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Wednesday, March 24, 1999

THE HONOURABLE GILDAS L. MOLGAT SPEAKER

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

THE SENATE

Wednesday, March 24, 1999

The Senate met at 1:30 p.m., the Speaker in the Chair.

Prayers.

THE HONOURABLE ORVILLE H. PHILLIPS

TRIBUTES ON RETIREMENT

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, February 1963 began as another normal month for the Diefenbaker government. The defence minister had resigned over the Prime Minister's ambivalence on defence policy, the cabinet was sharply divided, the caucus was in turmoil, a leading member of the Ontario organizing committee had resigned in disagreement with Mr. Diefenbaker, whose own leadership was being widely questioned, although it had been reconfirmed only a month before at a party convention.

The opposition parties were smelling blood, as each spent hours assessing its chances at a spring election which would ensue should they join together to defeat the government on a vote-of-confidence motion. National attention was riveted on Ottawa as it has seldom done since. Hundreds were refused access to the galleries, which filled nearly every day.

Throughout all this, the Prime Minister exhibited unusual stoicism and equanimity. As a dark political cloud which had been brooding over him for some time was about ready to burst open at any moment, he attended to the nation's business as best he could, including seeking out qualified Canadians available to fill important positions.

Thus it was on February 5, 1963, that Dr. Orville H. Phillips, aged 39, Progressive Conservative member for Prince Edward Island, was summoned to the Senate. A few hours later, the government fell. I do not suggest any cause and effect here but, oh, if only history could repeat itself today!

Honourable senators, after serving in Parliament for over 40 years, 33 of them in the Senate, Orville prepares to leave it, and with his leaving becomes the last, and by far amongst the most distinguished Diefenbaker appointees to do so.

(1340)

He joined the Royal Canadian Air Force at the age of 18, in 1942, and served with distinction and bravery in one of its most arduous and demanding units, Bomber Command. A dentist by profession, he was first elected to the House of Commons in 1957, re-elected twice, and then summoned to the Senate. His true profession has been that of politician, which he has exercised with unusual adroitness and skill, much to the tangible and lasting benefits of his beloved province of Prince Edward Island.

His many years here have been marked by significant contributions to the many committees on which he served, and his knowledge, experience and commitment have benefited them all, none more than the ones concerned with veterans' affairs: The Kid Who Couldn't Miss, The Valour and the Horror, the War Museum — whatever the issue, if it touched on veterans, particularly their place in history, Orville was always there with his support and understanding.

Just recently, with Senator Archibald Johnstone, he travelled across the country visiting veterans' health care centres. Their report, "Raising the Bar: Creating a New Standard in Veterans Health Care," will certainly result in additional improvements in care and services available to veterans, many of those previously in place as a result of Orville's persistence.

What better example of his concern for veterans than what happened while he was at Deer Lodge Centre in Winnipeg last November: He insisted on tasting every item on the menu, following complaints about the food prepared from a centralized kitchen. Undercooked vegetables, floury-tasting celery soup, an egg salad sandwich of which he could only eat half, shepherd's pie, which he pronounced as not tasting like shepherd's pie — Senator Phillips tasted them and more. His verdict? "I used to gripe about the food in the air force, but when I look back, it really wasn't that bad, and it was institutional food. But it was an awful lot better than this." Do not be surprised if, after this gourmet's assessment, Deer Lodge is soon catered by the local Maxim's.

I should like to end on a more personal note. In September 1990, 24 of us were sworn in as senators, herded to our seats, and given strict instructions to say and do nothing without the permission of Attila II, also known as Orville Phillips, the Conservative whip. For nearly three months we were enslaved to him, completely at his beck and call — and what a beck and what a call! We became like robots, as he controlled our every movement through pressed lips, from which growled instructions reduced us to mush. He even equipped us with pagettes so that our every movement could be traced at the flick of a switch. After a while, some of us began to crack, and our offices became group counselling centres — that is, the few of us who had an office, as the care and comfort of his new serfs were the least of Orville's concerns.

Finally, a delegation was sent to meet the Prime Minister so that he could be made aware of the abysmal conduct of his whip in the Senate. Mr. Mulroney listened with great attention, asked many questions and took copious notes. Horror stories were related, one after the other, in every awful detail. As the beaten faithful were leaving his office, the Prime Minister shook hands with each one and said, "Thanks for coming, guys. I am delighted to hear that Orville is doing such a great job."

Looking back, even we, the huddled masses of that time, must agree that, as in everything else, he did a great job; a job which will end today with the passage of Bill C-61.

Orville, I am delighted to tell you that not only are you forgiven, but you can come back to caucus now!

Honourable senators, no member of any legislative body can be successful without family support. On behalf of all my colleagues, past and present, I wish to recognize Orville's family for the support and encouragement they have given him over these many years. In the gallery are his wife, Marguerite, and their daughter, Patricia, with her husband, Gerald, and their two children, Nicolas and Sean. With them, too, are Orville's sister Flora and her daughter Elaine. Unfortunately, the Phillips' three other children, Brian, Robert and Betty, cannot be here. We thank you all for allowing the Parliament and Canada, and in particular Prince Edward Island, to have the benefit of Orville's many qualities which we will miss so very much.

Mr. Diefenbaker once said of himself: "They criticized me sometimes for being too much concerned with the average Canadian. I can't help that. I'm just one of them." And so are you, Orville, which is why your political career has been the success it has been. I wish you many happy years for an active and healthy retirement. You have certainly earned them.

Hon. B. Alasdair Graham (Leader of the Government): Honourable senators, as indicated by the eloquent testimony of the Leader of the Opposition, there are many wonderful stories to be told about Senator Orville Phillips. In his decades of service to his country and province, he has amassed an understanding of this place like few others. The Senate's last "lifer," as some observers affectionately call him, Senator Phillips has witnessed the growth and the evolution of modern Canada in a way that very few others have known.

One of seven dentists at the time of his 1957 electoral victory, which was referred to by the Leader of the Opposition, a victory which he achieved on the beautiful island of his birth, he has often enjoyed recounting the story about dentists in politics — individuals who spent their private careers telling people to open their mouths and their public careers telling people to shut them.

Honourable senators will be aware that although for many years Senator Phillips found politics and dentistry rather compatible professions, he never had any difficulty crossing over from his admonitions to those seated in the dentist chair, to the remonstrances he has so often, so plentifully, so colourfully and so forcefully, delivered to those across the aisle in either chamber, and perhaps, on occasion, particularly when he served as his party's whip, to his own colleagues on the same side of the aisle.

I think all of us in the Senate have understood the passion, the hard work and the tough determination that Orville has put into his work on behalf of Canadian veterans. His devotion in giving voice to the veterans' community in this country has truly been his finest hour, in my judgment. His commitment as Chairman of the Subcommittee on Veterans Affairs has meant something

profoundly significant in this country. It has meant that the story of all those who spent their youth with war as their companion — the story of those who sacrificed so much for the generations to come — has been better told. That story has been better told — lest we forget.

As a veteran of World War II, a navigator and bomber who was part of the RCAF raids over Germany, Senator Phillips was part of one of the greatest national war efforts of all time. At the time, Canada had a population of only 11 million, but by 1945 we had built up the third largest navy and the fourth largest air force amongst the allied forces. We had six divisions in our army. In that six-year conflict, over 1 million Canadians enlisted in the Armed Forces. There were 46,000 who gave their lives, 13,000 of those from the Royal Canadian Air Force.

Prince Edward Island, so central to the founding of our federation, was also renowned for having the highest per capita enlistment of any place in Canada during World War II, along with the highest casualty rate. Senator Phillips was part of that remarkable Island contribution to freedom. We must remember the motto of this proud and distinguished RCAF, per ardua ad astra, through travail to the stars. The 5,000 Canadian airmen who won individual decorations for gallantry fought under that motto. It is that motto, that gallantry and the service of those who fought at sea, on the land and in the air, all those who kept the faith; it is that service that Orville fought so hard to preserve and honour.

(1350)

It is small wonder that he has denounced the distortions of so many who have not understood the price that freedom entails. It is small wonder that he has worked so hard to house that memory in a new Canadian War Museum, which will be a house of honour. It is small wonder that he has spent his finest hours in reminding Canadians of the words of one of our great historians, that a nation that repudiates or distorts its past runs the grave danger of forfeiting its future.

Senator Phillips, you have given much to your country, your province, and most particularly to the veterans of Canada's wars. You have reminded us about the lessons that so many of those who died for their country would have told us, had they lived. You have reminded us about the price of democracy and freedom, the spirit of commitment and tolerance which Canada will always have. You have taught us lessons about courage, and the power of the human heart, and about those who never surrendered.

For those reminders and the timeless hours spent in outstanding and distinguished public service over the decades, we thank you. We thank you for taking on one of the most important causes in our national life, for working so hard to keep the faith, lest we, through some awful tragedy caused by misunderstanding, ignorance or simple neglect, forget.

Thank you, Orville, for being Orville. Sometimes crusty, but always genuinely yourself: fiercely loyal, but constantly engaging. You have been a true credit to the Senate of Canada.

Hon. Lowell Murray: Honourable senators, it has been said of Senator Phillips that he has as many friends on the other side of the chamber as he has on this side. I think that is probably true. I went down the list; I counted four, although two of them are no longer with us.

I think many of us will recall the odd-couple partnership between Senator Phillips and our late friend Senator Petten when they were the whips of their respective parties. Together, they pretty well ran the Senate, without reference to anyone else. I think it is true that often they trusted each other more than they trusted their respective leaders or colleagues.

Then there was also the strong bond between Senator Phillips, the dental surgeon from Summerside and Senator Lorne Bonnell, the physician from Murray River. I was never certain whether the synergies that these two Islanders apparently found in each other's company were professional, provincial, political or, more likely, just recreational. In any case, they certainly seemed to enjoy each other's company as few others did.

More recently, Senator Johnstone came to the Senate from Prince Edward Island and resumed an association that I believe goes back 60 years to the days when Senator Phillips and Senator Johnstone were in school together on the Island.

The most intriguing political alliance of all has been that between Senator Phillips and Senator Cools. I do not know whether it would be accurate to describe Senator Cools as a free spirit. I think it would be fair to say — and I have heard it said on the other side — that not all of her parliamentary initiatives have been fully cleared with the caucus — not the Liberal caucus, anyway. That is where Senator Phillips comes in. When other colleagues avert their eyes during Senator Cools' speeches, or shift uncomfortably in their seats, or find urgent business in the reading room, Senator Phillips has been here. He has supported and encouraged her. Some would say he has incited her in her more daring endeavours.

Unfortunately, Senator Cools has not always reciprocated. How many times have I sat here with Senator Phillips, with the division bells ringing for a vote, and I have turned to Senator Phillips and said, "Orville," — since we became seatmates, he allows me to call him Orville — "Do you think there will be any defections on the other side?" and Senator Phillips has said, "Watch Senator Cools." We sit there, brimming with anticipation, my own excitement almost as intense as his, as the Clerk goes down the Liberal benches, only to find that when her name is called, notwithstanding her great admiration for Senator Phillips, he has been foiled again by the Liberal whip.

This bittersweet, unrequited political suit has been one of the great disappointments of Senator Phillips' last years in the Senate. A lesser man would be absolutely crestfallen. I will not say that Senator Phillips is the last of the true romantics in the Senate — that would be unfair to Senator Lynch-Staunton — but he is one of the most persistent.

Before I sit down, I wish to say that Senator Phillips will leave this place with a sense of achievement that most of us would envy. When travelling to or from the Island on the Confederation Bridge, Senator Phillips can take some pride in the fact that he was its leading champion in Ottawa, and for a long time its only champion in Parliament. He sponsored the bill going through the Senate that made that achievement possible, and it turned out to be quite a successful achievement.

In his own town of Summerside, the GST Centre, employing 700 Islanders, and the Slemon Industrial Park are there to a great extent because of Senator Phillips' efforts. I was in the Mulroney government at the time and I know that Orville's contribution went beyond advocacy and well into facilitating and helping to negotiate and design the happy outcome of what had been a potentially devastating decision; namely, to close CFB Summerside.

•(1400)

It is a rather happy irony that, earlier in his political career, Senator Phillips managed to have Summerside designated as a permanent military establishment, so he clearly felt some serious personal responsibility when the decision was taken that it had to be closed.

During his 42 years in Parliament, he has helped countless individuals get the attention of the government and action by government departments on their problems. He fought for the economic and political interests of the Island. He understood quickly the impact of the UI reforms of several years ago on unemployed people on the Island and gave them a forum for their concerns.

Islanders do not wear their gratitude on their sleeves and, goodness knows, they do not always take it to the polls. However, on the Island, respect for Orville Phillips and for the calibre of representation he has given Islanders in both Houses of Parliament over 42 years crosses party lines and constituency boundaries. I would not say that he bestrides the Island like a colossus. It would be more homey to say that, like the Charlottetown *Guardian*, he covers the Island like the dew.

Reference has been made very eloquently by the leaders of the government and the opposition to Senator Phillips' relationship with and his representations on behalf of the veterans of the country. When Orville Phillips first came to Parliament Hill in 1957, a clear majority of the members of the Diefenbaker cabinet were, like him, war veterans. Into the 1960s there was a still a solid contingent of veterans in the Pearson government. Even into the 1970s and 1980s, distinguished veterans like Barney Danson, Allan McKinnon and George Hees served in cabinet.

The last of the veterans have long since departed the House of Commons. With the retirement of Senator Phillips, there will be no more than three or four of them left in the Senate. As they leave, Parliament loses a direct link with a glorious chapter in the history of our country. Their conduct in politics and public affairs was marked by a sense of duty and loyalty to the greater causes they served — to their colleagues, to their political parties, to the institution of Parliament, and to the country for which, having fought for it, they must have a perspective and feeling unique to them.

They brought more than camaraderie or esprit de corps. They brought unselfishness. While they would scorn the description themselves, I believe that their contributions were as close to altruism as we are likely to see in this business.

Senator Phillips has exemplified all of these qualities. His colleagues, the Island, and the country have been enriched by his years of parliamentary service.

Hon. Senators: Hear, hear!

Hon. Archibald Hynd Johnstone: Honourable senators, what can I say about someone I have known for 58 years? I should like to say that Senator Phillips was never my dentist. I do not know why. I was just lucky, I guess.

However, I did know him when he entered Prince of Wales, when we both joined the Air Cadets, and when we went to summer camp together. When I awoke in the morning, he was in the bunk next to me. Imagine seeing that face first thing in the morning. However, his was a sunny face. He always had a big smile and he always had something encouraging to say.

In the 1947 Prince of Wales College year book we see that on April 5, 1924, in the ordinarily peaceful and quiet town of O'Leary, Prince Edward Island, rain showers and mayflowers were predicted — but they got Orville Howard Phillips. In the year book it says that for several years Orville Phillips remained at home, content with the life of a little boy, but that soon a restless feeling came over him and he made his first daily journey to Mount Royal School, a journey he repeated until 1941 when he came to Prince of Wales College.

Having finished his first year at Prince of Wales College, he went into training with the RCAF and, strangely, we both ended up in Bomber Command in Yorkshire, England. I was seconded to the Royal Air Force; Orville stayed with the RCAF.

I know what he has been telling you. He has been telling everyone who will listen that I could not qualify to stay in the RCAF so they sent me over to the poor RAF. I want to tell you the real story. The truth is that the Royal Air Force petitioned to have me. I understand that there was a second petition circulated in the Royal Air Force which read, "Leave Phillips where he is."

While speaking of the Air Force, I should like to assure Honourable Senator Atkins that neither Orville nor I originated the Royal Canadian Air Force tartan, but we would at some time like to tell you who did.

Senator Phillips disliked paying taxes, so he worked out a plan which will be quite advantageous to Senator Maloney and myself, who will never receive a pension from this place. When we leave here, we will be as poor as when we arrived, and probably more so.

Senators Phillips has suggested that if he shares his pension with us, he will be in a lower tax bracket, which will be advantageous to him, and will certainly be advantageous to us. I suggest that other senators follow his excellent example.

It has been a privilege to sit with Senator Phillips on the Senate Subcommittee on Veterans Affairs and to have participated in producing the recent report "Raising the Bar."

I wish to join with the large group of people who would like to wish health and long life to both Orville and Mrs. Phillips, as well as great golfing.

•(1410)

Hon. C. William Doody: Honourable senators, I rise today to reinforce many of the comments that I have heard addressed to Senator Phillips, and to congratulate him on the occasion of his all-too-early retirement from this place.

Many have spoken warmly and well of Senator Phillips' service and dedication in the House of Commons and of his wartime service for our country. We are all very familiar with his love for the Island and Islanders, and of his sense of duty toward this country of ours.

I got to know him in 1979 when I first came to Ottawa. We have become fairly well acquainted since that time. I have been entirely impressed with his zeal and dedication to the party, and to the Senate. I was particularly impressed during his years as Chief Party Whip, which has been referred to at some length by Senator Murray. In my capacity as Deputy Leader of the Government at that time, I was as close to him as anyone during that rather tumultuous period. I often thought, as I went home for a few hours' sleep during some of the endless harangues and terrible sessions that we were having, "My God, I think Orville is enjoying this." He never seemed to be the least bit dismayed or upset. He was completely calm and unfrazzled by any of it. He thought that we should dig in there and do what we thought was right, and do it properly. As I say, I got to admire him very much and came to like him quite a bit.

I particularly admired his taking up the cudgel on behalf of the veterans, a subject which Jack Marshall so reluctantly had to put aside. He, Senator Marshall and Senator Bonnell have done yeoman's service in that department. All three of them, and others, will be sorely missed, but their work was outstanding.

I will not say a great deal more. I think most of it has already been said. I know that I will miss Orville very much. I thank his family for lending him to us for as long as they did. I hope he has many happy years of retirement, good days and good golf. I also hope, just as sincerely, that his going does not mean that my supply of Malpeque oysters will be cut off from now on. I will make sure he has my address, no matter where he goes.

Thank you, Orville.

Hon. Anne C. Cools: Honourable senators, I rise to join senators on both sides of the house to pay tribute to our retiring friend, the Honourable Dr. Orville Phillips. Senator Phillips is a dentist by profession, a Prince Edward Islander by birth, and a veteran by providence. In addition, Senator Phillips has been a dear and loyal colleague, a dear friend to me and a very good senator. I must tell Senator Murray that I shall continue to keep him in suspense.

