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**Tuesday, March 16, 1999**

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THE HONOURABLE GILDAS L. MOLGAT  
SPEAKER

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## THE SENATE

Tuesday, March 16, 1999

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

Prayers.

### SENATORS' STATEMENTS

#### EMPLOYMENT EQUITY IN THE PUBLIC SERVICE

**Hon. Donald H. Oliver:** Honourable senators, in the next couple of weeks I will be giving two major speeches outside the Senate: one to a conference to mark the International Day for the Elimination of Racial Discrimination, organized by the Visible Minorities Consultative Group, a subcommittee of the Employment Equity Committee of Statistics Canada; the second will be on March 25 at an annual meeting luncheon of the Committee for Equal Access and Participation with the Department of Canadian Heritage.

In preparation for those two meetings, I did some research on employment equity and its application or lack thereof to the Parliament of Canada, especially here in the Senate. It was the previous government, under the leadership of Prime Minister Brian Mulroney, which identified in the 1986 Employment Equity Act four target groups. These groups, being women, aboriginal people, the disabled and visible minorities, were identified as needing statutory help if they were to advance their career prospects in the Public Service of Canada.

In 1995, Parliament enacted Bill C-64, which extended employment equity to private sector corporations which fall under federal jurisdiction. However, it had one major flaw: It did not include Parliament within its jurisdiction. While Progressive Conservative senators fought for an amendment to this bill to include Parliament, the best we could do was to obtain a letter from the minister of the day, Lloyd Axworthy, promising future amendments.

We are now in March of 1999. I have recently reviewed the statistics for the public service, House of Commons and the Senate, and I can tell honourable senators that, with the exception of women, the target groups are woefully under-represented in the employee structure of the public service, as well as both in the House of Commons and here in the Senate.

While the visible minorities make up 5 per cent of the total public service population, when we look at executive level, that figure falls by almost 45 per cent. The latest annual equity report reveals that only 2.8 per cent of executive level jobs are held by visible minorities. In concrete terms, this means 91 out of 3,200 people. If we back up a bit more and divide the total of 9,260 visible minorities in the public service by those 91 people, we find that only 1 per cent of visible minorities hold executive level jobs. This is hardly what we call a figure calculated to

inspire confidence in anyone's chance of reaching the top or in management's commitment to the employment equity policy.

The situation is similar with regard to the House of Commons. Less than 2 per cent of the employees come from the visible minority groups, just over 1 per cent are disabled and under 1 per cent are from the aboriginal peoples of Canada. In the Senate, only 1.2 per cent of employees are visible minorities, 0.6 per cent are disabled, 1.4 per cent come from Canada's aboriginal peoples. We should be setting a standard for all business and government bodies in Canada. We should not be lagging behind, especially to the extent that we are now.

Our governing institutions should reflect the mosaic of Canada. In the early part of the next decade, over 50 per cent of the population of Toronto, Canada's largest city, will be from visible minority groups. This group and the other target groups must see themselves represented in Canada's governing bodies if they are truly to feel themselves to be part of this country. I believe we should take all necessary measures here in the Senate to ensure that our workforce is representative of the four target groups identified.

**The Hon. the Speaker:** I regret to interrupt; however, the honourable senator's three-minute period has expired.

**Senator Graham:** Carry on.

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

**Hon. Senators:** Agreed.

**Senator Oliver:** I believe that we should take all necessary measures here in the Senate to ensure that our workforce is representative of the four target groups identified by the previous government. I urge this government to bring in legislation that will put Parliament, the House of Commons and the Senate under the jurisdiction of the Employment Equity Act.

[Translation]

#### PRIVILEGES, STANDING RULES AND ORDERS

CLARIFICATION BY CHAIRMAN OF COMMITTEE  
ON RESPONSE PREVIOUSLY GIVEN

**Hon. Senator Shirley Maheu:** Honourable senators, last Thursday, in presenting the ninth report of the Standing Committee on Privileges, Standing Rules and Orders, I used language which might have seemed to be contrary to rule 51 of the *Rules of the Senate*.

If my words have offended any of my honourable colleagues, I am sorry. The purpose of my words was to respond to questions raised during the March 9, 1999 session, not to contravene one of our rules.

[English]

## 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, March 17, 1999, at 1:30 p.m.

• (1410)

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

**Hon. Senators:** Agreed.

Motion agreed to.

### WAR VETERANS ALLOWANCE ACT PENSION ACT MERCHANT NAVY VETERAN AND CIVILIAN WAR-RELATED BENEFITS ACT DEPARTMENT OF VETERANS AFFAIRS ACT VETERANS REVIEW AND APPEAL BOARD ACT HALIFAX RELIEF COMMISSION PENSION CONTINUATION ACT

#### BILL TO AMEND—FIRST READING

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons with Bill C-61, to amend the War Veterans Allowance Act, the Pension Act, the Merchant Navy Veteran and Civilian War-Related Benefits Act, the Department of Veterans Affairs Act, the Veterans Review and Appeal Board Act, and the Halifax Relief Commission Pension Continuation Act and to amend certain other Acts in consequence thereof.

Bill read first time.

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

On motion of Senator Carstairs, bill placed on Orders of the Day for second reading on Thursday next, March 18, 1999.

### FOREIGN PUBLISHERS ADVERTISING SERVICES BILL

#### FIRST READING

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons with

Bill C-55, respecting advertising services supplied by foreign periodical publishers.

Bill read first time.

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

On motion of Senator Carstairs, bill placed on Orders of the Day for second reading on Thursday next, March 18, 1999.

### THE ESTIMATES, 1998-99

#### REPORT OF NATIONAL FINANCE COMMITTEE ON SUPPLEMENTARY ESTIMATES (C) PRESENTED AND PRINTED

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

**Hon. Terry Stratton:** Honourable senators, the Standing Senate Committee on National Finance has the honour to present its tenth report, which deals with Supplementary Estimates (C).

I request that the report be printed as an appendix to today's proceedings.

**The Hon. the Speaker:** Is it agreed, honourable senators?

**Hon. Senators:** Agreed.

(For text of report, see today's Journals of the Senate, Appendix A, p. 1358.)

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

On motion of Senator Stratton, report placed on the Orders of the Day for consideration at the next sitting of the Senate.

### THE ESTIMATES 1999-2000

#### REPORT OF NATIONAL FINANCE COMMITTEE ON MAIN ESTIMATES PRESENTED AND PRINTED

**Hon. Terry Stratton:** Honourable senators, I have the honour to present the eleventh report of the Standing Senate Committee on National Finance, which deals with the Main Estimates.

I request that the report be printed as an appendix to today's proceedings.

**The Hon. the Speaker:** Is it agreed, honourable senators?

**Hon. Senators:** Agreed.

(For text of report, see today's Journals of the Senate, Appendix B, p. 1365.)

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

On motion of Senator Stratton, report placed on the Orders of the Day for consideration at the next sitting of the Senate.

### CANADA ELECTIONS ACT

#### BILL TO AMEND—FIRST READING

**Hon. John Lynch-Staunton** presented Bill S-27, to amend the Canada Elections Act (hours of polling at by-elections).

Bill read first time.

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

On motion of Senator Lynch-Staunton, bill placed on the Orders of the Day for second reading on Wednesday next, March 24, 1999.

### REVIEW OF NUCLEAR WEAPONS POLICIES

#### NOTICE OF MOTION

**Hon. Lois Wilson:** Honourable senators, on behalf of Senator Roche, I give notice that on Wednesday, March 17, 1999, he will move:

That the Senate recommend that the Government of Canada urge NATO to begin a review of its nuclear weapons policies at the Summit Meeting of NATO April 23 to 25, 1999.

### SUDAN

#### NOTICE OF INQUIRY

**Hon. Lois Wilson:** Honourable senators, I give notice that on Tuesday next, March 23, 1999, I will call the attention of the Senate to the situation in Sudan.

### VISITOR IN THE GALLERY

**The Hon. the Speaker:** Honourable senators, I should like to introduce to you a distinguished visitor in our gallery, namely, the Ambassador Giancarlo Aragona, Secretary General of the OSCE.

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

**The Hon. the Speaker:** Welcome to the Senate, Mr. Secretary General.

## QUESTION PERIOD

### NATIONAL DEFENCE

#### COMMITMENTS MADE BY NATO ON KOSOVO— GOVERNMENT POSITION

**Hon. John Lynch-Staunton (Leader of the Opposition):** Honourable senators, recent reports indicate that the talks aimed at reaching an understanding on Kosovo are not going at all well. What has been achieved so far is more in the nature of a shaky truce than a settlement.

NATO, which has already taken sides on this issue, continues to threaten bombing attacks if there is no settlement, while President Clinton has pretty well committed 4,000 American troops while asking NATO to commit 20,000 more, should Serbia and the Kosovo-Albanians not reach an agreement.

• (1420)

My question to the Leader of the Government in the Senate is as follows: What is the Canadian government's position on the two commitments that NATO is ready to make both directly as far as bombing attacks and also in regard to sending ground troops into Kosovo?

**Hon. B. Alasdair Graham (Leader of the Government):** Honourable senators, that question is being monitored on a daily basis by the Minister of Foreign Affairs as well as the Minister of National Defence and their officials. As indicated earlier, the Government of Canada is prepared to commit 800 ground force troops, if necessary. We also have six CF-18 fighters presently stationed in Italy, ready to be called into action if deemed necessary.

**Senator Lynch-Staunton:** Honourable senators, do we know exactly to what we would be exposing these 800 troops? The situation over there is so volatile. It is in the nature of a civil war, and we would be interfering in the domestic activities of a sovereign country, no matter how reprehensible the activities there.

My question is: Is it really NATO's role, now that it has no Soviet Union to confront, to involve itself in these serious disputes? How well thought out was our policy before we made the commitment of 800 troops, knowing, in particular, the state of our Armed Forces in both personnel and equipment?

**Senator Graham:** Honourable senators, I agree with the Leader of the Opposition and would acknowledge that we do have responsibilities. More particularly, we have made commitments with respect to what is happening in that very unfortunate part of the world. We intend to live up to those commitments. As I indicated, the situation is being monitored on a daily basis by the Minister of Foreign Affairs, the Minister of National Defence and the Prime Minister.

SITUATION IN KOSOVO—REQUEST FOR APPEARANCE OF  
WITNESSES BEFORE COMMITTEE OF WHOLE ON  
INVOLVEMENT—GOVERNMENT POSITION

**Hon. John Lynch-Staunton (Leader of the Opposition):** Honourable senators, this is an important question. NATO is developing in a direction that was not foreseen at the time of its creation in 1949.

Would the Leader of the Government agree that the Minister of National Defence and the Chief of Defence Staff should be invited to a Senate Committee of the Whole to discuss this issue in order to get a better understanding of exactly in what direction we are being taken?

I fear that we are making these commitments because we have always made commitments. We have always contributed to international peacekeeping. However, this is not an issue of peacemaking, nor even of peacekeeping; it is to try to keep two sides apart while a settlement is being implemented.

I should like to have the support of the government side for the appearance of the Minister of National Defence, the Chief of Defence Staff and the Minister of Foreign Affairs, at such a Committee of the Whole, as this is a non-partisan issue. We must discuss this issue so we can have a better appreciation of what the entire Kosovo situation is about in terms of possible Canadian involvement.

**Hon. B. Alasdair Graham (Leader of the Government):** Honourable senators, the Standing Senate Committee on Foreign Affairs does excellent work in studying matters not only of this kind but related international matters. I believe that committee would be the appropriate forum for the Minister of National Defence and, if the committee decided, the Chief of the Defence Staff to give testimony and answer questions.

However, if the Leader of the Opposition wishes to pursue the question of a Committee of the Whole, then we should have further discussions on that particular point.

[Translation]

SITUATION IN KOSOVO—REQUEST FOR APPEARANCE OF  
MINISTER OF NATIONAL DEFENCE BEFORE  
COMMITTEE OF THE WHOLE—GOVERNMENT POSITION

**Hon. Roch Bolduc:** Honourable senators, I should like to remind the Leader of the Government in the Senate that, in January 1991, before the outbreak of the Gulf War, the United Nations requested Canada's participation. The government's response was in the affirmative, and it enforced United Nations policy, but first of all, the Minister of National Defence appeared before the Foreign Affairs Committee to discuss the matter. Could the Leader of the Government in the Senate assure us of the presence of the Minister of Defence to discuss this matter?

[English]

**Hon. B. Alasdair Graham (Leader of the Government):** Honourable senators, perhaps we should have further discussions

on this matter. The Leader of the Opposition suggested that the Minister of National Defence and the Chief of the Defence Staff appear in Committee of the Whole. Senator Bolduc has suggested the Minister of Foreign Affairs should appear. I suggest that we have further discussions with the Chair of the Standing Senate Committee on Foreign Affairs to determine whether or not that would be the appropriate body for the hearing of the aforementioned ministers and officials. This matter will be taken under serious consideration.

**Hon. J. Michael Forrestall:** Honourable senators, in the event of a successful conclusion to those negotiations or discussions, could we have an undertaking to bring the subject-matter before the Senate as a whole?

**Senator Graham:** Honourable senators, as I suggested to Senator Forrestall on another occasion, there are various mechanisms available. Indeed, a notice of inquiry could be introduced, as the senator has done in the past.

## TRANSPORT

STRIKE BY WEST COAST GRAIN HANDLERS—  
EFFECT ON PRAIRIE FARMERS—GOVERNMENT POSITION

**Hon. Leonard J. Gustafson:** Honourable senators, last week I raised the issue of the problems farmers are facing. This week, we have a strike by the grain handlers in Vancouver that is compounding those problems. For many weeks now, there has been no room in many of the elevators to accept grain deliveries. On top of this, the farmers are faced with a strike on the West Coast.

My question to the Leader of the Government in the Senate is twofold: What is the government doing or what will the government do? Will he please convey the seriousness of this problem to the cabinet and the government?

**Hon. B. Alasdair Graham (Leader of the Government):** Honourable senators, I had conversations on this particular point just this morning with my cabinet colleagues. The matter is under very serious consideration.

There is hope that the matter will be resolved soon. We recognize that it is not only a problem for the farmers, but is becoming a national problem, and therefore, is under active consideration by the government at the present time.

**Senator Gustafson:** Honourable senators, the strike on the West Coast has come at a difficult time. The people in charge there seem to pick the most difficult times for farmers. In the spring of the year, seeding is coming and the delivery of grain is most important to the farmers. I cannot emphasize enough the importance of taking this issue to the government.

**Senator Graham:** Thank you.

## NATIONAL FINANCE

### TAX BURDEN CAUSING EMIGRATION—RECENT COMMENTS BY PROMINENT CANADIANS—GOVERNMENT POSITION

**Hon. Donald H. Oliver:** Honourable senators, my question is directed to the Leader of the Government in the Senate. It deals with the tax issue that is beginning to hit even the Prime Minister's family. Paul Desmarais, senior, who is related by marriage to the Prime Minister told the *National Post* on March 11 that the U.S. can provide a great future to young people. They will have more ability to do what they wish with their money because they will keep more of it. It was his contention that anyone is better off in the United States. Mr. Desmarais then went on to say that while he was not moving from Canada, he had thought about it a thousand times and many of his friends had made the move.

Honourable senators, this raises serious issues of public policy. Has the government at any time looked at the matter of how many Canadians are leaving for lower tax regimes and how much it is costing in lost tax revenues?

**Hon. B. Alasdair Graham (Leader of the Government):** Honourable senators, I also read with interest the comments of Mr. Desmarais, who is not given to regular interviews with the press. Mr. Desmarais is held in such high regard in part because of his commitment to sound public policy designed to benefit the many instead of the privileged few.

