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Thursday, June 3, 1999

THE HONOURABLE GILDAS L. MOLGAT
SPEAKER

CONTENTS

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THE SENATE

Thursday, June 3, 1999

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

Prayers.

[*Translation*]

VISITORS IN THE GALLERY

The Hon. the Speaker: Honourable senators, I would like to call your attention to the presence of some distinguished visitors in our gallery. They are the members of the Italian Canadian Businessmen's Association, along with their president, Nino Colavecchio. They are here at the invitation of Senator Ferretti Barth. We welcome them to the Senate.

[*English*]

SENATORS' STATEMENTS

NORTH AMERICAN FREE TRADE AGREEMENT

FIFTH ANNIVERSARY

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, this year marks the fifth anniversary of the North American Free Trade Agreement between Canada and the United States and Mexico. By any measure, it has been an unqualified success for Canada and for our NAFTA partners. This agreement has helped us build a true NAFTA family where our peoples can collectively enjoy the benefits of a unique political, economic and cultural partnership.

The numbers speak for themselves. Canada's exports to the United States and Mexico have grown by 80 per cent and 65 per cent respectively since the NAFTA was implemented on January 1, 1994. Indeed, trade and investment flows among all three NAFTA partners have increased substantially as a result of the agreement. The Canadian economy continues to expand, and more than 1 million new jobs have been created in Canada since NAFTA came into force.

Last year, the United States, Mexico and Canada launched a comprehensive review of the NAFTA to examine achievements to date and to set priorities for the road ahead. This review highlighted a number of important achievements. Tariff elimination is proceeding ahead of schedule. Non-tariff barriers to trade are being removed. The standards regimes of the NAFTA parties are being made more compatible in areas like telecommunications and transportation.

All of these improvements have made it easier than ever for Canadians to succeed and to do business across North America. Yet there is still more work to be done. Important discussions are underway to clarify the expropriation and compensation provisions of the NAFTA's investment chapter to provide greater certainty as to the intent of the parties in this area. The parties are also looking to achieve greater transparency in the NAFTA institutions as a whole, including the investor state dispute-settlement procedures.

The more Canadians understand about the agreement, the more their already high level of support for the NAFTA will be strengthened.

While the vast majority of trade between the NAFTA members flows unimpeded, the NAFTA's rules have created a strong framework by which we can resolve disputes when they do arise. That has provided stability and predictability to entrepreneurs in all three countries. Clearly it has helped to multiply the number of business opportunities for Canadian firms and has made North America one of the most dynamic and prosperous trade areas in the world.

The NAFTA provides preferential and secure access to the rich North American markets, which is particularly reassuring at a time of global economic uncertainty and turmoil in many other international markets. As we look ahead to the next five years, I am confident the NAFTA will continue to serve as a powerful locomotive for increased trade, investment and jobs for all Canadians.

I want to assure all honourable senators that this statement was not prepared for me by former prime minister Brian Mulroney, although I suspect that he is aware of it, because I found it in a booklet entitled, "The NAFTA after Five Years: A Partnership At Work." That booklet was issued by the Department of Foreign Affairs and International Trade. The statement, with only minor changes, is identified as a "Message from the Minister," with his picture alongside and the signature of Sergio Marchi below.

• (1410)

Last week — May 27, to be exact — marked the sixth anniversary of the vote in the House of Commons on the enabling legislation confirming the NAFTA. Minister Marchi, whose support of the NAFTA today is unlimited in its enthusiasm, voted against the legislation. Joining him in the vote against the NAFTA were the Prime Minister of Canada, the Deputy Prime Minister, the Minister of Foreign Affairs, the Minister of Canadian Heritage, the Minister of Finance, the Minister of Veterans Affairs, the Minister of Agriculture, the Minister of Public Works, the Solicitor General, the Minister of Industry, the Minister of International Cooperation, and our present High Commissioner to London.

Honourable senators, January 1, 2001, will mark the tenth anniversary of the goods and services tax being in place. I look forward to putting on the record a statement in praise of it, preferably by a Conservative Minister of Finance.

FIFTY-FIFTH ANNIVERSARY OF D-DAY

Hon. R. James Balfour: Honourable senators, Sunday, June 6, 1999, will mark the fifty-fifth anniversary of the Allied landings in France in 1944, a date which will be forever known as D-day.

Canada was a full partner in this great enterprise. Hundreds of thousands of Canadian servicemen and women serving in the Royal Canadian Navy, the Royal Canadian Air Force, with other Allied services, and in the Merchant Marine of Canada, all made their individual contributions to defeating a brutal and determined Nazi war machine.

It should not be forgotten that these Canadians in uniform, volunteers all, were but the cutting edge of a national effort that stretched back to every factory, farm and fishery of our country. Foremost in the massive endeavour that was D-day was the Canadian army.

In 1944, the Canadian army overseas was over 270,000 men strong. Our country, then 12 million people, had fielded three infantry and two armoured divisions, two independent army tank brigades, two corps headquarters, an army headquarters, and the full range of supporting arms and services.

On D-day, the Canadian army had already been battling the Axis powers in Sicily and Italy for over a year, where the Allies had just advanced to liberate Rome. On the beaches of Normandy, in the pre-dawn of that June morning, the 3rd Canadian Infantry Division, supported by the 2nd Canadian Armoured Brigade, was one of the eight Allied assault divisions that landed from the sea and from the air.

On "MIKE" Beach, at Courseulles-sur-Mer, it was the men of the Regina Rifles, the Royal Winnipeg Rifles, and the 1st Battalion, the Canadian Scottish Regiment, supported by the tanks of First Hussars, whose collective military prowess overcame a stubborn defence, at no small cost in casualties.

At Bernières-sur-Mer, the Queen's Own Rifles of Canada, the North Shore (New Brunswick) Regiment and Le Régiment de la Chaudière, supported by the tanks of The Fort Garry Horse, fought ashore on "NAN" Beach and overcame the enemy to establish an Allied foothold in continental Europe.

Also fighting on the Normandy beaches that morning were the guns of the Royal Canadian Artillery, sappers in field companies of the Royal Canadian Engineers, and members of all the other corps who serve to give an all-arms battle formation its fighting strength.

Separate from the main Canadian assault, the 1st Canadian Parachute Battalion, operating under the command of British 6th Airborne Division, was dropped to seize crossings on the River Dives.

These Canadians served in a powerful, cohesive, identifiably Canadian force, whose existence and achievements are the bedrock of the respect and stature that Canada and Canadians enjoy throughout the world to this day. The valiant efforts of these men and women on D-day, and throughout World War II, built on the sterling reputation of their forefathers who formed The Canadian Corps in World War I. This is a reputation that is now maintained by their sons and daughters, grandsons and granddaughters, who serve in the Canadian Forces today.

Honourable senators, I rise today to formally note, on behalf of this chamber and all Canadians, the determination, bravery and sacrifice of all those who fought for Canada in the Allied invasion of Nazi-occupied France, 55 years ago this Sunday.

[*Translation*]

WORLD POPULATION DAY

Hon. Rose-Marie Losier-Cool: Honourable senators, in my capacity as co-chair of the Canadian Association of Parliamentarians on Population and Development, I should like to point out that July 11, 1999 will be World Population Day.

This is an opportunity for all Canadians to learn more about population issues. I would like to take this opportunity to encourage all parliamentarians to take part in consciousness-raising activities around World Population Day.

The world's population is now up to 5.9 billion. It increases 1.33 per cent every year, which means an additional 78 million people, 97 per cent of whom are born in the less developed regions of the world.

On October 12, 1999, the world's population will reach the six billion mark. The population is increasing proportionately every year. This leaves us facing the challenge of dealing with such universal issues as food safety, ageing, reproductive health, and human resource development.

[*English*]

As the world approaches the 6 billion mark, it is important to note that 9 out of the 10 fastest growing national populations are found in the developing world. We are also faced with constant aging of the world's population. As the proportion of elderly citizens grows around the world, particularly in its poorest regions, we will undoubtedly face serious challenges in health care.

[*Translation*]

World Population Day affords us, as Parliamentarians, the opportunity to inform Canadians of developing trends in world population with a view to a better understanding of the future we share.

[*English*]

With respect to population and development, the Canadian Association of Parliamentarians has been an active promoter of awareness of these matters. I encourage all senators to participate in the activities surrounding World Population Day and to continue to promote this awareness in their own communities.

DEVELOPMENT OF OFFSHORE RESOURCES AND THE ENVIRONMENT

Hon. Donald H. Oliver: Honourable senators, I wish to take this opportunity to comment on a conundrum that we are encountering more and more in Canada — the competing claims of environmental protection for pre-eminence over the equally valid demands for development of our offshore resources.

Specifically, the George's Bank Review Panel is presently seized with the issue of whether to extend the moratorium that prevents offshore oil and gas development off George's Bank. George's Bank, as you all know, is one of the richest fishery resources in the Atlantic, off Nova Scotia and New England.

The fear on the part of the fishing interests and environmentalists is that drilling near this lucrative feeding and spawning ground may do irreparable damage to what remains of our East Coast fishing industry. Competing against these claims are the desires of petroleum-related industries that Nova Scotia — and Atlantic Canada in general — needs another Sable Island project or its GDP, or the current increase in employment, will either stagnate or drop from its current level.

I raise this issue today because of a letter I received from Mr. John McDonald, president of Seimac Corporation, dated April 22, 1999. He wrote to me as the owner of an export-oriented company struggling to stay in Nova Scotia in the face of business and personal taxes that are far too high and cannot be sustained. He felt compelled to comment, in his letter to me, on the George's Bank moratorium issue. He feels that by letting the moratorium expire Nova Scotians will be able to control George's Bank and develop it in the interests of all the citizens of Atlantic Canada.

Honourable senators, what struck me was that he wrote to say he was struggling to stay in Nova Scotia in the face of business and personal taxes that are far too high, but at the same time as maintaining these high taxes, we do precious little to allow industry, in particular small business, to be competitive.

I have read the brief submitted to the George's Bank Review Panel by the Offshore Technologies Association of Nova Scotia. The brief presents one possible solution to dealing with the various competing interests off George's Bank. What it does deal with, however, is the position of the Nova Scotia fishermen, who have a legitimate fear that the lucrative fishery will be ruined if drilling and other petroleum-related operations take place. On the other hand, it seems that, if the review panel were properly balanced with those who understand the interests of the fishermen, this solution might allow Mr. MacDonald and others to stay in Nova Scotia and get on with their business lives, thus contributing to the economy of Atlantic Canada.

• (1420)

CHINA

HUMAN RIGHTS—CANADA'S FOREIGN POLICY

Hon. Jack Austin: Honourable senators, on Monday, May 31, Senator Di Nino made some comments regarding human rights in China. He referred to the tenth anniversary of the death of Chinese students and other citizens who had massed in Tiananmen Square to demonstrate against corruption and for democratic change.

Apart from declaiming against the Chinese government, it is not clear what Senator Di Nino would recommend as Canadian policy towards China 10 years later. What policies would flow from Senator Di Nino's statement that, "In terms of importance, human rights should rank far above trade statistics"?

Perhaps Senator Di Nino and other out-of-work Cold War warriors think it would be desirable to renew policies of isolation and ostracization of China — policies followed with no obvious advantage by the United States and others from 1949 on, when China then sought a normal standing in the world community but was driven into isolation and thus to ally itself with the Soviet Union. That brought on a bipolar world with Vietnam, and other revolutions that took 30 years to pass through.