Honourable senators, in 1984, soon after I arrived in the Senate, I substituted on the Standing Senate Committee on Agriculture, Fisheries and Forestry chaired by our friend Senator Herbert Sparrow. At the time, this committee was studying soil and water conservation in Canada. Most senators will recall the committee's excellent and world renowned report, "Soil at Risk."

The committee travelled to Charlottetown, Prince Edward Island, in May of 1984. While in Charlottetown, the Island senators, led by Senator Phillips and Senator Lorne Bonnell, organized a suitable restaurant with the suitable lobsters to entertain the senators who had come to town. I must tell honourable senators that my dear friend the late Senator Jean Le Moyne had confessed to me a few hours before that he was looking forward to the fantastic lobster dinner that Senator Phillips had initiated. I shall never forget Senator Le Moyne's words to me. He said, "My dear Anne, let us go and feed." He meant to say "feast," but he said "feed." That became a private joke. In any event, it was quite a feast that the Islanders put on for us. Senator Le Moyne was quite right, it was a marvellous feed. He himself ate about eight lobsters.

In any event, I remember the evening very vividly. I remember the special honour that Senator Phillips and the Prince Edward Island senators felt in having a committee of the Senate and Senators Sparrow, Le Moyne, myself and others in Charlottetown. It is now a practice that has passed away among senators. I will remember that evening forever.

Honourable senators, as we know, Senator Phillips served in Bomber Command during World War II, and wears his battle scars to this day, as so many of our veterans do. As Senator Murray was saying, it was not too long ago that there were still many veterans serving in this chamber. However, Senator Phillips is one of the last.

I was especially privileged to work with him as Chairman of the Subcommittee on Veterans Affairs for the past several years following Senator Marshall's retirement. I was especially proud of Senator Phillips' efforts, as well as our efforts, on the Veterans Affairs Subcommittee during the examination of the issue of the War Museum and the Holocaust gallery. The committee report "Guarding History" speaks for itself. However, I speak for those of us on that subcommittee who experienced first-hand the commitment, drive and clarity of mind of Senator Orville Phillips, and the unique and special kind of moral courage that this particular man has possesses. I commend that.

We frequently hear on Remembrance Day two or three famous lines about the passage of veterans in battle. What I thought I should do today is put on the record those famous lines from Laurence Binyon's famous poem, For The Fallen.

I notice that Senator Phillips' wife, Marguerite, and his family are sitting in the gallery. Senator Phillips, on behalf of all of us who feel very warmly towards you, and to all your family, friends and supporters, I should like to say: I wish you all a very happy and healthy retirement.

I wish you, Senator Phillips, many more lobster "feeds" in Prince Edward Island with many other friends. I wish you all the happiness that you could ever know. To you, Senator Phillips, in a very personal way, I thank you very much for your friendship and your support.

I should like to share one final thing with senators. As we know, very few people here really know anything about my background in Barbados. There was a particular occasion some years ago when Senator Phillips, Senator William Doody and myself went to Barbados to attend a CPA conference. I had a rare and wonderful occasion to show Senator Phillips and his wife around Barbados. The history of Barbados is very rich. It has the oldest 'great plantation' houses left in the New World. The history of plantation society is not widely known. However, I can tell you that it gave me very great pleasure to be connected to Senator Phillips and to his wife, and to be able to share a part of the world that means a lot to me, and which is a part of my personality. I thank them for that.

Having said all of that, I should like to read those famous lines from Laurence Binyon's poem, in honour of all veterans:

They shall not grow old, as we that are left grow old:
Age shall not weary them, nor the years condemn.
At the going down of the sun and in the morning
We will remember them.

Shalom, Senator Phillips. You are gone but not forgotten. You will be remembered.

• (1420)

Hon. Herbert O. Sparrow: Honourable senators, I should like to add my comments to the tributes. First of all, Orville, it took me a while but I now recognize they were talking about you.

I talked to Senator Phillips earlier this week about this special tribute today and he said, "I hope they will not do anything special for me, that there will be no special words. I just want to be treated the same as any other great man." I think that we recognize that, Orville, and the tributes, of course, have been very special this day.

I would be remiss, honourable senators, if I did not make reference to the Agriculture Committee's report, "Soil at Risk." Senator Cools already mentioned it. I just wish, after hearing all this today, that I had done a little more research and found out just how many committees Senator Phillips has worked on throughout the years, how many special committee reports he has been involved in, because they would be very numerous. I think I will still do that research, because I just know that no one in this chamber, either now or in prior times, will have spent so much time on so many committees and have his name appear in so many Senate reports as Senator Phillips. The report, "Soil at Risk," of which he was a very important part, indicated to me at the time, and still does, that Senator Phillips is capable of tackling any subject-matter, studying it and doing a marvellous job. Regardless of what part of the country it involved, he was always prepared to do his homework, thus ensuring that any report he was part of was valuable to all Canadians.

Orville and I have a number of things in common. Of course, we have both served in this chamber for over 30 years. I am glad to see you go, Orville, because it puts me in a better position, since I will replace you as Dean of the House.

One of my names is Orville, so we share that as well. When Senator Everett was here, he used to call both of us Orville because he knew we had often worked together. One of the greatest things that John Diefenbaker — who came from my province — ever did was to appoint Orville to the Senate, and that legacy has carried on for years. He gave Orville Phillips a life sentence, but I suppose because of the Young Offenders Act, Orville is now getting parole at age 75. Orville had to choose whether he would stay longer or to retire at age 75. He choose retirement at 75, and I know very well he could have made a much greater contribution if he had chosen to stay longer, but that was his choice.

We have something else in common. Dr. Keon operated on both of us. He looked after Orville's heart and he did the lobotomy on me! I suppose Dr. Keon is the greatest pain to the Reform Party and Lorne Nystrom, because he is seeing that the members of the Senate remain in place for a long time. Fortunately, his treatment has worked for both of us. As long as Dr. Keon is here, the Senate will last, I should think, forever.

As I said, we have both served for over 30 years in this chamber. I want to tell you today, Orville, how pleased I am to be able to look back over those years and the wonderful times we have had together and the work we have done on committees.

I thank you on behalf of all the people of the country, particularly those from my part, who know the name Orville Phillips very well.

Good luck to you. God bless you. I hope we will see you again soon.

[Translation]

Hon. Gérald-A. Beaudoin: Honourable senators, I met Orville Phillips when I came to the Senate in the fall of 1988. At that time, he was the whip of my party, which was in power, though in the minority in the Senate.

I must say that he did an excellent job of carrying out the duties of whip, which, as honourable senators are aware, deal with such things as Senate attendance, office allocation and travel.

Senator Phillips made a name for himself, among other things, for his very special sense of humour. He has given the Senate many years of most loyal service. As all the speakers before me have pointed out, he took part in many highly significant debates, and he has left his mark in a number of different areas, and on several committees.

It has also been pointed out, and justifiably so, that he made a considerable contribution as Chairman of the Subcommittee on Veterans Affairs. I wish him long life and the best of health. Our very best wishes go with him on his retirement.

[English]

Hon. Joyce Fairbairn: Honourable senators, I, too, should like to offer my words of appreciation today to Senator Phillips as he leaves this place to return to his beautiful Prince Edward Island.

He is, as we have all heard, a remarkable colleague, and he is a good friend of mine.

He is remarkable in the fact that he has been here on Parliament Hill for 42 years. I have been here for 37, and I thought that was a long time, but Senator Phillips has been here for 42 years. He has survived without any identifiable scars, although he might have left a few on other people here and there throughout those years.

He is remarkable in that he held the position of government whip for his Conservative caucus during seven lively years, including the most tumultuous debates in Senate history, those over the GST. Even at the time, in whispered tones, some of his colleagues told me he was tough as nails. That is not a side of Senator Phillips that I saw. I can remember, early in my years as a senator, when I repeatedly lobbied our beloved whip Bill Petten to have the person who worked with me a little closer by. I struck out time and time again. I shared that problem a bit, sadly, with Senator Phillips, who was and still is on the same floor as I am. Guess what happened, honourable senators. It was not too long before we were set up just perfectly together, so I had a great deal of respect for the whip of the Conservative caucus.

Senator Phillips is also remarkable in that he does not have to leave this place. He could stay here forever because he was appointed before that rule requiring retirement at 75 came into effect. However, as colleagues have said, he has made the decision to retire. I do not think it is because he has grown tired of this place but rather, I suspect, because he has a lot more living to do, and particularly wants to spend a good deal more time with his family.

In addition, honourable senators, Senator Phillips is remarkable because, in spite of his fierce and joyous partisanship in times of political battle, he also cheerfully seeks out association with those who do not always share his point of view. He has been a warm and generous friend of a true Grit like myself.

•(1430)

As has been noted, he began as a member of the House of Commons in 1957. He was appointed to the Senate in 1963 — just in the nick of time, Senator Phillips. Throughout all those years, he has been a strong force within the Progressive Conservative Party of Canada, and proud of it. So he should be. For those who constantly wonder what senators do for their paycheque, Orville Phillips has brought to this chamber and its committees years of dedicated advocacy and action on behalf of farmers, fishermen, and members of Canada's Armed Forces, particularly veterans, especially in his years as Chairman of the Subcommittee on Veterans Affairs.

Senator Phillips served with the 462nd Thunderbird Squadron of the Royal Canadian Air Force during World War II. He has never wavered in his compassion and his insight into the needs of the men and women who risked their lives for our peace and freedom.

I agree with Senator Murray that there is very little left of the institutional memory of that war within the Parliament of Canada. We have been fortunate in this chamber to have had people such as Senator Phillips and Senator Bonnell, and, others who have fought those battles again in a different way. It behoves all of us, as Senator Cools said, who have not suffered through that experience, to carry on the kind of work that has been set out so courageously by Senator Phillips and his colleagues. It is a fitting farewell that we in this house later plan to pass Bill C-61, which will bring in changes in benefits for veterans, including those who served in the Merchant Navy.

Finally, one of the things I have truly admired about Senator Phillips is the work that he has done back home in Prince Edward Island. He told this house two years ago that an important aspect of the public business senators perform is to be an active presence and participant in the events, the concerns, and the achievements of the citizens of their province. As Senator Phillips noted, he was asked to take part in countless activities in Prince Edward Island — not because he was Orville Phillips, but because he was Senator Orville Phillips and, on occasion, the importance of this function of representation justified his absence from the Senate.

Prince Edward Island has never been very far from his mind. In his maiden speech on June 3, 1963, he concluded by urging all colleagues to come to Charlottetown the following year for the historic opening of the Confederation Building. About two years ago he was urging us again, along with his other Island colleagues, to attend the opening of the magnificent Confederation Bridge linking P.E.I. and New Brunswick, the longest bridge over ice-covered waters anywhere in the world.

You have done a good job, an outstanding job, Orville, for this institution, for Prince Edward Island and for Canada. You leave today with pride, respect and affection, as well as the warmest wishes from all of us to you and Marguerite and all the family for a happy life ahead. Thank you so much for sharing your friendship with me. I hope you will continue to come to visit the Province of Alberta, of which I know you are very fond.

Hon. Edward M. Lawson: Honourable senators, much has been said about Senator Phillips, but his greatest attribute is the willingness and eagerness he displays in helping anyone from any side on any occasion.

A couple of years ago he invited us to come to Prince Edward Island to do "environmental research" on a number of the golf courses there. We were flying together on the plane and the captain interrupted and said, "One of the stewardesses has suffered a chest injury. Is there a doctor on-board that could offer assistance?" Senator Phillips said, "I am a doctor. I can help." I said, "You are a dentist. This is a chest injury." He said, "I will go. I am a doctor." He returned about two minutes later and I

asked him, "What happened? He said, "A doctor of divinity beat me to her!"

Senator Phillips said to me last week, "As an independent, I think it would be a nice gesture if you gave me a standing ovation when I leave." I said, "Orville, what happens if I am the only one standing?" He said, "No, I have that covered. I have told the other side that if they do not give me a standing ovation, then I am coming back."

In view of Senator Phillips' threat, and his outstanding record of accomplishment for his province, for Canada, and for the Senate, when he leaves, please, let us give him that standing ovation.

Hon. J. Michael Forrestall: Honourable senators, I wish to join in support with some of the words uttered here today about Senator Phillips. Like a number of you, my association with Senator Phillips goes back to the Diefenbaker days, the days of some of his colleagues who served here with him and have since gone. Bob Muir is one, and Heath Macquarrie should be here today to join with him. All of those members of Parliament from 1957, 1958, 1962 and 1963 who knew Orville in the beginning, would all testify to the fact that, as so many of you have said, Orville has been consistent in the right and loyal in his cause. Not much more can be said of a man in public life than those two observations.

I wanted to correct a widely held myth here about precisely why it is that Senator Phillips is leaving the Senate. It was his choice, as you said, but he has a very heavy and onerous duty which has become a real obligation in the last few years since the opening of the Confederation Bridge. You see, to get a slot to play a round of golf at the river these days, you must know someone. Tourism has flooded one of Canada's great golf courses, "the river," as it is fondly known to Orville. On the off chance that the Prime Minister might want to put Lloyd Lawless in Orville's seat, he decided to go home and get two spots a week at Mill River. Should anyone be calling to look for a game, there will be at least a twosome there, Lloyd Lawless and Orville Phillips in the pursuit of one of his great loves, the game of golf. If you play with them put your name on your golf ball because Lloyd is liable to steal it.

Orville, have a good vacation and good rest. We will see you soon on the No. 1 "T."

Hon. Catherine S. Callbeck: Honourable senators, I, too, want to add a few words to the many tributes that have been given this afternoon to Senator Orville Phillips.

It is certainly true that Senator Phillips and I have never shared the same political party affiliation, but we certainly have shared the same passion for politics, people, Canada, and our home province of Prince Edward Island.

As we all know, and has been indicated many times this afternoon, Senator Phillips has done a great deal for Canada. Nowhere is that commitment more illustrated than in the work that he has done for veterans, for members of the Armed Forces, and for the people of Prince Edward Island.

Senator Phillips has had a distinguished and productive career in the Senate. I wish to take the opportunity this afternoon to wish you and your wife a wonderful retirement.

Hon. Sharon Carstairs (Deputy Leader of the Government): Honourable senators, Senator Phillips has had the privilege — or the misfortune — of having the bookend Connellys serve with him in this institution. When he arrived here, my father was a member of the Senate representing the province of Nova Scotia. During the early years of my father's good health, for nine years, they worked actively together. Senator Phillips has had to put up with me for the past five years in the Senate. He welcomed me here very warmly and related to me some of his reminiscences of my father.

I have watched and listened, particularly when he has spoken on the issues of veterans in this country. I regret to tell you, having observed last weekend some of the meals from that joint kitchen that serves all Winnipeg hospitals, that the meals were not any better than when Senator Phillips experienced them about a year and a half ago.

I want to ask Senator Phillips' grandsons to pay attention for just a moment. A lot has been said about this institution in the last little while, much of it not very favourable. When you go back to your schools and when you go on into high school and they talk about political institutions, I want you to stand up and say with pride, "My grandfather was a senator and he was a first-class senator. He served the people of this country well and I am very proud of him."

[Translation]

Hon. Marcel Prud'homme: Honourable senators, I do not wish to be the spokesperson for the independents, but I do want to add my voice to the tributes paid to Senator Phillips on his retirement.

[English]

I have known Senator Phillips since 1957. I must admit, for him to see a French-Canadian Catholic from Quebec every day was probably not part of his daily routine at that time. That is the only allusion I shall make to my religion, my part of the country or my province. Over the years, we developed a keen, beautiful friendship.

There are so many things that could be said. I travelled with him in Asia and in Great Britain. I suggest to anyone who wants to learn and discover London, as I said earlier on Senator Phillip's thirty-fifth anniversary in the Senate, you must visit there with Senator Phillips. He knows about everything that London can offer.

In Asia, it is the same thing. Even at four o'clock in the morning sometimes, Senator Phillips would wake me to tell me more about Asia over a pre-breakfast glass of milk.

There is a story about Senator Phillips which perhaps you have not heard, and I am being encouraged by some senators in this corner to tell it. I hope Senator Phillips does not object. Senator Phillips has always known how to count, and that is good because it is very important that a whip know how to count. This event happened during a very difficult time while the Honourable Guy Charbonneau was Speaker. Some new senators may not know that His Honour the Speaker, on very close issues, may vote in this place. However, the Speaker must stand first if he wishes to vote, and it can be very difficult for him to know when it is a time that he must vote.

On this particular day, I was sitting right upstairs in the gallery watching the deliberations. I was interested in the proceedings. I watched Senator Phillips repeating certain gestures. He would either comb his hair to one side with his hand, or he would touch his face with the other hand. I never knew what these gestures meant. I have now succeeded in solving that mystery. One sign meant, "Mr. Speaker, I need your vote," and the other sign meant, "Mr. Speaker, I do not need your vote." That is a lesson which should have been learned in the House of Commons in 1979.

As a very faithful attendant in the gallery, I had occasion on another day to observe Senator Phillips. I must admit that I was a little unruly myself in those difficult days. Perhaps it was because of the atmosphere here in the Senate, with all the gazoos and all the excitement on the floor. I did not approve of the change in atmosphere. I believed that the Senate should always be distinguished and different.

Suddenly, into the gallery came the Gentlemen Usher of the Black Rod, dressed in uniform, and walking towards me. I knew he was about to tell me something negative. You know my style; I was ready to answer back. Instead I was told that the chief whip had invited me to sit on the floor of the Senate. I thought the place had gone wild and I responded that I could not do that, that it is forbidden.

Then I learned another lesson. Senator Phillips knew about the British parliamentary tradition. I walked in and sat at the back beside the page because, according to the British tradition, a member of the other house can come and sit behind the bar. I was the first one to do that. I have been followed by others since then. I owe that memory to Senator Orville Phillips, my good friend over the years.

I got to know Senator Phillips even better during the very active week of study on the War Museum. That argument pitted Canadian against Canadian. During our study I got to know Senator Chalifoux. I was able to work with Senator Cools. I discovered also a new friendship, because of his military past, with Senator Johnstone. I was active on that committee — some thought too active — but because of Senator Phillips' patience with me, together we produced a good report for the Senate.