Mr. Desmarais has done his own musing. At the same time, his musing has led him to the conclusion that he should continue as a full-time resident of Canada where he has, along with many others, reaped benefits as a Canadian citizen doing business in this country.

• (1430)

**Senator Oliver:** Honourable senators, in today's *National Post*, Vancouver billionaire Jim Pattison has also waded into the debate on high taxes. He is arguing that our high taxes are driving Canada's best and brightest to the United States. He said that while he personally is staying put in Canada, he sees taxation as a big and growing problem. Our tax rates mean we are just not competitive, and good people are leaving the country. These are the people who make the investment decisions and create jobs, and we are chasing them out of town.

Will the honourable leader tell us, Does the government share Mr. Pattison's belief that we are chasing away the people who make the investment decisions?

**Senator Graham:** Honourable senators, not at all. As a matter of fact, Mr. Pattison is another example of a Canadian whose business has thrived in Canada. There are many others who have reaped the benefits of Canadian enterprise and who have chosen to pay Canadian taxes despite the difference in relative tax rates.

I hope that Senator Oliver is not suggesting that we immediately cut taxes to levels found in the United States or in some island tax haven. If he is so doing, I would ask him what

programs he would be prepared to cut. Canadian citizenship involves many benefits; benefits recognized by Mr. Desmarais, Mr. Pattison and indeed all of their employees. We have benefits such as the finest health care system in the world; the safest environment in the world; and, in terms of crime, the safest place to live. Being Canadian is much more than having millions of dollars in your pocket. Being a proud Canadian means living in a country judged by the United Nations to be the greatest in the world.

## HUMAN RIGHTS

### RECENT JAILING OF DISSIDENTS BY CUBA—ACTIONS BY PRIME MINISTER TO REVIEW AGREEMENTS AND ARRANGEMENTS—GOVERNMENT POSITION

**Hon. Consiglio Di Nino:** Honourable senators, my question is directed to the Leader of the Government in the Senate. It deals with the very surprising and very pleasant bit of news that we got this morning. The Prime Minister has apparently decided that Cuba may not be quite the nice place he thought it was some months back. This is the same man who, not too many months ago, stood on the podium with Castro while Castro's mouthpiece was comparing our American friends, our best trading partners, to the Nazi regime in the commission of the Holocaust. He stood there not necessarily in agreement but implying agreement by his silence.

I understand that the Government of Canada is reviewing its relationship with Cuba because of the detention by Cuba of four individuals who have been preaching democracy and who have been jailed by that regime. Can the minister enlighten us as to those changes? Which arrangements are being reviewed by the Government of Canada vis-à-vis Cuba?

**Hon. B. Alasdair Graham (Leader of the Government):** Honourable senators, our basic policy of engagement with Cuba will not change. We believe, as does the Pope, most of Latin America, the Caribbean and Europe, that talking with the Cubans and working to get them to open up to the world is better than any other alternative. We intend to continue to do that.

To end our engagement with Cuba would be to abandon those to whom Senator Di Nino has referred. The four dissidents would be abandoned at a time when they need our support, perhaps more than ever before.

**Senator Di Nino:** Honourable senators, am I to understand that the news reports about reviewing some of the relationships is not correct? If it is not correct, which relationships are we reviewing?

**Senator Graham:** Honourable senators, the Prime Minister and the Minister of Foreign Affairs have already made it very clear that we are obviously disappointed with recent events in Cuba. We have told the Cubans so in a frank way. That is what friends and partners do, just as we complimented the Cuban government last year when it decided to allow much more freedom for the Church.

Our policy of engagement is aimed at building the capacity of individuals and institutions to effect change in Cuba. That policy has seen some success, but major change will not come overnight. There will be bumps along the way, but it is important to continue to have dialogue with the Cubans.

**Senator Di Nino:** Honourable senators, I am delighted to hear from the minister that his government will continue the dialogue and, I hope, the criticism in the hope of achieving a certain sense of democracy and fundamental human rights in a country that has been judged by international organizations to be one of the worst offenders.

LACK OF CRITICISM OF CHINA BY PRIME MINISTER—  
UNDERTAKING TO CONVEY CRITICISM ON TIBET OCCUPATION  
TO PREMIER ON UPCOMING VISIT—GOVERNMENT POSITION

**Hon. Consiglio Di Nino:** Honourable senators, probably the worst offender in the world today is China. The same situation applies except that, to my knowledge, no representative of the Government of Canada has shown the same courage in criticizing China on their human rights abuses and their denial of fundamental human rights, particularly — and you all know my interest here — involving Tibet.

Would the Leader of the Government in the Senate ask the Prime Minister and his colleagues to undertake to do exactly the same thing when the Premier of China visits Canada soon? Will they point out to the Premier these areas of criticism on behalf of Canadians and do it in a public way so that we know that it has been done?

**Hon. B. Alasdair Graham (Leader of the Government):** Honourable senators, I believe it is fair to say that Canada's relations with not only our partners but with all countries are under constant review. In the case of Cuba, a review of our activities means exactly that. It is a review. It should not be pre-judged. In light of recent events, it may be that some of our activities in Cuba can or should be adjusted to more effectively achieve our objectives.

With respect to Senator Di Nino's assertions on China, he refers to a lack of courage on the part of the Prime Minister. With the greatest of respect, Senator Di Nino, I ask you to review the reports of Prime Minister Chrétien's trip to China. Review the statements that he made publicly with respect to human rights abuses in that country. I am sure you will come to a fairer understanding of what our Prime Minister has said in that country.

LACK OF EVIDENCE OF CHANGE ON PART  
OF CUBA'S PRESIDENT—GOVERNMENT POSITION

**Hon. Gerry St. Germain:** Honourable senators, in regard to Cuba, the human rights denials have never ceased. In contrast, why do we take such an adamant position against our largest trading partner and our greatest ally, the United States? Can the minister explain to us what progress the government is making with Cuba by siding up to them?

In the former administration, when the prime minister took a position against apartheid, it was clear and unequivocal. In this particular instance, the government has played "footsie" with Fidel Castro, who has continued to act as he has always acted. Yet the government is trying to make us and the world believe that something has changed. Nothing has really changed except for the content of the front pages of some of the newspapers today.

• (1440)

Can the minister comment on that, please?

**Hon. B. Alasdair Graham (Leader of the Government):** Honourable senators, Canada will host several major hemispheric events in the next two years. In that context we have been exploring ways of integrating Cuba into regional activities and institutions. I am cognizant of the concerns expressed by the Honourable Senator St. Germain and others. It may be necessary to slow down or pause in those efforts until Cuba's intentions become clear.

I can tell honourable senators that several Canadian cabinet ministers had tentative plans to visit Cuba in the coming months. I believe that they may be asked to postpone those plans until the Minister of Foreign Affairs has had a chance to conduct his review and clarify the situation.

**Senator Di Nino:** That is good news.

POSSIBILITY OF SEEKING RESOLUTION OF  
HUMAN RIGHTS COMMISSION ON CUBA—GOVERNMENT POSITION

**Hon. A. Raynell Andreychuk:** Honourable senators, constructive dialogue is obviously the correct starting point, but if that does not bear fruit, we must move to another process.

Is the government considering taking steps within the context of the Human Rights Commission to have a resolution on Cuba? If such a resolution on Cuba is before the Human Rights Commission this year, will Canada join as a signatory?

**Hon. B. Alasdair Graham (Leader of the Government):** Honourable senators, it would be presumptuous of me, as an individual cabinet minister, to make a definitive statement on that. I would certainly lean toward supporting such an action if progress is not made at the other levels to which I alluded earlier. To take the steps that I have mentioned — that is, for Canada to review its relations with Cuba in several areas, and to have several cabinet ministers postpone their visits to that country — would send a strong signal.

INTERNATIONAL TRADE

SUPPORT FOR HIGH COMMISSIONER'S BID TO HEAD WORLD  
TRADE ORGANIZATION—LACK OF EVIDENCE OF INTENT—  
GOVERNMENT POSITION

**Hon. A. Raynell Andreychuk:** Honourable senators, can the Leader of the Government in the Senate advise honourable senators whether the government is fully supporting High



Commissioner MacLaren in his bid for the leadership of the World Trade Organization? If such support is forthcoming, what steps are being taken to ensure his successful candidacy?

**Hon. B. Alasdair Graham (Leader of the Government):** Honourable senators, I assure the Honourable Senator Andreychuk that Canada is in full support of High Commissioner MacLaren's candidacy, and that one should never underestimate the ability of Canada to achieve its objective in matters of this kind.

I watched with fascination as Don Johnston was appointed to his present high position with the OECD. Indeed, I was privy to some of the discussions that took place at that particular time, and watched our Prime Minister as he worked to that end. I do not know what the classification for a master chess player should be, but I watched with absolute fascination as the Prime Minister contacted the various players with regard to this very important position. I am sure he is presently doing the same with respect to Mr. MacLaren.

Once again, in answer to the honourable senator's question, Canada is, of course, entirely supportive of the candidacy of High Commissioner MacLaren in this regard.

**Senator Andreychuk:** Honourable senators, I am pleased to hear that the government is supporting Mr. MacLaren because I think he has the skills that the World Trade Organization needs.

Since the minister has raised our candidacy at OECD, I might remind him of the efforts made in relation to our bid for a Security Council seat. I see no position more important to Canada at this time than the one at the World Trade Organization, and I see no one as qualified as Mr. MacLaren to lead that organization. If we are serious about trade and our fair share of the global market, surely we would want a man of Mr. MacLaren's calibre at the World Trade Organization.

What concerns me is not what Mr. MacLaren is doing, because I think he is working to the best of his ability. However, I do not see the same fervour on the part of the government. I would like to know whether the same amount of money is being spent towards the candidacy of the World Trade Organization position as was spent for the UN position. How many emissaries have been sent out on behalf of Mr. MacLaren's candidacy, over and above the usual *démarches* of ambassadors in the various capitals?

In terms of the activity on the Hill, it seems to me that I do not see as many ministers being dispatched in this candidacy. I do not see the dollars being spent; I do not see the hospitality being used in the way that it was for the Security Council seat. Yet I would think that having the World Trade Organization move in the right direction would be the pivotal trade strategy for Canada. I would like to be assured that the government is taking this candidacy seriously.

**Senator Graham:** Honourable senators, I thank the honourable senator for her endorsement, particularly in view of

the international reputation that she has garnered through her many accomplishments. I will be happy to bring to the attention of my colleagues her very strong representations.

I would hesitate very much to get into the area of what is being spent or what hospitality is being given, because the very notion of hospitality has bad connotations in view of the recent Olympics controversy. I certainly would not want to get on that sort of shaky ground at the present time.

As Senator Andreychuk has suggested, Canada and Mr. MacLaren as a representative and as a candidate should stand on their own merits.

## THE ESTIMATES, 1998-99

### REPORT OF NATIONAL FINANCE COMMITTEE ON SUPPLEMENTARY ESTIMATES (C)—QUESTION FOR CHAIRMAN OF COMMITTEE

**Hon. Jack Austin:** Honourable senators, I should like to address a question to Honourable Senator Stratton in his capacity as Chairman of the Standing Senate Committee on National Finance.

In the tenth report which he tabled today, the concluding paragraph advises that the committee is concerned about the potential massive loss of public service personnel in coming years.

Could the chair of the committee advise honourable senators what is the nature of this potential massive loss? If that is a correct statement of the committee's fears, is it in the area of comparable financial reward that the solution lies? Or is the public service unattractive to Canadians, in particular young Canadians, for other reasons?

**The Hon. the Speaker:** I regret to have to interrupt the Honourable Senator Austin but the report was tabled today for consideration tomorrow. Thus, I believe the honourable senator's question is anticipating a debate that will take place tomorrow.

## NATIONAL DEFENCE

### COMPENSATION PAID TO ESTATES OF PILOT VICTIMS OF CRASHES—GOVERNMENT POSITION

**Hon. J. Michael Forrestall:** Honourable senators, before I get to my question, I wish to express my appreciation to the Leader of the Government in the Senate and to Minister Eggleton for the rapid resolution of what was, I am sure, an embarrassment with respect to Captain Musselman.

My question is not whether or not the government considers that case a precedent, but, rather: If other pilots lose their lives in the pursuit of their duties, will the same courtesy be extended to their families?

**Hon. B. Alasdair Graham (Leader of the Government):** I would have to presume so, honourable senators. I thank the Honourable Senator Forrestall for bringing that matter to our attention, although the Minister of National Defence was already cognizant of the problem.

• (1450)

However, I was able to use the honourable senator's questions and the short debate that took place in this chamber as another reason for bringing the matter before the Minister of National Defence. I believe that the minister acted correctly and promptly in this matter.

**Senator Forrestall:** Honourable senators, I share that sentiment.

**The Hon. the Speaker:** Honourable Senator Forrestall, the time period for Question Period has expired. However, I will allow you to conclude your question, and then we will proceed to Delayed Answers.

**Senator Forrestall:** There is no question, honourable senators, in most minds that contracts of that nature must have a terminal clause in them. Notwithstanding that, could the minister pursue with his colleagues in cabinet the principle that I enunciated a moment or two ago, that that same courtesy be extended to other, active pilots? Indeed, where the government sees fit to offer an incentive in order to retain highly trained and skilled individuals through an inducement of sorts, such an undertaking could be given or be implicit in that contract. I think it is important to other fliers. Indeed, I can confirm the well-being and feeling that flowed from that decision, in particular because of its promptness.

The minister is correct. The government is owed a debt but, more important, there are hundreds of other men and women in that position, serving actively in the forces, and they and their families might have the comfort of that benefit.

**Senator Graham:** Honourable senators, God forbid that we would have a repeat of that particular incident. However, Senator Forrestall is absolutely correct: We should be able to provide some comfort and assurance to the men and women who are involved in the Armed Forces, and I will be happy to bring forward his representations.

## DELAYED ANSWER TO ORAL QUESTION

**Hon. Sharon Carstairs (Deputy Leader of the Government):** Honourable senators, I have a response to a question raised in the Senate on March 2, 1999, by the Honourable Senator Di Nino regarding the increase in trade with countries visited by Team Canada, including China.

## INTERNATIONAL TRADE

### INCREASE IN TRADE WITH COUNTRIES VISITED BY TEAM CANADA INCLUDING CHINA—REQUEST FOR PARTICULARS

*(Response to question raised by Hon. Consiglio Di Nino on March 2, 1999)*

The following table indicates recent trends in trade between Canada and countries visited by Team Canada missions. The overall trend shows two-way trade increasing in all markets, although exports have decreased in a number of markets reflecting other economic developments.

Team Canada missions are aimed at building both short- and longer-term trade relations and many of the business relationships developed during Team Canada missions will generate benefits in future years.

