held public meetings in all 13 Mi'kmaq communities in Nova Scotia, to ensure that the Mi'kmaq people were informed of the education initiative. Negotiations of the final agreement took place in the latter half of 1996 and, again, community involvement was central to the process. A number of community information sessions were held late in the year to inform people of the scope and the impact of the final agreement.

After the formal community ratification process was completed in January, 1997, nine communities expressed their acceptance of the final agreement through band council resolutions. These resolutions indicated that an informed-consent process had taken place and that the council was comfortable that the community supported the initiative. The four remaining Mi'kmaq communities in Nova Scotia have not opted into the plan at this time. They can, if they wish in the future, ratify the agreement and benefit from this historic act.

Honourable senators, I should also mention that the Government of Nova Scotia has been consulted extensively on the Mi'kmaq education initiative, dating back to early 1994. The provincial government confirmed its support for the transfer by signing a tripartite agreement with Canada and the Mi'kmaq chiefs in December, 1996. As a result, the legislation before us today meets the needs and expectations of all the parties to the transfer process.

The government has also received numerous letters of support for the transfer initiative from non-aboriginal groups in Nova Scotia. I have letters from the president of St. Francis Xavier University, the presidents of Saint Mary's University, Mount Saint Vincent University, and the University of King's College, as well as from the principal of the Nova Scotia Agricultural College. The Nova Scotia School Boards Association has also written to the minister to express support for this historic transfer of jurisdiction, as has the Assembly of First Nations which sees Bill C-30 as a significant step towards restoring Mi'kmaq governments. A letter of support has also been received from the Most Reverend Colin Campbell, Bishop of Antigonish, who has endorsed the need for culturally relevant education for Mi'kmaq children and youth.

Honourable senators, the Mi'kmaq wish to assume their historic jurisdiction for education in time for the new school year in September, 1998. This requires us to move Bill C-30 through the legislative process as quickly as possible. With that in mind, I would ask you, honourable senators, to respect the wishes of the Mi'kmaq people of Nova Scotia by voting in favour of this legislation.

**Hon. A. Raynell Andreychuk:** Honourable senators, I, too, wish to speak to Bill C-30. This agreement will cover primary, elementary and post-secondary education on reserve for First Nation members resident on the reserve in Nova Scotia. The First Nations will also have jurisdiction over post-secondary student support to band members on and off reserve.

It is interesting to note that Bill C-30 will also place an obligation on First Nations to provide education for any non-First Nation members living on the reserve, and that is to be commended. Both the objectives and aims for education of aboriginal students will be covered in this agreement, but there is also an obligation to ensure that the community is given the types of education and opportunities that all Canadians require, whether they live on or off reserve.

The assumption is that the payments for those who are non-aboriginal or non-First Nation will be assumed by the province or other bodies. However, the education that will be provided will be the responsibility of the Mi'kmaq under the full umbrella of education on reserve.

• (1800)

I believe that this is a good piece of legislation and that it is worthy of our consideration. My concern is that something so fundamentally important as this should come to us at such a late date. This bill is worthy of detailed study so that we can examine its merits and put education where we are constantly being told by politicians in the other house it should be, which is at the centre of our focus. For too long, aboriginal education was in the hands of those who did not understand aboriginal communities and, in fact, in the hands of those who were not aboriginals themselves. This type of legislation gives us optimism. If aboriginal communities are given the responsibility to look after the educational needs of future generations, they will have a brighter future within the Canadian umbrella.

Honourable senators, I am very pleased that Senator Butts has taken an interest in this legislation. I understand that she has been involved in education with the Mi'kmaq in the area for many years, long before she knew that she would be a senator in this chamber. Consequently, she comes to the Senate with great credibility in this area.

**The Hon. the Speaker:** I regret to have to interrupt the Honourable Senator Andreychuk, but it is now six o'clock.

Honourable senators, I understand there is an agreement that I shall not see the clock; is that correct?

**Hon. Senators:** Agreed.

**The Hon. the Speaker:** Very well.

Please proceed, honourable senator.

**Senator Andreychuk:** Honourable senators, Senator Butts asked for the opportunity to appear before the Standing Senate Committee on Aboriginal Peoples. She briefed the committee some months ago about this pending legislation, her support for it, and the issues dealt with by the legislation. Therefore, I think we had something that we in this chamber normally support , and I hope there will be more opportunities for similar dialogue. While it was not a pre-study, it certainly was the first stage in a pre-study. I wish to express my appreciation to Senator Butts and the committee for taking that initiative.

Elementary education and secondary education are covered by this agreement. Senator Butts has spoken to the many consultations and the community involvement in this legislation.

It is interesting to note that four First Nations chose not to join with the nine that are the subject of this agreement. My only concern is that this agreement again not bind the hands of the four First Nations that chose not to be part of it. In other words, this agreement should be an expression — and I believe it is — of the nine First Nations that wish to have this sort of delegated legislation with the federal government. It should not in any way be an impediment to the four other First Nations to choose whatever form they believe is in their best interests. I believe aboriginal education should be in the hands of aboriginals. Therefore, the agreement by these nine First Nations should not in any way impair further negotiations with the federal government by bands who believe that what they are asking for will be in their best interests.