The Senate will soon lose two friends, Senator Orville Phillips and Senator Johnstone. These are two of the best, most knowledgeable friends of Canadian veterans. The Senate will be poorer; veterans will be poorer. The Senate must strive to fill those very important roles.

I thank Senator Phillips for what he has done and for introducing me to what Senator Johnstone has done. Because of the two of you, I have discovered it is possible to sit with members of different political parties and enjoy each other's company and respect.

• (1450)

I should like to extend my very best wishes to Senator Phillips for a happy and healthy retirement. Any time you come to the Senate, I will look forward to visiting with you. You will be more than welcome with your dear wife, Marguerite, and your children.

I was very touched by the last words of Senator Carstairs to your grandchildren with respect to having pride. They can have pride not only in the Senate as an institution, but in their grandfather. He is a fine man, a witty man, a very astute man, and a very devoted Canadian.

Hon. Senators: Hear, hear!

Hon. Orville H. Phillips: Honourable senators, I am quite used to you applauding me after I speak, but this is the first time you have done it before I have spoken. I am now beginning to wonder if I should speak.

In my years in the Senate, I have listened to many tributes. On occasion, sometimes with the prompting of Senator Doody, we would wonder why we missed some of the wonderful characteristics described and attributed to a senator retiring.

In spite of Orville Sparrow's difficulty, Orville Phillips did not have any today. I knew exactly who they were talking about. I had an awful temptation to prompt. I kept passing cue cards to my seatmate, but he would not use them.

I will make a brief reference to some of the comments that were made about me, and I will refer, first, to those made by Senator Lynch-Staunton when he said the government fell after I was appointed to the Senate. I am not so much concerned about that side collapsing, Senator Lynch-Staunton; it is this side that worries me. I hope you can get along without me.

Senator Murray spoke of cooperation between the late Senator Bill Petten and myself when we were whips. I will give a bit of advice to the Liberal whip, who is new. Senator Petten and I met quite frequently, and we would discuss the business that was to be done that week. We would then say, "I hope to God the leaders do not find out or we will never get it done." Therefore, do not tell them what you are planning for that week, and you will get things accomplished.

I wish to thank Senator Cools for her remarks. Senator Murray is suggesting that I often incited some of her actions. I cannot take claim for that because she was usually correct, and my advice is not always that good. The musical *Anne of Green Gables* ends with the song, "Anne, Stay as You Are," and that is my advice to you.

I should like to correct one statement made by Senator Johnstone. I did agree to give him one half of my pension, but he

was to give me one half of his investment portfolio. I have not seen that portfolio yet, but the offer stands any time he wants to take it up.

Senator Doody told me about a week ago that he would make up an article about me, and he said he was not very good at doing non-fiction. He said he would submit it for the Governor General's Award. Well, Senator Doody will not win the Governor General's Award for his remarks today because it was one of the most factual speeches I have ever heard him make.

To my friend Senator Prud'homme, I say thank you. After he came to the Senate, I called to see him one day. We got into a very serious conversation. He said, "You know, the Grits told me to watch you, that you are smart and that you will manipulate me." I have always wondered which one of the Grits thought I was smart enough to manipulate anyone as independent as Senator Prud'homme. Perhaps someday Senator Prud'homme will tell me that. I also noticed that in the seating arrangements he got placed as far away from me as he possibility could, at the other end of the chamber.

Years ago, I supported pensions and retirement for senators because up to then there were no pensions for senators. I was told by many people that when it comes your time, you will feel differently. Sure, there are regrets. I regret leaving the Senate. I regret leaving colleagues that I respect and admire on both sides. However, my regret is tempered by the gratitude that I was able to serve in both Houses of Parliament.

Winston Churchill, who probably had more letters after his name than anyone else, said the letters that he appreciated most were the ones that designated him as a parliamentarian. I think, therefore, that I have had the highest honour anyone can receive.

Honourable senators, reference was made to a number of prime ministers during tributes. I served under eight. You will understand if I have the most respect for Prime Minister Diefenbaker. Some may think I am a bit biased for a specific reason, but that is not the case. Prime Minister Diefenbaker understood Parliament. He understood how our customs arose, evolved and developed for our protection. He often referred to the power of the purse and how, when Parliament assumed the authority for appropriating money, they had taken away the divine right of kings and prevented dictatorships from arising. He had a vision of Parliament where Parliament had the purse strings and Parliament had a vision for all of Canada. That is the reason I have such great respect for him.

I should like to refer to the leadership in the Senate. The first leader was former Senator Alf Brooks, whom I knew from the House of Commons, then former Senator Jacques Flynn, former Senator Duff Roblin, my seatmate, Senator Lowell Murray, and now Senator John Lynch-Staunton. They were all able individuals and friends. Occasionally, I did not share their views. That really was not a matter of concern or anything that annoyed me because in a group of people, particularly politicians, someone always has a little different view. On one or two occasions it did annoy me, because it turned out that the leader was right and I was wrong.

I always had a certain respect for the Liberal leadership, as well, particularly former Senator John Connolly. He understood the difficulties of the small opposition trying to cover committees and address legislation. He did everything he could to assist us. Honourable senators, when there were only 17 Conservative senators, we had no research or assistance. We had to depend on the courtesy and understanding of people like Senator John Connolly.

•(1500)

I always enjoyed my friend Senator Joyce Fairbairn's leadership, particularly in Question Period. Joyce could be asked some very direct questions and she would get out her little book with a series of questions or answers which her staff had prepared and she would provide an answer. It did not matter what the question was, she simply sat down and smiled and said, "Boy, did I confuse those fellows!"

I have always wanted to pick on Senator Graham a little. However, I would remember that Al is a fellow Maritimer, and we had to sort of stick together. I let Al off easy for that reason. I know, too, that he has special problems in Nova Scotia and I wish him well in solving those problems.

Honourable senators, the Senate operates best when our numbers are approximately even. I can understand the government wanting to have a majority, and I expect the first appointments to be government supporters. However, I hope that all honourable senators will realize the day is coming soon when the opposition benches will need to be strengthened. I am not sure it will arrive soon; however, I hope that you will remember that Prime Minister Trudeau reinforced our numbers and made sure we did not disappear from this chamber.

Senator Sparrow mentioned that I had served on a good many committees. Honourable senators, I believe I have served on every committee in the Senate. I spent 17 long years on Internal Economy and after that, every time I heard that committee was to meet I would smile and say, "Good luck to you fellows, I am not on that committee." I believe there was only one committee I did not have permanent membership on, the Senate Standing Committee on Banking, Trade and Commerce. I did not have enough money to rate a permanent appointment to that ethereal body.

I served on a good many special committees. It was most pleasant working with Senator Sparrow in preparing "Soil at Risk," a report of the Standing Senate Committee on Agriculture, Fisheries and Forests.

I enjoyed serving on the Subcommittee on Veterans Affairs of the Standing Senate Committee on Social Affairs, Science and Technology, especially the week of witnesses we heard in relation to the War Museum. It was a tiresome week; however, we were encouraged by the number of people who volunteered to come in and help us out. They were staff members who came in and made the work of our committee easier.

I have enjoyed talking to the bureaucrats in Veterans Affairs and asking them what they have done about certain recommendations. I have enjoyed the fact that they have acted on many of them.

I entered this chamber, honourable senators, believing in an appointed Senate; I leave it with the same belief.

Some Hon. Senators: Hear, hear!

Senator Phillips: I recall a meeting of one of the numerous constitutional committees we have had from time to time. The witness was a professor from Queen's University. He said the most essential thing about a government is experience and continuity. He pointed out that recent trends have been that a change in government means terrific change in the House of Commons. For a time, the House of Commons operates as an inexperienced body, whereas the Senate, with its experience, is in place to keep check on any radical action that a new government might take.

I do not feel the Senate should automatically oppose legislation simply because it was originated by a government of a different persuasion; however, I do believe it should be examined and explained to the public.

I know that is difficult because the Senate does not get very fair coverage. There are 350 members of the media assigned to Parliament Hill. We do not get very many of them in our gallery or very many of them reading our debates or our reports, which I believe are far superior to those of the other place.

Honourable senators, I suggest to you, before I leave the subject of the Senate, that the Senate will become more important, not less important. The Senate will become more important because our whole economic structure is now built on transfers and equalization grants. We are now beginning to hear grumblings from the richer provinces that they must share with the less advantaged provinces. I have recently heard Mike Harris and Ralph Klein complaining about that, and I believe that attitude will become more prevalent. Honourable senators, as regional representatives, must watch that very closely. It should become a very important topic for you all.

•(1510)

Honourable senators, people say that I must have seen many changes during my time here. I have seen many changes. The first to which I will refer is the phenomenon that, since we did not know who we were, we had to become distinct Canadians. There were times when I looked at this ceiling and thought, since we are destroying so much of our heritage and symbolism, we will probably be changing the ceiling on which we see the Scottish lion, the English rose, the fleur-de-lys, the Irish harp, and the Welsh dragon. I was never ashamed of those things; I was part of them. They are the ingredients that formed our nation. We blended in the people who settled the west — the Ukrainians, the Germans, the Poles — and we strengthened our nation. Since World War II, we have had an influx of immigrants from Italy and Portugal, China and other Oriental countries, and India and Pakistan. Those immigrants will blend in and further strengthen our nation.

The only thing that our search for distinction has succeeded in providing us with is division. Honourable senators, we do not need to be further divided. I considered myself to be distinct before this issue started and I consider myself distinct today. I am distinct because I am a Canadian.

I wish to mention as well the changes in Parliament. When I was in the House of Commons, if a program involving heavy expenditure had been announced outside of Parliament, there would have been an awful row in the House of Commons. Recently, the farm aid program was announced on television. That is an expenditure involving both federal and provincial funding. No one in the House of Commons responsible for federal appropriation raised a voice. No one in the provincial legislatures responsible for provincial appropriation raised a voice. Just before Christmas, the federal government announced a program for youth employment. That announcement, too, was made on television. Again, the House of Commons did not complain. It was the premiers who complained. The focus of Parliament has shifted from the Centre Block to the other side of Wellington Street where the press conferences are held, and that is unfortunate. Those announcements should have been made in Parliament, not on television, because that is the function of Parliament. I know that the audience is bigger on television. The temptation must be very great, but those announcements should be made first to parliamentarians.

The Senate has changed since I arrived here, probably due to leftover acrimony from the GST debate. Honourable senators, it is time to forget that. It is time to return to the way we used to be. It used to be that maritimers would talk to maritimers on the other side, discuss such problems as those in the fisheries and whether new legislation would affect the maritime fishery. You can still do that. Senator Comeau can speak to Senator Moore about Nova Scotia fisheries. They may come up with a great solution.

The same applies to agriculture. Bud Olson, now Lieutenant Governor of Alberta, used to talk to me about problems in agriculture. We kidded each other about who was to blame for those problems. We came up with the odd idea that we both agreed upon, and the Senate benefitted from those exchanges.

Problems for the unemployed are the same all across the country. They all want to work. All senators can discuss those issues and perhaps find some solutions.

People ask me what I plan to do in my retirement. I get the feeling that people expect me to work after retirement. I was planning to retire so that I would not have to work. The first thing I will do is clean out the basement to make room for some of the things from my office here. I am not looking forward to that. Lloyd and I suggested that the filing cabinets could go in the dining room. I have not yet received permission for that, and I am not optimistic that I will.

I plan to take up painting. Honourable senators will be surprised to know that I am artistic. The railing on the steps is beginning to rust. I found spray paint at Canadian Tire. I will need someone to hold up a sheet of plastic so that I spray neither the steps nor the stone work on the front of the house. I am

looking for volunteers to hold that sheet. I have one so far, but I believe I need two.

Years ago, when I was studying navigation at the air service school in Winnipeg, they were teaching us to find the North Star. To do that, you draw a line through the two bottom stars of the Dipper and you come to the Chair of Cassiopeia. Approximately halfway along that line is the North Star. Our ancient ancestors looked at this chair in the sky and decided that it had to be filled, so they put Cassiopeia in it. I do not know whether she was appointed or elected, but they put her in there and gave her the job of watching over hunters. I do not intend to occupy the Chair of Cassiopeia and watch over hunters, but I will occupy my favourite chair in my den and follow parliamentary proceedings, probably more closely than I do now. You will occasionally see me in the gallery. When you see me shaking my head, you will know that I am thinking, "In spite of everything I taught those fellows, they still have not got it right."

(1520)

In the summer, we plan to follow a maritime star to P.E.I. Our summer residence is approximately five miles from Rodd Mill River Resort. I know a number of you have been there. I was getting ready to go out to No. 1 tee one morning and I heard someone calling me. It was Senator Lawson. I know Senators Forrestall, Oliver and DeWare have been there. I hope more of you will come there because it is associated with one of the 50 top golf courses in Canada. It has excellent tennis courts for those who enjoy tennis. It also has squash courts and canoeing and wind surfing. I hope when you come there you will give us a call. If your credit card is in good standing, Marguerite and I will join you for dinner.

There is another reason for coming to P.E.I., and that is that the highway takes you past Shediac, and that is where Senator Robertson lives. She is always glad to have visitors. Then as you approach the suburbs of P.E.I., approximately three miles from the entrance to Confederation Bridge, you will pass the residence of John Bryden. For those of you who are scotch drinkers, I point out that John keeps nothing but the best of single malt, and he will be glad to share it with you.

It now comes time for me to say thanks, and I will begin by saying thanks to those who worked with me. I always wanted them to work with me, not for me. Thank you Joan Riley, Morley Verdier, Doris Witson, Chad Rogers, and Lloyd Lawless. Each came from a different experience and brought a different characteristic to the office. I was wondering just what Lloyd did bring, but Lloyd taught me how advantageous the answering machine can be.

I wish to say thanks to the staff. That includes not only the black robes at the table and the pages, but also the messengers and the cleaning and security staff. All have been helpful at some time or other. To give you an example, when I came back last October, I asked Earl Saulnier, who is in charge of the maintenance on the fifth floor, to change a few light bulbs in the office. After I reminded Earl of his roots in P.E.I., he changed the light bulbs — in February.

The most important thanks of all are to Marg. She was both a supporter and a critic. She was very proficient at both. Perhaps the biggest mistake I made in politics is that I did not take her advice often enough, but she tells me I am a slow learner. Like most political wives, she had to raise a family. Some were born after I joined politics. She did an extremely good job at raising our family. Our oldest boy practises law in Calgary. Our oldest daughter lives in Grand Prairie in Alberta and assists her husband, John, in his consulting business. We have five grandsons in Alberta, and that is why Joyce Fairbairn is getting me landed immigrant status in Alberta. Our second son is an executive with the CIBC in Toronto, and he and Wendy have a boy and a girl. Our youngest, Patricia, and her husband, Gerry, teach school in Ottawa. Their two sons are in the gallery, and they are the ones whom Senator Carstairs addressed so well today.

We are also very appreciative of our in-laws, our two daughters-in-law and the sons-in-law who let me win the odd golf game. When I get too far behind, they start slicing into the woods, into the water, and into the sand traps to give the old man a chance to catch up. We have eight grandsons and one granddaughter. When the granddaughter was born, I said that it spoiled my baseball team. They assured me that she would learn to play shortstop, and that shows you that feminism is still alive in our family.

Honourable senators, I will close with this thought: In the past, I felt we spent too much time studying a problem and trying to put it into a certain category, to fit it in in a certain way. A problem is somewhat like an approaching thundercloud: You can see it; you know it has lightning and thunder in it; there is rain and wind associated with it. You do not wait until that cloud is there before you take action. I believe we should be looking at the problems and, as you see them developing, start looking for solutions. Honourable senators, yesterday and today are experience, tomorrow is the opportunity. In this chamber, there is a great deal of experience and ability, and I know that you will take the experience from yesterday and apply it in finding solutions for tomorrow. I wish you luck.

SENATORS' STATEMENTS

KOSOVO

ANNOUNCEMENT REGARDING NATO AIR STRIKES

Hon. B. Alasdair Graham (Leader of the Government): Honourable senators, I wish to make a brief statement with respect to the situation in Kosovo. The Secretary General of NATO has announced that air strikes are underway.

Canada and NATO cannot passively stand by while civilians are killed and a whole population is denied its basic human rights because of their ethnicity. This is happening in the heart of Europe to which Canada is bound by links of blood, history, culture, and through our membership in NATO.

The atrocities have been going on too long. We have watched ethnic cleansing and massacres perpetrated in Bosnia before the international community intervened robustly to end that disaster. Over 450,000 people have now been displaced as a result of the violence in Kosovo, and the situation continues to deteriorate. It now seems that only the use of force will stop President Milosevic from continuing his scorched-earth policies.

We are not engaging in this course of action lightly or with any pleasure. We wanted a solution to be found through diplomatic channels, and all possible opportunities were offered to the Federal Republic of Yugoslavia to choose a peaceful and negotiated solution to the crisis.

The international community tried to engage the Federal Republic of Yugoslavia and numerous international emissaries were sent to Belgrade. The United Nations Security Council issued many balanced resolutions requesting Yugoslavia to abide by the ceasefire, to limit the deployment of its security forces and to engage in serious negotiation. These resolutions were all too often ignored by Yugoslavia.

The OSCE created a large mission to monitor the situation and build confidence. The Rambouillet conference was organized to facilitate dialogue and peace negotiations.

Unfortunately, the answer of President Milosevic to all these efforts was increased repression, a major military buildup, the targeting of civilians, which produced a major exodus of population, and a complete intransigence to consider a negotiated settlement.

NATO has now no other choice but to act. NATO's objective is to avert a humanitarian disaster by forcing the Federal Republic of Yugoslavia to stop its military offensive and its attacks on civilians and to sign a peace agreement.

European security and stability is crucial to Canada's interests in the world. We cannot let instability in the Balkans spread. We cannot tolerate ethnic cleansing. We hope that, in the face of international resolve, President Milosevic will come to his senses and that we will soon be able to work for a peaceful future for Kosovo.