## CANADA'S MERCHANDISE TRADE

Customs basis

Thousands of C\$

% Growth

	1994	1995	1996	1997	1998	1998/94
<b>Exports</b>						
Argentina	199,897	237,449	204,424	409,076	319,390	59.8%
Brazil	981,592	1,310,623	1,428,581	1,674,970	1,369,937	39.6%
Chile	314,436	387,487	415,466	392,436	323,353	2.8%
China	2,301,819	3,463,338	3,011,643	2,368,259	2,140,746	-7.0%
India	286,175	440,296	352,679	475,145	354,924	24.0%
Indonesia	476,449	662,830	955,868	796,400	511,517	7.4%
Korea, South	2,231,000	2,730,651	2,816,864	2,994,766	1,773,058	-20.5%
Malaysia	293,289	572,674	542,156	698,424	427,776	45.9%
Mexico	1,083,478	1,148,124	1,256,889	1,328,064	1,363,492	25.8%
Pakistan	70,790	125,432	86,594	129,641	85,005	20.1%
Philippines	195,984	328,096	292,274	426,395	187,852	-4.1%
Thailand	409,691	579,152	573,585	466,064	286,877	-30.0%
<b>Imports</b>						
Argentina	132,740	169,896	186,326	231,449	259,214	95.3%
Brazil	960,545	1,038,125	1,133,550	1,314,148	1,375,403	43.2%
Chile	238,179	278,906	342,190	324,875	359,816	51.1%
China	3,856,113	4,639,200	4,926,099	6,309,151	7,650,000	98.4%
India	458,783	541,378	603,592	740,671	898,599	95.9%
Indonesia	522,201	597,199	625,656	808,867	921,359	76.4%
Korea, South	2,504,161	3,204,304	2,726,907	2,824,255	3,314,734	32.4%
Malaysia	1,213,828	1,549,716	1,577,815	1,984,852	1,997,028	64.5%
Mexico	4,525,375	5,351,736	6,033,264	6,991,115	7,645,045	68.9%
Pakistan	198,635	204,333	165,257	205,031	227,446	14.5%
Philippines	469,174	497,405	552,785	723,933	957,811	104.1%
Thailand	895,598	1,013,787	1,043,421	1,172,220	1,273,228	42.2%

			TOTAL TRADE			
Argentina	332,637	407,345	390,750	640,525	578,604	73.9%
Brazil	1,942,137	2,348,748	2,562,131	2,989,118	2,745,340	41.4%
Chile	552,615	666,393	757,656	717,311	683,169	23.6%
China	6,157,932	8,102,538	7,937,742	8,677,410	9,790,746	59.0%
India	744,958	981,674	956,271	1,215,816	1,253,523	68.3%
Indonesia	998,650	1,260,029	1,581,524	1,605,267	1,432,876	43.5%
Korea, South	4,735,161	5,934,955	5,543,771	5,819,021	5,087,792	7.4%
Malaysia	1,507,117	2,122,390	2,119,971	2,683,276	2,424,804	60.9%
Mexico	5,608,853	6,499,860	7,290,153	8,319,179	9,008,537	60.6%
Pakistan	269,425	329,765	251,851	334,672	312,451	16.0%
Philippines	665,158	825,501	845,059	1,150,328	1,145,663	72.2%
Thailand	1,305,289	1,592,939	1,617,006	1,638,284	1,560,105	19.5%

Source: Statistics Canada

## ORDERS OF THE DAY

### CARRIAGE BY AIR ACT

#### BILL TO AMEND—THIRD READING

**Hon. Pierre De Bané** moved third reading of the Bill S-23, to amend the Carriage by Air Act to give effect to a Protocol to amend the Convention for the Unification of Certain Rules Relating to International Carriage by Air and to give effect to the Convention, Supplementary to the Warsaw Convention, for the Unification of Certain Rules Relating to International Carriage by Air Performed by a Person Other than the Contracting Carrier.

He said: Honourable senators, I am pleased to rise to speak on Bill S-23 on the occasion of its third reading.

*[Translation]*

Barely a week ago, the members of the Standing Senate Committee on Transport and Communications carefully examined the bill and unanimously decided to submit it for third reading. I thank them for their diligence.

As you will recall, Bill S-23 is intended to amend the Carriage by Air Act so Canada may ratify two international instruments involving air carrier responsibility and become a party to them. They are the Montreal Protocol No. 4 and the Guadalajara Convention. The purpose of these documents is to update the provisions of the Warsaw Convention, which sets out the responsibilities and legal rights of carriers, passengers and shippers in international carriage by air.

*[English]*

The Carriage by Air Act was first enacted in 1947 to give the federal government the authority to have Canada accede to the Warsaw Convention, which had been signed in 1929. The act was amended in 1963 to authorize the federal government to implement The Hague Protocol, which amended and updated the Warsaw Convention to take into account changes in liability requirements in the 25 years following its signature.

With this bill, we are seeking essentially what we were seeking in 1963 — additions to the Carriage by Air Act which will enhance air carrier liability coverage and requirements.

Montreal Protocol No. 4 amends the liability regime as it applies to cargo by providing stricter carrier liability and establishing maximum limits. It also simplifies the cargo documentation requirements and authorizes the electronic transmission of information. This transmission of cargo information using means other than the traditional multi-copy air waybill can provide significant cost savings to carriers and shippers.

*[Translation]*

It is very important that Canada become a signatory to this Protocol without delay. It came into effect on June 30, 1998,

following ratification by the minimum number of governments — 30. The United States formally ratified it at the end of 1998 and implemented it on March 4.

To our shippers and carriers it means that so long as Canada has not tabled its own ratification documents so the Protocol may take effect in Canada, they will be at a disadvantage compared to their American counterparts in competitive terms.

*[English]*

The Guadalajara Convention clarifies the relationship between passengers and shippers on the one hand and carriers on the other. The convention extends the rules of the Warsaw liability regime to the carrier actually performing the carriage when it is not the same as the carrier with which the passenger or shipper has contracted. This is a convention which is already widely in force. It distinguishes the contracting carrier from the carrier performing the carriage on its behalf and sets out the varying liability of each. The Warsaw requirements are made to apply to the contracting carrier for the entire journey and to the actual carrier during those parts of the journey that it carries out.

*[Translation]*

A claimant can take legal action against either carrier, but the total amount of damages is limited to the amounts set under the Warsaw Convention, unless the passenger and the contract carrier have agreed on a higher amount. In such a case, the agreement is not binding on the actual carrier that did not agree to the new amount.

This sharing of responsibility between the contract carrier and the actual carrier, when that responsibility differs, becomes increasingly important with the world commercial alliances reached by international carriers, such as Air Canada and Canadian Airlines International, for the transportation of their respective passengers.

Then there are those cases where a carrier shares its reservation code with another carrier. This practice, known as code sharing, allows the concerned carriers to sell transport services for any destination outside their respective networks, whether or not they use their own aircraft. It also applies to a carrier that contracts out to another carrier the operation of a specific service, or to a carrier that sells part of its aircraft capacity to other air carriers.

*[English]*

Examples of how this convention would be important to Canadian carriers were set out by the spokesperson for the Air Transport Association of Canada at committee stage.

Not only did the Air Transport Association of Canada tell committee members that both Montreal Protocol No. 4 and the Guadalajara Convention have the unanimous support of the aviation industry and that it supports Bill S-23 without reservation, it urged us to pass the bill as soon as possible.

Committee members were also told that federal officials have consulted widely and that other affected parties, in addition to the carriers, such as manufacturers, shippers, tour operators, consumers and the legal profession, support Canada's adherence to these two international instruments.

[Translation]

That, honourable senators, summarizes Bill S-23. First of all, there will still be six sections in the Carriage by Air Act and the wording will be clearer because of the inclusion of two definitions, for "party" and "agent," at the very beginning.

Second, in accordance with established practice, the wording will be gender neutral. In addition, the formula used to determine the Canadian dollar equivalents of francs or SDRs will be clarified.

[English]

Fourth, references to the new Schedules IV and V are added, where appropriate.

Fifth, a section dealing with when the amended act will come into force has been added.

Finally, Montreal Protocol No. 4 and the Guadalajara Convention will be annexed as Schedules IV and V.

[Translation]

It should also be noted that, when the bill has been passed and Canada has deposited the instruments of ratification with the Polish government, which holds the Warsaw Convention documents, it will avail itself of the right to grant an exemption to its military and government aircraft, as well as those chartered by the Department of National Defence, as permitted by the Convention and as we have done in the past.

[English]

Honourable senators, let me conclude by saying that the intent of Bill S-23 is both timely and non-controversial. It will provide clarity and certainty, not only for our Canadian carriers, but also for the international carriers with whom they cooperate or compete. It should reduce the potential for litigation and save time and money to carriers and shippers.

[Translation]

Honourable senators, it is important in my view that we pass this bill quickly. The longer we delay, the less competitive our carriers can be.

[English]

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

Motion agreed to and bill read third time and passed.

## FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS ACT

BILL TO AMEND—SECOND READING

**Hon. Pierre De Bané** moved the second reading of Bill C-65, to amend the Federal-Provincial Fiscal Arrangements Act.

He said: Honourable senators, I am pleased to be speaking on second reading of what I consider to be legislation of major importance to this country and to the people of this country. I am sure that Senator Bolduc and Senator Beaudoin, who are very knowledgeable about the particular type of federalism we have in Canada, will be interested in this important legislation.

The proposed legislation amends the Federal-Provincial Fiscal Arrangements Act, which legislates a number of federal transfer programs to the provinces, such as Equalization, Stabilization, the Provincial Personal Income Tax Revenue Guarantee program, and the Canada Health and Social Transfer. Each of these transfer programs has its own distinct objective.

[Translation]

Thanks to the Equalization program, all provinces have comparable levels of revenues in order to provide equivalent levels of service. At present, there are seven provinces receiving equalization payments.

Under the Stabilization program, the federal government pays a consideration to each province whose revenues have dropped more than 5 per cent as a result of the economic situation. Even provinces with higher than average prosperity levels therefore have access to protective mechanisms with this Stabilization program.

Third, the Provincial Personal Income Tax Revenue Guarantee program protects provinces from large revenue reductions resulting from changes in federal tax policy.

Fourth, and finally, the Canada Health and Social Transfer provides assistance to all provinces and territories in the areas of health, post-secondary education, welfare and social services.

[English]

The legislation before us proposes to renew two of these federal programs — the Provincial Personal Income Tax Revenue Guarantee program and the Equalization program — each for an additional five years.

Under the revenue guarantee program, the federal government protects all provinces from large personal income tax revenue reductions resulting from changes in federal tax policy. Transitional protection is provided to all provinces so that their income tax revenue will not be significantly and immediately altered by federal amendments to the income tax base. In this way, serious disruptions to provincial financial planning arising from federal personal income tax changes are avoided.

[Translation]

However, the majority of the provisions in this bill relate to the Equalization program that is the financial cornerstone of Canadian federalism.

I am sure the former leader of the government in the Senate, Senator Murray, would agree with me that the Equalization program, a program of unconditional subsidies to the budgets of the provinces, was revolutionary when Mr. St Laurent set it up and was even more so in the years that followed. It was enshrined in the Constitution in 1982 and was bolstered by over \$2 billion in the latest budget of Prime Minister Jean Chrétien.

The government's equalization payments are calculated according to a formula set out in the legislation and based on a comparison between each province's capacity to generate revenues and a standard established according to the average capacity of five provinces: Quebec, Ontario, Manitoba, Saskatchewan and British Columbia. So, based on the weighted average of these five provinces that serve as a sort of benchmark, provinces are eligible for unconditional subsidies.

This formula applies to all the provinces, which are subject to the same standard. If they fall below this standard, they are entitled to equalization payments. However, provinces able to generate revenues greater than these standards are not entitled to equalization payments.

The formula is set out in federal legislation.

[English]

Under this formula, Ontario, Alberta and British Columbia currently do not receive any equalization since they benefit from their stronger economies and, therefore, have a greater ability than the standard to raise revenue on their own. Provinces that receive equalization are all raised to the same level. Each of these provinces receive different per capita and total amounts because they are all at different levels and therefore need differing amounts to raise them to the standard, but they are all raised to the same level.

For the next five years, it is projected that payments will be \$5 billion higher than over the previous five years, including increased payouts due to technical improvements worth an estimated \$700 million over that period. Last month's budget showed that payments will be higher this year. Current year payments are expected to reach \$10.7 billion, up \$2.2 billion from the 1998 budget estimate. Provinces have received \$600 million of this amount already and will receive the remaining \$1.6 billion in the next few days.

That is an important extra contribution to establishing a level playing field among the seven provinces that receive equalization — Newfoundland, Nova Scotia, New Brunswick, Prince Edward Island, Quebec, Manitoba and Saskatchewan.

[ Senator De Bané ]

[Translation]

Since the establishment of the Equalization program in 1957, the formula provided in the act has been the subject of a federal-provincial review and a renewal by the federal government at least once every five years.

The process includes broad consultations with the provinces, followed by the adoption of legislative measures by the Parliament of Canada. The consultation process has always required a lot of time and attention on the part of federal and provincial governments.

The legislative process comes exclusively under the federal government, since equalization is a federal program, not a joint initiative. It is a federal program designed to transfer revenues to the provinces, and these transfers are not subject to any condition. It is an unconditional subsidy.

Of course, if Mr. Bouchard wants to use that money to go to Catalonia, instead of setting up development programs in the Gaspé Peninsula, we are all going to suffer from it. The smile on the face of my colleague Senator Bolduc says a lot about what he thinks of using public monies to open so-called embassies abroad, instead of dealing with Quebec's economic development.

The last renewal exercise was no different. The ministers and officials representing the federal and provincial governments met regularly over a 27-month period. The bill before us today is the result of their work.

[English]

Over this 27-month period, numerous priorities that were determined jointly by federal and province officials were discussed. Some of these areas were also raised by the Auditor General in his 1997 audit of the Equalization program. Three of these priority areas are the sales tax base, games of chance, and user fees.

Other priority areas received much attention due to the complexities of the issues. These areas include the property tax base and measuring natural resource fiscal capacity. The parameters of the Equalization program — the ceiling, standard and floor — were also discussed at length.

As the consultation process came to a conclusion, the federal and provincial governments worked together in deciding on priority areas and improvements for this renewal. There remain, however, some areas where further analysis and discussions are required. The federal government and all provincial governments have agreed that these analyses and discussions will continue.

[Translation]

Generally speaking, the federal government and the provinces agree that the legislative measures we are considering today constitute another step towards improving the Equalization program.

I should now like to examine some of these changes. First, a few words about the sales tax base. The federal government plans to adopt a base consistent with both the retail sales tax system and the value added tax system, which are more recent. The government has also proposed to amend the method for calculating the tax potential associated with games of chance. The method now used is based solely on sales of lottery tickets in a given province. However, important changes have taken place over the years with respect to lotteries and games of chance. The government is proposing to take all forms of games of chance into consideration. This change will make it possible to calculate equalization payments with greater accuracy.

[English]

The third priority is user fees. The Auditor General recommended that the treatment of user fees in the Equalization program be reviewed. The federal government agreed to review the issue with provinces as part of the equalization renewal process.

The review indicated that there were substantive arguments for and against, including this source of revenue in the Equalization program. The federal government proposes to include only one-half of the revenues from user fees.

Natural resources, another area discussed by the Auditor General, received considerable attention over the course of the renewal discussions. Some examples of the changes proposed for the resource bases include: using an economic rent approach for the mining and mineral bases; using the existing practice for the oil base by dividing oil production into separate taxable categories, for example, heavy oil, light oil and third tier oil, that reflect the provincial taxable categories — two new categories are being added at this time to reflect current provincial practices — and for the forestry base, the value of production will replace the volume of wood harvested, allowing the calculation to take account of the differences in the value of various types of food.

[Translation]

The bill also includes improvements to the equalization ceiling and floor provisions.

The ceiling provision protects the federal government against unexpected increases in equalization payments. In other words, it prevents them from becoming excessive because of changes in economic circumstances.

The new ceiling will be set at \$10 billion in 1999-2000 and will increase subsequently according to the percentage change in the GDP. This will ensure that the program remains affordable and viable during the five-year renewal period.

The floor provision protects provincial governments against large and sudden reductions in payments.

The new floor will apply equally to all provinces eligible for payments and will reduce the fluctuations that can result from the application of the equalization formula during a period of

economic changes. This will give provincial governments more predictable protection.

[English]

• (1520)

As you can see, honourable senators, the content of this bill is significant and is based on considerable analysis and discussion. The proposed changes to the Equalization program are not taken lightly and in all cases are only adopted if they represent an improvement upon the existing program.

Improving the program is not an easy job because the program is already well designed, but we and the provinces are trying to do so because it is important. It is important because equalization contributes to the well-being of many Canadians and to the sense of fairness in all Canadians.