I also note that the committee will deal with some procedural issues to ensure that this legislation falls within the ambit and the certificate of the Charter of Rights and Freedoms and that all procedural consultations that were necessary have taken place.

I am pleased that Senator Butts has put the consultation process on the record. It will be the responsibility of department officials to assure the committee that they have followed the practices, procedures and obligations that the federal government must follow.

Honourable senators, I will leave any further comments for committee deliberation, except to indicate that this legislation is not inherent self-government in any way. In fact, it is a devolution or a delegation of authority from the federal government. It is, however, in the spirit of self-government. Therefore, I believe it leaves open the opportunity for these First Nations to continue inherent self-government negotiations, which most groups have indicated they wish to do.

Honourable senators, I commend these nine First Nations for making education a priority in their development and their future. I have seen in my own province of Saskatchewan First Nations taking hold of education, putting together a federated Indian college. From that has flowed the notion the First Nations communities can handle their own affairs when they are given responsibility for themselves.

I hope that these kinds of initiatives will ensure that our future will hold no more residential schools and the consequences we have heard so much about. Had we involved the First Nations in their education earlier, perhaps there would be less regret on our part today.

Honourable senators, I hope we can move to clause-by-clause examination of Bill C-30. I commend the Mi'kmaq First Nations, the federal government, the provincial government and the host of community officials who have made education a priority.

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 Butts, bill referred to the Standing Senate Committee on Aboriginal Peoples.

## JUDGES ACT

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

**Hon. Wilfred P. Moore** moved the second reading of Bill C-37, to amend the Judges Act and to make consequential amendments to other Acts.

He said: Honourable senators, let me begin by putting this bill in its proper context.

The judiciary is one of the foundation institutions of our democracy. Since the advent of the Charter, Canadian judges have been asked to assume increasingly demanding constitutional functions, determining issues of fundamental importance to all Canadians.

This government recognizes that in doing their jobs, judges and their decisions are not always popular. It seems to me that this is inevitable given that we, the legislators, gave them the sometimes unenviable task of determining some of the most difficult and divisive legal, social and economic issues of our time. It is for this very reason that we do not want "popular judges." Indeed it is, and has always been, of primary importance to all Canadians that judges be independent and free to make those difficult and sometimes unpopular decisions.

It is the principle of judicial independence that provides the foundation for a strong and courageous judiciary and forms a cornerstone of our democratic society — a principle clearly reflected in and protected by sections 96 through 100 of the Canadian Constitution.

In 1981, in recognition of the importance of judicial independence and the unique constitutional role of the judiciary, Parliament provided for an independent commission to examine the adequacy of judges' salaries and benefits. In September of last year in the P.E.I. Reference case decision, the Supreme Court of Canada reiterated the fundamental constitutional role of such commissions, citing the federal model as one example.

The most recent triennial commission headed by David Scott, Q.C., heard from a range of organizations and individuals, including all the provincial and territorial ministers of justice and attorneys-general before putting forward a thoughtful and comprehensive set of recommendations on September 30, 1996.

• (1810)

This government continues to support the principles that led Parliament to institute the judicial salary commission process 17 years ago. In light of those principles, and of the enhanced constitutional role of independent salary commissions following last September's Supreme Court decision, we have given serious consideration to all of the recommendations of the Scott commission.

With respect to salaries and pension amendments, it was not unexpected that the issue, which has resulted in the greatest interest since the Scott commission response was released and Bill C-37 was introduced, is the proposed judicial salary increases. The Scott commission recommended an appropriately phased upward adjustment of 8.3 per cent on the expiration of the salary freeze on April 1, 1997. We have accepted this recommendation, and Bill C-37 will implement the Scott recommendation by providing a phased-in increase to judicial salaries of 4.1 per cent per year over two years, effective April 1, 1997.

The proposal is consistent with the government's view that it would be unreasonable for the judiciary to not share in the necessary economic restraint that was exercised from 1992 until very recently by all Canadians paid by the federal government.

I wish to express my strong agreement with a statement made by former chief justice Brian Dickson of the Supreme Court of Canada in a seminal decision on the issue of financial security for judges. In the case *R. v. Beauregard*, the then chief justice observed that "Canadian judges are Canadian citizens and must bear their fair share of the financial burden of administering the country." This view is echoed by the Supreme Court of Canada in that P.E.I. reference case, where the chief justice observed that:

> Nothing would be more damaging to the reputation of the judiciary and the administration of justice than a perception that judges were not shouldering their share of the burden in difficult economic times.

Canadian judges are entitled to receive fair compensation that reflects both the importance of their role and the personal demands of their office. In deciding what was reasonable, the Scott commission correctly recognized that a complex range of factors must be considered in establishing an appropriate level of remuneration, including the need to ensure levels of compensation that attract and keep the most qualified people for judicial office.