If you declare a nation to be your enemy and seek its punishment in isolation, then you can be certain that it will be your enemy with all the consequences. Does Senator Di Nino want to do a little war dance and take on one-fifth of humanity to prove his moral superiority? Let us be clear: China has lots of domestic problems, and the development of human rights and democracy are major issues for them and for us. But China has made great progress in its economic and social modernization since it returned to the international community 20 years ago. At no time in China's history have the lives of individual citizens been more free than they are today; at no time have they had more personal opportunity than they have today. It is not confrontation that should be the basis of Canada's policy, but engagement at a level of mutual respect. We have our system and we have our values, and we make them known to the Chinese. We do not compromise our values. However, we seek the progress of the Chinese people in their individual lives. As Honourable Raymond Chan has said, "Human dignity and human lives are the most valuable things a nation has."

Visiting Ottawa today is a team of experts from the National Peoples Congress. I met with them this morning. They are studying Canada's social policy system. China wants to introduce health care, pension, unemployment and welfare support programs for its citizens. Can we detect in that goal a regard for the individual? Should we support it? Would they be here if we reminded them at every encounter of something we disagreed with in their history? Do we do that with other nations?

The normalization of China's relations with the world is a key to the peace and prosperity of the entire globe. Through policy exchanges, trade exchanges and people exchanges, Canada is playing a useful role. China's accession to the WTO is the next major step that Canada and the Prime Minister are doing their best to facilitate. What is really required is that all sides summon the resources necessary to foster cooperation and prevent conflict. At all times, we must use our will and our energy to surmount the negative issues of the moment.

Senator Lynch-Staunton: Tell us about their spies!

FIFTY-FIFTH ANNIVERSARY OF D-DAY

Hon. J. Michael Forrestall: Honourable senators, in what Sir Winston Churchill described as "the most difficult and complicated operation that has ever taken place," on June 6, 1944, Canadians of the 3rd Canadian Infantry Division joined with their comrades-in-arms and landed on Juno Beach at Normandy. The Canadians were joined by four other infantry divisions that fateful day from the United States and the United Kingdom. The 3rd Canadian Division was supported in this holy crusade by ships and crews of the Royal Canadian Navy, the Merchant Navy, the aircraft and aircrew of the Royal Canadian Air Force, the Canadian Parachute Battalion and the 2nd Armoured Brigade, while the 2nd Canadian Infantry Division and the 4th Canadian Armoured Division waited in the United Kingdom to reinforce their fellow Canadians. They landed on the coast of France determined to stay, while the enemy soldiers of the Third Reich, waiting for them, hoped to push them back into the sea in what was one of the most decisive battles in military history.

John Keegan, in his monumental work, *Six Armies in Normandy*, said, "They took with them a blessed sense of release from the spectres from 22 months before on the beaches 70 miles to their east" — a reference to the horrible lessons of Dieppe. That was a lesson paid for in Canadian blood that sowed the seeds of victory in the D-day landings.

Field Marshal Montgomery of El 'Alamein fame said of the Canadians, "You would not see such a body of men in any other army in the world." He was absolutely right, for at the end of D-day, June 6, 1944, Canada had penetrated inland the farthest of any Allied division. They were the best of the best and, to paraphrase Shakespeare, "no table was better set."

They were seasick when they landed on the beaches or, more often than not, in hip- or chest-deep waters off the shores of France. Scared, tired, sick, and under fire, they moved inland decisively and aggressively to achieve their objectives. One Nova Scotian, a Cape Breton highlander, Sergeant Chandler, summed it up best when he said, "I was so sick that I did not care if the whole German army was on the beach. All I wanted to do was to get my feet on dry land."

Heroism was commonplace. One of the most memorable stories for me was that of Gilbert Boxall, a stretcher-bearer from Saskatchewan, who bravely crawled up and down the beach dressing the wounds of gravely injured Canadian soldiers. On D-day plus three, while moving to answer a cry for help, he was shot dead. When his body was examined, his friends found five dressings and wounds on his body — wounds that he never spoke of during the three days of intensive fighting.

Who could forget the story of our parachute battalion that jumped with the 6th British Airborne to seize bridges ahead of the landings — and its padre, who was killed when his chute failed to open? Who could forget the heroism of the CANLOAN officers with British units? Out of 673 CANLOAN lieutenants and captains, 127 were killed during the war; 338 were wounded or taken prisoner; and 41 were awarded military crosses.

To those of you who may be interested, assuming that you can find a copy of it, I recommend Colonel Roger MacLellan's book, *Wave an Arm "Follow Me."* It is well worth reading.

The Normandy landings, honourable senators, started the drive that eventually liberated Western Europe. When coupled with the Allied forces in Italy and Canada's prized and somewhat adored 1st Canadian Infantry Division — those homegrown soldiers, the landings brought disaster upon the German army of Hitler's Third Reich. Field Marshal Rommel, the Desert Fox, said of D-day, "Believe me, the first 24 hours of the invasion will be decisive...the fate of Germany depends on the outcome...for the Allies as well as Germany, it will be the longest day."

In fact, it was on that "longest day" that victory was determined, and by June 12 the Allies had established a bridgehead — a springboard of victory — that was 25 kilometres deep and 97 kilometres long. To those brave Canadian and Allied soldiers, some 55 years later, we say a very humble "Thank you."

[*Translation*]

Hon. Michael A. Meighen: Honourable senators, I wish to subscribe wholeheartedly to what my colleagues Senators Balfour and Forrestall have said. I bow to their eloquence and their knowledge of military history.

[*English*]

Having just returned myself from a trip to the Normandy beaches, I could not let today pass without saying a word or two about that.

It was a trip, yes, but as I stood on the beaches at Bernières-sur-Mer and Saint-Aubin-sur-Mer and Courseulles, it became sort of a personal pilgrimage. It became so even more deeply when I went to the cemeteries at Cintheaux and Bény-sur-Mer and saw the graves of some 5,000 Canadians who still rest in the soil of France, whose graves, I can assure all honourable senators, are attended with the greatest interest, care and affection by the inhabitants of those regions.

Today perhaps, knowing that most Canadians, for a variety of reasons, are unable to pay a personal visit to what was certainly one of the turning-points of World War II, the Battle of Normandy, I want to salute the work of one organization and one individual who are doing their part to ensure that the heroism of the men and women we salute today does not slide from memory. I am referring to the Canadian Battle of Normandy Foundation, in which I know that our colleague the Speaker plays a very prominent role, and which has done an outstanding job in ensuring that the role of Canada in the Battle of Normandy is preserved for all time, principally through the memorial in Caen where, not to put too fine a point on it, the role of Canada is somewhat understated. I know that this situation is being rectified. Indeed, thanks to the efforts of the Canadian Battle of Normandy Foundation, there is now a Canadian garden in the memorial that is a most outstanding bit of recognition and testimony to the heroism of 55 years ago.

Finally, I want to signal the contribution of Professor Terry Copp, Professor of History at Wilfrid Laurier University in Waterloo. Professor Copp is the author of a number of books and articles on the role of Canadians in the liberation of Europe. For anyone intending to visit Normandy, I cannot recommend highly enough his guide to the battlefields of Normandy, which provides incredibly informative and interesting information for the traveller. Certainly Professor Copp and the Battle of Normandy Foundation, in taking students to that part of the world every year, deserve our greatest support. I guess support can be expressed in a variety of ways — not only money, although that is always welcomed by any foundation, but by following their work and supporting them in their endeavours, so that those who did so much, who made the ultimate sacrifice for us, will remain ever present in our memories and the memories of Canadians for generations to come.

[*Translation*]

ROUTINE PROCEEDINGS

SCRUTINY OF REGULATIONS

SIXTH REPORT OF THE STANDING JOINT COMMITTEE TABLED

Hon. Céline Hervieux-Payette: Honourable senators, I have the honour to table the sixth report of the Standing Joint Committee for the Scrutiny of Regulations on instruments administered by the Department of Indian Affairs and Northern Development.

[*English*]

BUDGET IMPLEMENTATION BILL, 1999

REPORT OF COMMITTEE

Hon. Terry Stratton, Chairman of the Standing Senate Committee on National Finance, presented the following report:

Thursday, June 3, 1999

The Standing Senate Committee on National Finance has the honour to present its

FIFTEENTH REPORT

Your committee, to which was referred Bill C-71, An Act to implement certain provisions of the budget tabled in Parliament on February 16, 1999, has, in obedience to the Order of Reference of Wednesday, May 12, 1999, examined the said bill and now reports the same without amendment.

Respectfully submitted

TERRY STRATTON
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.

LEGAL AND CONSTITUTIONAL AFFAIRS

NOTICE OF MOTION TO AUTHORIZE COMMITTEE TO MEET DURING SITTINGS OF THE SENATE

Hon. Wilfred P. Moore: Honourable senators, on behalf of Honourable Senator Milne, I give notice that, on Tuesday next, June 8, 1999, she will move:

That the Standing Senate Committee on Legal and Constitutional Affairs have power to sit at 3:30 p.m. on Wednesday, June 9, 1999, and at 3:30 p.m. on Wednesday, June 16, 1999, even though the Senate may then be sitting, and that rule 95(4) be suspended in relation thereto.

REVENUE CANADA

ABUSIVE AND ILLEGAL TAX COLLECTION TACTICS— NOTICE OF INQUIRY

Hon. Donald H. Oliver: Honourable senators, I give notice that, on Tuesday next, June 8, 1999, I will draw the attention of the Senate to methods by which taxpayers in Canada may be better protected from abusive and illegal collection tactics utilized by Revenue Canada, its agents and employees, by reviewing the results of a similar study of the IRS.

APPROPRIATION OF FEDERAL GOVERNMENT PENSION FUND BY TREASURY BOARD

PRESENTATION OF PETITION

Hon. Ethel Cochrane: Honourable senators, I have the honour to present a petition signed by 27 citizens of Canada, residents of Newfoundland and Labrador, who petition the following:

> We, the undersigned citizens of Canada, draw the attention of the Senate to the following:
>
> THAT on February 10, 1999, Treasury Board President Marcel Massé announced that the government would unilaterally appropriate the pension funds belonging to 670,000 current and future retirees from federal departments, Crown corporations, agencies, the military and the RCMP.
>
> THAT this action is morally flawed because:
>
> The pension funds are the deferred income of the employees;
>
> Public Sector workers have accepted below market pay in return for decent pensions;
>
> The morale of public service workers is, again, assaulted and undermined;
>
> Therefore, on behalf of all Canadians who believe in fairness and social justice, we call upon the Senate to:
>
> Halt the plans of Treasury Board to unilaterally appropriate the surpluses in the public service, military and RCMP pension plans;
>
> Direct Treasury Board to end all actions which undermine the confidence and the morale of public service, armed forces and RCMP personnel.

• (1440)

QUESTION PERIOD

NATIONAL DEFENCE

PROPOSAL TO REDUCE RESERVES—POSSIBLE ELIMINATION OF THE 84TH INDEPENDENT FIELD BATTERY—GOVERNMENT POSITION

Hon. Gerald J. Comeau: Honourable senators, my question is for the Leader of the Government in the Senate. He will know that the province of Nova Scotia has taken its fair share of Liberal government cuts, to fisheries, to Cornwallis, to the ferry service, and the list goes on.

I have now learned that the 84th Independent Field Battery, based in Yarmouth, a reserve artillery unit, may be eliminated by the proposed military cuts. Will the minister assure the people of Southwest Nova Scotia that the 84th Independent Field Battery will not be eliminated?

Hon. B. Alasdair Graham (Leader of the Government): Honourable senators, I am not aware of any such move. I certainly shall bring my honourable friend's representations to the attention of the Minister of National Defence

At the same time, I do not agree with the premise of the honourable senator's question with respect to cuts made to Nova Scotia. Certainly sacrifices were made by all Canadians early in the mandate. However, the result is a balanced budget that helps all areas of the country, including Senator Comeau's home province of Nova Scotia.