I wish to add, honourable senators, that this is one of the very few substantive changes that was entrenched in the Constitution Act, 1982, making equalization payments a duty of the federal government. In this context, it is vital that we get on with the job of reviewing equalization over the next five years.

**Hon. Terry Stratton:** Honourable senators, I am pleased to respond on behalf of the opposition in the Senate to Bill C-65, which will extend the Equalization program for another five years.

The last time we were asked to renew the program our colleague, Senator Tkachuk, noted in Hansard on March 17, 1994, page 224, that:

The Progressive Conservative Party views the equalization programs as one of the cornerstones of fiscal federalism. It is vital to our economic union.

That was, and remains, the position of the Progressive Conservative Party. Senator Tkachuk went on to outline the problems that we have with the Reform Party's approach, which would basically eliminate equalization payments to provinces such as Saskatchewan. We remain opposed to the politics of divide and conquer — that is, to the politics of pitting region against region, province against province and francophone against anglophone.

Honourable senators, equalization is not just a basic cornerstone of our Confederation but a requirement set out in the Constitution Act, 1982, which states:

Parliament and the Government of Canada are committed to the principle of making equalization payments to ensure that provincial governments have sufficient revenues to provide reasonably comparable levels of public services at reasonably comparable levels of taxation.

While my party supports equalization, that does not mean that this bill is without problems. There is certainly room for improvement both in this bill and in the way the government intends to structure, through regulation, the equalization formula based on the bill.



I should like to draw to the attention of the Senate three particular issues raised by the provinces. The first issue concerns the yardstick against which the provinces are measured when Ottawa calculates equalization entitlements. Currently, only the five middle provinces are included in the calculation of a national average ability to raise revenue. Some provinces, including, for example, New Brunswick and Quebec, argue that all 10 provinces should be part of that calculation.

The second issue involves a specific concern raised by the Government of Newfoundland and Labrador. The Equalization program is based, in part, on the difference between a province's ability to raise its own revenue and a per capita national average. That means that if a province loses people, it loses money. The Newfoundland government has suggested that there be some kind of a mechanism to ensure that when a province loses people, it does not lose its equalization money right away.

For example, if a census showed that the population had dropped, then the results of the previous census could be used. This could then take the form of some kind of floor mechanism in the legislation or it could take the form of a special fund. I am told that most provinces are quite willing to go along with this, as long as it is done through a special fund. Newfoundland and Labrador would be quite happy to have this addressed either through a floor or through a special fund, as long as it is addressed.

The decision to add gaming revenues to the formula is another problem. Provinces such as Manitoba and Nova Scotia have built casinos on the assumption that the benefits from profits and jobs will offset the social costs. As equalization will now claw back some of those profits, those benefits are reduced but the costs remain as high as ever. I realize that, nationwide, the changes in this bill will cause payments to rise by \$242 million per year. However, in my province of Manitoba, thanks to the new rules governing gaming and user fees, we will lose \$37 million.

Another example is the way Newfoundland and Nova Scotia are penalized by offshore oil developments. The government has rejected Newfoundland's request for significant changes to the way the formula treats offshore oil. Instead, it is making only minor changes. Newfoundland argues that it should not be penalized with a reduction in benefits just as it is beginning to pick itself up, and it may have a case.

Honourable senators, the changes in this bill are being phased in over a five-year period. Five years is a relatively short period of time when we are talking about the long-term development of a region's economy. Perhaps we should be looking at a longer period than the five years set out in the bill to phase in such changes.

It is unfortunate that the government wants us to rush this bill through as these issues need to be looked at. As is far too often the case, we are being asked to pass legislation at the last minute as the government, again, fails to manage its agenda.

I understand that we will hear from the Minister of Finance in committee on Thursday. I hope that some of the questions that we have placed before honourable senators today will be

answered. Hopefully, some of the questions that we have in this statement will be offset in another fashion. I hope so, because I would dearly like to believe that a province such as Newfoundland, which is finally developing its rich resource base, though facing a dropping population, should not be penalized. You have to take into consideration the movements, and you must allow a time period for adjustment.

**Hon. Sharon Carstairs (Deputy Leader of the Government):** Honourable senators, I will undertake to ensure that the Minister of Finance is sent a copy of the Honourable Senator Stratton's remarks as soon as it is possible so that he may address those issues in his opening remarks.

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 National Finance.

## FIRST NATIONS LAND MANAGEMENT BILL

SECOND READING—DEBATE ADJOURNED

**Hon. Thelma J. Chalifoux** moved the second reading of Bill C-49, providing for the ratification and the bringing into effect of the Framework Agreement on First Nation Land Management.

She said: Honourable senators, I am pleased to speak today on Bill C-49 the First Nations Land Management Act. The bill ratifies a framework agreement that will provide 14 First Nations with authority to manage their lands at the community level and to pass laws for the development, conservation, protection, management, use and possession of their land. The framework agreement and this legislation give these 14 communities the option of managing their reserve lands and resources.

• (1530)

This means that they can undertake projects without first having to turn to the Minister of Indian Affairs and Northern Development for approval. They will have the flexibility to move quickly when economic opportunities arise or when potential partners approach them. The First Nations can get on with the task of creating jobs and economic growth in their communities. Decisions can be made at the local level.

Honourable senators, this framework agreement supports Canada's efforts to increase self-sufficiency in First Nations communities. We are working in partnership with aboriginal people to ensure that they have the skills and the expertise to shape their own solutions. This bill is a major component of that effort, and of the broader goals that the government outlined just over a year ago with the launch of "Gathering Strength: Canada's Aboriginal Action Plan." Under Gathering Strength, Canada's priorities are to renew partnerships with aboriginal people,

strengthen government systems, develop a new fiscal relationship and support strong communities, peoples and economies. This framework agreement and this bill are steps towards supporting each of these objectives.

The bill provides a basis for renewed partnerships at all levels. Under this legislation, First Nations will be able to sign service agreements on their own behalf with their neighbours on matters such as water and sewer services, schools, roads and so forth, without the necessity of coming back to the minister for final approval. Some of these partnerships already exist. For instance, one of the signatory First Nations has lent money to a neighbouring municipality to assist in the completion of a water project. This type of cooperation provides mutual benefits to both jurisdictions. We hope to see more of these partnerships flourish under the new legislation.

Bill C-49 also establishes new partnerships among the 14 First Nations. The communities have agreed that once the framework agreement is ratified, they will continue to work together in a spirit of cooperation. They will coordinate their activities through a land advisory board to help them develop land codes, negotiate individual agreements, model laws and monitor the process. This is a tool that will help them build partnerships among themselves and build capacity in their communities. This is the road to self-reliance and the road to self-government, honourable senators.

This leads me to the second objective under Gathering Strength, namely, strengthening governance systems. The new regime provides an opportunity for First Nations to build experience and expertise in a wide variety of areas, preparing them for a more comprehensive approach to self-government in the future. First Nations will control the issue of leases, licences and other interests in their lands. They will have the authority to enforce laws and establish enforcement procedures, including appointments of justices of the peace. They will have the legal capacity to deal directly with banks to borrow, contract, expend and invest moneys.

They will have the authority to enter into co-management arrangements with other jurisdictions to develop integrated land and resource use and co-management systems. They will retain and manage revenue from land transactions for which they will be accountable to their members.

For the first time they will be required to establish formal environmental assessment and protection regimes. The environmental regimes will be harmonized with federal environmental regimes, and with those in effect in the relevant province. Environmental standards and penalties will be at least as effective as those of the province in which the First Nation is located.

The provinces will be invited to participate in planning and as parties in the negotiation of subsidy environmental agreements. In this way, the framework agreement is a step forward in promoting environmentally sustainable economic development in Canada.

All of these elements are spelled out in the land code that the communities will develop and ratify. They will be able to develop the experience and the expertise of community members that can later be applied to more comprehensive self-government initiatives.

This brings me to Gathering Strength's third objective. Honourable senators, in creating a new fiscal relationship with First Nations, the framework agreement spells out a high degree of accountability for these First Nations, both financial and locally. Under the agreement, the First Nations must develop a land code that sets out their basic rules and procedures to govern lands and interest in land and resources after the land provisions of the Indian Act cease to apply.

As part of their opting-in procedure, the community must vote on the provisions of the land code. These measures ensure the participation of the community at the outset, and seek its approval for the process. All members of the First Nation who are 18 years or older, whether resident on or off reserve, will be eligible to vote in the community approval process. At least 25 per cent of the total eligible voters would have to approve land codes and individual agreements for them to be valid. In this way, First Nations can be assured that their memberships are fully apprised of all aspects of the opting-in process and subsequent administration of the lands and the moneys. In other words, this is an accountability process built to high standards.

To underscore the high level of accountability the First Nations expect from the ratification of the land codes, honourable senators, the bill provides for the joint appointment of a verifier by the First Nation and the minister to confirm whether the proposed land code and the community approval process were consistent with the terms of the bill and the agreement. The verifier would also determine whether the land code and individual agreements have been approved by the confirmed process. From the day the land code takes effect, revenue moneys other than those derived from oil and gas activities, will be collected and managed by the First Nations. Specific accountability mechanisms are being built into their land codes to ensure financial accountability to all members.

Finally, honourable senators, this bill helps the government meet its objectives to create self-sustaining, economically viable First Nations communities. When decisions can be made at the local level without departmental involvement, the First Nations will be able to respond more quickly to economic opportunities. They can get on with the job of creating economic growth without having to check with Ottawa every time an opportunity presents itself. The benefits will also spread to neighbouring communities, which will prosper from economic spinoffs.

This bill will establish a win-win situation for all parties. The First Nations win because they have greater control over land and resources. The First Nation members will win because bridges are built between them and their First Nation council through accountability mechanisms. Other First Nations will benefit from being able to study the effects on these 14 signatories and by being able to use the framework agreement as a model for future

self-government agreements. The federal government will benefit from no longer having to administer specific sections of the Indian Act for these 14 First Nations. It can reduce its involvement in the day-to-day management decisions and activities of these First Nations. The neighbouring municipalities and affected provinces will benefit from economic development spinoffs as various land and resource management initiatives begin to take off.

Honourable senators, there is one other issue I wish to address and that is the division of matrimonial property in the event of marital breakdown. This matter will be resolved by the signatory First Nations. The communities will decide. They are seeking the authority to develop solutions that fulfil the needs of their communities and the interests of equity.

The signatory First Nations have agreed to address matrimonial property rights in the framework agreement and this bill before us. Under Bill C-49 and the framework agreement, the signatory First Nations must establish a community process that will develop rules and procedures within 12 months of the date that the land code takes effect. Twelve months is the maximum, not the minimum time that they are allowed before rules are in place. An arbitration process has been set up to ensure that this delay will be respected. The rules and procedures cannot discriminate on the basis of sex.

However, there is a larger issue at stake here, one that goes beyond the 14 First Nations that have ratified the framework agreement; one that affects all First Nations. What can be done to resolve the current vacuum concerning division of matrimonial property in the Indian Act? The Minister of Indian Affairs and Northern Development is committed to finding a way to address this gap in the Indian Act. She has announced that an independent fact-finder process will be established, with the participation of aboriginal partners, to examine the division of matrimonial property on reserves for remaining First Nations communities.

• (1540)

At the present time, the department is holding discussions with the aboriginal partners on the proposed process as well as the need to develop terms of reference and the need to identify potential candidates for the position of fact-finder.

Honourable senators, the 14 First Nations who came forward with the framework agreement to opt out of the land management provisions of the Indian Act have shown great capacity for establishing a fair system that would develop the abilities of their communities to resolve their own problems. The issue of matrimonial homes is one example of the strength of the process.

The framework agreement has been amended. The bill before us reflects those amendments. It is now time to let these communities get on with the challenge of implementing the regime they have created.

In conclusion, I wish to speak about the 14 First Nations who are the signatories to this final agreement. They are leaders in land administration, and this initiative was brought forward at their request. Despite their eagerness to get on with the task of governing their own land, they have waited patiently for this legislation. They have worked cooperatively and in partnership, not only with each other, but also with the federal government, with the affected provinces and with other third-party stakeholders.

This legislation is about much more than land management, honourable senators. It is about self-reliance. It is about economic opportunity. It speaks to the new relationship we are building with the aboriginal people, one based on the principles of mutual respect and recognition, responsibility and sharing.

I will be pleased to refer Bill C-49 to the Standing Senate Committee on Aboriginal Affairs for further examination.

**Hon. Noël Kinsella (Acting Deputy Leader of the Opposition):** Honourable senators, before I move the adjournment of the debate in the name of Senator Ghitter, would Senator Chalifoux be prepared to answer a couple of questions of mine?

**Senator Chalifoux:** Yes, I would. I do not mind at all.

**Senator Kinsella:** A number of First Nations members across Canada have raised concerns around this bill. Perhaps it would be helpful if the honourable senator would clarify at the beginning of our debate on this matter that this bill affects only those 14 First Nations that have signed the framework agreement?

**Senator Chalifoux:** Yes, that is correct.

**Senator Kinsella:** Another question has been raised, and I take an interest because one of the First Nations included in the schedule is Saint Mary's, found not only in my province but in my city of Fredericton. They are quite excited about this new opportunity for self-reliance and self-governance.

Saint Mary's is within the Maliseet Nation. Questions have arisen, particularly around the rules of marriage breakdown. I have been meeting with a number of First Nations people in our province and the questions are not coming from the community affected but from First Nations people who are living elsewhere.

What guarantees can you give to allay the fears that are being raised about that section which speaks to the rules on the breakdown of marriage? For example, will the Charter of Rights and Freedoms be applied?

**Senator Chalifoux:** At this point in time, the Indian Act does not address anything regarding marital breakdown or the division of property. It is totally silent. I believe this proposed act will open up that discussion. From my reading and investigations, and from the minister's comments, this bill will give those people who are affected the opportunity to bring to this debate exactly what they want. They can tell us how they feel.

This is a wonderful opportunity. We are really assisting here in building a substantial basic framework in which to address those issues that have never been addressed before.

On motion of Senator Kinsella, on behalf of Senator Ghitter, debate adjourned.

## ROYAL ASSENT BILL

### SECOND READING—DEBATE CONTINUED

**Hon. John Lynch-Staunton (Leader of the Opposition)** moved the second reading of Bill S-26, respecting the declaration of royal assent by the Governor General in the Queen's name to bills passed by the Houses of Parliament.

#### POINT OF ORDER

**Hon. Jeremiah S. Grafstein:** Honourable senators, I raise a point of order on this bill. This is the appropriate time to raise this point of order, it being the first opportunity since first reading of the bill. I question whether the bill is out of order by virtue of being contrary to rule 63(1). Let me explain.

As I read the new Bill S-26, which is in fact a surrogate bill for the earlier Bill S-15, there appears to be nothing new or different between the two bills. They seem to be, on my reading, the same in substance.

Turning to rule 63(1), it states:

A motion shall not be made which is the same in substance as any question which, during the same session, has been resolved in the affirmative or negative, unless the order, resolution, or other decision on such question has been rescinded or hereinafter provided.

The basis of that rule is found in *Beauchesne's Parliamentary Rules & Forms, 6th Edition*. Rule 558(1) states:

#### Decisions of the House

An old rule of Parliament reads: "That a question being once made and carried in the affirmative or negative, cannot be questioned again but must stand as the judgment of the House.." Unless such a rule were in existence...

Honourable senators, we know the rule is in existence in the Senate.

...the time of the House might be used in the discussion of a motion of the same nature and contradictory decisions would be sometimes arrived at in the course of the same session.

Beauchesne seems to say that, if an issue or resolution is raised, there are two precious questions related to the house time: that is, the use of the house time and, second, whether a contradictory result may evolve.