This view was supported by the Progressive Conservative house leader in the other place when he stated in debate that:

> We need judges who will be competent, judges who will come from the practice of law and bring with them that experience. That personal element does not come cheap. We have to ensure that we will have individuals who are prepared in many cases to make sacrifices by leaving the profession.

With respect to pension proposals, Bill C-37 would also implement the Scott commission recommendation for certain pension-related amendments to the Judges Act, including the "Rule of 80," which will permit retirement when the sum of a judge's age and years of service equals at least 80 and the judge has served on the bench for a minimum of 15 years.

In our view, the proposed Rule of 80 responds in an important way to the changing demographic profile of the judiciary. More and more judges are being appointed at a younger age and many of these younger judges are women. The current provision, although based on the Rule of 80, requires a minimum age of 65. A judge who retires before 65 has no right to a pension. Therefore, a judge appointed at the age of 50 can retire with a pension at 65 with 15 years of service, but a judge who is appointed at 40 must serve 25 years to receive any pension at all — a situation that is increasingly considered unfair.

This situation is even more unacceptable when we consider that it has a particular impact on women judges who constitute the majority of those appointed at an early age. The Rule of 80 would allow older, long-serving judges to retire when they feel they no longer wish to continue in the role. Permitting this would be good for them and for the court itself as an institution.

The Scott commission proposed a different retirement option for the judges of the Supreme Court of Canada and recommended eligibility for retirement with a full pension after serving a minimum of 10 years on the bench. The government agrees with the commission that the immense workload and heavy responsibility inherent in membership on that court justifies the proposed retirement provision. However, the government proposes to limit it to those judges who have reached the age of 65 years.

The bill also makes a couple of other changes to judges' pensions in the interests of fairness. It will allow common-law spouses to receive surviving spouses' annuities, and it will give a judge who marries or commences a common-law relationship after retirement the option of receiving an actuarially reduced pension that continues until the judge and the spouse have both died. These are both common features of other pension plans.

With respect to process changes, an important part of Bill C-37 is improvements to the judicial compensation process designed to reinforce the independence, objectivity and effectiveness of the process as a means of further enhancing judicial independence.

The Supreme Court of Canada, in its decision of last September, set out guidelines for such process improvements. In order to be independent, commission members must enjoy security of tenure by being appointed for a fixed term and the judiciary must nominate a member. To be objective, a commission must use objective criteria in coming to its recommendations. To be effective, governments must deal with the commission's recommendations with due diligence and reasonable dispatch.

That having been said, the Supreme Court expressly allowed that the decisions of the institutional design should be left to the executive and the legislature, and jurisdictions should be free to choose procedures and arrangements which are suitable to their needs and particular circumstances.

Pursuant to these objectives and guidelines, Bill C-37 provides for the establishment of a judicial compensation and benefits commission. In our proposed design, the length of time between commissions would be extended from the current three years to a four-year period. The new commission would conduct an inquiry similar to that conducted by previous commissions, including public hearings and inviting submissions from all those interested in judicial compensation, including the public.

The commission would have nine months to complete its inquiry and submit a report to the Minister of Justice. To provide flexibility, the period to report could be extended by the commission with the consent of the minister and the judiciary.

The exception to the general nine-month period of activity would be when the minister decides to submit a matter to the commission for its inquiry, as permitted under these proposals. This provision would allow for changes to judicial compensation to be made, where necessary, between the fixed four-year time frames. This is necessary in light of the new constitutional requirement established by the Supreme Court that future changes to judicial compensation cannot be implemented without prior consideration by a judicial compensation commission. This power to refer matters might also occasionally be used to have more detailed and informed consideration of particularly complex policy issues.

The independence of the commission would be enhanced by our proposal that would have one member nominated by the judiciary and one nominated by the Minister of Justice. The representatives of each side would, in turn, nominate a third member who would be chair. Members would be appointed by the Governor in Council for a fixed four-year term on good behaviour, removable for cause. Terms could be renewed once on re-nomination.

The bill also includes a proposal that the Minister of Justice be required to respond to a report of the commission. The traditional role of Parliament in reviewing commission recommendations has been preserved in this bill by the requirement that any report of the judicial compensation and benefits commission be tabled before both houses.

An amendment to the bill was unanimously passed by the House of Commons which will entrench the current Standing Order 35(4) and provide that the report of a commission will be referred to the appropriate standing committee. The committee will retain the its discretion to decide whether to conduct hearings on the report. If it decides to hold hearings, it must report back to the house within 90 days.

• (1820)

This amendment was supported by all parties in the other place. In the debate on this amendment, the Progressive Conservative house leader stated:

> We feel that there is an importance in this motion in that it calls for further credibility of the system and further transparency... It is a positive suggestion, and one that appears quite non-partisan in nature.

Although this is not a significant change to the existing process under house procedural rules, it does make the role of the parliamentary committee visible in statute.

Next I would like to speak on the section dealing with the unified family courts, or tribunaux unifiés de la famille. Another element of Bill C-37 which has secured widespread support across all party lines provides for the largest ever expansion to date of unified family courts in Canada. This broad support is natural and welcome since unified family courts are widely recognized to be responsive to widespread concerns that the family law system is too slow, confusing and expensive, and intensifies and prolongs the degree of family conflict. Delay, conflict and confusion arise in large part because of jurisdictional overlap and the traditional emphasis on courts and litigation to resolve family issues.