Senator Comeau: Honourable senators, I bring this matter to the minister's attention as there has been some talk of it. On the subject of the premise of my question, I know the minister indicated last week that we might wish to discuss this matter in the future. I would be glad to return to the subject, cut for cut, track for track, and thrash it out at that point.

Senator Graham: I would be very happy to participate in such an engagement.

CONFLICT IN YUGOSLAVIA—DEPLOYMENT OF GROUND TROOPS—NUMBER TO BE ASSIGNED—GOVERNMENT POSITION

Hon. J. Michael Forrestall: My question is for the Leader of the Government in the Senate. General Lewis Mackenzie indicated before the Standing Senate Committee on Foreign Affairs the other day that, at a minimum, to maintain our national identity, we should be sending a heavy battle group or brigade, which is directly in keeping with the 1994 white paper on national defence.

NATO has asked the Government of Canada for more troops and the Department of National Defence has given the government its options. What are these options? How many troops and from what units are we prepared to send them if they are to be required?

Hon. B. Alasdair Graham (Leader of the Government): Honourable senators, I do not believe Senator Forrestall indicated a destination for the troops. I presume he means the Balkans.

A further request has been made by NATO, as he would understand. At present we have in that area some 285 members of the Armed Forces attached to the CF-18s. We have 200 naval personnel aboard the *Athabaska*. We have agreed to deploy 800 more troops to that area. A request for more members of the Armed Forces is now under consideration by the Government of Canada.

SEARCH AND RESCUE HELICOPTER OFFSET BENEFIT PROGRAM—
POSSIBLE CONTRACTS FOR AVIATION INDUSTRY
IN NOVA SCOTIA—GOVERNMENT POSITION

Hon. J. Michael Forrestall: I hope that consideration is being given to sending a battle group or even to a somewhat lightened brigade.

Honourable senators, Atlantic Canada was promised $43.1 million in regional and industrial benefits for the Canada search and rescue helicopter program, with over half of the aviation industry in the region expecting $20 million to $25 million or some 4 per cent of the revenue. To date, Nova Scotia has two proposed contracts and has received just two offsetting contracts, one for $2.5 million and one for $440,000. Not one red cent has gone to the aviation industry in Nova Scotia. We will be lucky to receive 2 per cent of the revenue.

What is the minister doing to ensure that the terms of that offset benefit program and the assurance given to Nova Scotia, in particular, will be followed through?

Hon. B. Alasdair Graham (Leader of the Government): Honourable senators, I am in constant contact with the Minister of National Defence and the Minister of Industry and other colleagues. However, I am not aware of the origin of the $43.1-million commitment to which my honourable friend refers.

I wish to assure the honourable senator that ministers and other officials are actively engaged in considering what benefits may accrue not only to Atlantic Canada but to other parts of the country as a result of new procurements which I hope will be announced in the near future.

AWARDING OF CONTRACT FOR REPLACEMENT
OF SEA KING HELICOPTERS—REQUEST FOR INFORMATION

Hon. J. Michael Forrestall: I am about to ask the minister for his most recent explanation of how long is "soon."

As I said the other day, I welcome very much the indication that the maritime helicopter project has now been opened, although somewhat in secrecy, and I cannot for the life of me understand why. Why, for example, has there been no announcement to this effect? Why is it that we have not sent out a request for submissions from the interested firms so that we might get on with this work?

Hon. B. Alasdair Graham (Leader of the Government): Honourable senators, such procurement has not been officially approved by the government. It has certainly been under consideration by defence officials and the Minister of National Defence.

With respect to secrecy, I am not aware of anything that is being done in a cloak and dagger manner, if that is the proper way to characterize the situation to which my honourable friend alludes. However, I wish to assure Senator Forrestall that while this is very much a priority with the Minister of National Defence, there are currently other events in the world that are preoccupying the minister.

Senator Forrestall: You have to be kidding. There is nothing more important.

LABOUR

POSSIBILITY OF BACK-TO-WORK LEGISLATION
FOR AIR TRAFFIC CONTROLLERS—GOVERNMENT POSITION

Hon. Donald H. Oliver: My question is for the Leader of the Government in the Senate. Would the leader comment on the growing speculation that Parliament will shortly see draft back-to-work legislation for the air traffic controllers in the event they act on their threat and walk out?

The honourable leader will be aware that government officials have told the *National Post* that plans are underway to draft back-to-work legislation in order to keep Parliament in session past next week's expected recess in the event that a strike or lockout occurs.

Will the honourable leader tell us the current state of negotiations and when this chamber may expect such a bill?

Hon. B. Alasdair Graham (Leader of the Government): Honourable senators, I can only say that negotiations are continuing. We are hoping that a positive solution will be reached so that back-to-work legislation will not be necessary.

THE SENATE

DEMONSTRATION IN SUPPORT OF ABOLITION—
GOVERNMENT POSITION

Hon. Douglas Roche: Honourable senators, my question is to the Leader of the Government in the Senate. It appears that a group of MPs will hold a rally on Parliament Hill on June 8, 1999, for the purpose of building public support to abolish the Senate. What is the position of the Government of Canada on this rally?

Is the government prepared to tell the people of Canada about the work of the Senate? For instance, in the past eight months alone, 21 Senate committees held a total of 414 meetings, for 778 hours, heard 1,194 witnesses, and issued 79 reports.

Hon. B. Alasdair Graham (Leader of the Government): Honourable senators, Senator Roche has quite eloquently responded to his own question. I believe it is incumbent upon all honourable senators to get that message, a similar message or even an enhanced message out to the public.

There is a great deal of misunderstanding in Canada regarding both the work and the role of the Senate. Again, it is incumbent upon all of us to participate in getting the message to the public.

FINANCE

EFFECT OF HIGH TAXES ON ATTRACTING NEW BUSINESSES—POSSIBILITY OF REDUCTIONS—GOVERNMENT POSITION

Hon. Terry Stratton: Honourable senators, my question is addressed to the Leader of the Government in the Senate. Last month we received yet another warning about taxes. Along with the CEO of Nortel, Canadian Pacific Chairman, Mr. David O'Brien, has said that CP may have to move some of its head office operations to the U.S. because it simply cannot attract and keep the talent that it needs, given Canadian tax levels. This follows April's statement by John Roth, Chief Executive Officer of Nortel, that his company may have to move to the U.S. because our tax laws are driving employees that his company needs to leave for the United States.

• (1450)

Why is the Minister of Finance unwilling to concede that our tax laws are contributing to a major brain drain that is just not leading to an exodus of talent, but which could also force companies that rely upon that talent to leave as well? Why is the Minister of Industry alone in recognizing that we have a problem?

Hon. B. Alasdair Graham (Leader of the Government): Honourable senators, the Minister of Industry is not alone in recognizing that we have a problem. Everyone in the country recognizes that we have a problem.

I think we should examine Mr. O'Brien's comments very carefully and heed what he says. He says that workers will go where salaries are higher, taxes are lower and opportunities are greater. If our industries cannot compete on a salary or opportunity basis, no amount of tax cuts will make one shred of difference.

I would reiterate that in a speech to the Finance Committee hearings on productivity, the President of the Business Council on National Issues or BCNI called our health care system a competitive advantage. He is acknowledging that by securing the future of Canada's health care system, our government is helping employees decide where to work. He suggests they should base their decisions, at least in part, on the strength of the medical system in Canada, the quality of life in Canada, and other such attributes of which we are so proud.

Senator Stratton: The question still boils down to taxes. These two chairmen talk about taxes, full stop.

According to a new Industry Canada study, Canada has a productivity gap with the United States that ranges from 4 per cent in mining to 30 per cent in manufacturing. The Minister of Industry has been very vocal and is calling for tax cuts to help make Canada a more competitive place to do business. He realizes that we will not be able to attract foreign capital without tax relief. He realizes that our current tax regime is driving Canadians out of the country. He realizes that high taxes do not encourage investment in new machinery and equipment. When will the Minister of Finance come to the same conclusion and introduce major tax cuts that will both spur investment and end the brain drain?

Senator Graham: Honourable senators, a total of $16.5 billion in tax cuts over the next 36 months was announced in the last budget. I believe that is a good start for a long-term tax reduction strategy.

I think we all agree that there is a need to cut taxes in Canada, but we will not do it at the expense of our health and our education systems. It was clear before the introduction of the last budget that the first priority for Canadians was an improved and a better-funded health care system.

Could there have been larger tax cuts if we had not invested $11.5 billion in the health care system? Absolutely, but we would have been ignoring the clear wishes and needs of Canadian citizens.

HUMAN RESOURCES DEVELOPMENT

USE OF SURPLUS IN EMPLOYMENT INSURANCE FUND—GOVERNMENT POSITION

Hon. Terry Stratton: Honourable senators, while the honourable leader is bragging about $16 billion worth of tax cuts, the government is taxing Canadians $5 billion a year more than is needed in EI premiums to balance the books. Over three years, that is $15 billion. That is what is paying for the tax cuts.

Hon. B. Alasdair Graham (Leader of the Government): Honourable senators, in the last two budgets, the Government of Canada began to implement broad-based, personal tax relief and committed to further reducing taxes for Canadians as resources permit. Canadians are looking for personal income tax cuts before other tax cuts, but we are on the right track. That is why we are able to balance the budget and create 1,600,000 new jobs in this country.

Senator Stratton: Remember, honourable senators, that the current government did not create the surplus. The people of Canada created that surplus. Anytime my honourable colleagues stands up and talks like that, I will take him on. The people of Canada made the sacrifices, and the people of Canada paid the price.

Senator Graham: I could not agree with my honourable friend more. The people of Canada created the surplus under a Liberal government, and through the responsible fiscal management which was brought to this country by this government.

INTERNATIONAL TRADE

FOREIGN PUBLISHER ADVERTISING SERVICES AGREEMENT—REQUEST FOR COPY

Hon. Noël A. Kinsella (Deputy Leader of the Opposition): Honourable senators, could the Leader of the Government in the Senate advise this house whether he has seen a draft of the agreement that is supposed to exist between Canada and the United States with reference to the split-run magazine matter?

Hon. B. Alasdair Graham (Leader of the Government): No, honourable senators, I have not.

Senator Kinsella: Does the minister expect to see a draft copy of the agreement, or does the minister expect to wait to see a copy of the agreement when it is signed? If it is the latter, when does the minister expect that the agreement will be signed? If it is eventually signed, will the minister undertake to see that it is tabled in this house?

Senator Graham: Honourable senators, I understand that the signing is just a matter of days. As a matter of fact, perhaps it is being signed as we speak.

Senator Lynch-Staunton: Who cares?

Senator Graham: I do not claim to have any first-hand knowledge of that, but I would be very happy to table the document as soon as it becomes available.

ORDERS OF THE DAY

INCOME TAX AMENDMENTS BILL, 1998

THIRD READING—DEBATE CONTINUED

On the Order:

> Resuming debate on the motion of the Honourable Senator Callbeck, seconded by the Honourable Senator Cook, for the third reading of Bill C-72, to amend the Income Tax Act, to implement measures that are consequential on changes to the Canada-U.S. Tax Convention (1980) and to amend the Income Tax Conventions Interpretation Act, the Old Age Security Act, the War Veterans Allowance Act and certain Acts related to the Income Tax Act.

Hon. Terry Stratton: Honourable senators, in the 15 seconds it will likely take me to read this sentence, a further $2,500 will be added to the accumulated surplus in the Employment Insurance Fund. While the bill before us makes some minor income tax cuts each and every day, the EI surplus grows by $14 million, as businesses and their employees pay far more in premiums than they need to. Put another way, each and every day the EI surplus grows by the equivalent of the cost of meeting the annual payroll of a business with 350 employees. What we now have with EI is a tax disguised as a premium, and what we have with this bill is a shell game.