Honourable senators will recall that this bill has an interesting history. It was introduced by Senator Lynch-Staunton. I refer you to the *Journals of the Senate* of Thursday, March 11, 1999, at page viii. It refers to Bill S-15 and the bill is defined in exactly the same terms as Bill S-26:

An Act respecting the declaration of Royal Assent by the Governor General in the Queen's name to bills passed by the Houses of Parliament...

That bill was first introduced on April 4, 1998. It went to second reading on June 6 and was then referred to committee. The committee had the report over the summer and, as Senator Lynch-Staunton said, there were certain amendments proposed.

I, in turn, over the summer, prepared certain amendments. Before I had an opportunity to introduce those amendments, the bill was withdrawn on December 8, 1998.

• (1550)

It seems to me, honourable senators, that this withdrawal is tantamount to a negative. Why? In order for the honourable senator to withdraw Bill S-15 at the time, he required, at the Speaker's urging, my consent, and leave. At that time, we had gone through first and second reading stages of the bill. It had been referred to committee. I was about to propose amendments, as the honourable senator knew. Instead of allowing the bill to take its normal course at that time, the senator chose, with leave, and with my consent, to withdraw the bill.

Was this action in effect a negative decision? As I said, the principle of Beauchesne is that bills should not be introduced in the same session in order to save the time of the Senate. Nor should they be introduced at the same time because there might be contradictory results. It is my position that by reintroducing in this session the same bill in substance, this opens up the Senate to abuse.

Honourable senators, let me explain. Any senator could bring in a bill, test the waters, have it go to committee, where there could be extensive debate, and then withdraw the bill being dissatisfied or choosing not to come to a decision to resolve the matter. In the circumstances, I believe we do not wish to encourage a practice that takes up precious Senate time in a way that is inappropriate.

Senator Lynch-Staunton knows that when this bill is referred to committee, I will then introduce my bill at second reading. In effect, we will have had first reading, second reading, and reference to committee where the time of senators will be taken up. He knows that I will introduce amendments, which will not be much changed. Meanwhile, all that we have lost is public time. I believe the question is whether or not we should encourage this type of practice.

What the honourable senator opposite has done is tantamount to usurping a right of this house, and this bill should be ruled out of order.

**Hon. John Lynch-Staunton (Leader of the Opposition):** Honourable senators, before even reintroducing the same subject-matter, and not the same bill, it had occurred to me there would be a point of order raised exactly along the lines of those mentioned by Senator Grafstein. However, the key question for Your Honour to rule upon is whether or not the question was put. In this case, a question was not put. The whole proceeding was to withdraw the bill without a decision of the house being taken on the subject-matter, one way or the other. It was done with the full consent of the house and with the full knowledge of the house that the purpose of the withdrawal was to reintroduce it, I think I said at the time, when we return in February. At least the house knew that it was to be reintroduced.

There was no hidden motivation. As I explained to the house at the time, the bill was getting bogged down and not moving. I felt that we should start afresh. Without a decision being taken at the time, I felt we could move the subject-matter more expeditiously and come to a resolution.

Your Honour, I suggest that the point of order should not be upheld, since the question was never put.

**Hon. Noël Kinsella (Acting Deputy Leader of the Opposition):** Honourable senators, Senator Grafstein raises an interesting point of order. He has drawn our attention to the judicious use of the time of the house, which is very important. I concur with that as a principle.

However, the business of the house is legislation and using our procedures to guide us in achieving the best possible legislation. The withdrawal of a motion, even a motion that is proposing a bill, is well recognized. On page 178 of *Beauchesne*, Sixth Edition, we find reference to the withdrawal of motions and, indeed, amendments.

I ask honourable senators to think for a moment of what is transpiring. We can withdraw a motion for the purposes of having a better legislative proposition placed before us. Therefore, the withdrawal of a motion must also be viewed as a means of going forward as, indeed, is the case before us. There was agreement in the house, because such agreement was required, for Senator Lynch-Staunton to withdraw his measure. It was being withdrawn, as Senator Lynch-Staunton said, without causing any ill effect to the principle of the measure. That was the purpose of withdrawing it, as opposed to letting it go forward to be defeated. Had it been defeated, then, yes, it could never be introduced in this Parliament.

That is the rule that speaks to not wasting the time of the house, such as when the house has deliberated and taken a decision. When a matter is withdrawn, it is being removed from the decision-making process. Thus, no decision has been taken. Indeed, it is an appropriate technique to be used in order that a better proposition can be brought forward for decision.

It seems to me, honourable senators, that it would be debilitating if we were not able to use the withdrawal technique

in order to bring forward a better proposition upon which, at the end of the day, a decision will be taken. I suggest that no final decision has been taken on the matter. There was no negation. Therefore, we were dealing precisely with the issue of withdrawal. I submit the withdrawal does not obviate the presentation of a better bill, which is what is occurring and ought not to be interfered with.

**Senator Grafstein:** Honourable senators, I agree fundamentally with what Senator Kinsella has said in terms of his proposition, but not his conclusion. What he said, and I use his own expressions, is that this is a better piece of legislation; this is an improved piece of legislation. If, in fact, that is the case, then, obviously, my objection should fall to the ground. However, I take the position that the bill is the same in substance.

If it is the same in substance, what is the spirit of the rule? The spirit of the rule is as set out in *Beauchesne*:

— the time of the House might be used in the discussion of a motion of the same nature —

In effect, if Senator Kinsella is correct, which is a finding for you, Your Honour, and if the bill is an improved piece of legislation or substantially different, then my argument should fall. However, if you find that it remains substantially resolved, then a motion shall not be made which is the same in substance on any question during the same session.

If Your Honour finds that it is the same in substance to any question during the same session, then I think the spirit of the rule suggests that what Senator Lynch-Staunton should do is cool off, come back in another session with, perhaps, an improved piece of legislation, and we will start afresh.

**Senator Kinsella:** The plain and clear words of the rule provide:

A motion shall not be made which is the same in substance as any question which, during the same session, has been resolved in the affirmative or negative —

Of course, the point is that it was withdrawn so that we would not take a decision in either the affirmative or the negative.

• (1600)

It seems to me that that is the specific difference; that is the key that allows us to withdraw propositions so that there is no affirmative or negative decision taken. Otherwise, we frustrate ourselves in attempting to bring forward the kinds of measures that honourable senators wish to deal with directly.

**The Hon. the Speaker:** Are there any other honourable senators who wish to speak to the point of order? If not, then I am prepared to rule.

## SPEAKER'S RULING

**The Hon. the Speaker:** Honourable senators will not be surprised that I had anticipated that a question might be raised. As soon as I saw the bill coming back on the Order Paper, I myself wondered whether or not it was in order. I consulted the rules, and our own rule 63(1) is very clear. It states:

...has been resolved in the affirmative or negative...

That has not happened, of course. What has happened is that the bill was withdrawn.

I then consulted Erskine May, which states clearly:

...but if a bill is withdrawn after having made progress, another bill with the same objects may be proceeded with.

Based on that, the bill was withdrawn with leave of the Senate. It was not proceeded with. I rule that the bill is in order.

**Hon. John Lynch-Staunton (Leader of the Opposition):** Honourable senators will recall, if I have to say it again, that a bill similar to Bill S-26 was withdrawn late last year. Bill S-26 is not only a substitute but, it is hoped, an improvement on that bill. The previous bill, Bill S-15, was subject to amendments during hearings by the Legal and Constitutional Affairs Committee; amendments which in no way altered the purpose of the bill, but rather strengthened it, and these amendments are now incorporated in Bill S-26; amendments introduced by Senator Joyal and endorsed by all committee members.

Let me first say what this bill does not do. It does not do away with the traditional Royal Assent ceremony. While it offers an alternative, it provides that the traditional ceremony be held at least once each calendar year, in the case of the first appropriation bill presented for assent in a session. If this bill becomes law, the tradition will remain and, by being exercised less often, have a chance of taking on more significance than it has now.

The Senate and the House have been debating this subject off and on for over 15 years. As far back as the spring of 1983, Senator Royce Frith proposed an alternative for Royal Assent. The Special Committee on the Reform of the House of Commons, the McGrath Committee, dealt with the issue in 1985. Our own Rules Committee looked at it in the same year and was sympathetic to change. Senator Murray introduced Bill S-19 in July, 1998, on which the present Bill S-26 is based. In 1993, the House of Commons Standing Committee on House Management recommended "...declarations of Royal Assent by written message."

Canada is the only country to retain the formal Royal Assent ceremony requiring the presence of the sovereign or the Governor General or a deputy. As stated in the McGrath report:

...we note that Canada is still using a practice which was abandoned by the United Kingdom Parliament in 1967.

Note the word "abandoned."

How is Royal Assent given in the United Kingdom, where the ceremony still carried out in Canada has been abandoned? It can be done in two ways: first, by three Lords Commissioners, to quote from the Royal Assent Act of 1967, "in the presence of both Houses in the House of Lords in the form and manner customary before the passing of this Act." Granting assent on behalf of Lords Commissioners has been allowed since 1541. The last monarch to appear for Royal Assent was Queen Victoria in 1854.

The second way provided in the act is that Royal Assent could be "notified to each House of Parliament, sitting separately, by the Speaker of the House, or in the case of his absence by the person acting as such Speaker." It is this latter alternative which is included in clause 4 of Bill S-26.

Clause 7 of Bill S-26 is the most significant change from the withdrawn Bill S-15, and at first sight appears to nullify it. It reads:

No royal assent is invalid by reason only that section 3 is not complied with.

This has been added to provide for an unexpected event such as a prorogation or an election, or both, before the requirements concerning the traditional ceremony can be met, and it is certainly not meant as a thinly disguised way to eliminate it completely.

The bill respects tradition while acknowledging reality. As one observer has said, "Royal Assent is still a necessary formality, and is at the same time nothing more than a formality." It attracts little if any attention. It is not easy to arrange at a time convenient to all. On some occasions, not one member of the House of Commons other than the Speaker or Deputy Speaker attends. The Senate itself can sometimes have many more empty seats than occupied ones. The atmosphere is more of disinterest than awareness that a long, and many times arduous, legislative process is finally resulting in law.

I am convinced that, with fewer ceremonies, Royal Assent would take on more significance. It could be, if scheduled well in advance, an occasion to look forward to and not continue as a routine and somewhat dull affair, which many consider it now, and whose significance, as I said, escapes too many.

Canada's history is replete with constant searches for identity, for recognition for what it has created for itself, and for how it has improved on what it has borrowed. While the political development of our country has evolved without major disruptions as a result of not only learning from but also using the past, our claim to a special identity cannot be supported without shaking off some of that past. How ironic that the United Kingdom, which has so inspired parliamentary reform around the world, is presently engaged in a major reassessment of its centuries-old institutions and customs. The Lords will soon be relieved of its hereditary peers. The Lord Chancellor has been relieved of his black tights and buckled shoes. Scotland and Wales are to benefit from different forms of devolution. There is even a suggestion that church and state become separate.

Yes, many traditionalists object to change, any change, but society can only flourish through change. The one proposed in Bill S-26 is but a modest one and, since it respects tradition, will, I trust, receive wide support here and eventually in the other place.

On motion of Senator Grafstein, debate adjourned.

## ACCESS TO INFORMATION ACT

### BILL TO AMEND—THIRD READING

**Hon. Shirley Maheu** moved the third reading of Bill C-208, to amend the Access to Information Act.

Motion agreed to and bill read third time and passed.

## TRANSPORTATION SAFETY AND SECURITY

### CONSIDERATION OF INTERIM REPORT OF SPECIAL COMMITTEE—DEBATE CONCLUDED

On the Order:

Resuming debate on the consideration of the first report (interim) of the Special Senate Committee on Transportation Safety and Security, deposited with the Clerk of the Senate on January 28, 1999.—(*Honourable Senator Spivak*).

**Hon. Mira Spivak:** Honourable senators, I wish briefly to reinforce some of the things that Senator Forrestall mentioned in presenting the interim report of the Special Senate Committee on Transportation and Security. I agree wholeheartedly — and who does not? — that it is through the non-partisan work of committees such as this and its predecessors that the Senate really shines.

We all know that this chamber has its critics. I believe there would be fewer of them, and fewer people would listen to them, if they would first take time to study some of the work done by committees.

• (1610)

The issue of transportation safety touches people every time they board an airplane, drive over a level railway crossing, get into a boat at the cottage, or get in the car and drive alongside a large truck on the highway.

For some time, I and other senators on the committee have had a particular interest in trucking safety. For some time, we have heard that we do not have a standard for truck safety rules across this country. With some provinces setting safety rules that are significantly different from national safety standards and drivers in some provinces working much longer hours and suffering accident-causing fatigue, there is a hodgepodge of rules that play some part in the deaths of almost 600 people and injuries to 12,000 Canadians every year in big truck crashes, a surprising number.

Last spring, as we debated amendments to the Transportation Safety Board Act, I tried without success to propose a new way of tackling the problem. I believe that we could improve the safety of our highways by giving the federal safety board the authority and resources to investigate major trucking accidents. The board could make recommendations to help both federal and provincial authorities, to help the motoring public, and to help the responsible trucking industry that is more interested than anyone else in getting unsafe rigs and unsafe drivers off the road. In fact, my idea was hardly new. It was the recommendation of the five-year review team set up by the then-government which examined the safety board. The amendment was defeated on division, but I am happy to say the idea is alive and well and living in Recommendation No. 5 of the interim report. I sincerely hope the government will act on it.

The report has other valuable suggestions on road safety. Committee members saw the need to have consistent laws for trucking and an enforceable national safety code. Practically, however, to get to that stage would require the cooperation of all provincial and federal governments. The committee is determined to work towards that goal. Frankly, I believe this committee, whose members represent many regions of the country, is very well suited to that job.

Another special interest of mine and others is marine safety. As the interim report notes, more than 200 Canadians every year die after heading out on the water in small boats, from canoes to sailboats to large power cruisers. This year, the government put in place new age restrictions and new training requirements for people who operate boats equipped with motors. That is all well and good, although there are news reports of boating groups opposed to the regulations. Some believe they are being over-regulated to solve problems created by a new and different hazard on the water — high-powered jet-skis or sea-dos.

I am also very concerned about the safety of and disturbance created by these new 100-horsepower water toys in the hands of very young people, thrill-seekers, or jet-ski renters who do not have the skills or knowledge to handle all that horsepower on a busy river or quiet lake. As the Canadian Red Cross said in a recent report:

The public tendency to consider personal water craft as water toys instead of small powerboats and the easy access to those machines through rentals, have led to a serious lack of personal skills and knowledge of most PWC operators.

Few people have drowned in jet-ski accidents, but there have been deaths. In 1996 alone, five people died in jet-ski collisions. In recent years, children in small boats, one in a canoe in Quebec, have been victims of these tragedies. Last year, a very terrible accident took place on the lake where we summer. A person was literally cut in half by a jet-ski. The new boating regulations will require anyone driving a jet-ski to be at least 16 years of age. I am not persuaded that the regulations which resulted from cabinet's decision to deny cottagers the right to

restrict the hours of jet-skis on their lakes will do the job that is required. As the committee monitors these regulations, I hope it will keep in mind what else may reasonably be needed to regulate these very powerful, noisy, and dangerous watercraft.

The interim report has many other recommendations to the government and some observations on how transportation safety is encouraged in other countries. I will not detail them all. Instead, I encourage you to read it carefully and to support its thoughtful suggestions.

Honourable senators will also see that a good deal of fascinating work remains. I hope that more senators opposite and on this side will find it intriguing enough to accept our chairman's invitation to join in this valuable committee work.