[Translation]

YASSER ARAFAT

VISIT OF PRESIDENT OF PALESTINIAN AUTHORITY TO PARLIAMENT

Hon. Marcel Prud'homme: Honourable senators, it might have been a grand day for those hoping for peace in the Middle East. Unfortunately, Mr. Yasser Arafat, the President, will be unable to be present in the gallery of either the Senate or the House of Commons. He will, however, be meeting the Prime Minister at four o'clock.

My only comment, which could be quite long, represents the conclusion of a dream shared by a number of us. I want to draw attention to the efforts over the years of Senator Macquarrie. He

should have been in the gallery with Mr. Arafat. In view of the change in the program, that will be impossible.

Having hesitated for 30 years, having divided Canadians and parliamentarians, having exhausted all options human relations offers parliamentarians, Mr. Yasser Arafat is on Parliament Hill in Ottawa.

In the future, in one part of the world, there will be people looking for only one thing: justice.

[English]

Justice has been delayed so long, just for a visit. Honourable senators can imagine for some of us what this day represents. Only some years ago it was forbidden to speak to anyone from the PLO. Today, we still refer to Mr. Arafat as the Chairman of the PLO. It is the same even in press releases. As we all know, there has been an evolution, but some people are not ready to go that next step. Today, on the Hill, we have the President of the Palestinian Authority visiting the Prime Minister.

I can say to you that they are full of regrets not to be able to come to salute you. I am neither his interpreter nor his messenger. However, with your permission, honourable senators, since I will be meeting with Chairman Arafat briefly later on, I should like, on your behalf, to bring him your greetings from the Senate of Canada. If there is no disagreement, I would be happy to say to him, "All senators join with me in welcoming you here today. We hope that you will be able to address us the next time."

Is it agreed, honourable senators?

Hon. John Lynch-Staunton (Leader of the Opposition): That is out of order. This is Senators' Statements, not Motions.

HUMAN RIGHTS

CONFERENCE ON RELIGIOUS PERSECUTION

Hon. Lois M. Wilson: Honourable senators, we heard several statements in this chamber last week that referred to human rights, racial discrimination and, in particular, the situations in Cuba, East Timor and Tibet. Today, we heard about the situation in Kosovo.

Last week, I attended an Ottawa seminar that looked at Canadian policies around the prevention of religious persecution within the framework of the UN Universal Declaration on Human Rights. Organized by the Canadian Jewish Congress, representatives from the Jewish, Christian, Islamic and Baha'i religious communities in Canada were present, among others.

The Holocaust was a pivotal historical tragedy. It was the genesis of the modern human rights movement and it sparked a large investment of energy and time in creating, within the UN Universal Declaration on Human Rights, a section on religion, conscience and belief.

Last week, we examined the system for ensuring that all states comply with those human rights standards. We heard case studies on persecution of religious minorities in Iran, Sudan, Tibet, Egypt, Pakistan and others. Our discussion took place within the context of the need for human security, since protecting religious tolerance is part of the human security agenda. We spent the day trying to arrive at a better assessment of religious persecution worldwide and to determine Canada's role in prevention.

At the end of the day, we agreed to establish a multidisciplinary, multi-religious advisory group to the Government of Canada that would include in its membership academics, representatives from the private sector, the government, religious communities, foreign aid workers, and others. We took the first step in what will be a long process to mobilize religious communities and others in Canada to be alert to what needs to be done in Canada and by Canada in its international role.

For me, this last week reinforced the urgent need for a human rights committee in this chamber so that senators can make a contribution to this subject in the context of an established committee. It would support our scattered individual efforts and give standing and status to this important work for Canada. I hope it will be established soon. I echo the words of the psalm, "How long, O Lord, how long" before such a committee is realized?

MR. RICHARD LOGAN

WELCOME TO NEW SENATE MACE BEARER

The Hon. the Speaker: Before we proceed to the next item on the Order Paper, honourable senators may have noticed when they entered the chamber today that we have a new mace bearer. I should like to introduce him to you now. He is Mr. Richard Logan, who is a native of Ottawa in the first instance. He was very active in the Air Cadet movement in his youth.

[Translation]

He was employed at the headquarters of the Air Cadet League of Canada in 1960 and held a number of positions. He left his job as executive director of operations in 1986.

[English]

During that course of service, he received many awards and honours. I will not mention all of them. However, to name a few, he received the Duke of Edinburgh's Gold Award in 1966, the Jubilee Medal in 1978, the Canada Medal in 1992, the Commander Air Command Commendation in 1995, and many more.

[Translation]

We welcome him to the Senate as mace bearer.

[English]

We hope you will find the position both interesting and rewarding. Welcome to the Senate, Richard Logan!

ROUTINE PROCEEDINGS

FEDERAL COORDINATOR ON HOMELESSNESS

PRESS RELEASE TABLED

On Tabling of Documents:

Hon. B. Alasdair Graham (Leader of the Government): Honourable senators, I have the honour to table, in both official languages, the press release issued yesterday by the Prime Minister's office entitled, "Prime Minister Appoints Federal Coordinator on Homelessness."

SPECIAL IMPORT MEASURES ACT CANADIAN INTERNATIONAL TRADE TRIBUNAL ACT

BILL TO AMEND—REPORT OF COMMITTEE

Hon. John. B. Stewart, Chairman of the Standing Senate Committee on Foreign Affairs, presented the following report:

Wednesday, March 24, 1999

The Standing Senate Committee on Foreign Affairs has the honour to present its

NINTH REPORT

Your Committee, to which was referred Bill C-35, An Act to amend the Special Import Measures Act and the Canadian International Trade Tribunal Act, has examined the said Bill in obedience to its Order of Reference dates, Wednesday, February 17, 1999, and now reports the same without amendment.

Respectfully submitted,

JOHN B. STEWART Chairman

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

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

PRECLEARANCE BILL

REPORT OF COMMITTEE

Hon. John B. Stewart, Chairman of the Standing Senate Committee on Foreign Affairs, presented the following report:

Wednesday, March 24, 1999

The Standing Senate Committee on Foreign Affairs has the honor to present its

TENTH REPORT

Your Committee, to which was referred Bill S-22, An Act authorizing the United States to preclear travellers and goods in Canada for entry into the United States for the purposes of customs, immigration, public health, food inspection and plant and animal health, has, in obedience to the Order of Reference of Thursday, February 11, 1999, examined the said Bill and now reports the same with the following amendments:

- 1. Page 6, Clause 15: Replace line 1 with the following:
 - "15. (1) Every traveller reporting to a preclea-".
- 2. Page 6, Clause 16:
 - (a) Replace line 6 with the following:
 - "(2) If requested to do so by a preclea-".
 - (b) Replace lines 13 to 19 with the following:
 - "16. (1) If the traveller chooses to answer any question that is asked by a preclearance officer for preclearance purposes, the traveller must answer truthfully.
 - (2) If the traveller refuses to answer any question asked for preclearance purposes, the preclearance officer may order the traveller to leave the preclearance area.
 - (3) The refusal by a traveller to answer any question asked by a preclearance officer does not in and of itself constitute reasonable grounds for the officer to suspect that a search of the traveller is necessary for the purposes of this Act or that an offence has been committed under section 33 or 34.".
- 3. Page 6, Clause 17: Replace line 24 with the following:
 - "16(2), and the Canadian officer is authorized".
- 4. Page 10, Clause 33: Replace lines 14 to 24 with the following:
 - "33. (1) Every person who makes an oral or written statement to a preclearance officer with respect to the preclearance of the person or any goods for entry into the United States that the person knows to be false or deceptive or to contain information that the person knows is false or deceptive is guilty of an offence punishable on summary conviction and liable to a maximum fine of \$5,000.
 - (2) Notwithstanding subsection 787(2) of the *Criminal Code*, a term of imprisonment may not be imposed for default of payment of a fine imposed under subsection (1).
 - (3) An offence under subsection (1) does not constitute an offence for the purposes of the *Criminal Records Act*.".

Respectfully submitted,

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

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

[Translation]

SCRUTINY OF REGULATIONS

FIFTH REPORT OF THE STANDING JOINT COMMITTEE TABLED

Hon. Céline Hervieux-Payette: Honourable senators, I have the honour of tabling the fifth report of the Standing Joint Committee on the Scrutiny of Regulations on the Order varying a "letter decision" (Chandler subdivision) issued by the National Transportation Agency.

[English]

FOREIGN AFFAIRS

COMMITTEE AUTHORIZED TO MEET DURING SITTING OF THE SENATE

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

That the Standing Senate Committee on Foreign Affairs have power to sit at 3:30 p.m. today, even though the Senate may then be sitting, and that rule 95(4) be suspended in relation thereto.

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

Hon. Senators: Agreed.

Motion agreed to.

BUSINESS OF THE SENATE

ALL COMMITTEES AUTHORIZED TO MEET DURING SITTING OF THE SENATE

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

That all committees have power to sit while the Senate is sitting tomorrow, Thursday, March 25, 1999, and that rule 95(4) be suspended in relation thereto.

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

Hon. Senators: Agreed.

Motion agreed to.

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, March 25, 1999, at 9:00 am.

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

Hon. Noël A. Kinsella (Acting Deputy Leader of the Opposition): Honourable senators, perhaps the honourable senator could explain what is anticipated to transpire at nine o'clock tomorrow morning?

Senator Carstairs: Honourable senators, I moved the motion for committees to sit tomorrow morning because we anticipate that there will be a Committee of the Whole of the Senate immediately upon our sitting at 9:00 a.m. tomorrow. This will enable us to deal with the back-to-work legislation, Bill C-76, which will be presented later this afternoon.

It is also our intention that when we have completed our work on that bill in the Committee of the Whole, the Senate will then suspend its sitting until its normal sitting time at two o'clock tomorrow afternoon.

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

Hon. Senators: Agreed.

Motion agreed to.

GOVERNMENT SERVICES BILL, 1999

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-76, to provide for the resumption and continuation of government services.

Bill read first time.

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

Hon. Sharon Carstairs (Deputy Leader of the Government): Later this day, honourable senators.

Hon. Noël A. Kinsella (Acting Deputy Leader of the Opposition): Honourable senators, I believe that requires leave.

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

Hon. Senators: Agreed.

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

Hon. Senators: Agreed.

Motion agreed to.

[Translation]

INTERNATIONAL ASSEMBLY OF FRENCH-SPEAKING PARLIAMENTARIANS

MEETING HELD AT SAINT-DENIS, ÎLE DE LA RÉUNION— REPORT OF CANADIAN DELEGATION TABLED

Hon. Pierre De Bané: Honourable senators, pursuant to rule 23(6), I have the honour to table, in both official languages, the report of the Canadian section of the International Assembly of French-Speaking Parliamentarians, and the related financial report. The report deals with the meeting of the executive held in Saint-Denis, île de la Réunion, France, from January 19 to 21, 1999.

[English]

QUESTION PERIOD

FOREIGN AFFAIRS

AIR STRIKES BY NATO FORCES IN FORMER YUGOSLAVIA—
POSSIBLE ACTION BY UNITED NATIONAL SECURITY COUNCIL—
MAINTENANCE OF INTEGRITY OF MONTENEGRO,
SERBIA AND KOSOVO—GOVERNMENT POLICY

Hon. Noël A. Kinsella (Acting Deputy Leader of the Opposition): Honourable senators, further to the statement given by the Leader of the Government in the Senate, I wish to ask the government, given that it is supporting the bombing by NATO forces of Yugoslavia in the province of Kosovo, simply this, namely, does the Government of Canada have an articulated policy on how long the bombing will continue? Does it have an articulated policy as to what must occur in order for the bombing to stop?

•(1550)

Hon. B. Alasdair Graham (Leader of the Government): Honourable senators, as occurred with their air strikes in Bosnia, NATO is attempting to achieve the dual objective of degrading the Serbian military capabilities and compelling the warring parties to negotiate an agreement. This would set the stage for the deployment of NATO ground forces to implement a peace settlement.

It is impossible to make failsafe predictions or to enter into a specific time frame, but hopefully the objectives will be achieved sooner rather than later.

Senator Kinsella: Honourable senators, the question is whether the Government of Canada has any articulated policy and, if so, what is it? Is there a policy to support NATO up to a certain point or has Canada given NATO a blank cheque? What

is the relationship of this bombing to the failure by President Milosevic to sign the Paris accord? Is there a direct relationship between the two?

Senator Graham: Honourable senators, as I said in my earlier statement, it is hoped that President Milosevic will — and I choose these words deliberately — come to his senses and understand that the rest of the world means business; that NATO is serious and that Canada, as a part of NATO, will see this matter through to the end.

Senator Kinsella: Honourable senators, does the Government of Canada have any policy in relation to taking action in the Security Council of the United Nations, where Canada currently has a seat?

Senator Graham: Honourable senators, the matter is being addressed at the Security Council. As my friend knows, Canada had the privilege of occupying the presidency of that body during the month of February when this matter was under discussion. At the present time, the matter is being pursued very actively at the Security Council by Canadian representatives.

Senator Kinsella: Is it the position of the Government of Canada that the territorial integrity of Serbia, Montenegro and Kosovo will be maintained? Is that the policy of your government?

Senator Graham: Honourable senators, I should hope that it would be the policy of the government. I hope to be able to make a definitive statement on that matter in the future.

AIR STRIKES BY NATO FORCES IN FORMER YUGOSLAVIA— POSSIBILITY OF APPEARANCE OF MINISTER OF NATIONAL DEFENCE BEFORE SENATE—GOVERNMENT POSITION

Hon. J. Michael Forrestall: Honourable senators, we have had indications from a variety of sources, principally the newspapers, as to what is happening. We will be adjourning shortly. Tomorrow may the last day that we sit for a protracted period of time.

Tomorrow is usually a cabinet day. Is there any possibility that when we finish dealing, in Committee of the Whole, with the very important legislation which has just come before us here, that we might then hear from the Minister of National Defence? Would he come, make a brief statement and perhaps respond to some of our concerns, particularly regarding where Canada stands when the initial impact is over?

Hon. B. Alasdair Graham (Leader of the Government): Honourable senators, if it were the wish of the entire chamber, I would be happy to pursue that possibility.

Senator Forrestall: Honourable senators, I have a brief supplementary question. I welcome the positive response from the minister. I urge upon him that many senators have a deep sense of urgency and foreboding. Canada is proceeding under the auspices of an alliance of which we have been a member for a long time. However, we are entering a country into which we have not been invited. We are not going as peacekeepers. We are going very distinctly as peacemakers.

On the basis of that alone, I would try to impress upon the Leader of the Government that he should bring his strongest efforts to bear on the minister. It would allow many of us to go home feeling a little better about the situation. I am sure that Canadians generally would appreciate that.

Senator Graham: I am very mindful of the concerns expressed by Senator Forrestall. It is regretful that the situation has come to this, but we must fulfil our responsibilities. We must stop President Milosevic from continuing the carnage. It is our responsibility as Canadians to work with our allies. It becomes a question of who is my neighbour. I believe we have a responsibility for the preservation of human life no matter where it is on the planet.

AIR STRIKES BY NATO FORCES IN FORMER YUGOSLAVIA— APPLICATION OF SAME POLICY IN SUDAN, ETHIOPIA AND OTHER COUNTRIES—GOVERNMENT POSITION

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, that is a good point. If we have a responsibility to our neighbour, who is our neighbour? Why are we not imposing the same policy in the Sudan described yesterday by Senator Wilson? Why are we not doing the same thing in Ethiopia/Eritrea or in Russia? How far are we going on this? Why are we focusing on the Balkans?

There are tragedies, civil wars and ethnic conflicts all over the world. Why are we not interfering in those, too? Why are we limiting ourselves to this conflict? I think it is one too many but that is a discussion for another time. We obviously have not learned from the Gulf War, nor from Somalia, nor from Iraq. We were drawn into those quagmires.

The government supports NATO and we support our country and we hope it is the right decision, but how far do we go? What comes next?

Hon. B. Alasdair Graham (Leader of the Government): Honourable senators, I cannot predict the future, but we should not rely on our allies to carry the load alone. We have responsibilities and if we are to be at the table, we must live up to them. Decisions on how far we will go are being discussed at the UN Security Council and with our allies at NATO. This is a joint decision.

When the contact-group-sponsored negotiations failed, the matter was handed back to the Secretary-General of NATO. He made his final decision today. While it is unfortunate that the decision had to be taken, I believe it was the right one.

NATIONAL FINANCE

COMMITTEE AUTHORIZED TO MEET DURING SITTING OF THE SENATE

Leave having been given to revert to Notices of Motions:

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

That the Standing Senate Committee on National Finance have power to sit at 5 p.m. today, even though the Senate may then be sitting, and that rule 95(4) be suspended in relation thereto.

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

Hon. Senators: Agreed.

Motion agreed to.

[Translation]

ORDERS OF THE DAY

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—THIRD READING

Hon. Aurélien Gill moved the third reading of 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.

He said: Honourable senators, I am extremely pleased to address you again today, so soon after second reading of Bill C-61. I am most grateful for the speed with which you have approved this important legislative measure.

Veterans made many sacrifices for their country and for their fellow citizens. Many of them made the ultimate sacrifice. By passing Bill C-61, we will pay tribute to all that they have done, and I thank you for recognizing this.

We had made a pact with the veterans, and today we reaffirm our commitment to respect it. The Merchant Marine veterans are very special Canadians, as are all veterans, and we are responding to their demand for recognition, in title and in legislation, as equal partners with their comrades.

We must never forget those who risked, and in some cases lost, their lives in the wartime defence of Canada, and who served it in peacetime, throughout this entire century and throughout the world. When I was at the National Defence College in 1997, along with our colleague Senator Peggy Butts, I was able to see for myself that people everywhere in the world were proud and cognisant of Canadians' contribution. Today, your actions are paying a glowing tribute to them.

[English]

•(1600)

Honourable senators, I should also like to take this opportunity to acknowledge the superb work and dedication shown by Senator Phillips in chairing the Subcommittee on Veterans Affairs. Senator Phillips will be retiring after more than 45 years of service to Canada, both here and in the other place. His work on Bill C-61 and on many subcommittee reports is appreciated by all veterans. He has made a difference in the lives of Canadian veterans and deserves their thanks and ours.

Finally, honourable senators, I wish to acknowledge the fine work performed by the subcommittee's deputy chairman, Senator Johnstone. He will also be retiring from the Senate, and in the time he has been in the Senate, he has proven himself to be a true friend of Canada's veterans. He will be missed.