Honourable senators, the minor tax relief in this bill is more than offset by unnecessarily high EI premiums. This year, EI revenues will total $20 billion, while expenditures will only equal $15 billion, for a total surplus on the year of $5 billion. Add this to all the surpluses from past years, and the employment insurance account will have an accumulated surplus of just under $26 billion by the end of this fiscal year. At that rate, it is a very safe bet that by the end of the next fiscal year, the surplus will be well over $30 billion. This is almost certain to happen unless the government does what it has so far refused to do — bring premiums down to the level actually needed to run the program.

This bill should have a clause making it illegal to overcharge Canadians for employment insurance. By the end of next year, the overcharging since 1993 will be equal to the cost of two years' worth of benefits.

The government may boast all it wants about this bill being one of several that will make law tax cuts from its last two budgets that it claims will total some $16 billion over three years. The problem is that it also plans to overcharge Canadians over the same period by roughly the same amount for Employment Insurance. This government is overcharging Canadians for a program that now pays benefits to only one out of three jobless Canadians. Would honourable senators voluntarily buy collision insurance from a company that only covered one crash in three? I do not think so. You would take your business elsewhere.

• (1500)

Employment insurance premiums are supposed to pay for employment insurance benefits — but not under this government. They are now a major source of revenue for the government. If the government were a business, this program would be called a profit centre.

Honourable senators, there is no question that taxes are too high, and I include sales taxes, property taxes, income taxes, probate fees, custom duties and payroll taxes. If one were to add up all the charges levelled by all three levels of government one would see that they account for almost one-half of what we earn. Payroll taxes are one of the worst ways to raise money, as they bear little or no resemblance to the ability of either the employee or the employer to pay.

Before he became addicted to EI premiums, the Finance Minister thought payroll taxes were a problem. In his first budget back in February 1994, the minister told us that "payroll taxes are a barrier to jobs."

Honourable senators, this was a familiar refrain in the government's first year or so in office. Later that year, we were told in the orange book, or *Building a More Innovative Economy* as it was officially known, that "payroll taxes raise the relative cost of labour, creating a disincentive for firms to create jobs." Later in 1994, we were told in the purple book, known officially as *A New Framework for Economic Policy*, that a payroll tax "raises unemployment relative to the situation in which there is no tax or a lower tax." Finally, just before he brought down his 1997 budget, Paul Martin told a CBC town-hall meeting that "there is no doubt that when payroll taxes rise, that can have an effect on jobs."

Let us take a look at the payroll taxes that Canadians have paid since this government was elected. In 1993, a working Canadian faced combined Canada Pension Plan and EI premiums of $5.50 for every $100 of salary. This year, payroll taxes will take out $6.05 for every $100 worth of earnings. The government keeps telling us that EI premiums have fallen from $3 per $100 of earnings in 1993 to $2.55 this year. They ignore the fact that premiums could drop to $2 and still cover the cost of the program. They do not like to remind us that Canada Pension Plan premiums have jumped substantially under this government. In 1993, employees paid CPP premiums of $2.50 per $100 of earnings. This year they will pay $3.50. Add it up, honourable senators, and you will find under the Liberals that combined CPP and EI premiums have jumped from $5.50 to $6.05 per $100.

If the government sticks to the EI premiums assumed in the budget for planning purposes, then next year the combined premiums will be $6.45.

There has not been one year in the six since this government took office where working Canadians have seen their payroll taxes decrease. The best year they faced of the last six was 1998 when EI premiums were reduced by exactly the amount needed to offset rising CPP premiums — no gain for the taxpayer and only one year in six when there was no additional pain.

These premiums come out of the pockets of working Canadians. The EI actuary tells us that at least 55 cents of that money is not needed. Premiums could be cut back to $2 and the program could still be run in the black. This government is taking more than $200 per year out of the pocket of someone earning an average wage.

Then, honourable senators, there are the payroll taxes paid by employers. For employers, combined CPP and EI premiums have climbed from $6.70 to $7.07 per $100 of earnings. Business taxes can only be paid in one of three ways.

First, they can be reflected in lower profits. In the case of the small business operator, this results in less money for his or her family at the end of the year. In the case of larger businesses, this is reflected in lower earnings, which means less money to reinvest and lower returns to shareholders. The days are long gone when only the wealthiest Canadians were shareholders. Today, equity markets affect more ordinary Canadians than ever, thanks to the growth of retirement savings and pension plans. Business taxes are increasingly becoming taxes on retirement savings.

Second, business taxes, including payroll taxes like EI and the CPP, can be reflected as higher prices, if the business can pass them on.

Third, payroll taxes can translate into lower wages and fewer jobs, if the business is in a position to dictate wages, or if hard decisions must be made about payroll costs.

Honourable senators, the government's refusal to lower premiums is, frankly, a bit surprising, given the way it allows polls to drive its agenda. On February 20, the *National Post* reported the results of a Compas poll on Employment Insurance. It said that as many as 71 per cent of Canadians believe the federal government should only collect as much money as it needs to run the program.

The *Kitchener-Waterloo Record* noted in an editorial last December 3 that:

> Finance Minister Paul Martin may understand politics but he has real trouble understanding words such as employment, insurance and premiums.
>
> No other conclusion could be reached after Martin refused this week to lower Employment Insurance Premiums to a level that would be actuarially sound, neither too high nor too low to get us through the next recession.

Honourable senators, after a few paragraphs outlining break-even premium rates, the editorial continues:

> What Martin is really saying is that the premiums are not premiums at all, they are just another tax. This concept of unemployment insurance premiums would have surprised federal officials when Ottawa formally took over constitutional responsibility for Unemployment Insurance in 1940. They thought they were going to run an insurance plan.

The Toronto Sun noted in an editorial on the same day that:

> If Martin isn't listening to taxpayers, isn't listening to business and isn't listening to his own actuary, what possible basis does he have for taking so much of our money?
>
> None, except politics. Martin says he hopes to keep cutting EI premiums "every year." In other words, right up to the next election.
>
> Right. He'll have nickel-and-dimed us all to death by then.

I will leave the final word on this subject to a publication that has long been known for its unwavering support of the Liberal Party. My apologies in advance to the interpreters, who I hope can do justice to what follows.

Last December 3, *The Toronto Star* stated in an editorial:

> The Chrétien government made a mistake when it changed the name of Unemployment Insurance.
>
> Rather than calling it Employment Insurance, Ottawa should have named it the Liberal About Face Fund, or LAFF.
>
> Even though Finance Minister Paul Martin is collecting $7 billion a year more in premiums than is needed to pay for jobless benefits, he had decided to reduce contributions next year by only one-seventh of that amount.
>
> Better than nothing, he'll say with a LAFF.

Honourable senators, a few paragraphs later, the editorial concludes by stating:

> With so much funny paper, Martin's budget will doubtless be a barrel of LAFFs.

Lastly, honourable senators, there is nothing funny about this government's failure to bring both meaningful, broad-based tax relief and employment insurance premiums down to the level actually needed to run the program.

This bill is simply not good enough.

Hon. Noël A. Kinsella (Deputy Leader of the Opposition): Honourable senators, I should like to make a few observations on Bill C-72. The focus of my remarks relates to students who are either in our universities or who have left with an indebtedness that would frighten any member of this chamber, I am sure.

• (1510)

Although budget documents in the past have contained measures such as the Millennium Scholarship Fund, they have not effectively responded to the concerns of students who have completed university, community college or other programs and are left with enormous debt. We must face up to that indebtedness. Students whom I have personally had the privilege of teaching have been indebted in the range of $30,000 to $40,000.

Often, students who meet on campus during the course of their studies fall in love, marry, and want to begin a family. Suddenly, they are faced with $60,000 of indebtedness. If we had started our careers with a $60,000 debt, how quickly would we have entered the housing market? This is a national problem, created by methods for financing education that have evolved over the years.

A number of the measures in the budget address problems of accessibility. There remains grave concern in the university and college community across Canada. We must assess the core funding of these institutions in terms of our national educational objectives. We must also examine the indebtedness that the current system imposes on young people trying to prepare themselves for the 21st century.

The programs that have been announced to reduce loan principal, for example, do not do much to help Canadian students who, having completed their programs of study, are harnessed with horrendous debt. The only group being helped by the indebtedness of this community of Canadians is the financial institutions.

We must find creative solutions to this problem. Perhaps the government should consider rolling together first entry into the housing market and student indebtedness. For example, if a first entry into the housing market requires a $100,000 mortgage and that student has indebtedness of $30,000, perhaps the answer is a $130,000 mortgage, insured the way the Canada Mortgage and Housing Corporation insures mortgages, so that the student would be able to pay off student debt and mortgage with one monthly payment. That is but one idea that might attract the interest of the government. We need creative solutions to deal with the problem of indebtedness.

Honourable senators, a great number of students across Canada are expecting to obtain a post-secondary education. That expectation is held not only by individual students but also by Canadian society as a whole, as we enter the 21st century. There is a common good to be achieved if our students become the best technologists and academics in our global village.

In order for our students to be able to study and achieve excellence, we must provide them with the necessary financial resources. In Canada, responsibility for funding post-secondary education has traditionally been shared among parents, students and, to a significant extent, provincial and federal governments.

Since 1980, tuition fees in Canada have increased by 115 per cent, whereas inflation-adjusted family income has increased by only 1 per cent. Increases in tuition fees have been mammoth. The social consequences of that tremendous burden will be felt in the housing market. As we all know, the economy is very active when there is a thriving housing market.

Government loans are one way in which governments invest in the future of students. Student loans provide indispensable financial assistance to 80 per cent of Canadian university students. These loans are not risk-free. The level of student indebtedness is increasingly cause for concern and may be creating serious problems for borrowers and Canadian society.

• (1520)

Average indebtedness among students obtaining a first degree in 1982 was $5,260. In 1998, this figure had risen to over $25,000. The 1998 winter edition of Statistics Canada's "Canadian Social Trends" included the 1995 national graduate survey of 43,000 students in professional, university and college training programs. That survey indicated that, among 1995 graduates from college or first-degree programs, inflation-adjusted government student loan indebtedness was between 130 per cent and 140 per cent higher than for the class of 1982. This is a very serious problem, and one that is affecting the fabric of Canadian society economically, socially and culturally.

The Statistics Canada data also indicates that, two years after graduation, 1995 graduates from college and first degree programs had repaid a smaller proportion of their loans than had the class of 1990. For example, by 1997, the 1995 graduates had repaid only 19 per cent of their loans, while the 1990 graduates had repaid 35 per cent. That indicates that the more recent graduates, with the bigger indebtedness, are finding it tougher to repay.

Similarly, 1995 graduates from first degree programs have repaid only 17 per cent of their loans, in comparison with 27 per cent for the class of 1990. These figures mean that the 1995 graduates will certainly need more time than did classes of previous years to repay their loans.

Honourable senators, I submit once again that the government must come up with some very creative and innovative programs for these Canadians, who wish to have the best education they can achieve and are being encouraged, if not pushed, by society, which wants them to be the best and the brightest. Through no fault of their own, and because of the system for the financing of post-secondary education, we have harnessed them, chained them, fettered them to a financial burden that no one in this chamber would wish to have hanging around their neck. Creativity throughout all branches of government, and federal-provincial meetings that address this issue of indebtedness must be the order of the day.