**The Hon. the Speaker:** If no other honourable senator wishes to speak, this order shall be considered debated.

### THE BUDGET 1999

#### STATEMENT OF MINISTER OF FINANCE—INQUIRY— DEBATE CONTINUED

On the Order:

Resuming debate on the inquiry of the Honourable Senator Lynch-Staunton calling the attention of the Senate to the Budget presented by the Minister of Finance in the House of Commons on February 16, 1999.—(*Honourable Senator Graham, P.C.*)

**Hon. Thérèse Lavoie-Roux:** Honourable senators, on February 16, the federal budget for the 1999-2000 fiscal year was delivered by the Minister of Finance in the House of Commons. How the government chooses to prioritize its spending is of significant importance to the well-being of Canadians, so please permit me to address some issues of concern with respect to the budget.

As you know, this budget has been coined the "health care budget," given that it injects additional funds into transfer payments to provinces which are intended for health care spending. The Liberal government's recognition of the need for additional investment in health care is to be applauded.

[*Translation*]

I see Senator Graham is not here, but I heard him describe our health system as the best in the world.

[*English*]

It is time he reviewed that, because this is no longer true. We should go back to some progress.

Our health system in Canada is a fragmented one and requires a more stable infrastructure to meet current and future demands on the system. The proposed budget does address the need for infrastructure improvement, but one must question whether the

framework it sets out will in fact have the desired effect of improving, in a comprehensive way, the foundation of our health care system. To quote Health Minister Allan Rock:

It's not just a question of throwing dollars at the health-care system.... It has to be spent well to produce the result we want, which is quality care.

Mr. Rock will apparently be meeting with the provincial health ministers in May to begin talks about health care reform. What guarantees do we have that the framework will capture the essence of the health care needs of Canadians? What is his vision of where health care is going in our country, and what type of leadership role will the federal government play? These questions remain unanswered, at least for the time being.

[*Translation*]

Honourable senators, I have always preached improved health care for Canada. According to *The Globe and Mail*, inflation and demographic changes have inflated the annual health care bill in Canada by some three billion dollars. While medical costs are continually on the rise, the present government has chopped \$17 billion from the transfer payments to the provinces since 1993. That is really something. Some analysts predict that, even adding in the extra \$11.5 billion allocated to health in this budget, the cuts in transfer payments that will have accumulated between 1993 and 2003 will total \$37 billion just for health.

It distresses me greatly that the health system, as the result of having seen cuts and having to stretch its resources to the utmost, does not always meet the needs of the public. Every one of us has seen this for ourselves. The health system is deteriorating; emergency departments everywhere are filled to overflowing, such services as home care and homes for the elderly are in short supply, there is a shortage of physiotherapy services, and in many places it is hard to access medical care. I have no hesitation in supporting the efforts expended by the federal government to revitalize our health insurance system, although it is our job as senators to plead the cause of responsible government and a budgetary policy that will provide us with the best health care system we can afford.

[*English*]

Another area targeted by the budget is research. If Canada is to maintain and improve its position in the world of research, it is crucial to support research and development. However, as stated in a recent article in *The Toronto Star*:

While the additional \$1.5 billion in spending on R&D over a four-year period is welcome, it isn't very much considering past cutbacks and the already low levels of such spending in Canada compared to other advanced economies.

Compared to other countries, and in relative terms, Canada will still be one of the lowest-spending countries when it comes to investing in knowledge. One must wonder whether the targets to medical research will have a significant effect on the current "brain drain" in Canada.



Honourable senators, it is also of concern that the federal budget has ignored the new strategic initiatives proposed by the National Research Council, which were developed in conjunction with industry, provincial governments, and universities. Why would the NRC's proposed initiatives not be taken into consideration when setting the course for federal spending on research?

With respect to medical research in particular, the budget calls for the establishment of the Canadian Institute of Health Research, an idea proposed by the Medical Research Council last year. The legislation to establish that institute is expected in the fall, I am told, and funding in the amount of \$240 million will be allocated over two years, beginning in the year 2000-2001. What is confusing is that there are no details on the ongoing funding of the Canadian Institute of Health Research. What happens after two years? I am concerned about the lack of vision and the lack of commitment to a solid, comprehensive plan for health research on the part of our leadership.

One area of particular concern, which is almost always overlooked in health research, is mental health and mental illness. In Canada, we have very little knowledge of the state of the mental health of our citizens. The Canadian Institute of Health Research will be establishing 10 or so institutes based on specific teams. Of the institutes to be established, will one be dedicated to mental health, a much-needed area of study in health research today? I hope this point is addressed as the plans for health research unfold.

Honourable senators, this is not an imaginary concern. Just think of the suicide rate in this country. Just think of all the people we call "homeless."

[Translation]

Many of them are mentally ill and yet we hear little of them. I am not criticizing the federal government any more than the provincial governments. It is a problem that requires attention soon, because things are getting worse, not better.

During deliberations of the Standing Senate Committee on Social Affairs, Science and Technology, confidence was one of the values discussed, more specifically on the subject of social cohesion. Witnesses told us that to achieve economic stability, we had to revive public confidence. Social inequality is certainly not the best way approach. In Canada, the gap between the rich and the poor is growing. And there are countless economic policies affecting and hindering social cohesion by exacerbating poverty and unemployment.

Honourable senators, I do not see in this budget the tools our country needs in social and economic terms to greet the new millennium. There is nothing for the disadvantaged in Canada, as Senators Atkins and Cohen pointed out last week. On the contrary, the budget completely ignores social assistance and post-secondary education and focuses on health care, which, I must admit, was needed. Reductions in transfer payments to provinces for health and social services remain in effect. With increased child poverty, the drama of the homeless in our cities and the terrible extent of poverty on Indian reserves, reductions

in transfer payments for health and social services are a cause for concern. No doubt, there is some relief, and I recognize it and again congratulate the government. We need a longer term vision.

Education, a factor in inequality, was also hit by cuts. A recent report by Statistics Canada reveals that families must now spend 19 per cent more particularly because of the increase in education costs in post-secondary institutions.

I would like to know how the government intends to fight these serious problems. And it must want to do so.

[English]

Finally, honourable senators, I wish to comment briefly on the issue of unemployment. We are aware of reports of a falling unemployment rate — so much the better. Unfortunately, the truth behind this apparently good news is that cuts to Employment Insurance have been so great that the majority of people without jobs no longer qualify for EI and so are not taken into account in these reports. Joblessness persists as a problem in Canada; yet, EI had a surplus of \$20 million. Is it not logical to reinvest financial resources in our people, for instance, by providing meaningful job training? Why does our government choose, rather, to use the surplus in EI to reduce the national deficit? That, in itself, is good, but we cannot leave out all those people who suffer from the cuts to EI. This is an example of how the budget is being balanced on the backs of the poor and the unemployed, the very people who depend on government assistance, the people we are turning away and to whom we are preaching self-sufficiency.

Honourable senators, I have outlined my concern with the federal budget as it relates to health care, research, and social problems in Canada. I have serious concerns about proceeding with this budget in good conscience, and I support Senator Lynch-Staunton's suggestion that there be consultation prior to the actual implementation of the budget. It is characterized by contradiction and risks that we must address as responsible parliamentarians. The role of the Senate, that of sober second thought, must be exercised in the interests of protecting public interest. Let us never forget that we are here to serve the public, particularly the more needy citizens of this country, to the best of our ability.

[Translation]

**Hon. Roch Bolduc:** Honourable senators, this year again, the Minister of Finance delivered a triumphant budget speech on the performance of the government and of the Canadian economy. The minister proudly listed the positive aspects of these performances.

I listened to him carefully and, while I can understand how proud he is at being at the helm at this point in time, when the annual deficit is a thing of the past, when interest and inflation rates are low, and when the budget surplus meets with the approval of the public, I find it harder to understand why a man who holds such an important position would refuse to tell us the whole truth about the country's economic situation. If there is a

person in charge who should objectively discuss the overall economic situation, it is unquestionably the Minister of Finance. Since he did not do it, someone must point out the things that he overlooked. This is what I intend to do now.

It would be wrong to ignore the worrisome aspects of our social and economic conditions. After all, we are not in the situation of the Minister for International Trade who, in order to sell our products abroad, publishes brochures showing everything that is good about Canada, and makes speeches all over the world to attract foreign investors. This is fine, but we must set aside the apologetic tone used by our ministers and take a look at things that are cause for concern.

[English]

• (1630)

I am by no means the first to emphasize the need for an objective and independent analysis of the economic performance of our country and of the Government of Canada. The president of the Conference Board of Canada has already said that, and his annual report on the performance and potential of the Canadian economy is a valuable tool to do that. I recommend that you read it.

I was inspired by both that report and other studies published in 1998 and 1999 by the C.D. Howe Institute, Statistics Canada, the Bank of Canada, economists who have had their work published in various periodicals and newspapers, and by the OECD whose annual report I had the honour of discussing last September in Strasbourg. I was also inspired by certain tables released by the Department of Finance on which the minister declined to comment.

Honourable senators, the field of economic policy is very wide. There are instruments, especially short-term ones, that act as stabilizers in the macro-economic situation and which always attract the attention of politicians and the public, such as monetary policy and fiscal policy, the latter being implemented through public expenditure and taxation.

[Translation]

I will obviously devote part of my speech to these short-term instruments because, in the present strong economy, they are almost all the budget speech mentions. However, one of the reasons we are here is to look a little further down the road. That is why I will begin by looking at structural policies, the medium-term policies that have an impact on microeconomics, on the prosperity of individuals and businesses, and that therefore affect the relative prosperity of our country and its growth, our standard of living and ultimately our quality of life. In this sense, medium-term action is more important than the more fashionable short-term policies mentioned by the minister.

[English]

These policies are over and above a climate that is either favourable or unfavourable to short-term growth. They directly affect factors of production, which are the inputs into the process

of national production. They are, first, human resources, including their quality, their effort and their performance. Next, there are physical resources, which are natural resources and equipment. There is technology, including the condition under which it is developed, and industrial innovation. Next is the efficient allocation of capital and, finally, the organization and management of firms, whether for the manufacture of goods and services or in the anticipation of market demands.

Each of these elements is essential to productivity gains and, therefore, affects the competitiveness of our economy. This determines, finally, our prosperity, because what characterizes the current economic globalization is specifically the mobility of capital, goods and manpower.

[Translation]

With a relatively strong production capacity and a relatively small population, Canada is extremely sensitive to this mobility. If our productivity makes us competitive, we export our goods and services, and if we are not competitive, our economy slows down almost immediately.

It is therefore appropriate at this time to look at productivity, employment, unit labour cost, labour force participation rate, production per employee and per capita income because these are the key factors in our relative wealth and our standard of living.

Honourable senators, it is with a heavy heart that I note the relative decline of Canada over the last 30 years in these vital areas of our development. The decline has been slow but constant. You will say that the minister has told us things are fine. Unfortunately, the figures show that we are losing ground among OECD countries. We were nearly at the top of the list 25 years ago; now we are slowly losing our advantage. And among the more advanced countries in this group, the G-7 plus the Benelux and Scandinavian countries, we are somewhere in the middle. We are no longer closer to the top of the list with the United States as we used to be.

And what I give you here as a major conclusion summarizes a set of confirmed statistical trends. This is much more important, honourable senators, than the good news the Minister of Finance announced in February. He may counter that what I say was true until 1993, but that now he is there we are gaining ground. No, honourable senators, while partial and recent data support the minister for 1997 and perhaps the start of 1998, I tell you that the situation is very distressing and that the turn in the right direction is far from assured, if it has even begun.

[English]

For example, the Minister for International Trade has told us that direct foreign investment in Canada doubled between 1986 and 1996. However, while our share of the world's total investment in 1986 was 11 per cent, we are now receiving just 4 per cent. That means that we are less competitive when it comes to a favourable climate for investment. We are now facing strong competitors — China, Southeast Asia, Latin America and Eastern Europe.

The world economic context has changed dramatically, and we must, as a result, look at it through new eyes. Not only are we a country that is relatively less effective to investors, but in the past we were very dependent on three elements to bring us prosperity: immigration of workers with appropriate skills at the time, our immense natural resources, and free technology transfers through affiliates of mostly American corporations, such as in the automobile industry.

[Translation]

Natural resources in today's and tomorrow's knowledge-based economy are relatively less important than they have been. Second, we are not offering comparatively attractive advantages to high tech firms and, finally, we have no guarantee that, in the future, the highly qualified immigrants will choose Canada.

For example, of the twenty top computer schools in North America, the university in Kitchener-Waterloo is the main recruiting centre for Microsoft in Seattle. That is fine for the United States, but is it for Canada?

On the subject of training for our human resources, I will provide statistics later that indicate we are having serious problems with school system productivity.

In the 1990s, we experienced a relative increase in the cost of manpower arising from the relative decrease in productivity compared with that of our neighbours to the south. Had we had their production rate, each individual would have been richer by \$7,000. This explains why our average personal income is 30 per cent lower than in the United States, that is, \$28,000 compared with \$36,000 in 1997.

In addition, the work force participation rate, which has risen two percentage points per decade in the United States since the 1960s, has not done the same in Canada. Taking into consideration our unemployment rate as well, which is twice theirs, provides at least a partial explanation of our relatively poor industrial productivity, which is three-quarters that of the Americans. Personal income has declined in Canada, as has per capita productivity. This is reflected in the gradual drop in value of our dollar since the 1970s, and if our international trade has increased, this has been the result of our manufacturers being indirectly subsidized by the weaker dollar. There is no cause for celebration here. The Free Trade Agreement was intended to stir up manufacturers' competitive nature, but there has not been much in the way of concrete results in certain sectors. The reason is the relatively low level of investment in equipment, in part due to tax hikes, but also to the fact that equipment costs are higher because of our devalued dollar and the fact that it has to be imported from the United States.

[English]

During the same period, many regulatory constraints were added, such as, for example, positive discrimination in favour of interest groups such as unions. As well, income taxes and payroll

taxation have increased significantly compared to the United States. Again this year, with pension plan premiums, we are imposing a heavy burden on young people for the benefit of senior citizens whose quality of life in the past 20 years has improved more than that of any other group.

[Translation]

I have just made a reference to taxes. The Americans, for example, have a capital gains tax of 20 per cent, and ours is 40 per cent. Where, then, do you think entrepreneurs are interested in investing?

The government is well aware that today's trend toward globalization has lessened its fiscal and monetary manoeuvrability. Nevertheless, it continues to maintain its unfavourable context compared to our neighbours and biggest competitors. Either we adapt to the conditions of globalization with ingenuity and innovation, or we continue to pay a higher and higher price, in the form of a depreciated dollar and a drop in international ranking. Closing the gaps between us and the Americans in the areas of taxation, productivity, unemployment and innovation is a must. It is a move we have no choice but to make. Page 83 of the minister's October 1998 update offers a revealing table on this.

In connection with each sector of economic policy, he indicates the approaches to take and the results achieved. As you will see, the ratings are pretty modest with the exception of elimination of the deficit and the lower interest rate, which is mostly tied to the American economy, particularly where the tax structure, labour market flexibility and labour market participation rate are concerned.

With regard to deregulation, the minister mentioned privatization in the transport sector, but he forgot to mention that these are initiatives from the previous government.

If we want to increase manpower productivity, we must not only look at the quality of work but also at the volume. On average, Americans work 200 hours more than we do in a year. This is not insignificant, it amounts to 10 per cent of the work time. In Canada, instead of increasing the labour force participation rate, we encourage people to take an early retirement. This is shocking! Doctors and nurses are retiring at 55 or 60, while people have to wait in line to get treatment. We lose the benefit of their expertise and experience. This is also true in the case of teachers, at the secondary, college and even university levels. Encouraging people to leave, as the Quebec and Ottawa governments are doing, is a terrible policy.

In its study on Canada, which pleased the minister, the Monetary Fund politely told the Canadian government that it needed to improve its manpower's mobility.