Hon. Norman K. Atkins: Honourable senators, I appreciate the opportunity to speak at third reading on Bill C-61. However, before I begin my remarks, I wish to extend congratulations and thanks to my colleague Senator Orville Phillips for a job well done. During his years here, he has been a constant spokesperson on behalf of the veterans of Canada. Under his chairmanship, the Subcommittee on Veterans Affairs has tackled a myriad of complex subjects which affect our veterans. Health care for veterans, pensions, and the need for a new War Museum have been the subjects of reports of this subcommittee, reports which have a meaningful input into the policymaking process of government. Thank you, Senator Phillips.

Honourable senators, I spoke last in this chamber on veterans issues shortly after the Speech From the Throne in 1997. The purpose of speaking today is to draw some linkages among all the issues that affect veterans, some of which are in Bill C-61, some of which are not.

In 1997, I drew the government's attention to the report of the Senate Subcommittee on Veterans Afffairs entitled "Steadying the Course." I suggested that the government move quickly to amend veterans' legislation to eliminate the distinctions and status of benefits between uniformed veterans and civilians who served abroad in close support of our Armed Forces in theatres of war or in special duty areas. I also suggested that the full benefits of the Veterans Independent Program be extended to those who served on ships as merchant marines and thus played a vital role in the war effort. I also referred to the continuing failure of the Department of Veterans Affairs to properly exercise the benefit of the doubt theory in favour of veterans' applications. In fact, I suggested that the Veterans Review and Appeal Board be more generous in awarding claims, and I made note of the tragic state of the Last Post Fund.

Since that time, Senator Forrestall has introduced Bill S-19, which recognizes the wartime service of Canadian Merchant Navy veterans and provides for their fair and equitable treatment.

Senator Phillips' subcommittee has tabled a very important report on veterans health care, and we now have Bill C-61 in front of us for third reading approval.

It is unfortunate that Bill C-61 does not incorporate some of the elements of apology and fairness contained in Senator Forrestall's bill. Also, it will now be the challenge of this government to address the issues raised in the recent report of the Subcommittee on Veterans Affairs. That report suggests extending the Veterans Independent Program to all those who served overseas who are entitled to a priority bed in the hospitals. If this occurred, money would be saved and veterans would be allowed the dignity of living longer in the familiar surroundings of their own homes. Also, the Department of Veterans Affairs should be able to negotiate agreements with the provinces to allow hospitals and long-term care facilities with more than 30 veterans a degree of autonomy from regional health authorities to allow them to better meet the needs of veterans.

Bill C-61, which is before us today, transfers the provisions of governing veterans benefits for merchant navy veterans from the Merchant Navy Veteran and Civilian War-Related Benefits Act to the acts dealing with Armed Forces veterans and amends those provisions so as to broaden the scope of war service, making Merchant Navy veterans eligible for benefits. This is good as far as it goes.

However, Merchant Navy veterans are still seeking redress because of the fact that they were excluded from many post-war rehabilitation grants and benefits that were made available to other veterans. One solution to this issue would be a one-time payment agreed upon through a conciliation process. Alternatively, the government could look at Senator Phillip's suggestion of providing an annuity to Merchant Navy veterans of approximately \$2,000 per year. No matter which solution the government might choose, there should be redress in this area, and it must come quickly.

I take issue with the way the continuation of war veterans allowances for allied war veterans without pre-war Canadian domicile who reside outside Canada is dealt with in this bill. Canadian War Veterans Allowance benefits are not limited to Canadian citizens or to the person who served in the Canadian military. They have also been available to, and in respect of, any person who served in any of His Majesty's forces or other allied forces in World War I or World War II, provided that the person was domiciled in Canada at the time of enlistment or has resided in Canada for a total period of 10 years.

In 1995, however, amendments to the War Veterans Allowance Act cut off veterans' allowances for allied veterans without pre-war Canadian domicile who continued to reside outside Canada after February 1996. The federal cabinet decided in 1995, however, not to enforce this cut-off date in view of unforeseen hardships for overseas recipients and their Canadian

families resulting from the requirement for recipients to return to Canada. Clause 2(1) of the bill would formalize this policy decision so that effective recipients would continue to receive the allowances until a date fixed by the Minister of Veterans Affairs. Clause 2(2) would validate all War Veterans Allowance payments made to the affected veterans and survivors after the unenforced February 1996 cut-off date.

Honourable senators, I believe these pensions should simply continue and not be placed at the whim of the Minister of Veterans Affairs. If they are entitled, as I believe they are, to a pension, then the minister should not have the power to disentitle them at some future date.

I, too, am concerned with the provisions of the bill that attempts to streamline the pension application appeal process. These bureaucratic amendments, as Senator Phillips calls them, make it easier for the Pension Appeal Board to refuse to hear an appeal.

•(1610)

Honourable senators, the number of war veterans in Canada is declining every year. Forecasts reveal that, by March of next year, the number of veterans will be reduced to 383,000. They will be older, more feeble and much more in need of the help which we as Canadians should be proud and honoured to provide. We do not have much time left to help those who sacrificed so that we might live in the freedom we now enjoy.

Let us all work together to provide our veterans with the financial resources necessary to allow them to live their remaining years in dignity and comfort. Bill C-61 is a step in the right direction. However, it does not go far enough. I believe we must watch closely how veterans are cared for as they get older and are less able to look after themselves.

Hon. Fernand Robichaud (The Hon. the Acting Speaker): Is it your pleasure, honourable senators, to adopt the motion?

Motion agreed to and bill read third time and passed.

GOVERNMENT SERVICES BILL, 1999

SECOND READING—POINT OF ORDER

On the Order:

Second reading of Bill C-76, to provide for the resumption and continuation of government services.

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, before Senator Graham moves second reading, I rise on a point of order, though I am attempting to be helpful. The deputy leader kindly gave us each a copy of Bill C-76 before the sitting yesterday. Since then, there have been a number of amendments. If copies of the bill as amended are available, could we have them distributed this afternoon so that we may know more on what we are supposed to speak about?

Hon. Sharon Carstairs (Deputy Leader of the Government): Honourable senators, I was assured that there were to be copies before the Senate for all members this afternoon. I cannot explain why they are not here.

[Translation]

The Hon. the Acting Speaker: Honourable senators, as far as the documents are concerned, they will be distributed to you shortly. Is that satisfactory?

[English]

Hon. B. Alasdair Graham (Leader of the Government) Honourable senators, I move second reading of Bill C-76.

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

Senator Graham: Honourable senators, we are here to examine and, I hope, approve legislation passed in the other place to restore government services to Canadians.

My colleague the President of the Treasury Board announced last night the conclusion of a tentative agreement for striking blue-collar workers. This was a result of the efforts on the part of both government and union negotiators and is proof that the government is serious about collective bargaining. In the true spirit of negotiations, both parties compromised at the bargaining table. The details of the agreement are not being released publicly by the government at this time in order to give PSAC the first opportunity to communicate the information to their members. As honourable senators are aware, the agreement must still be ratified by the union membership, and this raises another problem.

Canadians cannot afford to wait for the tentative agreement to be ratified or rejected. We cannot take for granted that the blue-collar workers will stop their rotating strikes during the ratification process.

It is also important to point out that other tentative agreements have not gone on to be ratified by employees. This includes an agreement that was rejected last January by correctional officers. This is an issue of great concern to the government.

At midnight March 25, 1999, many of these same correctional employees will be in a legal strike position. In the case of the operational or blue-collar workers, some of the provisions of this proposed legislation will come into effect within hours of the proposed legislation receiving Royal Assent. However, in the case of the correctional officers, the bill's provisions will come into effect only in the event that the current bargaining process does not produce a settlement.

As honourable senators will know, the government is not imposing a settlement on correctional officers at this time. It wants the negotiation process to work and is actively engaged in trying to ensure that it does. However, the government also needs to have the means to protect public safety if negotiations do not work and a settlement is not reached.

A strike or rotating strikes by guards in the penitentiary system could be detrimental not only to the public but to the inmates and those civilians working within correctional institutions.

The situation with regard to operational or blue-collar government workers is somewhat different not only because a tentative agreement was reached yesterday. Since January 18, after failure to reach a settlement, these workers have been in an official strike position. They have initiated a series of rotating strikes in various parts of the country.

I wish to make it clear that the government firmly believes that all workers, including government workers, have the right to negotiate collective agreements and to take collective action from time to time in an effort to gain better pay and better conditions. This proposed legislation does not signal any change in that position. The government has always been willing to negotiate fairly and openly with its unionized workers.

The tentative agreement reached yesterday by the Treasury Board Secretariat with the Public Service Alliance of Canada for the blue-collar workers is proof of that willingness and demonstrates that there is always room for compromise at the bargaining table.

Approximately 87 per cent of unionized federal government workers, including over 100,000 members of the Public Service Alliance of Canada have accepted and are working under similar arrangements to the ones reached with the workers who are now involved in this dispute.

In the case of correctional workers, the union is demanding increases of 17 to 19 per cent over two years. Such an increase would not be in line with increases agreed to with other government workers.

It should also be remembered that the government has already agreed to make a number of non-wage improvements for its workers. These include: increases in annual leave and sick leave, better arrangements for parental leave and leave for the long-term care of a parent, an expansion of the definition of maternity leave, a new parental allowance, the extension of parental leave to include the children of common-law arrangements, higher meal allowances, and increased rates for over-time and shift work. We believe in fair pay for public servants.

We believe that while public servants are not over paid, they generally have compensation and terms and conditions of employment that compare favourably with those of most Canadian workers.

(1620)

Furthermore, the settlements reached in the federal public service compare favourably with those in other sectors. Though I believe that our public servants do indeed serve the public with dedication and a high degree of professionalism, the fact remains that the rotating strikes have caused a serious disruption of services to Canadians and, in some cases, genuine hardship.

Their picketing actions in particular have a multiplier effect because they prevent other federal employees, employees not involved in the dispute, from carrying out their duties and responsibilities. This not only costs the government and taxpayers money in lost time, it also means that Canadians have been deprived of regular government services in a whole range of areas — from airports to the offices of Revenue Canada.

Perhaps in normal times most Canadians would not be too upset if Revenue Canada was not able to do its job of collecting taxes. However, as the Minister of National Revenue has pointed out, the rotating strikes have meant delays in processing over 1.2 million tax returns and has cost the department an additional \$10 million already. Even more important, however, is the fact that those rotating strikes at Revenue Canada offices across the country are holding up approximately \$500 million in tax refunds that are payable to Canadians. This is causing particular hardship for low- and middle-income Canadians who rely on getting that tax refund cheque every year to cover everything from paying the rent or the mortgage to buying clothes and food for their children.

Those rotating strikes have also had a serious impact on our western grain farmers because our grain shipments were being put on hold. The Wheat Board has reported that it has lost a \$9-million sale to Asia as a result of strikes and that the situation was putting a number of other grain sales in jeopardy. Western grain farmers are already facing one of the worst financial years in a decade, even without these disruptions. It is no surprise that western farmers and the Wheat Board have asked that the government step in to put a stop to the strikes. At stake is not merely current revenues for our farmers, but our reputation as a reliable overseas supplier.

After 10 weeks of rotating strikes and 10 weeks of disruptions of services to Canadians, the government has no choice but to act. Our economy is being seriously affected. The ability of the government to deliver services to Canadians is being seriously and severely curtailed. Our international reputation as a reliable exporter of wheat has been put at risk. The legislation before us, even with the agreement reached last night, is still needed to restore full government services to all Canadians. I therefore hope that all honourable senators will join with the government and give this legislation their support.

Senator Lynch-Staunton: We are certainly quite willing to do so, because we have had to suffer the indignity of introducing back-to-work legislation, which I think it is the worst form of legislation imaginable. However, when we have done so in the past, at least we have had a complete copy of the bill before us.

I wonder whether what we have in front of us is in order. We have a certified copy of the bill which was given first reading in the house, plus four or five pages of typewritten amendments physically separate from the bill itself. Are we expected to do some cutting and pasting, and take this part and put it into the original text? I find this irregular, and certainly not very respectful of the responsibilities that we have, and I wonder whether it is in order to receive such a document in such a condition.

Senator Graham: Honourable senators, if the Leader of the Opposition asked a question, my answer is that the staff are trying to do this work as quickly as possible. Being mindful that the final vote in the other place took place around 8:00 or 8:30 this morning, the staff is working very diligently to attempt to provide us with what is necessary and what should be appropriate under normal conditions, but these are not normal conditions.

Senator Lynch-Staunton: The question was addressed to His Honour the Speaker. Are we acting in a regular fashion by not having the bill before us?

The Hon. the Speaker: I just checked with the Deputy Clerk. In the past, when there has been emergency legislation, we have had material submitted in this way and have proceeded with it.

Hon. Noël A. Kinsella (Acting Deputy Leader of the Opposition): Honourable senators, His Honour says that this is emergency legislation. Where is the emergency if the Table 2 parties have reached agreement and the Table 4 party, the correctional officers, are not even in a strike position? The argument that an irregular first reading bill is properly before us because of some kind of emergency does not seem to hold water.

Senator Lynch-Staunton: I do not recall since I have been here that we have done it in this way. We do not have the bill before us. This is an urgent bill. You would have thought that the government, no matter what time the bill was passed in the House, would have acted a little more urgently, particularly if they wish us to go into Committee of the Whole at nine o'clock tomorrow morning. Are we to go back to our offices and ask our staff to cut and paste and interpret what the amendments are about? We are trying to cooperate, but the government should give us the tools with which to cooperate, and these are not the proper tools.

The Hon. the Speaker: Honourable senators, it is not really in my court, but if I can be of any help to the Senate's work, I have asked the Deputy Clerk to determine when the final printed copy of the bill will be available. At the moment, I do not have an answer. Perhaps I could suggest that we suspend discussion at this point and proceed with other bills until we get an answer as to when the material will be printed, and then the Senate can decide how it wishes to proceed.

Senator Kinsella: I have no difficulty with that suggestion. However, before we do that, perhaps His Honour, who is the interpreter of our rules, would explain for us the form in which this house receives a message from the other place and whether there is a certified copy that comes by way of the message that says "This is the actual bill that was passed in the other place." No doubt, there are all kinds of drafts of bills, and bills get amended, as this one has been amended. Just so that all honourable senators know what the official message is that we are receiving, and whether there is a certification of the bill that is given to His Honour to say that he has received a message; he then informs us of that and we say that the bill has been read the first time? Is it just any old piece of paper, or is it something that is certified as having come from officers of the other place?

The Hon. the Speaker: I have never received a certified copy from the other place. It is possible that the Deputy Clerk does, though, because that material flows through his office. I will enquire from him as to what the rule is. Normally, he simply advises me that this is what will appear on the Order Paper, and I take his word that this is the proper course. I will enquire.

Senator Kinsella: We, on this side, would accept the suggestion from His Honour that we suspend our debate until this matter is cleared up. In the economy of house time, we would invite the Deputy Leader of the Government to call another government matter.

(1630)

The Hon. the Speaker: The Deputy Clerk advises me that what documentation we have received is from the House of Commons. This material that you have states "As passed by the House of Commons March 23, 1999." It has the insert that you have and it is signed at the back, "Ordered that the Clerk do carry this bill to the Senate and desire their concurrence." It is signed by the Clerk of the House of Commons with the date. It is a certified copy. That is the normal practice with other bills. The Deputy Clerk receives the certified copy.

Senator Lynch-Staunton: Honourable senators, the question is: If the bill was delivered in the final form to the appropriate authorities here, why is it that copies of that bill cannot be provided to members of this house?

The Hon. the Speaker: This bill was sent with the insert that you have.

Senator Lynch-Staunton: It does say on the frontispiece, "As passed by the House of Commons on March 23, 1999." What we have is "Bill C-76, first reading March 22," with an add-on, a separate document. At least this one appears to have inserted within the copy the amendments in their right place. We do not have that.

The Hon. the Speaker: At the top it has "temporary parchment." It is a taped point on top of what was there before, "as passed by the House of Commons." The amendments are in the same form as you have them — not inserted, where they belong, but simply on the second sheet. That is the document that we have.

I do not have an answer for you at the moment as to when the reprinted one will be available; we are presently checking on that.

Senator Lynch-Staunton: I think the point has been made. I would hope that that bill, in its proper state, will be before us by the end of today so that we can have it before us for the discussion tomorrow in Committee of the Whole, otherwise we may have to delay Committee of the Whole. I am quite willing to go through second reading now in anticipation of adhering to the schedule of Committee of the Whole, but even the government should recognize that it would be fruitless to question witnesses on a bill wherein we are compelled to move documents around just to figure out what it says. I hope the government agrees with what I think is a very generous suggestion.

The Hon. the Speaker: Honourable senators, if that is agreeable, then we will proceed to second reading now on principle. The Deputy Clerk is checking immediately with the printing people as to when we will have the final bill. I see no reason why it would not be available by tomorrow morning at nine o'clock, although I cannot give that guarantee.

Senator Lynch-Staunton: Honourable senators, my remarks will be even briefer than I expected. I do not want to make it appear as if the amendments would change the bill considerably, but they do have a significant impact on the bill's original wording.

I wish to say, however, in general that, to my mind — and to that of many others — back-to-work bills must be the most deplorable method of resolving a labour dispute imaginable. In recent memory, unfortunately, no government has been able to avoid it and no government has studied or is studying in-depth ways to avoid it.

When government and union witnesses appear to discuss this bill, questions will be asked about the breakdown of the bargaining process. If the past is any indication, each will point the finger at the other and agree that a solution must be found, and that will probably be the end of it.

Perhaps the time has come for the Senate to look into the matter, because back-to-work legislation is bad legislation for many reasons. I will elaborate on only one. It gives the employer the edge. Whether government or post office or port, it gives the right to dictate a settlement, even during a legal work stoppage, all in the name of a "national emergency."

I wonder where the "national emergency" is today? Picket lines have been removed from grain loading ships on the West Coast. What if refund cheques are being delayed and demonstrations are being held which lead to traffic disruptions and the blocking of access to airports? These are inconveniences, yes, but enough to declare an emergency — an emergency justifying a bill like this one? I, for one, do not believe so.