Honourable senators, I have established that growing student indebtedness in Canada is worrisome, if not a national crisis. If nothing is done to remedy the situation over the next few years, the prospect of heavy indebtedness could discourage more and more students from entering post-secondary education programs, or force them to drop out before they complete their studies. It could also influence a graduate's plans to buy a house, which is the example I gave a few moments ago, or furniture or, in a society which demands that we be mobile, the expense of an automobile. If you have a $30,000 debt, how quick are you likely to go out and buy a car? How quick are you likely to go out and buy furniture? The system has led to a fettering of these generations of young Canadians who provide the demand that fires the economy in terms of the supply.

The situation, honourable senators, is potentially subject to aggravation by the fact that students may see their prospects of finding a job soon after graduation an impediment in itself. That is to say, in my province, there has been a great deal of job creation. The job creation, particularly in the small centres, has been in minimum wage types of jobs. The Canadians I am speaking of, those who have invested in technological or other academic areas and are harnessed with an indebtedness of $30,000 to $40,000, cannot take a job at minimum wage and expect to pay off their student loan.

Consequently, a number of graduates, particularly in the high-tech fields and a number of academic fields, have responded in what way? They have left Canada. That does not make sense. If we are investing in students' education, both federally and provincially, through the infrastructure of our institutions, plus through investment in the various support programs, plus through loan programs, Canadians and Canadian society are losing the benefit of those investments. In most cases, it is the United States and its economy that is benefitting. That does not make much sense. That speaks to the issue of our burdensome tax system and our system of financing higher education.

In my opinion, the tax measures of this government will do nothing to relieve student indebtedness in Canada, at least nothing that I have seen presented to us. There has been very little creativity, and that is the challenge. This sobering fact is unworthy of us as a country, where access to education is accepted by each and every one of us as a universal value, and it is a value which must be fulfilled. It is a programmatic right.

Hon. P. Derek Lewis (Acting Speaker): Senator Kinsella, I am sorry to have to advise you that your time has expired, unless you wish to ask for leave to continue.

Senator Kinsella: No, I will stop.

On motion of Senator Kinsella, for Senator Meighen, debate adjourned.

PUBLIC SECTOR PENSION INVESTMENT BOARD BILL

SECOND READING

On the Order:

> Resuming debate on the motion of the Honourable Senator Kirby, seconded by the Honourable Senator Cook, for the second reading of Bill C-78, to establish the Public Sector Pension Investment Board, to amend the Public Service Superannuation Act, the Canadian Forces Superannuation Act, the Royal Canadian Mounted Police Superannuation Act, the Defence Services Pension Continuation Act, the Royal Canadian Mounted Police Pension Continuation Act, the Members of Parliament Retiring Allowances Act and the Canada Post Corporation Act and to make a consequential amendment to another Act.

Hon. Terry Stratton: Honourable senators, Bill C-78 essentially does three things; all without the consent of the members of the pension plans of the public service, the RCMP and the military.

First, it allows the federal government to take as its own the entire $30-billion surplus that has been accumulated in these three pension plans. This was the primary focus of the debate on this bill in the other place.

Second, it changes the way those pension plans operate, mainly by allowing the funds to be invested in the market-place by the investment board which will be created through this bill.

Honourable senators, the accountability regime set out for that board is surprisingly weak. One would have expected something better from the Treasury Board, of all departments.

The Public Sector Pension Investment Board is modelled on the CPP Investment Board. It would appear that the government has ignored the recommendations for changes to that board made by the Senate Banking Committee.

• (1530)

Third, it makes a number of changes to the plans themselves, in areas such as funding and coverage.

My remarks this afternoon will primarily concern the way the government has treated the public service. I believe that Senator Tkachuk will speak later to issues of accountability and pension plan governance.

Honourable senators, the first and most controversial issue surrounding Bill C-78 is the government's decision to take back the $30-billion surplus that these three plans have accumulated.

The government tells us that it has a legal right to claim the entire amount on behalf of the taxpayers of Canada. We are told that this is appropriate, since the government is responsible for any deficits in the plan and, indeed, has met such deficits in the past. However, those with an interest in this surplus, the retirees and the unions speaking on behalf of the employees, tell us that, if the government already had a legal right to the surplus, it would not need legislation to claim it.

Honourable senators, they challenge the government's assertion that it has ever met such a deficit, on the basis that the government simply wiped out the accounting deficit that arose in the mid-1980s by using an offsetting interest-income surplus. No direct extra contributions were ever made, we are told.

It must be remembered that in 1982 the Liberal government of the day rolled back inflation-related increases in public service pensions as part of a public relations exercise known as the "Six and Five" program.

What assurances do we have that the government, having stripped the surplus, will not reduce benefits or further increase premiums, should the plan run a deficit? Indeed, it could create a surplus any time it wants by reducing benefits.

Unlike private sector employers, the government can change the rules of the pension plan any time it wants to do so simply by passing a bill.

Indeed, honourable senators, in speaking to the second reading of the bill, which imposed the "Six and Five" program on the public service pensions, Senator Olson, then Leader of the Government, told us at page 5279 of Hansard of January 26, 1983, that:

> Changes can be made to the relevant legislation to reflect varying economic conditions.

Economic conditions are always varying. Interest rates are up, and then they are down. Inflation is up, and then it is down. The stock market is up, and then it is down. It is the same with the bond market.

Honourable senators, if the government were subject to the same pension laws as the private sector, it would have no legal basis on which to claim the full surplus. In fact, it would need the permission of two-thirds of plan members to do anything with that surplus. It was only last year that we made the law for private sector plans that fall under federal legislation, when we passed Bill S-3.

The government keeps telling us that nowhere in the public sector is there a case where employees share in the surpluses but not in plan deficits. Private sector employers are responsible for meeting plan deficits, but they cannot touch the surpluses unless they come to some kind of sharing agreement with the employees. However, this government does not subject itself to the same laws that apply to the private sector. There is a double standard.

We are being warned that this could prompt other employers to seek changes to the Pension Benefits Standards Act that would allow them to take the surplus out of their own defined benefit plans, without the need to seek consent of their employees. I am not sure how the government will be able to look them in the eye and say "No" after changing the rules for itself.

The retirees and the unions tell us that the only reason that there is a $30-billion surplus is that the premiums over the last few years were set too high. Too much has been contributed to the fund. One reason that they were set too high is that wages did not rise as fast as expected. For example, as a result of a six-year wage freeze, the pensions of new retirees are lower than the actuaries thought they would be.

The retirees and the unions would prefer that the surplus be used to improve benefits or to forestall the anticipated premium increases that will occur over the next several years. Combined with those of the Canada and the Quebec Pension Plans, these premiums, currently 7.5 per cent of salary, could hit 11 per cent by the year 2010.

I am not sure how attractive the public service will be to young Canadians given the combination of an 11 per cent pension charge and wages that have fallen well below those of the private sector. Nor will this help the government meet the challenge of retaining its existing employees, many of whom are already taking their skills to better-paid jobs elsewhere.

We are told, in the words of a petition to Parliament currently being circulated by the Public Service Alliance, that:

This action is morally flawed because:

> The pension funds are the deferred income of employees;
>
> Public sector workers have accepted below market pay in return for decent pensions; and
>
> The morale of public sector workers is, again, assaulted and undermined.

Honourable senators, the $30-billion surplus question has been the most controversial issue, but it is not the only issue. Indeed, there are a number of other substantive issues, such as joint management of the plan and how the board will be governed. Many of these issues stem from the process leading up to this bill.

The government is proceeding with major changes to its pension plans without the agreement of its employees. Discussions with the public service unions on changes to the plan failed to lead to an agreement, with talks breaking down over the pension surplus issue.

The war of words we now see reflects a very bad labour relations climate. For example, *The Ottawa Citizen* of April 26 tells us:

> Treasury Board President Marcel Massé accuses "the unions of deliberately scuttling a deal negotiated last January, for a new jointly managed pension plan because they, 'didn't want to take the heat' from their members for giving up the surplus in the old plan."

Honourable senators, the same article has Steve Hindle, president of the Professional Institute of the Public Service of Canada, responding:

> We didn't walk from that table to avoid the heat. This is about an equitable distribution of the surplus and giving up $30 billion to the government was not a deal for us.

Honourable senators, pension lawyer Fiona Campbell said in the May 3 *Ottawa Citizen* that:

> This bill is unprecedented. I'm not aware of pension legislation of this magnitude in both what it's trying to do and in how quickly it's being done with no input from the people affected.

Honourable senators, even if you accept the government's arguments that the unions scuttled a deal, you must remember that this bill applies to more than just the public service. It also applies to the RCMP and to the military.

In testimony before the Government Operations and Natural Resources Committee in the other place on May 4, Mr. Kevin MacDougall from the RCMP Divisional Staff Relations said at a pension advisory meeting in November:

> We were told that nothing would happen to the RCMP plan unless a full consultation was given.

Honourable senators, after stopping briefly to answer a question, Mr. MacDougall continued. He said:

> We were told on January 21 that the legislation was drafted and we would be given absolutely no opportunity to input. As a result of that, we had various meetings with senior management and they also informed, in fact confirmed in writing yesterday, that they, as senior management of the RCMP, had been given no opportunity to input. In fact, there has been no "meaningful consultation with senior management as well."
>
> Now how does that look to the members of the RCMP? Our members are from coast to coast, we work hard out there, pensions are very, very important to police officers yet the government is signalling changes, it's about to make changes, dramatic changes to our act, and they haven't even consulted with, not only the representatives of the members, but they haven't provided any meaningful consultation with senior management.

• (1540)

Mr. MacDougall then went on, on behalf of his members, to ask that the parts of the bill dealing with the RCMP be put aside so that they could have time to provide some input.

In committee, I would like government witnesses to respond to Mr. MacDougall's testimony. I would like to hear a satisfactory explanation as to why the government made a promise to consult the RCMP in November, and then broke it in January.

I would like a satisfactory explanation as to why the government failed to include representatives of the RCMP and the military in its discussions, and why they are being punished for the breakdown in talks with the public service unions.

Honourable senators, for couples who are not legally married, Bill C-78 introduces a new definition of "spouse" based on conjugal relationship, in place of the opposite-sex, common-law concept we now have. The courts have said that the survivor benefits now provided to common-law heterosexual couples must also be extended to same-sex couples.

I want to be careful in raising this subject, as I do not want to detract from my main message of fairness, process and accountability by inviting a headline that reads, "Senator rants against same-sex benefits." This is not a rant against anything. What I want to do is draw the Senate's attention to the fact that arguments have been advanced that, as presently worded, Bill C-78 could end up creating yet another round of work for the legal community. These further problems concern not the bill's intent but the bill's wording.

For example, the Federal Superannuates National Association, in testimony before the other place, noted a problem, in that the final decision on whether there is a conjugal relationship rests with the minister — I wonder how honourable senators would like that decided for them by a minister — with no right for the survivor to present his or her case and with no process of appeal spelled out in law. In committee, we may want to examine this, and to see whether there are ways in which to manage the application process that do not deny fair process.

It is not hard to see some lawyer arguing, somewhere in the country, that, since the conjugal-relations rule does not apply to formally married couples, it ought not to apply to common-law married couples.

I am also told that the bill as drafted may present problems for common-law couples who at some point cease to have conjugal relations for reasons of health or who cease to cohabit because they have been placed in separate nursing homes. Concerns have also been raised about how the bill treats pensioners who remarry.

These matters were raised in committee in the other place a month ago, yet the government's initial response was to shrug its shoulders and to say that it is the best we can do. I would hope that in the intervening month — a short time now — the government has taken a second look at these concerns and will either be able to provide factual assurances that there are no problems or to offer amendments to deal with them. Otherwise, I very much fear that this bill will turn into a job-creation program for Department of Justice lawyers and other lawyers across the country.