From 1966 to 1996, the State appropriated between 30 per cent and 50 per cent of the GDP in Canada. During that period, the growth of the Canadian economy went from 5 per cent down to 2 per cent. The lesson should be clear to everyone.

In Quebec, more and more people are realizing that nationalism is a costly proposition, in economic terms. One cannot create uncertainty without paying a price. This is also true for Canada. When we set regulatory barriers, we must pay the price in terms of lost investments, researchers and jobs. Someday, our leaders will have to realize that, by wanting to be a big fish in a small pond, politicians are condemning us to a second class future, as Mr. Helfinger pointed out so accurately in the February 15 issue of *MacLean's*. In that same issue, Ms Janigan made an accurate diagnosis of our problems.

[English]

• (1640)

We are therefore facing major challenges, as noted by Mr. Frank of the conference board: an ageing population with all of its implications for higher health care costs; taxes that are the highest in the G-7 and are up to 30 per cent higher than in the United States; a debt service cost which accounts for 30 per cent of the federal budget; unemployment costs that are equivalent to 20 per cent of the same budget; retirement premiums that will cost up to \$1,400 more per person by 2003; and an R&D situation which is less vigorous than that in the United States. On this subject, I wonder if the largely public nature of research here does not result in a kind of dependence by private companies, which are certainly less motivated to do their share by the time they are finished paying all their taxes.

As for innovation, it is necessary to have a climate of emulation, as is seen in the technology parks of Raleigh, of Texas, of Atlanta, of Silicon Valley, and of Seattle, but which does not seem to exist in our government laboratories.

[Translation]

Honourable senators, a mere glance at the rate of growth of the population of North America's metropolitan areas in the past 15 or 20 years shows us that, in Canada's major cities, with the exception of Toronto, this is not the case, while in the United States there is Atlanta, Dallas, Houston, Tampa, Miami, San Diego, Minneapolis, Phoenix, Seattle and so on.

There is not much population growth in smaller Canadian cities, except for Calgary and Edmonton, while our neighbours are witnessing rapid growth in Austin, Bakersfield, Colorado Springs, Fresno, Tucson, Charlotte, Raleigh and more than a dozen other centres. Since, in a market economy, people move to wherever they think they stand the best chance of making a living, we are left to conclude that these opportunities are not to be found in Canada.

We are just starting to realize that our per capita production compared to that of the United States has gone down from 85 per cent in 1989 to 78 per cent in 1998. Our unit labour costs have increased 1 per cent faster than those of the United States during eight of these recent years, with the exception of 1997.

If the value of the Canadian dollar had not gone down by more than 20 per cent, our exports would be dropping, but the costs of buying American equipment to improve our performance have

gone up considerably, which does not augur well for future investments.

The government, honourable senators, therefore has its work cut out for it if it wants to improve the situation. The OECD report on Canada is eloquent in this regard. Taxation must be overhauled. When people lose 50 per cent of their income to taxes, equity is not the word that comes to mind. They are hardly motivated to become more efficient. We also need a more flexible labour market. Incentives must be tied to work, not leisure. Efforts must also be made to strengthen the social fabric rather than sow discord.

Honourable senators, I am not saying things the government wants to hear, but I love this country and I want it back up there with the leaders. For that to happen, this government must get moving, something it has not done with this budget, which was in fact criticized heavily by the business community, which is trying to create jobs and help businesses grow.

The Minister of Finance has therefore, and the government along with him, opted to continue the anaemic economic growth of the past 30 years, by declining the opportunity to use the budget surplus as a solution. He has put off lightening the heaviest tax load anywhere in North America.

The outcome of this is the four great weaknesses in Canada: a slower rise in productivity than other G-7 countries, a far heavier tax burden than our American competitors, an overall debt that is one of the highest in the G-7, and the brain drain involving high numbers of specialists in a variety of disciplines.

These then are my sad observations on our growth lag. A pity. I have only given half of my speech. I wanted to talk about monetary and fiscal policy, taxation and spending policies, ending with administrative policy. I will do so another time. There will be other opportunities to discuss taxation policy as we deal with the other budget implementation legislation.

**The Hon. the Speaker:** Since we are already over the time limit, barring consent of the Senate, we cannot move on to questions. Is leave granted, honourable senators?

**Hon. Senators:** Agreed.

**Hon. Lowell Murray:** What is your explanation for the low level of private investment in research, given the fact that the government incentives for research and development, for instance, are among the most generous in the world?

**Senator Bolduc:** There are a number of reasons, one of the main ones being the structure of the Canadian economy. We have fewer major companies than elsewhere. We are 30 million in number. We do not have a multitude of multinational companies. That is one of the reasons.

The other is that we have a relatively limited industrial structure. In each of the sectors, there are two or three major firms. One of the reasons for this is that in certain sectors, such as chemicals, automotive and oil and gas, technology transfers cost us nothing. This is something we have become accustomed to.

American companies use their technology when they open a subsidiary here. We benefit from technology transfer free of charge. People have become accustomed to this, and take it for granted that this is how it will continue to be. It will not always be that way. That is the second reason.

The corporate tax rate is 4 or 5 per cent higher than in the United States. It is prohibitive. I understand that they have incentives. They are recent, in the last five or ten years. Before noting these effects, people expect that research funding will be invested in government laboratories. I am not sure this is a good arrangement. Several companies think the government will do research and they will benefit later. Therein lies the whole problem of our government laboratories. Scientists' research is based on their interests and not on the specific orders of business. This is one of the major problems. The demand comes from the people working within business and not from outside. This way, if you are competing with outside scientists in other laboratories, they would have to adapt to the demand. Indicators of real demand fall down on technological developments. That is one of the major problems in Canada. None of these laboratories has inside simulation comparable to what you will find in the technology parks such as the one in Atlanta, which I know very well. All the major computer companies are grouped together. All the resources are combined creating a critical mass such that there is real competition — not really the case in Canada.

[English]

• (1650)

**Hon. Jeremiah S. Grafstein:** Honourable senators, first, I wish to commend Senator Bolduc for his excellent speech. He is raising questions that are bedevilling all of us. The question of productivity is a central issue, no one can argue with that, notwithstanding some recent variations on the theme. However, at the heart of the issue is the question of an efficient national economy.

Perhaps Senator Bolduc can speak to the huge barriers to improving our domestic economy, which are interprovincial trade barriers. In two of our largest economies, Ontario and Quebec, we have not completed deregulation.

What does the honourable senator say about that?

[Translation]

**Senator Bolduc:** I will surprise you, honourable senators. I think that, for once, the federal government is not interventionist enough. It should be interventionist vis-à-vis the provinces, and it should bring pressure to bear on them to lower the barriers. But it is not doing that. It is too polite with the provinces. It is probably afraid of criticism from Quebec City, Toronto or elsewhere. The result is that the federal government is not taking enough action.

As you know, being a traditional Quebec nationalist, I tend to support provincial autonomy. I agree with respecting jurisdictions. In this case, the federal government should be more active. With the social union, it tried to have interprovincial trade

barriers lowered, but it was not enough. The government should go further.

I am totally in favour of economic union. We simply have no choice. However, when it comes to social and cultural issues, we can certainly take care of ourselves. It is not easy to accept. I know that, for the rest of Canada, things are different from a cultural point of view. I understand that. I am expressing a deeply rooted attitude in Quebec. Senator Lynch-Staunton has a better grasp of what I am saying because he comes from the same area. He may see this with a more detached attitude, because things are seen differently from Montreal than they are from elsewhere in the province.

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

[English]

## CANADA AND THE NUCLEAR CHALLENGE

MOTION TO ENDORSE REPORT OF FOREIGN AFFAIRS AND  
INTERNATIONAL TRADE COMMITTEE—POINT OF ORDER—  
SPEAKER'S RULING—MOTION WITHDRAWN

On the Order:

Motion by the Honourable Senator Roche, seconded by the Honourable Senator Keon:

That, whereas the proliferation of nuclear weapons poses a real and ongoing threat to global security, and recognizing the strong conclusions of the Standing Committee on Foreign Affairs and International Trade in their study, "Canada and the Nuclear Challenge," the Senate of Canada fully supports the disarmament and non-proliferation objectives of the Report, and urges the Government of Canada to carefully consider its recommendations when preparing its response.—(*Speaker's Ruling*).

**The Hon. the Speaker:** Honourable senators, I am prepared to proceed with the ruling on this matter.

Honourable senators, on Thursday, March 11, as Senator Roche was about to speak on his motion, Senator Kinsella rose on a point of order to question the procedural acceptability of a motion that endorses a report of the House of Commons of which the Senate has no direct knowledge.

The motion of Senator Roche seeks that the Senate support the disarmament and non-proliferation objectives of the report of the House of Commons Standing Committee on Foreign Affairs and International Trade respecting nuclear policy.

[Translation]

In making his case, Senator Kinsella asked whether it was proper given the independence and autonomy of the two Houses for the Senate to debate a report from the other place that has not been formally communicated to it. At the same time, the senator

made it clear that he was not challenging the right of Senator Roche to present a motion supporting disarmament.

[English]

Several honourable senators participated in the discussion to suggest that the motion of Senator Roche could be amended to avoid this apparent procedural obstacle. More than once Senator Roche indicated that he was prepared to make whatever changes might be necessary so that his motion would be procedurally acceptable. Indeed, following the suggestion of Senator Stewart, Senator Roche proposed a revised version of his motion that eliminated any direct reference to the House of Commons report.

[Translation]

At this stage, I asked Senator Kinsella if he might be prepared to withdraw his point of order. Though the senator explained that he did not want to impede the work of the Senate, he felt a need to proceed with the point of order. Senator Kinsella went on to state his conviction that the rules are the best defence of the minority and this case was sufficiently important to merit a formal decision from the Chair.

Let me begin by thanking all the senators who joined in the discussion on this point of order. As always, I find it helpful in highlighting this issue.

[English]

The practice of avoiding any reference to the proceedings of the other place in debate is an old and well-established restraint, going back many years. Indeed, almost 25 years ago, this prohibition was formally incorporated into the *Rules of the Senate of Canada*.

Rule 46 stipulates that:

The content of a speech made in the House of Commons in the current session may be summarized, but it is out of order to quote from such a speech unless it be a speech of a Minister of the Crown in relation to government policy.

Though it was not explicitly acknowledged at the time, it appears that the language of the rule was based on the relevant text of the British parliamentary authority Erskine May and has been part of that venerable book through many editions.

[Translation]

In this connection, the Senate may be interested in knowing that the present Select Committee on Modernisation in the British House of Commons has recommended that this long-standing prohibition be abandoned. In its fourth report presented in March of last year, the committee noted that:

...the rule is often difficult for the chair to enforce, since it is not always easy immediately to be certain that the Member is quoting rather than summarising, that the Peer in question

is not a member of the Government, and that the debate quoted from took place in the current session. By the time the facts have been established, it is generally too late.

Accordingly, the Modernisation Committee recommended, and I quote:

...that the rule banning direct quotation from speeches made in the House of Lords in the current session should be abolished.

Reviewing the debate on our Senate rule in 1975, similar problems were acknowledged at the time by Senator Argue and Senator Flynn even though the rule was subsequently adopted by the Senate. Perhaps this is a matter which the Committee on Privileges, Standing Rules and Orders might want to consider at some point.

[English]

This practice of forbidding the use of direct citations from the debates of the House of Commons, euphemistically identified as "the other place," was originally intended to prevent, according to Erskine May, fruitless arguments between members of two distinct bodies who are unable to reply to each other and to guard against recrimination and offensive language in the absence of the other party. However, Erskine May and the Canadian parliamentary authority, Bourinot, have always recognized some exceptions to this rule of debate.

All four editions of Bourinot's *Parliamentary Procedure and Practice in the Dominion of Canada*, dating from 1894 to 1916, note the exception in the same language:

It is perfectly regular, however, to refer to the official printed records of the other branch of the legislature, even though the document may not have been formally asked for and communicated to the house.

For many years, Erskine May has been explicit in noting that these official records include not just the journals of either house but also committee reports. Even though reports from the other house may not have been communicated to the chamber, practice has allowed for references to be made to them in the course of debate.

As far as I see it, that which can be debated can legitimately be the object of a motion. Once it is part of the motion, it is up to the Senate to adopt, amend or reject. That is the core of the process of debate.

• (1700)

I rule, therefore, that the motion of Senator Roche can proceed.

**Hon. Douglas Roche:** I wish first to thank His Honour for the trouble he has taken to give his ruling. I also wish to thank all honourable senators who participated in the interesting debate the other afternoon.

I have found, honourable senators, that when one enters the Senate there is a certain learning curve to go through. I have learned that in bringing to the attention of the Senate a particular matter it is probably better not to connect that matter to what was discussed in the other place because it can get us into some procedural difficulties. I do not wish to debate what was said in the other place. That is not my concern here.

I served in the other place. I left it willingly and said goodbye to it. What I am concerned about is the principle that I brought forward.

Thus, with your consent, honourable senators, I shall attempt to do that in another manner. Hence, I ask leave of the house to withdraw Motion No. 121 standing in my name.

**Hon. Fernand Robichaud (The Hon. the Acting Speaker):** Honourable senators, is leave granted?

**Hon. Senators:** Agreed.

Motion withdrawn.

## OFFICIAL LANGUAGES ACT

### PROGRESSIVE DETERIORATION OF FRENCH SERVICES AVAILABLE TO FRANCOPHONES OUTSIDE OF QUEBEC— INQUIRY—DEBATE CONTINUED

On the Order:

Resuming debate on the inquiry of the Honourable Senator Simard calling the attention of the Senate to the current situation with regard to the application of the Official Languages Act, its progressive deterioration, the abdication of responsibility by a succession of governments over the past ten years and the loss of access to services in French for francophones outside Quebec.—(*Honourable Senator Corbin*)

**Hon. Eymard G. Corbin:** Honourable senators, I rise today to speak about the invaluable contribution of French immersion programs in Canada and of the hope and opportunities they offer to growing generations of Canadians to better understand, communicate and work with each other.

[*Translation*]

Honourable senators, I will speak to you in English deliberately today. I have no problem with that, since I learned both languages at an early age, without the benefit of any official languages program. In Grand-Sault, New Brunswick, where I was born and where I went to elementary school, almost everyone could communicate in both official languages, or at least make themselves understood.

[*English*]

Honourable senators, let me begin by citing John Sparrow Thompson, a respected Canadian politician and judge at the turn of the century. With regard to his own children, this great Canadian recognized the necessity of learning French. In keeping with this conviction, Thompson sent his two eldest daughters, Mary Aloysia and Mary Helena — and I am quoting from the *Dictionary of Canadian Biography*:

— to the academy for young ladies run by the Religious of the Sacred Heart at Sault-Au-Récollet (Montreal North), so that they would learn French properly, something he had set himself to work on after he came to Ottawa. He thought it churlish not to be able to acquit oneself in French.

Some things change; some things do not. “Churlish” is an extremely strong word; I did not write it. However, the French version, in the *Dictionnaire biographique du Canada*, is, in my opinion, more in keeping with my personal leanings in the use of “churlish,” where it is translated “savoir vivre.”

[*Translation*]

Savoir vivre ensemble, together, will always be the great challenge for Canadians.

Before going any further, I want to thank Senator Simard for having drawn the attention of the Senate to the current situation with regard to the application of the Official Languages Act. We have not always seen eye to eye on this issue, with regard to certain programs, objectives or details, although, generally speaking, we share the same views. I fully realize that he is also concerned about the survival and development of francophone communities in Canada. The idea is to make sure our fellow citizens who share with us the French-Canadian language and culture can live, study, work and express themselves in their mother tongue. We agree on that.

However, I feel it is equally important to also look at the other side of the equation, in the context of national bilingualism. This is what I will discuss today.