As bad as back-to-work legislation is, Bill C-76 is even worse than its predecessors because it has two elements which were not found in other similar bills. Those two element are most discomfiting. The first is that this bill is being fast-tracked, even after a tentative settlement has been announced. The government, in effect, is saying to its employees, "We recognize your right to strike. We even recognize the collective bargaining process, as a tentative settlement testifies, but by striking you are disrupting government services. We are taking your right to strike away, even if you are soon to be called on to vote on the tentative settlement."

The right to strike is the ultimate right exercised when employees feel that other recourses fail them. It is not one they usually enjoy exercising because it has negative financial consequences on them. They do it as their ultimate means of pressure on the employer, who must suffer his own consequences. It may be unpleasant, but it is legal. The employer — in this case, the government — wants to remove this right and

legislate a settlement even before the tentative settlement announced last night is put to a vote. This is not bargaining in good faith, this is a unilateral imposition of the employer's will, which is guaranteed to be imposed no matter the sentiments of the employees.

Not only is bad legislation made worse by this additional feature, but Bill C-76 becomes even more unacceptable by providing that a group of employees who are not even on strike will not be allowed to exercise their right to strike. I repeat that they are not even on strike at this moment. Their right to strike only starts at midnight tomorrow night and this bill, which is supposed to be back-to-work legislation, is telling employees who are not even out on strike, "We will take away the right for you to go out." This is unheard of, namely, that their right is to be removed even before they have had a chance to exercise it.

In addition, for this group of employees, the government is giving itself the exclusive right to dictate and impose a new contract. The President of the Treasury Board or the Treasury Board can dictate the contract itself for this group of employees. This is happening after the government rejected the majority recommendation of a conciliation board.

All of this is for correctional workers who have been considered non-essential. Senator Graham has made a lot about the fact that if they go out on strike, our prisons will be poorly guarded, inmates will be at risk and the public will be at risk. Let us put things in perspective. It is only a small percentage of federal correctional service officers who are involved.

A minimum amount of research will tell you that of 4,700 employees there are only 783 exempt from the essential service category. Surely, the system can be well guarded, well protected and well staffed should the 783 decide to go out on strike. If this feature of the bill is legislated, it may well be used as a precedent in future cases and, in effect, make a mockery of the whole bargaining process.

I will end my remarks right here and simply say that I hope we will have the bill in its final form before too late this evening. I wish to add that only a full explanation and justification for the two features that I have mentioned and other features of the bill are required. If not satisfactory, there is no question in my mind that this bill will have to be amended, if not rejected completely.

•(1640)

Senator Kinsella: Honourable senators, any time the Senate is asked to examine a piece of legislation, we sit down and read the bill, obviously. Often, problems with the bill of a technical nature jump out, even before we try to zero in on the principle of the bill, which we debate at the second reading stage.

As Senator Lynch-Staunton has pointed out, the manner in which we have this bill before us makes both exercises somewhat more difficult. It is a sloppy piece of work. The danger is that when a piece of legislation is on a fast track, we may end up missing things; that we may pass a piece of legislation that is neither sound technically nor sound in principle.

I will take a few moments to focus on a couple of issues. First is the issue of the collective bargaining process. The question that should jump out for us all is whether the rights of Canadian workers are on the line with this piece of legislation?

To put that question in context, I remind honourable senators of our international obligation under the International Covenant on Economic, Social and Cultural Rights. Canada is bound, by international treaty law, under Article 8, subsection 1(d); which section provides that the right to strike is a right that we recognize.

This bill deals with one group of workers, namely the correctional officers, who theoretically have a right to strike under the Public Service Staff Relations Act. The exercise of that right is defined through the provisions of that statute, as passed by Parliament. That particular bargaining unit will not be in a strike position until Friday of this week. This legislation is purporting to order those workers back to work when they are not even out on strike. Is that not somewhat of an oxymoron in terms of presentation?

If the argument of the government is that, for security reasons in our correctional system, in the penitentiaries and other facilities, we must maintain these essential services, then we must examine very carefully whether any of the workers who are being denied their legal right to strike — a decision which they have yet to make — are in the category of essential services. The answer is that they are not. There are 728 correctional officers who would be eligible to go off the job, should they decide to do so, in support of their effort to achieve a collective agreement to which they believe they are fairly entitled.

That does not mean every correctional officer in Corrections Canada would be off the job. There is a whole group of correctional officers who are designated as essential. They do not have the right to go off the job. There are more than 4,000 such correctional officers.

Quite frankly, honourable senators, the principle implied in this bill is that we force a collective agreement upon those workers — notwithstanding that they are not even off work — because they constitute some kind of a national interest in terms of the security of our prison system. That implication does not seem to be sustained by the facts. The facts say that the designated essential correctional officers will be on the job.

One must examine the effect of this kind of legislation on the free collective bargaining process in terms of the rights of Canadian workers to bargain with their employer, who in this case happens to be the public employer. If we allow the public employer to use the power of the state almost at a whim, we will undermine tremendously the free collective bargaining process that can be found in any free and democratic society. Honourable senators, I do not believe anyone in this chamber wants to start going down that road.

We certainly recognize the principle of essential services, of security of state, of public interest, but when you examine the facts surrounding the correctional officers affected by this bill, it is hard to see how one can apply that principle.

In collective bargaining in the private sector, the Minister of Labour plays the key third-party role. Under the Public Service Staff Relations Act, the Minister of Labour does not play that role but there are still third-party mechanisms. For example, there is the conciliation mechanism.

During the negotiations at Table 4 affecting the correctional officers — the conflict or the disagreement on the issues at the table between Treasury Board, on the one hand, and the bargaining group, on the other hand — were submitted to a conciliation board. That conciliation board reached a majority decision. Its decision, in my view, ought to have been accepted by the parties as, honourable senators, it was accepted by the bargaining unit. It was Treasury Board who refused to accept the third-party analysis and recommendation.

A few moments ago, the sponsor of the bill seemed to suggest that negotiations are going on as we sit between Treasury Board and the Table 4 group, the correctional officers. It is my understanding that Treasury Board walked away from the table. It was not the bargaining unit who walked away. Of course, why would Treasury Board not walk away if they have in the back of their minds: "Do not worry; we can use the power of Parliament and simply legislate the kind of collective agreement that we want."

They know full well that there is no emergency. These workers are not even out on strike.

Last evening, an agreement was reached with the general workers, which agreement will be submitted to the membership next week. It is expected to be ratified by the membership. Can we not reach the same kind of an agreement with the second group, the correctional officers? All that is required is an acceptance by the government of the conciliation board recommendation.

Honourable senators, we should look very carefully at the majority report of the conciliation board which was there as the honest broker, the third party. They have made a recommendation which one party to the dispute has already accepted.

•(1650)

When the state uses its awesome power to interfere with the free collective bargaining process, the burden is a little extra on the shoulders of the government to yield to the demands of its employees. That is the principle underlying my belief that the government should move the bill in the direction of finding a compromise, as was done last evening with the other group.

I will conclude on an issue regarding this bill, about which I am sure all honourable senators must wonder. It relates to the question of differential rates of pay for workers doing the same job in different parts of Canada. We, as members of this house, represent every corner of Canada. Our work is equal, our qualifications are equal, and our pay is equal. Why should it be

that employees of the Government of Canada who find themselves in Vancouver or Fredericton or Trois-Rivières are receiving different rates of pay for the same job? It not only vitiates the fundamental principle of equal pay for work of equal value, it vitiates the more elementary principle of equal pay for equal work. The driving of a snowplow on the runways in Victoria and the driving of a snowplow on the runways in Charlottetown require the same effort, the same experience and the same responsibility, and should attract the same rate of pay. In principle, I am opposed to anything other than a national rate.

The Hon. the Speaker: Honourable senators, I am very pleased to report that, just moments after Honourable Senator Kinsella began to speak, the printed version did arrive. I thank Honourable Senator Lynch-Staunton for having raised the question. To illustrate how quickly it was done, my copy was still hot when it arrived.

Do any other honourable senators wish to speak?

If not, is it your pleasure, honourable senators, to adopt the motion?

Hon. Senators: Agreed.

Motion agreed to and bill read the second time.

REFERRED TO COMMITTEE OF THE WHOLE

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

On motion of Senator Graham, bill referred to Committee of the Whole at the next sitting of the Senate.

APPROPRIATION BILL NO. 1, 1999-2000

SECOND READING

On the Order:

Resuming debate on the motion of the Honourable Senator Cools, seconded by the Honourable Senator Johnstone, for the second reading of Bill C-74, granting to Her Majesty certain sums of money for the public service of Canada for the financial year ending March 31, 2000.

Hon. Terry Stratton: Honourable senators, I should like to speak very briefly with respect to Bill C-74. The National Finance Committee is meeting at five o'clock to deal with the Main Estimates for the year 1999-2000. That will be the first meeting on the Main Estimates, and it is being held so that we can submit an interim report. However, we shall be meeting again in April and May on the Estimates. As I am sure all senators are aware, the document is a couple of inches thick, although it is in French and English, and it will take a substantial amount of work on the committee's part to get through it.

I did not want anyone to get the idea that the National Finance Committee will just push these Estimates through in a slapdash manner. The purpose of today's meeting is just to produce a first report; we will meet again at least twice more in the fiscal year.

The Hon. the Speaker: If no other honourable senators wishes to speak, is it your pleasure, honourable senators, to adopt the motion?

Hon. Senators: Agreed.

Motion agreed to and bill read second time.

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

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

FOREIGN PUBLISHERS ADVERTISING SERVICES BILL

SECOND READING

On the Order:

Resuming debate on the motion of the Honourable Senator Graham, P.C., seconded by the Honourable Senator Carstairs, for the second reading of Bill C-55, respecting advertising services supplied by foreign periodical publishers.

Hon. Noël A. Kinsella (Acting Deputy Leader of the Opposition): Honourable senators, the promotion and protection of Canadian social and cultural life are objectives that most Canadians endorse. Previous governments, in particular the Progressive Conservative government, have been at the vanguard in this area. The Free Trade Agreement and the North American Free Trade Agreement, which have proven so successful for Canada, stand as testimony to the real leadership of then prime minister Mulroney and his government, leadership that speaks to a willingness to invest one's political capital for the public good, even at the expense of private cost. It was the Progressive Conservative government that, as a matter of public interest, secured the exemption of the cultural industries from those trade agreements. Therefore, let there be no doubt as to where we stand on the need for Canada to secure its cultural life.

However, the question we are asked when presented with Bill C-55 is whether the government's proposal is the best approach to achieve the common desire, the common objective. We must also ask, when examining this bill, whether it is a good piece of legislative drafting. Does it say what the proponents argue is its purpose? That question is particularly important, given the discussions that have been going on with respect to the bill.

We have, honourable senators, the obligation to examine this bill in terms of our values, including the question of how much the proposed legislation impairs the rights and freedoms guaranteed to Canadians by our Charter of Rights and Freedoms. Honourable senators, I believe that there may be some serious difficulties with this bill when examined in light of the Charter obligations. Therefore, we will want to study this bill very carefully, to determine whether it infringes on Charter rights and, if so, whether such an infringement meets the *Oakes* test applicable to a section 1 override argument. As honourable senators know, the first part of the *Oakes* test is whether the objective of the legislation is of sufficient importance to warrant overriding a constitutionally protected right or freedom.

What is the objective of Bill C-55? Quite frankly, it is difficult sometimes to discern what it is from the legislation, and that is only complicated when one reads the various statements of various members of the government as to the objective of the legislation. Sometimes the Minister of International Trade seems to be arguing one objective and the Minister of Canadian Heritage seems to be arguing another.

•(1700)

It seems generally accepted, if we go to the bill itself and read the commentary, that Bill C-55 is designed to protect Canadian culture — that is what the proponent of the bill in the Senate argued the other day — and, more particularly, to protect the Canadian magazine industry from unfair competition by split-run magazines.

Canadian magazine publishers argue that Canadian magazines, which are critical to maintaining a distinct Canadian culture, are dependent upon advertising revenues for survival. They have also argued that major American publications, such as *Sports Illustrated*, receive sufficient revenues from their American edition to support their non-advertising or editorial content. They also argue that split-run editions would allow American magazines to publish a Canadian edition with almost identical editorial content at a marginal extra cost and, therefore, offer lower advertising rates to Canadian advertisers. They also argue that this is the equivalent of dumping American content on the Canadian market.

As honourable senators know, when the WTO ruled that several of the previous measures intended to protect the Canadian magazine industry from split-run competition were not in compliance with the GATT 1994, they clearly stated thata periodical is a good comprised of two components: editorial content and advertising content. They went on to say that both components can be viewed as having services attributes but they combine to form a physical product, the periodical.

This finding, which rejected Canada's argument that the measures dealt with a service only, was cited with approval in a later appellate body report, the so-called bananas decision. In that decision, the panel expanded on the concept of measures that involve a service relating to a particular good or a service supplied in conjunction with a particular good, which can, therefore, be scrutinized under both the GATT 1994 and the GATS, the General Agreement on Trade in Service.

If a periodical were just an advertising service, then only the GATS would apply, and Canada has not subscribed to any commitment with respect to advertising services under the GATS. However, if a good is also involved, GATT 1994 also applies, and it seems generally accepted that Bill C-55 would be in violation of the non-discrimination clause.

Without going into the issue of whether Bill C-55 does or does not comply with international trade law, it seems clear that the reason for the somewhat tortured structure of the bill is the attempt to cast it as dealing only with a service, namely advertising services, and not with a good, the periodical. The result, however, is that the Charter objective is difficult to discern. Bill C-55 does not refer to magazines or the content of magazines, or to Canadian culture, with the exception of two minor references to advertising services or space in a periodical.

On the face of it, the bill deals only with the provision of advertising services directed at the Canadian market by foreign publishers. Perhaps it would be most accurate to describe the objective as the protection of Canadian culture by finessing the existing WTO decisions, but presumably that is not an objective that the government would wish to strongly argue.

Bill C-55 would seem to have some elements in common with the Tobacco Products Control Act, which was found unconstitutional in the RJR-MacDonald Inc. v. Canada (Attorney General) case. Both legislative initiatives attempt to prohibit a form of advertising. It is difficult to see how the courts could find otherwise than that Bill C-55 infringes freedom of commercial expression. The courts have upheld limitations on commercial expression dealing with price, quality, effectiveness, safety and informed consumer choice, however, a complete advertising prohibition based on the nationality of the publisher looks much more suspect.

Any Charter challenge is, therefore, likely to revolve around the application of the *Oakes* test. If we assume that there is a constitutionally valid objective for this bill, which is quite an assumption, the next question is whether the bill is rationally connected to that objective. A court may have some difficulty finding the rational connection between the specific objective of controlling split-run magazines and the total prohibition of all foreign publishers from supplying advertising services directed at the Canadian market to a Canadian advertiser. However, since the clearest argument against the bill would seem to be the minimal impairment test, it is perhaps not worth spending overly much time on the issue of the objective and whether the legislation is rationally connected to it.

The case that seems to offer the most logical comparison to Bill C-55 is, as I said, the Supreme Court decision on RJR-MacDonald, which held the Tobacco Products Control Act to be unconstitutional. At issue was the manner in which the Oakes test would be applied to commercial speech. The dissenting opinion argued that the court should give a greater degree of deference to legislation that implemented social policy than to ordinary criminal justice legislation, since social policy should be left to Parliament.

Madam Justice McLachlin, writing for the majority, disagreed, and her reasoning seems very relevant to Bill C-55. I would refer honourable senators to the written judgment of Madam Justice McLachlin, because it is right on the point.

In short, the Supreme Court, in my view, would be unlikely to accept an argument by the Government of Canada that Bill C-55 is essential to social and cultural policy and should therefore not be tampered with. The government would need to establish on a balance of probabilities that the proposed legislation does not impair rights to a greater extent than required to meet the objective.

Bill C-55 does not lend itself to a clause-by-clause analysis. However, there are certainly a number of features that might cause difficulty when applying the minimal impairment test. For example, the complete prohibition contained in clause 3(1) on the ability of a Canadian advertiser to advertise in periodicals produced by a foreign publisher if the advertising is directed at the Canadian market, where again the fact that a major element of what appears to be a criminal offence is defined by regulation. That clause, 20, would allow the Governor in Council to make regulations respecting criteria to determine whether advertising services are directed at the Canadian market.

Another example is clause 15(1), which would provide that a foreign publisher who commits an act outside Canada that might be a contravention of clause 3 is deemed to have committed that act in Canada. Another problem, honourable senators, that needs to be examined is clause 8(3), which would allow for an *ex parte* order to be made against a foreign publisher in certain circumstances.

Another area is the deeming provision in clause 3(2). It provides that a Canadian publisher acting under licence or other authority from a foreign publisher is deemed to be a foreign publisher, presumably catching the *Elle Québec* publication despite the fact that its content is largely Canadian.

The next example is clause 3(4), which provides in part that Canadian members of a non-profit organization are deemed not even to be Canadian for the purposes of a prosecution if more than 25 per cent of the members of the organization are not Canadian citizens or permanent residents.

Further, the definition of Canadian and foreign publisher, which together suggests that a Canadian periodical with Canadian content designed for a Canadian audience would no longer be able to sell advertising space if more than 25 per cent of the shares were purchased by non-Canadians.

In conclusion, honourable senators, it is highly probable that the Supreme Court of Canada would find Bill C-55, as presently drafted, to be in violation of the Canadian Charter of Rights and Freedoms. It is, therefore, our duty as senators to examine the question of the Charter compliance of this bill.

Therefore, I would recommend that members of the Senate Standing Senate Committee on Legal and Constitutional Affairs give careful study to this bill before the Standing Senate Committee on Banking, Trade and Commerce would conclude its examination and prepare its report on the bill.

The Hon. the Speaker: If no other honourable senator wishes to speak, I will proceed with the motion.

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

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

Hon. Senators: Agreed.

Motion agreed to and bill read second time.

MOTION TO REFER TO TRANSPORT AND COMMUNICATIONS COMMITTEE—DEBATE ADJOURNED

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

Hon. Sharon Carstairs (Deputy Leader of the Government): Honourable senators, I move, seconded by the Honourable Senator Perrault, that this bill be referred to the Standing Senate Committee on Transport and Communications.