In closing, honourable senators, I want to say that I am more than a little concerned about the state of labour-management relations in the public service. This bill will not help. It will just extend the present problems and create further and greater ones.

This marks the third time this spring that the government has asked the Senate to ignore the very strongly voiced concerns of its employees. The two other cases were the Revenue Canada Agency Bill and the imposed settlement set out in the blue-collar back-to-work bill. I hope this is the last time.

Hon. David Tkachuk: Honourable senators, Senator Stratton has already outlined the issues concerning the government decision to dip into the pension plans of its employees. Senator Stratton and I are sharing the obligations on this bill. It is such a bad bill that he ran out of negative adjectives to use. Knowing my propensity for negative adjectives with regard to the Liberal government, he asked me to assist him and take the other half of the bill. I can assure him that, after reading the bill, I am pleased to be able to do so, because this bill has bad concepts, bad principles, and it writes bad law.

Senator Kinsella: There is nothing good in it?

Senator Tkachuk: That is right. I could not find anything good in this bill. It is such bad law that the courts will be making the law for us, rather than, as it should be, the other way around.

Today I will address the issues of governance and accountability that arise from Bill C-78.

Honourable senators, the original plan was for a pension investment board that would report to a joint management board. If the investment board created by this bill were jointly managed by the employer and the employees, then issues such as who should audit the plan would be less relevant because both sides would bear the costs of bad decisions. The unions and the retirees want to be represented on the board. They fear that their participation in the advisory committees that will select the nominating committees that will put forward names to the minister will be meaningless.

We have heard this before concerning the CPP plan.

James Baglow of the Public Service Alliance noted the following in an April 16 press release:

> Is this government afraid that if there is a joint union management board they will have to give consideration to the people to whom the money belongs—the retirees and the workers?
>
> The deficit has already been fought on the backs of these workers and former workers. They have endured frozen wages for more than six years, massive job cuts through direct layoffs or privatization and continuous delays in the implementation of pay equity.
>
> Now they are watching their employer, the federal government, bring in legislation that would deny them any say in their future.

Honourable senators, the government's answer is that the bargaining agents walked away from the agreement that would have given them representation. The unions were not willing to give up the surplus in exchange for representation on the board, so, as far as the government is concerned, they can forget about both the surplus and the joint board. They can have neither.

What kind of an attitude is that on the part of the government? Is it any wonder that labour-management relations in the federal public service are in such a mess? Is it any wonder that morale is so low?

What of the RCMP and the military? Why are they to become casualties of the government's war on the public service?

Honourable senators, the bill as drafted does not even allow the option of a joint management agreement in the future. Bill C-78 even forbids anyone either now receiving a pension or entitled to a future pension from sitting on the board of directors.

In committee, I would like the President of the Treasury Board to explain why the government did not even have the door open to an eventual agreement.

What rules should apply to a board that is not jointly managed? What should be the qualifications of its directors? What is an appropriate level of transparency? Have we not heard all these questions before?

Honourable senators, let me cite an example of why we should be asking ourselves these kinds of questions. Bill C-78 sets up a complicated process for nominating directors, where advisory committees select a nominating committee, which, in turn, puts forward names to the minister, who, in turn, takes his or her own choice of names from that list to cabinet. Presumably, this is to make it harder to appoint someone from, say, the Hull-Aylmer Liberal Association or the Assiniboia-Gravelbourg Liberal Association to the board of directors. I do not think so. The only guideline, according to clause 10 of the bill, is that the nominating committee have regard to:

> ...the desirability of having on the board of directors a sufficient number of directors with proven financial ability or relevant work experience such that the Board will be able to effectively achieve its objectives.

Honourable senators, we all qualify.

• (1550)

Bill C-2, the legislation setting up the Canada Pension Plan Investment Board, had a similar clause, and this gave rise to concern that it opened the door to the appointment of a board that lacked the necessary skills to carry out their duties. Can someone opposite tell us what constitutes a "sufficient number," and can someone opposite define "proven financial ability"? As currently worded, the end result of this bill could be a board where no one knows the first thing about pension fund management or about such basic matters as what an actuary is or what an auditor is. Indeed, given that the guidelines are expressed only in terms of "desirability," the board could also end up having no members with proven financial ability. When investment managers start to talk about risk management, derivatives, valuations and IPOs, my guess is that, for most of them, their eyes will glaze over.

In its study of the Canada Pension Plan Investment Board last year, after listening to experts in the field of pension and board governance, the Senate Banking Committee recommended that:

> Directors of the Canada Pension Plan Investment Board, collectively, have a broad range of experience and expertise. While the benefits of appointing directors with proven financial ability are clear, the Committee believes that a majority of directors should have expertise in pension fund management and other relevant skills.

Honourable senators, the government would have done well to keep that recommendation in mind when it drafted this bill.

We may also want to have a close look at the investment regime for this bill. Within two decades, this fund will become one of the largest in the country, with investments in excess of $100 billion. To put this in perspective, excluding blocks that never trade, the capitalization of the TSE is $650 billion. The board's investment decisions will have a major impact on individual share prices.

We were extremely concerned about that when the government set up the CPP board. Now we will have two boards, both based here in Ottawa. That is in another part of the bill. The headquarters must be in Ottawa. They will have a tremendous impact on the financial markets in this country.

We are told that allowing pension funds to be invested in the market-place will increase the investment income of these funds and thus reduce the premiums needed to pay for public sector pensions. It is amazing how they are interested in the premiums of the workers and how much they have to pay towards the sectors, while at the same time they are taking $30 billion that they could use to reduce premiums and putting it into the Consolidated Revenue Fund.

In clause 50, the government even retains the power through Order in Council to determine what percentage of their investments are to be placed in Government of Canada bonds. We will have a board at arm's length except when we tell it where to invest. It also has the power to set a time period during which it may only invest in broad market indices.

The President of the Treasury Board will need to tell us why it is appropriate to force the fund to invest one nickel in federal government bonds, given that employees, who have no say in the fund's management, pay for lower returns to the tune of 40 cents on the dollar. Provincial bonds usually have greater returns.

Has any thought been given to how long it would be appropriate for this arm's-length board to invest in broad market indices, or for that matter whether it would be an appropriate longer-term strategy?

The bill requires that the board establish an investment committee, and it gives no direction as to whether investment ought to be passively or actively invested.

We are told that the board is to maximize returns without undue risk. Can someone opposite tell us what constitutes "undue risk"?

Clause 50 also gives the cabinet extensive regulatory powers in the area of derivatives. Derivatives are fairly complicated. If the cabinet is responsible for this bill, I would hate to think that they will be giving advice on derivatives. Should that not be the subject of parliamentary scrutiny?

The legislation gives the board power to establish investment policies and standards that a person of ordinary prudence would exercise in dealing with the property of others. Should the standard for a professional board managing a portfolio of more than $100 billion not be a bit stronger than "ordinary"?

The RCMP has tremendous investment concerns in this bill. Kevin MacDougall from the RCMP Divisional Staff brought to the attention of the Government Operations and Natural Resource Committee in the other place, on May 4, the following concerns. He said:

> We were called in as the national police force to investigate the Bre-X alleged fraud and we wonder how we could possibly do that if we had millions of dollars in Bre-X itself. It would be alleged, certainly, by some of the people, the owners of Bre-X, and the directors, that we were in a conflict and couldn't investigate it.

Mr. MacDougall went on to cite another example, that of when the RCMP were called upon to allow replacement workers to cross a picket line at a Maple Leaf plant.

> If they knew that we had investments in Maple Leaf foods, then certainly these workers would have a right to be upset thinking that we were either too aggressive or whatever, so we think that that could potentially pose a problem for us and requires more scrutiny.

Another issue that the committee ought to look at is the lack of a clear link between premiums and the actuary's report. The creation of a $25-billion surplus in the EI fund shows us what can happen when governments get overly prudent and ignore what their actuaries tell them.

Premiums will rise to the point where they represent 40 per cent of plan costs, yet the bill does not specify that this 40 per cent ratio is to be based on a premium recommended by the actuary. Instead, the bill says that it is the minister's call, after reading the actuary's report, as to how much needs to be contributed to the plan.

On more than one occasion, this government has used accounting tricks to juggle its deficits between years, some of them proper in the eyes of the Auditor General and some of them not. At the same time, we have seen the government ignore the EI actuary's report on the level of premiums needed to keep the program in the black, with the result that inflated premiums have lead to a $25-billion EI surplus. The minister, in the first day of a new mandate, claiming to be prudent, could decide that the pension plan needs $1 billion more per year than the actuary says it does. Three years later he could have a $3-billion surplus available to spend.

For that matter, it must be remembered that this plan will have the same actuary as the Canada Pension Plan. Serious allegations remain outstanding, as honourable senators will remember, to the effect that the government attempted to interfere in the most recent actuarial review of the CPP so as to the keep the premiums below 10 per cent. The same kind of optimistic economic assumptions that would lead the chief actuary to conclude that CPP premiums need not rise could also lead him to conclude that the Public Service Pension Plan had a bigger surplus than previously thought.

Honourable senators, there has been a debate in the past as to whether or not the Auditor General ought to be the auditor for a fund such as this. He ought to be, but the government has decided that he will not be. That is what happens when we take a government agency and we say, "Oh, it is at arm's length." What we mean by that is "away from the control of Parliament."

We must remember how we select the board of directors. We select them by a little committee here, a little committee there, all chosen by ministers. The minister himself decides who is on the board of directors, usually friends of the party. "Hello, Mabel; Hello, Terry." Things can get done that way, but Parliament has no access to Mabel and Terry.

Senator Kinsella: Why are you naming people from our side?

Senator Tkachuk: I am hoping that after the next election we will be naming some from our side.

The problem here is that we are trying to use private sector public board principles to government agencies, and you cannot do that. We have a situation where the board will appoint its own auditor, much like we have with the CPP.

• (1600)

How can a board appoint its own auditor when that auditor is auditing the board and the management of the pension plan? In a public company, the shareholders appoint the auditor. The board cannot fire the auditor, only the shareholders can fire the auditor. That is not so here and not under the CPP plan.

The minister representing the Crown could appoint the auditor. At least the minister is representing the shareholders. We urged such recommendations in regard to the CPP board, in order that the minister would then be responsible to Parliament.

However, in this case, these people are responsible to no one, because no one elects them. The retirees using the pension plan have no representation on the board of directors. Therefore, the users of the money have no responsibility whatsoever.

The shareholders seem to have no responsibility. The only people who have responsibility are the board of directors, who the minister names, and they name auditors to check on themselves. If they do not like what he says, they can fire him.

The Hon. the Acting Speaker: Honourable senator, I regret to inform you that your time has expired. Are you requesting leave to continue?

Senator Tkachuk: I would request leave to continue, honourable senators.

The Hon. the Acting Speaker: Honourable senators, is it agreed that Senator Tkachuk be granted leave to continue?

Hon. Senators: Agreed.

Senator Tkachuk: Thank you, honourable senators.

Honourable senators, it is too easy to have the board of directors remove their own auditor. It is also irresponsible. As parliamentarians, we should not let that happen.

This bill is cloaked in secrecy. There is no access to information. They hire their own board, they hire their own auditor. There is no responsibility to anyone. The organization does not even have responsibility to Parliament.

There is no way to examine administrative fees. The government used to pick up the cost of administration.

At present, the pension plan has $130 billion in it. The government is planning to take back $30 billion, which leaves $100 billion for actuarial purposes. The government is just taking the surplus. That is a great deal of cash. The government will bill that amount back. However, it will be billed back with no clear legal requirement that such charges are reasonable; nor is it specified what can or cannot be charged to the fund. For example, if the minister's office hires consultants to prepare notes for Question Period regarding the pension fund, he or she could bill that back to the fund.