[*English*]

Since the 1970 entrenchment of the Official Languages Act, Canadians have been compelled to appreciate and to react to the bilingual reality of Canada. The commitment to accommodate both English and French equally has enriched the social fabric while strengthening the seemingly never-ending mission of national unity.

French immersion programs contribute to fulfilling our national obligation as stated in section 23 of the Canadian Charter, to make education in French more accessible. It must be realized that there is much more behind French immersion programs than the pedagogical methodology specific to the curriculum. Rather, the importance of French immersion programs transcends the classrooms by enhancing the importance of linguistic equality.

French immersion programs are one important step to achieving the *sine qua non* conditions of the spirit of solid national unity. The commitment to and real support for French immersion programs by thousands upon thousands of English-speaking Canadians attests to the sustained volition of Canadians toward this national goal. That is something so-called Quebec nationalists and, indeed, Quebec separatists, regrettably, will not recognize.

Throughout the 1970s, with statutory funding by the federal government, the so-called — and I say “so-called” negatively as used by separatist elements — English-speaking provinces began to establish French immersion programs in elementary and secondary schools. By incorporating French with the existing curriculum, students were provided a viable and long overdue apprenticeship in both official languages of Canada. However, despite the initial enthusiastic funding by the federal government, recent contributions have decreased relative to past years for many of the major programs, including the Official Languages in Education Program, the Summer Language Bursary Program and the Official Language Monitor Program.

Generally, these programs are highly effective because they allow students to speak French outside the classroom, to plunge into a workplace setting, into the real world and thereby experience first-hand the advantages and importance of instruction in the French language. These programs are sponsored in part by the Council of Ministers of Education, Canada, who recognize and are preoccupied with ensuring that Canadian youth receive the best possible preparation for the dynamic world of work.

In a 1997 *Vancouver Sun* article, the former president of Canadian Parents for French Immersion, Kate Merry, rightly observed that the federal government had reduced its funding by almost 40 per cent in classrooms where French immersion is taught. The fact, plainly put, overall federal assistance to the provinces in the cadre of the Official Languages Program has slipped to \$169 million from the high 1993-94 level of \$245 million. The economic context may possibly have temporarily justified the reduction. However, I believe that these funds must come back to at least former levels.

The design of the actual French immersion programs is developed by the individual provinces. They generally consist of rendering available 50 per cent of the regular curriculum in French as the language of instruction.

There are many levels and variations of the French immersion programs across Canada, depending upon the availability of teachers, pedagogical resources and the wishes of parents.

• (1710)

A few weeks ago on the local CBC radio station, I heard an English-speaking parent of the Ottawa area deploring the

closures of French immersion classes and expressing the strong desire for their continuance.

In addition to French immersion programs, most elementary and secondary schools also offer core French programs that teach basic French. Students who are not enrolled in French immersion must take French because it is mandatory. However, the extent of their exposure is limited to the French class. Students graduating from a French curriculum can only expect to learn very basic or elementary French.

Due to the unique nature of the curriculum, French immersion programs require a specialized teaching staff, the basic requirement being four years of undergraduate study followed by one or more years of teachers' college. The teaching profession has profited greatly by obtaining relatively recent access to the Internet, which has become an invaluable pedagogical resource for the benefit of both teachers and their pupils. However, yesterday, again on the radio, we heard a national news item concerning the lack of competent, professional, French-language teachers at English universities. That is a regrettable situation and illustrates vividly the need for amelioration of all facets of programing and funding. It is also a sure indication of a demonstrated interest on the part of the institutions themselves.

Consistent with the aspirations of teachers to become competent professionals, as is required by the curriculum, the Canadian Association of French Immersion Teachers has been established to actively guide the focus of teachers' efforts. The national president of the immersion teachers' association, Marie Christine Halliday, was quoted last year, I believe it was, in a *Vancouver Sun* story as saying that she believes that French immersion programs are entrenched enough that they are here to stay.

An important factor in ensuring that the skills acquired by students in French immersion programs are supported and maintained is the availability of high-quality French language media. It is also very important to provide widespread broadcasting of French TV and radio throughout the country. To limit basic programming to French-minority communities in provinces where English is the language of the majority is to significantly reduce extracurricular learning and information opportunities.

In my opinion, our national broadcaster, the CBC and Radio-Canada, have miserably failed in this respect. I hope, now that the time for renewal of their licence has come up, that Canadians will speak for a broadening of the mission of the CBC and Radio-Canada with the objective to enlarge its coverage and to try to bind together the two main linguistic communities in Canada.

In recognition of the invaluable importance of an education in the French language, the federal government recently contributed \$1.1 million to work-related experience for the improvement of French-language skills. It is a pittance, but at least a show of support.



The federal student work experience program allows English students the opportunity to work in French-speaking areas across Canada. Students are thereby able to improve their grasp of the French language. They are picked from a national inventory of university students and, depending on their academic background, their skills and their career aspirations, they are placed to work in an appropriate government department. However, the level of assistance is not sufficient to create a lasting impact. More ought to be done. Such programs allow students to be exposed to the social reality outside the classroom and to see first-hand the advantage that the knowledge of French affords. Of course, such linguistic skills are also invaluable in the international field, and open new vistas and career opportunities for our Canadian youth.

I would now like to give an indication of the number of Canadian children enrolled in French immersion programs. Unfortunately, I could not access the most recent figures, but the ones I will now give at least serve the purpose of giving some perspective. From the 1970s, when French immersion programs were first created, to the mid-1980s, participation rates were high. Currently, in total, 317,000 students are enrolled in French immersion programs across Canada. Participation rates tend to remain stable regardless of region or province. The number of schools offering immersion programs in 1977-78 was 237. They were 2,110 in 1996-97 and in the 1997 school year, there were 2,141. That is not to say that the numbers have peaked, although they may have reached a plateau. There is also, obviously, room for additional expansion.

This high number of continuing enrolment in French immersion programs indicates that they are indeed popular, that they fill a need and are generally supported all across Canada. For example, in 1998, in British Columbia, 30,000 students were enrolled in French immersion programs in 238 offering schools. In Ontario alone, 158,000 students in 1,084 schools were enrolled in French immersion programs. That is more than the total French and English student population of my own province of New Brunswick.

[Translation]

**The Hon. the Speaker:** Honourable Senator Corbin, I regret to interrupt you, however, the 15-minute period speaking period has expired. Will you seek leave to continue your speech?

**Senator Corbin:** Yes.

**The Hon. the Speaker:** Is leave granted?

**Hon. Senators:** Agreed.

[English]

**Senator Corbin:** Thank you, honourable senators.

These figures which I have just quoted are, in my opinion, truly impressive. The motivation behind the high enrolment can be linked to a number of factors, including especially parental

encouragement and the recognition of expanded employment opportunity. The actual results of French immersion programs in helping individuals become bilingual are very positive and inspire hope and optimism. It is undeniable, though, that the children of so-called anglicized French-Canadian parents are now, through these programs, given every opportunity to reconnect with their linguistic and cultural roots and that is very good.

The sustained interest in French immersion illustrates the success of these programs in fulfilling their intended objectives. Attitudes toward French immersion have been resoundingly favourable. The support of parents, despite the fact that many of them are unilingual anglophone or recently arrived immigrants with little or no skills in either French or English, in encouraging their children to pursue French immersion shows that they truly recognize the importance and advantages for their children to acquire these skills.

Honourable senators, in view of your patience, I will abbreviate my intended remarks today and conclude by saying that French immersion programs have the potential to gradually erode attitudes that have historically, and out of unfounded fear, resisted linguistic equality, and to systematically eradicate the alienation that is characteristic of the inequality which poses a barrier to our collective progress. Let us celebrate the rewards that French immersion programs have yielded and use the open-mindedness and equality that they create to remind ourselves that national unity can yet be achieved through mutual understanding and cooperation and by talking to each other. Language is life itself.

[Translation]

I would like, in closing, to thank Aneel Rangi, a former Senate page, who now works in my office as a researcher. She helped me put this speech together and did all the basic research.

On motion of Senator Kinsella, debate adjourned.

[English]

## DEVELOPING COUNTRIES

### STATUS OF EDUCATION AND HEALTH IN YOUNG GIRLS AND WOMEN—INQUIRY—DEBATE CONTINUED

On the Order:

Resuming debate on the inquiry of the Honourable Senator Losier-Cool, calling the attention of the Senate to population, education and health, particularly for young girls and women in many developing countries.—  
(Honourable Senator Wilson)

**Hon. Lois M. Wilson:** Honourable senators, I wish to add my comments to those of Senator Losier-Cool, Senator P  pin and others with respect to the study on population, education and health of young girls and women in many developing countries.

Margaret Atwood has said:

The facts of this world seen clearly are seen through tears.  
Why tell me, then, there is something wrong with my eyes?

To speak of population, health, education and development of young women and girls as we approach the year 2000 is indeed to see the world through tears. Many a woman or girl in the developing world spends her day hauling water, foraging for food, grinding grain, babysitting for younger children, or tending goats in the field. She is likely to be married by the time she reaches 15 and not have much control over the number of pregnancies she will have. It is well documented that two out of three illiterates worldwide are women or girls, and the percentage is much higher if one considers literacy as going far beyond reading and writing skills. Full literacy means literacy appropriate to the needs of a planetary society and includes knowledge of primary health care, including one's own reproductive choices, the necessity of clean water, sound nutrition, and the reduction of the rate of growth of world population.

Let me say a word about the concept of development. In past decades, development was understood as having to do primarily with the GNP of a given country. Gradually, that notion has been broadened and widened so that development is now spoken of as the wholeness, health and well-being of a given population in all dimensions of its life. One of the benchmarks of development is the extent to which women are free to participate in decisions affecting their own lives and future.

Development, then, impinges on a number of related areas, including health, women's equality, human rights, foreign aid, immigration and refugees, and sustainable development. Yet, according to a March 1999 background paper entitled "Review of the International Cairo Conference on Population and Development," Canada has no comprehensive population and development policy that addresses all these issues as an integrated whole.

Let me say a word about population and health. With every second that passes, five people are born and two die, resulting in a net increase of three people. At this rate, the earth's population will double every 40 years. Burgeoning populations in developing countries and over-consumption by the developed northern countries have placed enormous strains on natural resources. As we approach the year 2000, we are acutely aware that population worldwide will escalate and that there will be an acute shortage of land, water, food and energy. We live and die together.

Some of the most divisive subjects are family planning, women's reproductive rights, and health. At the 1994 Cairo International Conference on Population and Development, a major shift in the approach to controlling the world's population took place. Instead of setting targets for population reduction, the strategy focused on human rights, as agreed to in the 1980 UN Convention to End Discrimination Against Women: reproductive health, the empowerment of women, and sustainable

development. One of the main themes at Cairo was that the measurement of the well-being of a given country is the situation of the girl child.

One of the goals outlined in that conference was to make family planning universally available by the year 2015. A report from that conference, which I heard in Toronto, indicated that, for the first time, women from the Roman Catholic and Islamic faith communities publicly challenged the reproductive and sexual rights policies laid down by their religious male leaders.

I have mentioned the connection between development, population growth, and economics. On one trip to India, I was taken on a field trip by the woman in charge of family planning for India. At that time, women who were willing to have an IUD inserted to prevent more children were given an incentive of five rupees per visit to a doctor. It cost one rupee to have it removed. One very poor woman told me that she would visit a doctor, have the IUD inserted, collect her five rupees, and then later return to have it removed and pay the one rupee fee. At the end of the day, she might well have 25 rupees and with that be able to feed her family. Who could criticize her? Food was her overriding concern. If children are not available to fetch the water and forage for food, who would do it?

My question is: What strategies are being put in place around the intertwined issues of runaway population growth, economics, and health? In particular, what role does Canada see itself playing?

One main goal put in place at the conference in Cairo was to provide education, especially for girls, and to estimate the levels of international assistance required for making adequate resources available to that end.

What about education? Is it the panacea it pretends to be? It appears that education of the girl child is having three results: It can be an effective way to fight poverty; it can reduce population growth, because even minimally educated mothers are able to understand family planning; and educated mothers are more likely to keep themselves healthy during pregnancy, reducing infant and maternal deaths, and likely to raise better nourished and better educated children, both girls and boys. The educated woman is the best contraceptive, said a senior law enforcement official in Bombay who spent years contemplating one of his country's largest problems.

The campaign to educate the girl child, even in formal, traditional ways, launched in several poor countries in the 1980s, has expanded and started to produce results. Between 1985 and 1995, the global gender gap in school enrolment narrowed. Yet it is not only the extension of formal education that gains must be made by women and girls. Margaret Mead spoke of literacy for all of us in these terms:

It is the need to bring up children in communities that reproduce the whole, and teach children and women to think in terms of the whole.

We cripple people if we condemn them to live in a town where there are no old people; no children; no persons with disabilities; no people with a different skin colour; no one who speaks language different from the majority, where everyone is rich, or everyone is poor. This kind of literacy is a spiritual requirement of the highest order in our world.

Karen Austin, an intern with Human Rights Internet based here in Ottawa, writes of the popular education network in El Salvador that is forging new patterns of informal education. Within the framework of the UN Convention on the Rights of the Child, a group of rural communities has created a grassroots popular education system that offers free, accessible, and relevant education to all children. In the 1970s, the literacy rate in rural El Salvador was low. It was estimated that only 10 per cent to 20 per cent of rural adults could read or write. In the refugee camps, literacy circles were started. Those who had a year or two of education shared their knowledge with the rest. Gradually, the literacy rate in those communities grew to 70 per cent.

The Leader of the Government in the Senate referred earlier to Canada as being the greatest country in the world, according to the UN Human Development Index. However, when the situation of Canadian women is factored in, we fall to number seven, so we are not as great as we would imagine. Another of Canada's failures has been its failure to meet its international commitments with respect to our overseas development aid targets of 0.7 per cent of our GNP. The recent budget was able to at least stabilize the overseas development aid budget, but it remains at 0.3 per cent, the lowest in all of our history, with no hope of rising until the year 2000. Under our international aid policy, Canada commits 25 per cent of ODA to basic human needs, of which family planning and basic education are key components, but there has been absolutely no public outcry over this deplorable state of events. Moreover, Canada lacks a policy framework for sexual and reproductive health.

• (1730)

I shall finish by telling you the story of a cowboy on the range who spied a herd of buffalo. He told his companion that he had never seen such a herd. From his point of view they were mangy, they had bloodshot eyes, their fur was matted and they were very skinny. He took one last look at them, expressed his distaste and rode away in disgust. One buffalo was heard to say to another,

"We have just heard on our home on the range what seldom is heard, a discouraging word."

We hear many discouraging words about women and girls, about population, health and development. We hear them; however, many do not swallow them or digest them. We look to transform the situation. There is a great need to raise public awareness of these issues and of Canada's obligations. Without a solid base of public support for movement on population, health and development for women and girls in developing countries, not much is likely to happen. Parliamentarians have a critical role to play in ensuring that population and development issues are brought to the forefront of public attention.

I invite you to do so.

On motion of Senator Carstairs, for Senator Callbeck, debate adjourned.

### ENERGY, THE ENVIRONMENT AND NATURAL RESOURCES

COMMITTEE AUTHORIZED TO EXTEND DATE OF FINAL REPORT

**Hon. Nicholas W. Taylor**, pursuant to notice of March 11, 1999, moved:

That notwithstanding the Order of the Senate adopted on October 23, 1997, the Standing Senate Committee on Energy, the Environment and Natural Resources, in accordance with rule 86(1)(p), which was authorized to examine such issues as may arise from time to time relating to energy, the environment and natural resources generally, in Canada, be empowered to present its final report no later than March 31, 2000.

**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, March 17, 1999, at 1:30 p.m.

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