Unified family courts reduce these problems by enabling a single judge to hear all family matters under both federal and provincial law. Unified family courts also provide access to an array of services which promote durable, mutually agreeable solutions to family law disputes and improve the long-term outcomes for children and their families.

Therefore, I am very pleased that the level of funding provided in the 1997 budget will permit the appointment of 24 additional judges to unified family courts. The cost will be $4.4 million ongoing to support the salary and benefits of federally appointed judges. Three other positions are currently available under the Judges Act, for a total of 27 new family court judges.

Invitations were extended to all jurisdictions, and provincial interest in unified family court expansion has been high. The Minister of Justice has announced allocation of judicial resources for four provinces seeking them at this time: Newfoundland, Nova Scotia, Saskatchewan and Ontario. The other provinces and territories either have completed the implementation of unified family courts, do not intend to adopt the unified family court model, or they are beginning to consider it for the longer term.

Unified family courts demonstrate an effective, federal-provincial partnership to meet the needs of children and parents when family disputes occur, reflecting the high degree of interdependence in this area of law and social policy.

In conclusion, honourable senators, these amendments will serve to strengthen what is already one of the best judicial systems in the world by enhancing the independence of our courts and improving access to justice. The improvements to the judicial compensation process will ensure continued public confidence and the independence of our judiciary. Increased judicial resources for unified family courts, combined with provincial commitment of support services, will improve the way our courts respond to families and children in crisis.

I hope we can look forward to the support of all senators in moving these important amendments to the Judges Act quickly through Parliament, to the benefit of all Canadians.

**Hon. Marcel Prud'homme:** On a point of order, may I remind all honourable senators that, dutiful as Senator Grimard is, it is his birthday today and yet he is still here all day.

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

[*Translation*]

**Hon. Normand Grimard:** Honourable senators, we all know that judges play an important role in our society. This role has expanded, especially since 1982 with the passage of the Canadian Charter of Rights and Freedoms. Legislators are asking the courts increasingly to rule on economic, social and constitutional matters. In fact I would not be wrong in saying that judges are making decisions daily that affect our lives. So they must be free and independent.

This brings me to Bill C-37, to amend the Judges Act and to make consequential amendments to other Acts. There are three specific aspects to this bill. First, it is the government's response to the report of the commission on federal judges' remuneration. It also provides for the creation of an independent commission to replace the current commission. Finally, it provides for the appointment of new judges to the unified family courts in four provinces: Nova Scotia, Newfoundland, Ontario and Saskatchewan.

Currently, under the Judges Act, the Minister of Justice appoints between three and five commissioners to examine whether the salaries and benefits provided by law are satisfactory. This commission is appointed every three years and must submit its report within 12 months.

The government felt obliged to change this procedure following the September 18, 1997 decision of the Supreme Court. In a majority decision, the Chief Justice wrote, and I quote:

> Judges' salaries may be cut, increased or frozen , but not without recourse to an independent, effective and objective commission.

The Chief Justice indicated that, in order to preserve their independence, the members of the commission should not be under the control of the executive, the legislature or the judiciary. Since the members are to be appointed at this point by an independent body, and so on, we do not find this situation very practical.

The Chief Justice indicates that these appointments ought not to be the total responsibility of one of the three powers, as is the case at present. This is why the government proposes in its bill that two of the three appointed members be nominated, one by the judiciary and one by the Minister of Justice of Canada. The two members thus appointed would then nominate a third person who would act as chair.

The Chief Justice specifies the commission's tasks, and gives the following directive to Parliament:

> The commissions must be objective. They are obliged to present recommendations on the remuneration of judges based on objective criteria and not political considerations.
>
> If the executive or legislature chooses to depart from them, it has to justify its decision according to a standard of simple rationality — if need be, in a court of law. The grounds for this decision would have to be set out either in the executive report in response to the contents of the commission's report, or in the preamble to the legislative assembly's resolution on this matter.

The striking of an independent commission falls under this category. Some people have voiced concerns about the justification Parliament would have to give if it were to refuse to increase salaries, or even to decrease them. All agree that there is an apparent conflict of interest. Judges might have to make a decision on the government's refusal to increase their own salaries.

We must, however, see this as a desire on the part of the court to protect the independence of the judiciary. The threat represented by the government's power to set salaries lies in the fact that judges may be influenced by the possibility the government might punish or reward them financially for their decisions. That is why the justification that is called for could serve to protect the independence of the judiciary. It would, at the very least, make things more transparent.

• (1830)

My committee colleagues will certainly want to ponder this dilemma. Should parliamentarians be allowed to decide and thus have the power to exert political pressure on judges, or should we rely on the ability of judges to remain sufficiently impartial in a case involving their remuneration? Should this appearance of conflict of interest be accepted in order to preserve the independence of our judicial system? The Chief Justice wanted to be reassuring when he wrote, and I quote:

> I want to emphasize that the guarantee of a minimum acceptable level of judicial remuneration is not a device to shield the courts from the effects of deficit reduction. Nothing would be more damaging to the reputation of the judiciary and the administration of justice than a perception that judges were not shouldering their share of the burden in difficult economic times.