There is no control on the administrative fees charged. There is no control of the auditor. If I were representing the public service union, or if I were a retiree, I would be very concerned about this bill.

Given the haste with which the government is pushing this bill, the amount of funds to be invested, and that the bill has been presented without the consent of those affected, surely the least we can do is to demand that the bill be re-examined in three years' time. The consultative mechanisms outlined in this bill may not go far enough to ensure that that will happen. I know that will not happen.

While the board must meet once a year with the three advisory committees to discuss the annual report, there is no requirement that other subjects be discussed. While the advisory committee may make recommendations on various aspects of the plan, the government is under no obligation to respond to these recommendations.

Honourable senators, I have outlined several matters that should be reviewed by the committee. These are important matters. As can be seen with the CPP board, the parks agency and the national revenue agency, this government has a habit of moving things away from Parliament into quasi-judicial, semi-corporate, never-never land.

People in the other place do not object as strenuously as they should. People should be on strike over these matters.

Two members of Parliament from the other place continue to talk about how they should abolish the Senate. While they talk about us, the government is abolishing the powers of the other place.

Therefore, I ask senators to examine this bill carefully. Hopefully, we shall defeat it when it comes back for third reading.

The Hon. the Acting Speaker: If no other honourable senator wishes to speak on this matter, I will put the motion. Is it your pleasure, honourable senators, to adopt the motion?

Hon. Senators: Agreed.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

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

[*Translation*]

CANADA TRAVELLING EXHIBITION INDEMNIFICATION BILL

SECOND READING

On the order:

> Resuming debate on the motion by the Honourable Senator Poy, seconded by the Honourable Senator Mahovlich, for the second reading of Bill C-64, to establish an indemnification program for travelling exhibitions.

Hon. Jean-Claude Rivest: Honourable senators, Bill C-64 will not fundamentally change the description of Canadian society. It is of importance in a very limited area and is of considerable significance in the development of Canada's culture. It pertains to the area of museums and the assistance the government must provide to this form of cultural expression. When we talk about museums we think of Montreal, Toronto and Vancouver, but there are a considerable number of individual museums of significant interest in terms of their cultural expression of Canadian and regional realities.

With respect to this bill, we must underscore the importance of museum activities in our communities, regions and major centres and recognize the value of this activity and the people involved to the affirmation of Canada's cultural identity.

The context of this bill is a bit odd, in that we are watching the play bit by bit. After the Liberal Party of Canada worked unfairly and often rough shod to destroy the policies of the government of Brian Mulroney, we are now seeing a return of the policies the Conservative government had proposed for the benefit of all Canadians.

The Leader of the Opposition pointed out today rather clearly, on the occasion of the anniversary of NAFTA, just how far the Liberal government in its day-to-day actions, contradicts the commitments and speeches it made during the election campaign in which it fought the Conservative Party.

This bill is a small example among many. In the area of museums, when the Conservative Party left power, Canadian government aid had reached some $15 million a year.

Then along comes the Liberal Party of Canada, which reduces or cuts the assistance to museums down to an absolutely ridiculous level. Now, gradually, with a somewhat belated awareness of the value and merits of the policies of the previous Conservative government, they are restoring not only the direct assistance to museums but also one of the measures introduced by the Mulroney government in the late 1980s, guarantees on the level of insurance the museums are required to have in order for exhibits to circulate among the museums in Canada. This was an important and significant cultural policy of the former government, one which the Liberals had purely and simply done away with when they came to power.

Now, with a somewhat belated understanding, too late some would say, of the policy adopted by the Mulroney government, the present government is following the same path and beginning to correct its mistakes by reproducing exactly what the former Conservative government proposed in the way of assistance to museums all across Canada.

These policies, of course, have a Liberal flavour now, and so they are only half as generous as the Conservative ones, but at least they are a step in the right direction. Is it not somewhat odd to see such a thing happen, probably a first in Canadian political history? If this were a one-time thing, we could easily forgive our Liberal friends by saying that they are correcting a mistake they made. But this is an increasingly general attitude, not only limited to Mulroney government bills or initiatives, such as may be found in the Senate.

Today's government is simply picking up and glorifying in a most dynamic manner the actions the Mulroney government took on behalf of all Canadians in the area of economics, which have led to the creation of thousands of jobs thanks to NAFTA. The government today is copying those initiatives, glorifying what it tore down in the past. What a waste of time for Canadians, returning to former policies it had a hand in destroying by denigrating them.

What a lack of imagination on the part of this government, which has simply copied the praiseworthy initiatives undertaken by the Conservative government for all Canadians. I do not want to insist or appear outrageous. I have another specific experience, which will be celebrated over the summer. When Prime Minister Mulroney signed the agreement between the Governments of Canada, Quebec and New Brunswick to permit the Governments of Quebec and New Brunswick to take part in the Sommet de la francophonie, according to our friends opposite, it was a sacrilege against the unique character of Canada's foreign personality. Acadians and francophone Quebecers could not be allowed to take part directly in the Francophone countries' summit.

Today, what are our good Liberal friends doing? They will be heading to Moncton during the summer to celebrate one of the great achievements, once again, of the Mulroney government.

On the subject of museums, the government is proposing a bill that is similar to the one introduced by the previous government. It comes back with a program to help museums obtain insurance in the event of loss or damage. Once again, we must be patient and continue to push our Liberal friends. They are incapable of being as generous as the former government, since their bill will provide help for museums with insurance at simply half the level established by the Conservative government.

Honourable senators, since the Liberals are now taking this approach, since they have begun to understand that the basic policies of the Conservative Party were good, progressive and in the interest of Canadians, we can only rejoice. Canadians, however, are not fools. If they are going to have policy established according to the directives and interests of the Conservative Party, in the next elections, instead of electing a pale copy of the Conservatives, they will vote for the Progressive Conservative Party.

The Hon. the Acting Speaker: It was moved by the Honourable Senator Poy, seconded by the Honourable Senator Mahovlich, that this bill be read the second time. Is it your pleasure, honourable senators, to adopt the motion?

Motion agreed to, and bill read second time.

REFERRED TO COMMITTEE

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

On motion of Senator Poy, bill referred to the Standing Senate Committee on Social Affairs, Science and Technology.

[*English*]

CRIMINAL CODE

BILL TO AMEND—SECOND READING—ORDER STANDS

On the Order:

> Resuming debate on the motion of the Honourable Senator Carstairs, seconded by the Honourable Senator Maloney, for the second reading of Bill C-79, to amend the Criminal Code (victims of crime) and another Act in consequence.

Hon. Noël A. Kinsella (Deputy Leader of the Opposition): Honourable senators, I move that this order stand in the name of Senator LeBreton.

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

Hon. Senators: Agreed.

Order stands.

[*Translation*]

BANK ACT
WINDING-UP AND RESTRUCTURING ACT

BILL TO AMEND—SECOND READING

On the Order:

Second reading of Bill C-67, An Act to amend the Bank Act, the Winding-up and Restructuring Act and other Acts relating to financial institutions and to make consequential amendments to other Acts.

Hon. Céline Hervieux-Payette: Honourable senators, I am happy, probably too happy in fact, to state my support for Bill C-67, which we are considering today and which is intended to permit foreign banks to establish in Canada certain types of branches with activities geared to the commercial sector.

The proposed system should increase competition in the Canadian banking sector by encouraging the healthy presence of foreign banks. It should help increase sources of financing available to large, medium-sized and small Canadian enterprises, as well as the choice of certain types of consumer loans.

Allowing the establishment of such branches will lead to stronger competition because it will be more profitable for many foreign banks to open Canadian branches than to create separate subsidiaries, as required by the existing regulations.

A branch could obtain capital from the bank's head office for its loan activities here in Canada, while a subsidiary, as a separate entity, must come up with its own capital for that purpose.

Forcing foreign banks to operate through subsidiaries is a pointless regulatory barrier for banks wishing to provide services in Canada.

We are the only G-8 country that does not allow such branches. The time has come to review our regulatory requirements and bring them into line with those of our principal trading partners.

This is an important change; I would even call it necessary. Many foreign banks have eliminated or cut back on their activities in Canada. In 1987, there were a record 59 subsidiaries of foreign banks in Canada; by the end of last year, there were only 45.

The provisions in Bill C-67 for establishing branches are the result of exhaustive consultations and have the general support of the parties concerned.

The proposal for this change came out of the consultations leading up to the 1997 review of financial sector legislation. The Standing Senate Committee on Banking, Trade and Commerce, as well as the House of Commons Standing Committee on Finance, published reports in which they recommended that the government allow foreign banks to operate branches in Canada.

In September 1997, the Minister of Finance made public a discussion paper on foreign bank entry and carried out extensive consultations of all parties concerned.

The MacKay task force examined this discussion paper and declared itself in favour of allowing foreign banks to establish branches. The task force called on the government to implement such a system without delay.

In addition, the Standing Senate Committee on Banking, Trade and Commerce and the House of Commons Standing Committee on Finance confirmed their support for allowing the establishment of branches when considering the recommendations in the MacKay report last year.

Under the provisions of Bill C-67, foreign banks will be able to apply to the Minister of Finance for approval to establish branches in Canada.

In order to obtain this approval, foreign banks will have to meet requirements with respect to their size, experience and financial position. In addition, their capital will have to be broadly distributed in their country of origin and they will have to be regulated in that country by the competent regulatory body to the satisfaction of Canada's Superintendent of Financial Institutions.

The branches could operate essentially the same way as Canadian banks except for retail deposits, that is deposits of less than $150,000. The branches' loan activities will not be limited.

Let us point out that foreign banks wanting to take in retail deposits may now do so through a Canadian subsidiary, which has all the powers of the Canadian banks.

The restriction on retail deposits is explained by the fact that we cannot set up regulations that are less exacting and demanding for banks and yet maintain high standards in Canada on the protection of funds on deposit.

I note in this regard that the MacKay task force, the Senate Committee on Banks and Trade and the House of Commons Finance Committee all concluded that foreign bank branches should not be allowed to take in retail deposits.

In order that foreign banks may have greater latitude, they will be able to establish full-service branches or loan branches.

A full-service branch will be able to take deposits over $150,000, something a loan branch will not be able to do, regardless of the amount of the deposits. Furthermore, the loan branch will not be able to borrow from other financial institutions.

Proposing two types of branches provides the advantage of tailoring the level of regulations to the activities of foreign banks in Canada. As loan branches do not take in deposits, they would be subject to fewer regulatory requirements than full-service branches.

I want to point out that the bill under consideration includes a number of amendments made by the government as the result of the work of the committees. These technical amendments are intended to respond to the concerns expressed by the foreign banks after the bill was introduced initially.

As I have said, in general terms, full-service branches will not be able to take deposits of less than $150,000.

The purpose of this is to ensure that depositors to full-service branches are informed investors, and understand the nature of the institution with which they are doing business.

The bill includes a provision whereby full-service branches may accept deposits under $150,000 if these account for less than 1 per cent of the total branch deposits. Although this confers a certain amount of leeway, foreign banks justifiably feared that this $150,000 limit would result in their ability to serve the needs of their business clients being restricted.

To remedy this, the government amended the bill to include an exception to this $150,000 deposit limit under certain circumstances set out in the regulations. The regulations will afford the branches the flexibility they need to service their business clients while not extending access for regular retail deposits. We believe this is a very important change for attainment of the fundamental strategic objective, which is to broaden Canadian businesses' access to credit.

Another amendment has to do with the borrowing options of lending branches. Bill C-67 allows them to borrow from financial institutions but they prohibits the subsequent sale of any debt obligations, bankers acceptance or guarantee issued by that lending branch.