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, I seek an explanation as to why this bill would go to the Standing Senate Committee on Transport and Communications when its predecessor, the bill struck down by the WTO, was examined by the Standing Senate Committee on Banking, Trade and Commerce.

Senator Kinsella has made a suggestion which I hope was heard, if not acted upon. He said that because there are questions regarding whether this bill meets the freedom of expression portion of the Charter, should it not go to our Legal and Constitutional Affairs Committee to clear that up. I made a recommendation the other day that the bill, with the agreement of the United States, which I think is essential, go to the WTO for a pre-ruling as a reference.

Could the Deputy Leader explain the government's wishes to see this bill referred to a committee that has never before studied the matter, whereas another Senate committee is completely familiar with the issues, having done similar work on, I believe, Bill C-103?

Senator Carstairs: Honourable senators, the work of committees in this place tends to be somewhat uneven. When we look at the mandates of the committees, Senator Lynch-Staunton is quite correct — the bill could go to the Legal and Constitutional Affairs Committee, the Transport and Communications Committee, or the Banking, Trade and Commerce Committee. When I examined the workload of those three committees, it was quite clear that the Legal and Constitutional Affairs Committee is always overburdened with legislation. Therefore, with the greatest respect to the members of that committee and their chair, Senator Milne, that was not a reasonable place to send this legislation.

I looked at the Banking, Trade and Commerce Committee and the legislation that will be coming to it very soon. There is Bill C-67, dealing with amendments to the Bank Act. There is a money laundering act, which will be introduced the first week after the Easter break and is on the government's must have list, as much as they can establish such a list. There is also Bill C-54, the Personal Information Protection and Electronic Documents Act, which is anticipated to go to the Banking, Trade and Commerce Committee very soon because we are expected to receive it from the other place shortly.

In light of that, honourable senators, and the fact that I anticipate no legislation going before the Transport and Communications Committee, it seemed to make sense on the basis of workload to send this bill to the Transport and Communications Committee.

Senator Lynch-Staunton: The point is, honourable senators, that the Banking, Trade and Commerce Committee has no legislation before it now. The bills going to the committee are not even before this house. I do not know at what stage they are in the House of Commons, but I suspect they are not close to coming over here. Hence, the argument Senator Carstairs has provided does not stand up.

I simply do not understand my honourable friend's reasoning. I should like to hear members of the Banking, Trade and Commerce Committee who are here today argue either for or against whether they feel qualified to study this bill. Members of that committee have studied this issue. They had a good debate on the previous bill. The debate on that bill was lively, and it was brought to this chamber. Why we would want to abandon all that experience, with all due respect to Senator Bacon's committee, is beyond me. Let us take advantage of what we have and build upon it.

The Hon. the Speaker: Honourable senators, the current discussions are somewhat irregular. However, I think in the interests of the Senate, it is a useful thing to do. Is there leave that this debate continue?

Hon. Senators: Agreed.

Hon. W. David Angus: Honourable senators, I wish to add a few words on this subject. I suspect that 10 or more of my colleagues on the Banking, Trade and Commerce Committee would empathize with what I have to say. What Senator Lynch-Staunton has just said is quite true. There is no legislation at all before the Banking Committee, and indeed this morning we did not sit for lack of work. It was a terrible thing.

I do not for one moment profess to be an expert on the *Rules of the Senate* or parliamentary procedure generally. However, there is something important to be said for anticipation and consistency. Although I am conscious that there is no specific Senate rule governing what bills go to what committee, I am aware of rule 1 of the *Rules of the Senate*, which states:

1(1) In all cases not provided for in these rules, the customs, usages, forms and proceedings of either House of

the Parliament of Canada shall, *mutatis mutandis*, be followed in the Senate or in any committee thereof.

As I understand it, one of the overriding customs and usages governing our proceedings in this chamber is that they be consistent, clear and subject to anticipation for the best governing of our business.

Just over three years ago, our Senate dealt with Bill C-103, to amend the Excise Tax Act and the Income Tax Act. As a member of the Banking Committee, I was involved in its study. This new bill is designed to replace Bill C-103, and it deals essentially with the same subject-matter as the earlier bill.

Bill C-103 received second reading in this chamber on November 7, 1995, and was promptly referred to the Banking, Trade and Commerce Committee, inasmuch as its subject-matter clearly involved issues of trade and commerce. That bill was reported to this chamber with one amendment on December 5, after very exhaustive study in committee. Thus, I believe it reasonable for the Banking, Trade and Commerce Committee and, indeed, for honourable senators generally, to have anticipated, as a matter of consistency, that Bill C-55 would be referred to the same committee as Bill C-103. The members of the Banking Committee are, for the most part, familiar with the subject matter and the issues involved with the legislation.

Bill C-55, honourable senators, has become the subject of much debate in international trade and commerce circles, especially in Canada-U.S. trade circles. It is clearly a sore point or a thorn in the side of Canada-U.S. relations presently. Let us face it, this is a controversial piece of legislation.

I can say with some reasonable degree of authority and experience that in matters of controversial litigation, the dubious practice of forum shopping crops up from time to time. In view of the treatment received by Bill C-103 in the Banking, Trade and Commerce Committee, one cannot help but wonder if the government is perhaps, even unwittingly, indulging in a little forum shopping of its own in this case. If so, I submit that for the sake of consistency and the orderly conduct of our business in this chamber, Bill C-55 should be referred to the Standing Senate Committee on Banking, Trade and Commerce, as originally anticipated.

Honourable senators, in closing, I think it is in order to refer to an editorial which appeared on December 22, 1998, in the *National Post*. I quote from the third paragraph thereof, which states on the subject of anticipation and orderly conduct of our business:

If and when the bill —

— and they are referring to Bill C-55 —

— leaves the House of Commons, logic dictates that it be referred to the Senate Banking, Trade and Commerce Committee. But because of the rough ride this committee gave previous legislation on split-runs, rumours out of Ottawa suggest a worried Ms Copps will insist on sending it to a less independent-minded committee instead.

Shame, honourable senators. We would not want to indulge in forum shopping for those reasons.

(1720)

The Hon. the Speaker: Honourable senators, before I recognize any other honourable senator, I should like to make a correction. I had said that leave was required, because I thought we were continuing the exchange with the deputy leader. Obviously, this is a regular motion and speeches can be made without leave being required. However, if you intend to have back and forth exchanges with the deputy leader, it must be done with leave.

Hon. Mira Spivak: Honourable senators, I do not know much about forum shopping; however, I do know about shopping.

As a member of the Standing Senate Committee on Transport and Communications, I hate to differ with my colleagues, but I do not know why members of this committee would be considered less independent-minded.

I also have a piece of important information to bring before the Senate. That is that, in the House of Commons, the committee that examined this proposed legislation was the Heritage Committee. We do not have a heritage committee in the Senate, however its counterpart is the Standing Senate Committee on Transportation and Communications.

Senator Carstairs: Honourable senators, I must say, I take a certain amount of exception to the remarks of the Honourable Senator Angus. He has imputed motives on my behalf.

The only motivation that I have in selecting committees for proposed legislation, and I am the person who selects where a bill will go, is on the basis of the workload of committees.

Senator Lynch-Staunton: The Senate decides, you do not.

Senator Carstairs: No one has ever imputed a motive to the contrary on this point in my almost two years in the deputy leadership in this place.

If a senator wishes to challenge the committee which will review a proposed piece of legislation, that is a senator's right and that is what was done. However, Senator Angus has gone beyond that. He has also imputed motives to the chair and the entire Standing Senate Committee on Transport and Communications. Senator Angus has suggested that the members of the Transport and Communications Committee are not as competent as members of the Standing Senate Committee on Banking, Trade and Commerce to deal with this subject.

Senator Angus has suggested that they may be somehow biased toward the position presented to them. I deeply resent those accusations, not just as they pertain to me, but in regard to the Standing Senate Committee on Transport and Communications.

Hon. Pat Carney: Honourable senators, I wish to state for the record that in the Senate, trade bills normally go to the Standing

Senate Committee on Foreign Affairs, they do not normally go to the Standing Senate Committee on Banking, Trade and Commerce.

Should we be looking for a home for this proposed legislation, I am sure that the Foreign Affairs Committee, which specializes in trade, and whose agenda is rather barren at the moment, would be willing to adopt this orphan.

Hon. David Tkachuk: Honourable senators, it is my understanding that when Senator Angus was referring to less independent senators, he certainly was not referring to our side.

I should like to argue the case on a matter of principle. The standing committees should fight for their turf. Members of standing committees spend a significant amount of time becoming competent in their areas of study. This competence is reflected in the good work that the Senate does on bills.

I shall not speak for Senator Angus; however, it is my understanding that he was not inferring that the members of the Standing Senate Committee on Transport and Communications were less competent, rather that the only thing that the Transport Committee has in common with this bill is that buses, trains and automobiles move the magazines from their place of publications.

On the subject of communications, I read Senator Graham's speech carefully. The issues raised by Senator Graham related to antidumping, which is a trade matter. He spoke at great length about the economic advantage for magazines to be printed in larger runs in the United States and then they come to Canada and receive a free ride with Canadian advertising. That is a dumping proposition.

Senator Graham also argued on the basis of fair competition. That is something that we would deal with in the Standing Senate Committee on Banking, Trade and Commerce.

On page 2843 of Thursday's *Debates of the Senate*, Senator Murray asked questions of Senator Graham in regard to the issues and who was in charge. Senator Graham said that the Minister of Canadian Heritage was in charge along with the Minister of International Trade. That was in reference to the two deputy ministers who were in the United States. Certainly, they were not discussing communication matters with the United States government, they were discussing trade matters with the United States government. Senator Graham admitted to that and said:

The issues are undoubtedly concerns by the United States that American magazines will be treated unfairly. That is not the case...

He goes on to say:

The magazines that have already been doing business and selling advertising in Canada prior to the introduction of the bill in the other place would be free to continue as they have been.

I wish to emphasize that Canada has played by the rules. In August of last year, Canada complied completely with all aspects of the World Trade Organization ruling on periodicals. We acted to repeal the tariff code. We moved to amend Excise Tax Act. We altered the administration on postal subsidies and we lowered the postal rate for foreign magazines.

All the issues in this bill that the government speaks about are trade issues. Therefore, I am arguing for my turf, senators, and I hope that the bill will be referred to our committee.

Hon. John G. Bryden: Honourable senators, it is proposed that this legislation be referred to the Standing Senate Committee on Transport and Communications. The last time that I considered the matter, I thought magazines were involved in communicating.

If there were a natural home for a bill that is dealing with magazines, one would think it would be in the Standing Senate Committee on Transport and Communications. I do not know why previous legislation in this regard ended up with the banking committee. However, they did not do very well, the legislation was struck down by the Supreme Court. Why would we send it back to them, particularly when Conrad Black is saying: "We want it to go to the Banking, Trade and Commerce Committee, do not send it to the Transport and Communications Committee."

Hon. Noël A. Kinsella (Acting Deputy Leader of the Opposition): Honourable senators, perhaps we should adjourn the debate so that the Deputy Leader and I can have consultations, perhaps resolve this issue and present it to the Senate for decision tomorrow.

I do not believe it is helpful for members of various committees to have this kind of a debate. Usual channels might be able to resolve this.

Hon. B. Alasdair Graham (Leader of the Government): Honourable senators, Bill C-103 of the last Parliament was indeed sent to the Standing Senate Committee on Banking, Trade and Commerce. It is reasonable to ask why Bill C-55 would not also be referred to that committee.

It is important to remember that Bill C-103 imposed special customs and excise taxes on split-run publications. Rule 86(1)(1)(ii) of the *Rules of the Senate of Canada* provide that matters related to customs and excise should normally be referred to the Standing Senate Committee on Banking, Trade and Commerce. That is why Bill C-103 was referred to that committee.

(1730)

Bill C-55 takes an entirely different approach to the problem of split-run magazines. Instead of imposing a tax, it imposes a specific prohibition on the publishers of foreign magazines.

Rule 86(1)(j)(i) provides that the Senate Committee on Transport and Communications should normally have referred to it matters related to communications, whether it be radio, television, satellite, broadcasting, postal communications, or any other form, method, or means of communications. You will find that on page 92 in our rules.

Magazine publications would clearly fall within this definition, particularly when television and radio broadcasting are specifically mentioned. Print publications are just as important as radio and television when it comes to communications across the country.

I thank Senator Tkachuk for referring to my speech, although he did not say how excellent it was. I did mention in my speech how we learn about one another and about the different parts of our country, about Nova Scotia and Saskatchewan, through our magazine publications.

Just to reiterate, Bill C-55 has nothing to do with customs and excise taxes, as did Bill C-103. This legislation deals with magazine advertisements, and magazines are a vital part of the communications network of this country. The issue falls clearly within the scope of the Standing Senate Committee on Transport and Communications and its responsibilities.

[Translation]

Hon. Lise Bacon: Honourable senators, I find the way the members of the Standing Senate Committee on Transport and Communications are being treated totally offensive.

[English]

There are no second-class citizens in this Senate. We are all senators, appointed the same way.

The Hon. the Speaker: It was moved by the Honourable Senator Kinsella, seconded by the Honourable Senator DeWare, that further debate be adjourned until the next sitting of the Senate. Is it your pleasure, honourable senators, to adopt the motion?

Some Hon. Senators: Yes.

Some Hon. Senators: No.

The Hon. the Speaker: I hear "no." I must ask for "yeas" and "nays." Those in favour of the motion will please say "yea."

Some Hon. Senators: Yea.

The Hon. the Speaker: Those opposed to the motion will please say "nay."

Some Hon. Senators: Nay.

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

On motion of Senator Kinsella, debate adjourned.

APPROPRIATION BILL NO. 5, 1998-99

THIRD READING

Hon. Sharon Carstairs (Deputy Leader of the Government) moved the third reading of Bill C-73, for granting to Her Majesty certain sums of money for the public service of Canada for the financial year ending March 31, 1999.

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—THIRD READING

Hon. Sharon Carstairs (Deputy Leader of the Government) moved the third reading of Bill C-65, to amend the Federal-Provincial Fiscal Arrangements Act.

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

Hon. Terry Stratton: Honourable senators, if I may, under the *Rules of the Senate of Canada*, page 123, Appendix 1, Provincial Representations to Senate Committees, I should like to put on the record a letter from Prince Edward Island.

When Bill C-65 came to the Standing Senate Committee on National Finance in a rush to be passed and returned to this chamber for third reading, we sent letters to all the provincial finance ministers asking if they had any comments or would like to appear before our committee. I called the Minister of Finance of Manitoba, for example, and asked if he would like to appear. We did not hear back from any of the provincial finance ministers with the one exception, and that was the provincial treasurer of Prince Edward Island.

We did not have time to have them appear, and their letter arrived too late for us to deal with in committee. However, I should like to read it into the record today, if I may.

The letter is dated March 23. It is from Patricia J. Mella, Provincial Treasurer.

Please find attached a written submission from the Government of Prince Edward Island to the Standing Senate Committee on National Finance concerning Bill C-65, an Act to Amend the Federal-Provincial Fiscal Arrangements Act.

Thank you for the opportunity to express the government's views on this legislation.

I will read now read the presentation into the record.

Members of the Senate Committee on National Finance

The following presentation is short, and I trust, to the point, as we understand there is some urgency to passage of this legislation. I will not dwell on the importance of Equalization to the Province of PEI as you are no doubt aware that this revenue source is by far the largest single revenue for the province. At some \$222 million it can be compared to the \$130 million received in personal income taxes. I might also note that the formula that drives this program produces extremely volatile revenue flows that are a source of continuing concern to the Province.

My comments are essentially divided into two parts. First, my views on the current environment within which this legislation is being considered. Second, specific points of contention concerning the legislative proposal.

First, the Federal Minister of Finance has recently emphasized the large increases in Equalization that have occurred during the present (1998/99) fiscal year. Most prominently mentioned was the \$2.2 billion of extra equalization monies to be paid out by the Finance Department. In the case of PEI, the Honourable Lawrence MacAulay announced to the local press that PEI was to receive an additional \$42 million. Our budgeted equalization in 1998/99 was \$209 million, and so it is evident that this additional amount is indeed a large adjustment.

The impression that has been given to the public is that the program has become very generous. It is this impression that concerns me as it may colour one's views on the necessary technical changes that form the renewal package that is the concern of this legislation.

The federal government has chosen to say little about the other side of the story, that Equalization entitlements and payments to provinces, have been artificially low in the past three years. The basis of payments of Equalization in 1996/97, 1997/98 and 1998/99, prior to the recent revisions, were actually below the level of entitlements for 1994/95, and 1995/96. In 1994/95 for example, Equalization entitlements were \$8.6 billion whereas entitlements prior to the February 1999 revisions for the year 1998/99 were \$8.5 billion.

The 1999 Budget revisions raise the 1998/99 entitlements to \$9.6 billion. That amount, it might be noted is identical to the projection of equalization that was provided by the Federal Government in its 1996 Budget. At that time, you may recall, severe reductions in CHST payments were being introduced and the improved Equalization outlook was presented as a partial offset for this.

For PEI the recent revisions were of an unprecedented amount, but I should emphasize that the largest revision was with respect to the 1997/98 fiscal year. Essentially the Province has been severely underpaid during the last two years. Furthermore, this has made mandatory budgetary planning for our province very difficult.

(1740)

Federal Finance has given the impression that the program has suddenly become very expensive but as a percentage of federal revenues the program has actually shrunk from 7 per cent in 1994/95 to 6 per cent in 1999/2000, according to the latest federal estimates.

It is our opinion that the equalization formula should be rebased on the National Average standard and not remain at the five province standard, if it is to properly compensate poorer provinces for revenue deficiencies as described in Section 36 of the Canadian Constitution. I understand that this may not be a very expensive move but it was denied by Federal Finance, largely on grounds of affordability. PEI is most concerned that Federal Finance has become overly concerned about affordability of the program and questions this attitude given its shrinking relative size.

Second, let us look at the renewal package itself.

It is evident that significant improvements were needed in a wide range of revenue bases, such as forestry, mining, retail sales, gaming and payroll taxes. Our officials spent endless hours analyzing these various requirements. Some were accepted and some, such as the property tax base, were not. Naturally no one expects full agreement by all sides on these points and by and large PEI is satisfied with the balance of changes embodied in the technical improvements.