My committee colleagues will certainly have a chance to delve further into this issue and I am sure they will weigh the pros and cons.

The bill also deals with the addition of new judges to unified family courts in four provinces. The idea is to have a single window where family members can obtain legal and other services to help them resolve all legal matters. If the purpose is to provide better services to the public and streamline procedures, so much the better. Furthermore, the cooperation of the provinces is obviously what is needed both in our justice system and in the federation's operations.

The last measure in this bill is the government's response to the report by the commission on judges' remuneration and benefits chaired by David Scott.

The government is proposing to increase judges' salaries and amend their pension plan, and is requesting more time to examine the proposal regarding judges' life insurance coverage.

The issue that is raising the most questions is obviously the 8.2-per-cent salary increase. When Mr. Scott, the author of the commission's report, appeared before the House of Commons committee, he admitted that increasing salaries after a freeze could be viewed as a catch-up measure. Figures were produced, and it was repeatedly asked whether such an increase was justified. The argument offered is that the best candidates must be attracted and that they are earning good salaries in the private sector. The debate is under way and I am sure that my committee colleagues will examine all these matters.

On motion of Senator Cools, debate adjourned.

[*English*]

## NATIONAL DEFENCE ACT

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

**Hon. Bill Rompkey** moved the second reading of Bill C-25, to amend the National Defence Act and to make consequential amendments to other Acts.

He said: Honourable senators, I am particularly pleased to open second reading debate on Bill C-25, to amend the National Defence Act and to make consequential amendments to other acts. This legislation is a comprehensive package of amendments which will strengthen the statutory framework governing the operations of the Department of National Defence and the Canadian Forces.

Bill C-25 has been considered by the Standing Committee on National Defence and Veterans Affairs, and 21 amendments, mostly of a technical nature, to improve the bill were approved in the House of Commons.

Bill C-25 addresses a broad range of provisions in the National Defence Act, but it is primarily about the modernization of the military justice system. The four principal thrusts of this initiative will, first of all, and for the first time, establish in the National Defence Act the roles and responsibilities of the key actors in the military justice system, and set clear standards of institutional separation for the investigative, prosecutorial, defence, and judicial functions; second, enhance transparency and provide greater structure to the exercise of individual discretion in the investigation and the charging processes; third, modernize the powers and procedures of service tribunals, including eliminating the death penalty under military law; and fourth, strengthen oversight and review of the administration of military justice.

I would underline, honourable senators, that these amendments implement virtually all of the recommendations contained in the report of the Dickson Special Advisory Group, and over 80 per cent of those contained in the report of the Somalia commission of inquiry.

[*Translation*]

We must not forget that the Canadian Armed Forces, trained for combat, need a separate judicial system. That is because of the unique nature of their mandate, their role and the special responsibilities and obligations of their members.

[*English*]

Honourable senators, discipline is the lifeblood of any military organization. Whether in peace or war, it spells the difference between military success and failure. It promotes effectiveness and efficiency. Its foundations are respect for leadership, appropriate training, and a military justice system where equity and fairness are unquestionably clear to all.

I am in favour of the passage of Bill C-25 because military justice is an issue where the government and the Armed Forces have recognized that change is needed, and because these amendments will provide the Armed Forces with the tools to do the job.

Honourable senators, each of the principal thrusts of Bill C-25 sets in place a major building block in the revitalization of the Canadian military justice system. Allow me to present a brief overview of each.

The roles, responsibilities, and duties of the key actors in the military are not precisely set out in the National Defence Act as it is presently stands. This has led to a degree of uncertainty and misunderstanding about their respective functions and relationships in the overall process of delivering justice. The amendments contained in Bill C-25 will establish in clear terms the duties and relationship between the prosecution, defence and judicial functions.

The bill clearly defines the role of the Judge Advocate General as legal advisor to the Governor General, the Minister of National Defence, the Canadian Forces and the Department of National Defence in matters of military law. The independence of the Judge Advocate General and of military judges, both key actors in the military justice system, has been enhanced.

The bill will also establish the office of Director of Military Prosecutions, who will be responsible for deciding which charges are to be tried by courts martial and for the conduct of all prosecutions at courts martial. The bill will also provide for the appointment of a Director of Defence Counsel Services, who will provide legal services to accused persons in proceedings under the code of service proceedings.

With respect to the Judge Advocate General, it has been argued that he is too dependent on the chain of command, and that military judges should be civilians, perhaps members of the Federal Court, as recommended by the Somalia commission. The Judge Advocate General is appointed by Governor in Council on the recommendation of the minister. Bill C-25 sets out the duties that he must perform and clearly states that he will be responsible to the minister for the performance of those duties. What is necessary to ensure the independence of the Judge Advocate General has been done.

As for military judges, Bill C-25 will provide for fixed appointments of five years. They will be appointed by Governor in Council, as are all other federal judges in the civilian system. They will have financial security and will be removable for cause only on the recommendation of an inquiry committee.

• (1840)

The practice of appointing serving military officers with legal training to perform the function of military judges has been endorsed by both the Supreme Court and the special advisory group. All measures necessary to assure the independence of military judges have been taken.

Under the system as it now stands, the Minister of National Defence is also a key actor and may play an active role in the routine administration of individual cases under the Code of Service Discipline. Bill C-25 will remove the minister from such day-to-day administration. This will avoid the perception of interference by the minister in individual cases. It will reduce potential conflict of interest between the minister's duty in individual cases and the minister's responsibility for the overall management of the department and the Canadian Forces. Also, it will unable the minister to focus on other duties.

These amendments complement the initiative last September to establish the National Investigative Service of the Military Police. The National Investigation Service is independent of the operational chain of command and has primary jurisdiction to investigate serious and sensitive service offences.

The second major thrust of Bill C-25 is to improve the structure of the investigation and charging process and to enhance transparency within that process. The current system has been criticized for its lack of transparency and for the broad discretion it gives to a commanding officer to make final decisions concerning not only minor offences but also serious and sensitive offences that may implicate interests well beyond his or her individual unit.

Among other things, Bill C-25 removes from commanding officers the power to dismiss charges. It provides a clear statutory basis for tailoring the jurisdiction of summary trials to these minor offences necessary for the maintenance of internal unit discipline. It also requires that a charge that is beyond the jurisdiction of commanding officers be referred to the Director of Military Prosecutions who acts independently of the chain of command and has sole responsibility for the conduct of prosecutions before courts martial.

Changes to the act and to the regulatory and administrative provisions dealing with investigations and charging of service offences will increase openness and refocus the exercise of individual discretion. At the same time, they will ensure the valuable and essential participation of the chain of command in the process.

The amendments under Bill C-25 also modernize powers and procedures associated with the two types of service tribunals that try military offences, summary trials and courts martial. Reform of the military trial process is already under way. Amendments to the Queen's Regulations and Orders enacted on November 30, 1997, restrict the jurisdiction of summary trials to more minor offences that affect internal unit discipline. They limit the severity of the punishments that may be awarded in keeping with the summary trials disciplinary purpose and grant accused persons the right to elect trial by courts martial in all but the most minor cases.

In addition, commanding officers will be provided with more comprehensive training in their military justice duties and responsibilities. Training for the conduct of summary trials is now under development and is expected to commence in the fall. Once it is in place, officers will have to be certified as qualified prior to conducting summary trials.

Honourable senators, there have been some references to a two-tiered military justice system in the Canadian Forces. The amendments contained in Bill C-25, and other actions taken by the department, will promote equal treatment of Canadian Forces members under the Code of Service Discipline regardless of their rank or sex. Several initiatives have been taken to ensure members are treated equally, regardless of sex and rank, and to provide treatment that is comparable to that under the civil justice system. For example, Code of Service Discipline procedures have been reviewed to ensure that any departures from generally applicable civilian standards are militarily necessary, and changes have been made where they are not. Military judges will now have the sentencing function at courts martial. In addition, punishments of hard labour and the death penalty will no longer be available.

With regard to sexual equality, men and women of the Canadian Forces must be able to contribute equally and work together in an atmosphere of trust. The extension of jurisdiction by courts martial over sexual assault offences which occur in Canada serves this purpose.

The establishment of the National Investigation Service, with primary jurisdiction over serious and sensitive offences, is designed to ensure that such offences are promptly reported and fully investigated. Permitting courts martial to try sexual assault offences committed in Canada will ensure that such offences are dealt with promptly and will demonstrate the government's commitment to treat sexual violence against members as a serious issue and to foster equality in the Canadian Forces.

Disciplinary and general courts martial panels which were previously composed of officers only will now include warrant officers and above where a non-commissioned member is being tried. This better reflects the spectrum of individuals responsible for command and discipline in the Canadian Forces.

Furthermore, mandatory accompanying punishments are being removed. This change enhances sentencing flexibility and eliminates a number of differences between ranks in the application of sentences. For example, non-commissioned officers but not officers were automatically reduced in rank when sentenced to imprisonment. Under this bill, the automatic reduction in rank has been removed.

Honourable senators, the amendments contained in Bill C-25 also enhance accountability and transparency within the military justice system. Oversight and review mechanisms must be in place to ensure that day-to-day decisions are monitored effectively and are capable of being reassessed. It has been suggested that there remains a requirement for oversight by an Inspector General. I would like to deal directly with that issue.