Unfortunately, federal officials imposed a series of constraints on the renewal package that we strongly object to. Again it appears that affordability was a major concern. The present renewal package has been deliberately adjusted by Federal Finance to lower its value.

The most unusual constraint that was imposed refers to the way technical changes are to be introduced. Having acknowledged the need for technical improvements, Finance is not prepared to bring them into effect on April 1, 1999, but will pro-rate them over the coming five years. This means that the five year improvements will take five years to fully take effect. It is not as though the final package is very large. For PEI it is worth \$3.2 million. By prorating it, we must wait until 2004 before we receive the full renewal amount. In 1999/2000 we will receive approximately \$600,000 of the technical improvements, which even by our standards is not a lot of money. The

package is valued at \$242 million in total, or 2.8 per cent of total entitlements, but only \$48 million of this will be added in 1999. Bearing in mind that swings in entitlements themselves can measure hundreds of millions of dollars the desire to impose prorating seems particularly petty.

The Federal Finance department also made a unilateral decision to have the value of equalization entitlements for User Fees. This decision saved them \$345 million per year. It was acknowledged in renewal discussions that this revenue base required study and provincial officials proposed that it be subject to detailed scrutiny. However, Federal officials refused this and imposed this decision on the renewal package.

Notwithstanding the restrictions described above, the renewal also incorporates a downward adjustment to the ceiling that could have severe implications for receiving provinces in coming years. The ceiling is established at \$10 billion in 1999/2000 and will grow with Canadian GDP. To the extent that it reduces payments to provinces it essentially destroys the very purpose of the program, which is to help poorer provinces provide services at reasonably comparable levels, without resorting to unreasonably higher levels of taxation. In addition, when the ceiling bites, the uncertainty over the entitlements for a given province increases enormously.

In conclusion, the Province of Prince Edward Island has a high stake in the Equalization program and the need to maintain it at high standards. There are several key aspects of the renewal package that the Province finds objectionable. In addition, the Province is most concerned that the Federal Finance Department has unnecessarily looked for financial savings in this critical program and has publicized information on the program that may colour one's views on the financial costs of the program.

The Government of Prince Edward Island trusts that these views will be taken into account in giving due consideration to this legislation.

It is signed by the Honourable Patricia J. Mella, Provincial Treasurer, P.E.I.

The Hon. the Speaker: If no other honourable senators wishes to speak, I will proceed with the motion.

It was moved by the Honourable Senator Carstairs, seconded by the Honourable Senator Bryden, that the bill be read the third time now.

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

Hon. Senators: Agreed.

Motion agreed to and bill read the third time and passed.

FIRST NATIONS LAND MANAGEMENT BILL

SECOND READING—DEBATE CONTINUED

On the Order:

Resuming debate on the motion of the Honourable Senator Chalifoux, seconded by the Honourable Senator Maloney, for 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.

Hon. Pat Carney: Honourable senators, Senator Chalifoux, in her thoughtful speech of March 16 on Bill C-49 has explained that the purpose of this bill is to provide 14 First Nations with authority to govern their lands at the local level and to promote self-sufficiency, new partnerships and strong government systems. In short, this bill was drafted to meet many of the pressing concerns facing First Nation communities in Canada today.

There is no question that these are critical issues that must be addressed and that the goals of self-sufficiency and self-government in native communities are essential. However, there are people directly affected by this piece of legislation, such as aboriginal women and my neighbours in Vancouver who own homes on land they lease from the Musqueam First Nation who say that, because of this legislation, they are all "consumed with fear."

Legislation that causes such fear and anger is not in anyone's interest, be they native or non-native. The fact that it is perceived as such a threat indicates that Bill C-49 should be examined extremely closely now that it is before us.

This bill is of compelling importance to both native and non-native British Columbians. The bill affects only the 14 First Nations that have signed the framework agreement, but they include five bands in British Columbia — Musqueam, Squamish, Westbank, Anderson Lake, and Fort George — constituting more than one-third of the bill's signatories to date.

At the time this bill is before us, about 95 per cent of British Columbia is under land claim, both urban and non-urban lands. It is one thing to consider this bill from the vantage point of someone who lives in Ottawa, away from potential conflicts, but another from the vantage points of British Columbia where the issue involves one's neighbours.

The historic and important Nisga'a treaty affecting a significant portion of northwestern B.C. is presently before the B.C. legislature. At some point, it will be before this chamber. Polls show British Columbians are ambivalent about such treaties. They are supportive of the goals of self-sufficiency and self-reliance for native Canadians but are understandably wary of areas of potential conflict with non-native residents. There are many areas of B.C. where non-natives work and reside under lease arrangements on reserve lands. Westbank, on Okanagan Lake, and Musqueam, fringing Vancouver's west-side residential area, are two examples.

The real and potential areas of conflict created by Bill C-49 could poison the environment in which these important treaties must be negotiated in order to achieve economic and cultural independence for B.C. native bands and to help the province achieve its maximum potential.

I cannot stress this point enough. The settlement of land claims and initiatives towards land management as contemplated in Bill C-49 are essential for the overall development of B.C. since native and non-native lands and resources are closely intermingled. The rich aboriginal culture and the breathtaking imagery of the First Nations of the Pacific Coast are an example of the magnificent contribution they have made and can make to the very essence of British Columbia, the place that both native and non-natives call home.

The spirit of cooperation, of seeking the common ground, is exemplified in organizations like the Coastal Community Network where 30 member-communities, native and non-native, along the entire coast, Richmond to Alaska, will meet in Steveston on April 9, 10 and 11 to discuss these common problems and possible solutions.

Another area of common interest is the commercial fishery which is composed of native and non-native fishermen who fish side by side and who work together to surmount huge obstacles created by Mother Nature, Ottawa bureaucrats and Liberal ministers.

•(1750)

Closer to home, many pioneer British Columbian families, such as my own, include family members and in-laws of native descent, so the potential for good in Bill C-49 must be carefully protected by modifying those aspects that would cause unnecessary, unneighbourly conflict.

I will use only two examples: the issues of expropriation; and the concerns of aboriginal women about division of property in the event of marriage breakdown.

Let us take the last first. Senator Chalifoux admits in her remarks that the issue of marriage breakdown or division of property is not addressed in either the Indian Act or Bill C-49. She says that the debate on Bill C-49 will "give those people affected the opportunity to speak up."

Honourable senators, we have all been hearing from native women, and they do not like what they see in Bill C-49. Let me quote Wendy Lockhart Lundberg, a registered member of the Squamish Nation, one of the signatories to the framework agreement. She expresses her fears as follows:

...federal actions are attempting a legislative end-run around treaties by offering bands power over land management. Native women will bear the brunt of these legislative provisions and will be denied the protections they could be afforded through treaties...Unlike all other Canadian women, native women on reserves do not have the protection of property division laws.

Honourable senators, perhaps my colleagues from Quebec could listen to me.

The Hon. the Speaker: Honourable senators, Honourable Senator Carney is having difficulty proceeding because of conversations taking place in the chamber.

Senator Carney: They have special status in the Senate.

Ms Lockhart Lundberg continues:

Bill C-49 contains two provisions which are particularly worrisome for native women.

First, it states that rules and procedures regarding the use, occupation and possession of land upon the breakdown of marriage will be determined by the land codes of each signatory band. There is little assurance that these future provisions will be any less tilted against the interest of women and children than the results of the current system.

Second, Bill C-49 offers band councils Draconian powers of expropriation, which must concern native women as well as other native people living on reserves and non-natives with leasehold interest. The band need give at most 30 days notice to expropriate, and it is obliged to pay "fair compensation" that can be disputed only under rules set by the band itself. A band council will be able to expropriate for "other first nations purposes," not limited to the need to build schools, highways and the like.

She points out that many native women lost their native and band status when they married non-natives many years ago, and that, while they had their status restored following the 1985 amendments to the Indian Act, their father's property was never referred to them, and, under Bill C-49, their land could be permanently lost through expropriation.

It is interesting, honourable senators, that the drafters of this bill spent pages to defend and define the federal government's interest, in terms of expropriation, but a mere paragraph on the expropriation affecting natives and non-natives with private leasehold interests or band interests.

The second issue that I want to raise is the concerns of the non-native residents of Musqueam, dealing with the threat of expropriation which they read into Bill C-49, particularly in the context of their current dispute with the band council over the 7,000 per cent increase in their rents and the plummeting value of their homes, which are forcing some residents to contemplate abandoning their homes. Their fear under this bill is that, since the value of their property has dropped, it could be expropriated by the band, and they will have lost their homes and their life savings.

It should be noted that this issue of the increase in rents is a source of dispute between the former Musqueam chief, Gail Sparrow, and the present chief, Ernest Campbell. This

shows show you just how paralyzing this dispute is. Their dispute was conducted in the pages of *The Vancouver Sun*.

Chief Campbell writes:

Musqueam Park lots were leased in 1965 under 99-year leases negotiated by Indian Affairs. For the first 30 years, the tenants paid rents at very low fixed amounts... We have lived up to the terms of these leases, when they were unfair to us. Now that the court has adjusted the rent to a market-based rent, we expect our tenants to do the same.

Chief Gail Sparrow disagrees:

...Chief Campbell, through implication, has insulted the integrity of our elders and those who have passed on by implying that our leaders in 1965 were ignorant or were somehow hoodwinked into agreeing to such ridiculously low lease payments for the first 30 years of the lease. I can assure you that our elders were neither stupid nor ignorant of the market back in 1965, and negotiated the best deal possible under the then market conditions.

These fears that these people have in the face of this kind of dispute have been addressed by Indian Affairs Minister Jane Stewart who has given her "personal assurance that First Nations will not be able to 'abuse' new expropriation powers granted in Bill C-49." She may have good intentions but, as a former minister, I am fully aware that such ministerial assurances, no matter how well-intentioned, do not have the force of law and rarely last after the minister has been moved to other responsibilities.

Let me quote you directly from the residents who are affected by the rent increases in Bill C-49. Their concerns range from the huge lease increases and doubling of taxes, to taxation without representation, to loss of their homes, and the fact that, in any dispute over expropriation, the dispute settlement mechanisms are largely controlled by the band. The fear is that the band could expropriate their homes now that the value has been undermined by disputes over lease fees.

A woman in Ottawa wrote:

As a sister of a family member and Musqueam resident, with whom my 79-year old mother-in-law lives, this issue has become my main preoccupation but can in no way equate with what the residents have been going through. The residents are all consumed by fear.

Someone else wrote me about the terrible implications that the bill will have. Again using her words, she says:

...my neighbours and I are facing a terrible crisis of losing our home at short notice if this Bill is passed...Please vote to incorporate the amendments we need to be protected against the 30-day expropriation that is giving us so much fear and uncertainty. Justice and fairness is important — and should be applied both ways, to natives as well and non-natives.

Another person wrote:

I am a wife and mother and my utmost concerns are for my family, and the tremendous toll this situation is having on them. My neighbours are sick and some are under doctor's care due to the emotional stress our Federal Government has put them under. After 5 years of anxious anticipation this devastating increase has brought us all to our knees.

I could go on and on, but I think I can sum up the views by quoting from Tony Onley, a very famous Canadian artist. I do not normally give the names of correspondents from my mailbag but in this case I know Mr. Onley would not mind. He wrote:

At a Musqueam/Salish homeowners meeting last night I first learnt the extent of provisions and authority given Indian bands in this bill.

As a third party interest holder with a lease, under this Bill, my home could be "expropriated for any reason" on a 30-day notice or less "free of any previous claim or encumbrances"... If my home is expropriated, I would still be responsible for a \$300,000 reverse mortgage.

On the eve of being invested as an Officer of the Order of Canada, I feel I have lost all protection afforded other Canadians. I am now subject to Aboriginal Law.

All I did was buy a house in good faith and woke up in the Twilight Zone.

Honourable senators, let me conclude by saying that, in the other place, in what I consider a shameful act of hypocrisy, government members voted for this bill while sending it to us to be corrected. I hope we can utilize this opportunity. Senator Chalifoux told us that Bill C-49 is a win-win situation for native bands and their municipal neighbours. I am advising you that it will be a lose-lose situation for all Canadians if this flawed bill passes into law without amendment. This is an opportunity for the Senate to do what only the Senate can — with sober second thought, bring in the amendments that protect the rights of all Canadians, male and female, native and non-native.

On motion of Senator Kinsella, for Senator St. Germain, debate adjourned.

•(1800)

BUSINESS OF THE SENATE

Hon. Sharon Carstairs (Deputy Leader of the Government): Honourable senators, I believe we have agreement on both sides of the chamber, including the independent members who are no longer here, that we would allow all other items to stand on the Order Paper in the number that they are in today and that we could then adjourn the Senate.

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

Hon. Senators: Agreed.

REVIEW OF NUCLEAR WEAPONS POLICIES

MOTION—ORDER STANDS

On the Order:

Resuming debate on the motion of the Honourable Senator Roche, seconded by the Honourable Senator Lavoie-Roux:

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 23-25, 1999.—(Honourable Senator Spivak).

Hon. Mira Spivak: Honourable senators, I no longer wish to have this motion stand in my name. I hope that will be permitted.

Hon. Sharon Carstairs (Deputy Leader of the Government): Honourable senators, I will take the adjournment on that item.

Order stands.

The Senate adjourned until Thursday, March 25, 1999, at 9 a.m.

CONTENTS

Wednesday, March 24, 1999

	PAGE		PAGE
The Honourable Orville H. Phillips		Business of the Senate	
Tributes on Retirement. Senator Lynch-Staunton	2898	All Committees Authorized to Meet During Sitting of the Senate.	
Senator Graham	2899	Senator Carstairs	2912
Senator Murray	2900	Adjournment. Senator Carstairs	2912
Senator Johnstone	2901	Senator Kinsella	2912
Senator Doody	2901	G	
Senator Cools	2901	Government Services Bill, 1999 (Bill C-76)	2012
Senator Sparrow	2902	First Reading.	2912 2912
Senator Beaudoin	2903	Senator Carstairs	
Senator Fairbairn	2903	Senator Kinsena	2912
Senator Lawson	2904	International Assembly of French-Speaking Parliamentarians	
Senator Forrestall	2904	Meeting Held at Saint-Denis, Île de la Réunion—	
Senator Callbeck	2904	Report of Canadian Delegation Tabled. Senator De Bané	2913
Senator Carstairs	2905		
Senator Prud'homme	2905		
Senator Phillips	2906	QUESTION PERIOD	
		Foreign Affairs	
SENATORS' STATEMENTS		Air Strikes by NATO Forces in Former Yugoslavia—Possible Acti	
		by United National Security Council—Maintenance of Integrity	of
Kosovo		Montenegro, Serbia and Kosovo—Government Policy.	2012
Announcement Regarding NATO Air Strikes.		Senator Kinsella	
Senator Graham	2909	Senator Graham	2913
		Air Strikes by NATO Forces in Former Yugoslavia—Possibility of Appearance of Minister of National Defence Before Senate—	L
Yasser Arafat		Government Position. Senator Forrestall	2913
Visit of President of Palestinian Authority to Parliament.		Senator Graham	2913
Senator Prud'homme	2909	Air Strikes by NATO Forces in Former Yugoslavia—Application	2713
Senator Lynch-Staunton	2910	of Same Policy in Sudan, Ethiopia and Other Countries—	
Tr. D' L		Government Position. Senator Lynch-Staunton	2914
Human Rights	2010	Senator Graham	2914
Conference on Religious Persecution. Senator Wilson	2910		
Mr. Richard Logan		National Finance	
Welcome to New Senate Mace Bearer	2910	Committee Authorized to Meet During Sitting of the Senate.	
		Senator Carstairs	2914
ROUTINE PROCEEDINGS		ORDERS OF THE DAY	
Federal Coordinator On Homelessness		War Veterans Allowance Act	
Press Release Tabled. Senator Graham	2911	Pension Act	
C '17 434 A4		Merchant Navy Veteran and Civilian	
Special Import Measures Act Canadian International Trade Tribunal Act (Bill C-35)		War-related Benefits Act	
Bill to Amend—Report of Committee. Senator Stewart	2911	Department of Veterans Affairs Act	
Bill to Taillend Report of Committee. Senator Stewart	2711	Veterans Review and Appeal Board Act Halifax Relief Commission	
Preclearance Bill (Bill S-22)		Pension Continuation Act (Bill C-61)	
Report of Committee. Senator Stewart	2911	Bill to Amend—Third Reading. Senator Gill	2914
		Senator Atkins	
Scrutiny of Regulations			
Fifth Report of the Standing Joint Committee Tabled.		Government Services Bill, 1999 (Bill C-76)	
Senator Hervieux-Payette	2912	Second Reading—Point of Order. Senator Lynch-Staunton	2916
·		Senator Carstairs	2916
Foreign Affairs		Senator Graham	2916
Committee Authorized to Meet During Sitting of the Senate.		Senator Kinsella	2918
Senator Carstairs	2912	Referred to Committee of the Whole.	2921

	PAGE		PAGE
Appropriation Bill No. 1, 1999-2000 (Bill C-74)		Senator Bacon	2926
Second Reading. Senator Stratton	2921	Appropriation Bill No. 5, 1998-99 (Bill C-73)	
Foreign Publishers Advertising Services Bill (Bill C-55)		Third Reading. Senator Carstairs	2927
Second Reading. Senator Kinsella	2921	Federal-Provincial Fiscal Arrangements Act (Bill C-65)	
Motion to Refer to Transport and Communications Committee—		Bill to Amend—Third Reading. Senator Carstairs	2927
Debate Adjourned.	2923	Senator Stratton	2927
Senator Carstairs	2923		
Senator Lynch-Staunton	2923	First Nations Land Management Bill (Bill C-49)	
Senator Angus	2924	Second Reading—Debate Continued. Senator Carney	2929
Senator Spivak	2925	D. t. au G	
Senator Carney	2925	Business of the Senate	2021
Senator Tkachuk	2925	Senator Carstairs	2931
Senator Bryden	2926	Review of Nuclear Weapons Policies	
Senator Kinsella	2926	Motion—Order Stands. Senator Spivak	2931
Senator Graham	2926	Senator Carstairs	



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