The government has put in place a threefold strategy to improve defence oversight and review. First, cooperation with existing oversight bodies, such as the office of the Auditor General, the Commissioner of Official Languages and the Canadian Human Rights Commission is being strengthened. Second, new and specialized oversight bodies, such as the independent and external grievance board and the military police complaints commission will be established and tailored to specific areas. In addition, Mr. André Marin, a former assistant Crown attorney and past head of Ontario's Special Investigations Unit has been appointed the first ombudsman for the Department of National Defence and the Canadian Forces. Finally, Bill C-25 requires the Minister of National Defence to cause provisions of the act to be reported within five years. Third, annual and public reporting will be substantially increased. The Canadian Forces Grievance Board, the military police complaints commission and the Judge Advocate General will be required by law to report annually to the minister who will table their reports in Parliament. These reports will complement other reports of the Chief of Defence Staff, the provost marshal and, ultimately, the ombudsman. With these changes in place, there really would be nothing left for the Inspector General.

I would also take the opportunity at second reading to address the issue of the removal of the death penalty from the National Defence Act. The removal of the death penalty from military law is long overdue. I must say, I was surprised to find it still there, but it is. It was abolished some 22 years ago from the Criminal Code. Since the enactment of the National Defence Act in 1950, no member of the Canadian Forces has been executed for a service offence under the act.

During World War II, three soldiers were sentenced to death by court martial, but only one was executed. He was executed for committing murder which, as a civil offence, was punishable at that time by death.

The military advice of the Chief of Defence Staff is that the death penalty is not required under the Code of Service Discipline for military purposes. Removal of the death penalty from the National Defence Act will bring Canadian military law in step with its civilian counterpart and with the approach taken by most western nations.

For the most serious offences involving traitorous acts, the punishment of imprisonment with ineligibility for parole for 25 years, which is being substituted, will provide a sufficient deterrent. No witnesses who appeared before the House of Commons National Defence Committee supported the death penalty. In Chief Justice Dickson's testimony before that committee, he underlined the importance of bringing this punishment into line with the maximum punishment available under civil law.

[*Translation*]

In short, honourable senators, the amendments in Bill C-25 are the most important yet made to the act since it was promulgated.

[*English*]

• (1850)

They will provide a more modern and effective statutory framework for the operations of the department and the forces. They will more closely align military justice processes with judicial processes applicable to other Canadians. They will, however, continue to meet the military requirements for portability, speed, and the involvement of the chain of command in time of peace and conflict wherever Canadian Forces operate.

The amendments will provide greater transparency and accountability in the administration of the code of the service discipline. They will ensure that it is clearly capable of promoting discipline, efficiency, high morale and justice in the Canadian Forces.

Honourable senators, the Canadian Armed Forces is a vital national institution. Its men and women play a crucial role in protecting not only our security but, as we have seen recently in the Saguenay and Manitoba, and during the ice storm, in protecting our health and safety. Bill C-25, along with other elements of the government's comprehensive program of institutional change, will enhance the efficiency and effectiveness

of our armed forces and will enable the men and women of the Canadian Forces, who do so much for us so well, to do it better still.

With that in mind, I ask all honourable senators to give their support to this legislation.

On motion of Senator DeWare, for Senator Kelly, debate adjourned.

## INFORMATION COMMISSIONER

MOTION ON APPOINTMENT REFERRED TO LEGAL AND CONSTITUTIONAL AFFAIRS COMMITTEE

On the Order:

> Resuming debate on the motion of the Honourable Senator Carstairs, seconded by the Honourable Senator Hébert:
>
> That, in accordance with Section 54 of the Access to Information Act, Chapter A-1, RSC (1985), the Senate approve the appointment of the Honourable John M. Reid, P.C., as Information Commissioner.

**Hon. Noël A. Kinsella (Acting Deputy Leader of the Opposition):** Honourable senators, I cannot recall the last time that this chamber, or indeed the other place, gave careful examination to the report of the Information Commissioner.

There is before us, as you know, the annual report of the Information Commissioner for 1997-98. I thought this would be an appropriate occasion for us, in dealing with the motion confirming the appointment of the Honourable John Reid, to seize the benefit of the opportunity to invite Mr. Reid to appear before one of our standing Senate committees in order that we might go through the report and get his reaction to some of the important recommendations and observations of Mr. John Grace.

It is my understanding, from discussions with the Deputy Leader of the Government, that Mr. Reid would be available to appear before one of our standing committees as early as Thursday of this week. We on this side of the house would look forward to such a meeting and to exploring with Mr. Reid his views on the legislation for which, if confirmed, he would be responsible. We would be interested in particular in his views on a report which has been tabled but which we have not yet taken into consideration in a detailed manner.

REFERRED TO COMMITTEE

On motion of Senator Carstairs, motion referred to the Standing Senate Committee on Legal and Constitutional Affairs.

## BUSINESS OF THE SENATE

**Hon. Sharon Carstairs (Deputy Leader of the Government):** Honourable senators, it is my understanding that there are two items on the Order Paper which members would like to address this evening, and that we will allow all other items to stand as they are presently on the Order Paper.

## EXCISE TAX ACT

BILL TO AMEND—THIRD READING—DEBATE ADJOURNED

**Hon. Consiglio Di Nino** moved the third reading of Bill S-10, to amend the Excise Tax Act.

He said: Honourable senators, being cognizant of the time, my remarks will be brief. I wish to thank colleagues on both sides of the chamber. This has been my first experience with a private member's bill and it has been a pleasant one, principally due to the courtesies extended by colleagues in the chamber and particularly by colleagues on the Standing Senate Committee on Social Affairs, Science and Technology. I thank them in particular for their courtesy and understanding on this issue.

Honourable senators, at the Social Affairs Committee we heard testimony from a wide range of individuals, all of whom agreed with the principle of this bill. Not one witness had anything negative to say about it, although I must admit that the Department of Finance expressed some reservation.

Each witness had something interesting to offer. Mr. Roch Carrier, a renowned Canadian author and former director of the Canadian Arts Council, reminded us of the importance of making reading materials as accessible as early as possible in order that our children can start reading at an early age.

He said:

> Kids should enjoy the privilege of reading.

He also said:

> It is the best start to a good life.

Gailmarie Anderson, who owns the Melfort Bookstop in the small farming community of Melfort, Saskatchewan, spoke about the impact of the GST on her business. She said:

> Every day...I see parents who buy one book rather than two books for their children because of the added expense. In a small bookstore, the GST makes it more of a struggle to survive and makes it more difficult for Canadians, as individual consumers, to have books.

Incidentally, Ms Anderson wrote to me last week. In her letter, she referred to a single mother in Melfort who, because of her financial situation, is forced to purchase books for her children on a lay-away plan.

Sonja Smits, one of Canada's best actors and director of Performers for Literacy, gave the committee some sobering statistics. She reminded us that 42 per cent of Canadians are below minimum literacy standards and that an additional 34 per cent can only use simple reading materials. She also told us that people with low literacy are three times more likely to be unemployed.

As an aside, I recently received another letter, this one from Canada Post, concerning the corporation's Freedom Literacy Awards. The letter notes:

> Poor literacy skills cost the Canadian economy approximately $4 billion in lost productivity each year.

Also, Jocelyn Charon, government affairs coordinator for the Canadian Students Federation, spoke about the impact of the GST on today's college students. He said:

[*Translation*]

> Students at the post-secondary level were hard hit by the introduction of the GST.
>
> The GST affects students' purchases.
>
> Students will have to forego one or more of the manuals required because of the GST.

[*English*]

• (1900)

Perhaps the most eloquent testimony was from Peter Gzowski. Two remarks he made bear repeating. He said that literacy ought to be a civil right in our country. Mr. Gzowski also mentioned that removing the GST on reading material would have the symbolic value of recognizing the importance of reading and writing in our lives, as well as the practical effect of making the tools of training and re-education more accessible to the people who need them.

Other points emphasized by those who appeared at committee include comments such as: "Literacy makes economic sense"; "taxation discourages consumption"; "education is not the only answer to literacy"; and, "helping our children to learn to read is one of the most important things we as parents or grandparents can do."

My conclusion from the testimony heard before the committee is that this is not a question of money. This is a question of values. It is a question of what kind of society we want and ought to have.

We are entering an era where the ability to read is becoming more crucial than ever. Those who cannot read or who read poorly will be left behind. They will become part of the have-nots.

Witnesses from the Department of Finance argued that we should not remove the GST. They said that the GST is there and we should live with it. They asked where the replacement revenue would come from. They also asked if the programs already in place were not a better solution to the issue of literacy than removing the GST. I do not agree.

Some senators have expressed concerns about pornography, obscenity, hate literature and the definition of reading. I understand from Senator Maheu's office that she will propose an amendment dealing with this tomorrow, and I look forward to it.

Argument and debate aside, the discussion boils down to promises made by members of this chamber on both sides. Promises were made by members of the present government before 1993, as well as after. Promises were made by the Liberal Party at its convention. Promises were also made by members of the Conservative Party.

Honourable senators, we promised Canadian people we would revoke this tax. We have an obligation to keep that promise. As we heard from different witnesses, removing the GST from reading materials is the right thing to do.

Honourable senators, this week the association of Canadian booksellers is having their national book fair and conference in Toronto, which I believe ends on Saturday. I have been invited to attend on Friday and I plan to deliver the verdict of this chamber to that organization. I hope the result of this debate will be that all of my colleagues have supported this bill.

On motion of Senator Maheu, debate adjourned.

## VETERANS HEALTH CARE SERVICES

### SOCIAL AFFAIRS, SCIENCE AND TECHNOLOGY COMMITTEE AUTHORIZED TO EXTEND DATE OF FINAL REPORT

**Hon. Orville H. Phillips,** pursuant to notice of June 10, 1998, moved:

> That**,** notwithstanding the Order of the Senate adopted on November 5, 1997, the Standing Senate Committee on Social Affairs, Science and Technology, which was authorized to examine and report on the state of health care in Canada concerning veterans of war and Canadian Service persons, be empowered to submit its final report no later than December 30, 1998; and
>
> That the Committee be permitted, notwithstanding usual practices, to deposit its report with the Clerk of the Senate, if the Senate is not then sitting; and that the report be deemed to have been tabled in the Chamber.

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

**Hon. Senators:** Agreed.

Motion agreed to.

The Senate adjourned until Wednesday, June 17, 1998, at 1:30 p.m.

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