The amendment would permit these instruments to be subsequently traded to other financial institutions, but only under conditions set out in the regulations.

Another amendment extends the time allowed for filing of auditor's reports to five months, which is the period allowed for Canadian branches of foreign insurers.

I would also like to touch briefly on four technical changes contained in bill C-67.

First, if the foreign bank is a member of the World Trade Organization, it will no longer have to seek approval to establish individual branches in various different locations in Canada.

The second amendment eliminates the reciprocity provisions in the financial institutions statutes to reflect the most favoured nation principle of the WTO. Under this principle, parties to the agreement must not discriminate among financial institutions from different countries and must grant most favoured nation treatment. This means that Canadian firms can expect to receive the same treatment as other foreign firms in WTO member countries.

The third amendment will authorize the Office of the Superintendent of Financial Institutions to accept delegated legislation or regulatory responsibility from a province if it so desires. The mechanisms of the agreement will be negotiated to the satisfaction of both parties.

The fourth and final amendment will provide authority to OSFI to make regulations restricting the disclosure of supervisory information by financial institutions.

In conclusion, I would point out that the purpose of Bill C-67 is to do away with a regulatory obstacle which limits the avenues available to foreign banks wishing to carry on business in Canada.

It will encourage a healthy presence of such banks in Canada and will encourage competition in the financial services sector. What is more, Canadian policies will then be brought in line with what is done in other G-8 countries.

I therefore encourage honourable senators to support this bill.

[*English*]

Hon. Donald H. Oliver: Honourable senators, I should like to join in the second reading debate on Bill C-67, which, of course, is commonly known as the Foreign Bank Bill.

The purpose of this legislation, as has been explained by both the Finance Minister and the Minister of State for Financial Institutions, and today by Senator Hervieux-Payette, is to make it easier for foreign banks to enter and work within the Canadian market, thus bringing more competition to existing Canadian financial institutions. That is the principle of the bill before us, and I accept that principle.

The main problem, as I see it from the point of view of someone who has been a member of the Standing Senate Committee on Banking, Trade and Commerce for many years, is that this legislation is very late in coming and it may not accomplish the goals that it set out to achieve.

While the government pays lip-service to increasing competition for our banking industry in Canada, it has taken a very long time to bring this legislation forward, and, at least initially, the government maintained sufficient tax roadblocks that few, if any, foreign banks or bank branches would have been established in Canada.

• (1630)

It is important to trace the path of this legislation to indeed determine if this government is serious about encouraging competition for the Canadian banking industry.

It was in June of 1996 that the government released a white paper entitled, "A Review of Financial Sector Legislation, Proposal for Change." While that paper proposed changes to the foreign bank legislative regime, it also announced the creation, at some time in the future, of the MacKay task force on the future of the Canadian financial services sector. Both the contents of the white paper and the fact that a task force would be created spelled the end of quick action to encourage competition from foreign banks.

Throughout all this, the Senate Banking Committee knew exactly where it stood on this issue. In August of 1995, in its report on the 1992 financial services legislation, the committee discussed competition in the following terms:

> Competition is the goal of the deregulation process. Competition means more consumer choice and, ultimately, a more efficient financial services sector. Moreover, rapid and extensive globalization of the world's financial markets means that Canada cannot afford to fall behind in developing the full potential of its financial services market-place — a sector of Canada's economy that has been traditionally a very important contributor to this country's international economic growth.

In its 1996 report on the aforementioned white paper, the Banking Committee termed the proposals with respect to the foreign bank entry as "seriously flawed." In fact, the committee outlined for the government what it considered to be the policy goals that should be applied to the regime for foreign financial institutions. The regime should: ensure safety and soundness; protect consumers; enhance service offerings; and promote a reasonably level playing field with Canadian financial services providers.

The committee, after studying the issue, came forward with a recommendation dealing with foreign banks. The committee recommended that the government adopt a policy toward foreign banks that will offer these institutions the options of running their operations in Canada through a foreign branch, through a subsidiary, or through both a branch and a subsidiary. Based on this report, I thought that the government might move ahead on the foreign bank file, but that was not to be.

We had to wait for the Baille, and then the MacKay task force to report, and MacKay came down solidly in favour of increased competition. This competition was to come from encouraging the location and activities of foreign banks in Canada and from fundamental reforms of the cooperative movement which, if implemented, could challenge the existing banks.

Now, it was up to both the House and the Senate to study the MacKay recommendations before any action could be taken — and study them we did. The Senate Banking Committee held comprehensive hearings across Canada. Again, the Banking Committee endorsed changes to the foreign bank regime in Canada, but it added a word of caution. Paragraph 86 of the committee report bears repeating here. It states:

> The proposed foreign bank branching policy, first outlined in the 1996 report of the Standing Senate Committee on Banking, Trade and Commerce, and supported in the Task Force recommendations, will not lead to increased competition in retail banking. Neither will it lead to increased competition in wholesale banking overnight. Thus, opening Canada's borders to foreign banks, while highly desirable as a public policy, is not a panacea. The Committee does not believe it will lead to the immediate creation of a multitude of new second tier consumer-oriented deposit-taking institutions.

Therefore, even with legislation allowing foreign branch banking, it is not at all clear that competition of the nature hoped for earlier by the Banking Committee would emerge.

With all this work as background, on February 11, 1999, almost three years from the time of the release of the white paper, the government introduced legislation supposedly to make it easier for foreign banks to locate and operate in Canada. However, even then, the government could not get it right. It is no wonder that the number of foreign banks operating in Canada dropped from 59 in 1987 to approximately 45 in 1998.

What did the government forget to do when it introduced Bill C-67? It forgot to change the Income Tax Act to make the changes sought by the bill financially feasible for the foreign banks. It was not until May 11 of this year, three months later, that the Minister of State for Financial Institutions announced amendments — not legislation, but amendments — to the original Ways and Means Motion that would allow a foreign bank to transfer property from its subsidiary to its new Canadian branch office on a tax-deferred basis. Also, the withholding tax would be deferred on the transfer of all or part of a subsidiary's retained earnings to a Canadian branch office of its foreign parent bank.

These tax changes are helpful. Without them, probably nothing would have happened in the foreign bank arena, but why were they not introduced when Bill C-67 was introduced? Is it simply because the government does not understand the issue or is it because the government does not really wish to foster a climate of competition? Why did we not have those changes in bill form before today?

As I have said earlier, I do not believe foreign banks will rush in to take advantage of this legislation. Let us look at what Bill C-67 does and at the hurdles it puts in front of foreign banks.

The bill provides for two types of branches. The first would be a full-service branch that could only take deposits of at least $150,000. That is wholesale banking rather than the retail banking recommended by the parliamentary committees. Foreign banks that wished to take retail deposits would have to set up a Canadian subsidiary. Full-service branches will be able to join the Canadian Payments Association.

The second kind of branch would be a lending branch that could not take deposits and could only borrow from other financial institutions. These will be in the business of making loans in Canada. They will not be able to join the Canadian Payments Association. Foreign banks may not operate a lending branch in combination with either a full-service branch or a subsidiary. They may, however, operate through a subsidiary and a full-service branch if they so choose.

The government requires lending branches to deposit $100,000 to $10 million for full-service branches, in approved assets with an unaffiliated Canadian financial institution. Currently, a foreign bank operating a subsidiary in Canada must hold $10 million in approved assets with an unaffiliated Canadian financial institution. Therefore, a foreign bank that has operated through a Canadian subsidiary for many years and now wishes to open full-service branches will have to hold another $10 million in capital for a total of $20 million.

A foreign bank wishing to establish a full-service branch would need to meet the following criteria: It would have to have a minimum of $5 billion in worldwide assets; possess a proven track record in international banking; demonstrate favourable financial performance over the last five years; and be widely held.

I have a few questions which I look forward to asking when the bill is referred to committee for study. For example, what is the policy rationale for the $10 million floor? If there is not one, why impose it if it will hinder competition?

Full-service branches are restricted to deposits of more than $150,000. Why can there not be exemptions to this rule for so-called sophisticated depositors? Why limit competition when there is no public policy benefit? Foreign banks want to be able to operate and maintain both a subsidiary and a lending branch in perpetuity. Why discourage a foreign bank from doing both? This limits competition. It does not increase it. Why does the legislation restrict the type of structure a foreign bank must fit into? The Senate Banking Committee's report on the MacKay task force dealt at some length with the imaginative use of holding companies. Why put these restrictions on the corporate structure of foreign banks within Canada?

This bill represents a beginning and a slight opening of the window to allow in competition for Canada's Schedule I banks. However, I believe it is not sufficient and it is certainly not nearly imaginative enough to promote competition.

We will study this bill in committee. I look forward to hearing the rationale behind the bill, and what the government believes it has accomplished through its introduction. For me, the bill simply does not do enough to encourage competition in the financial services sector.

• (1640)

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

It was moved by the Honourable Senator Hervieux-Payette, seconded by the Honourable Senator Maloney, that Bill C-67 be now read the second time.

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

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

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

FOREIGN PUBLISHERS ADVERTISING SERVICES BILL

CONSIDERATION OF MOTION TO ADOPT REPORT OF COMMITTEE—SPEAKER'S RULING—DEBATE ADJOURNED—NOTICE OF MOTION FOR TIME ALLOCATION

The Senate proceeded to consideration of the motion of the Honourable Senator Carstairs, seconded by the Honourable Senator Callbeck, for the adoption of the twelfth report of the Standing Senate Committee on Transport and Communications (Bill C-55, respecting advertising services supplied by foreign periodical publishers, with amendments) presented in the Senate on May 31, 1999.—(*Speaker's Ruling*)

The Hon. the Speaker: Honourable senators, I always attempt to make rulings on bills very quickly because I do not think the Chair should delay bills in the Senate. However, it was impossible for me to make my ruling yesterday. The session was short and we were unable to deal with all the technical matters. I am prepared to proceed now.

On Tuesday, June 1, when Senator Poulin, the Chair of the Standing Senate Committee on Transport and Communications, was about to move the adoption of the twelfth report recommending certain amendments to Bill C-55, respecting advertising services supplied by foreign periodical publishers, Senator Lynch-Staunton raised a point of order. The Leader of the Opposition claimed that several of these amendments would have the effect of reversing the principle of the bill, which is contrary to established parliamentary practice.

In making his case, Senator Lynch-Staunton explained what he understood to be the principle of the bill. In his words:

> ...the intent of Bill C-55 was to prohibit absolutely the possibility of Canadian advertising being placed in American periodicals known as split runs.

Citing Canadian and British parliamentary authorities, he noted that amendments that effectively reverse the principle of the bill are out of order. Senator Lynch-Staunton also suggested that the amendments involve a possible tax expenditure, rendering the bill, as he assessed it, a money bill.

[*Translation*]

Honourable senators, Senator Poulin then explained how the amendments recommended in the committee report were in order procedurally. Based on her analysis of the title of the bill and the legitimate scope of committee review of a bill as characterized in the 6th Edition of *Beauchesne's Parliamentary Rules & Forms*, citations 688 and 689 at page 205, she maintained that the recommended amendments were in order. In the senator's view, Bill C-55, as amended by the committee, and I quote:

> ...remains unequivocally a bill respecting advertising services supplied by foreign periodical publishers.

The fundamental policy behind the bill continues to be, as she put it, and I quote:

> ...the preservation and defence of our culture by enhancing the ability of Canadian magazines to succeed in the market-place.

[*English*]

For his part, Senator Murray was not persuaded. In his brief intervention, he stated that the committee amendments had the effect of reversing a long-standing policy to exclude foreign split-run publications from the Canadian market.

Speaking against the amendments, Senator Kinsella cited another Canadian parliamentary text, the fourth edition of Bourinot's *Parliamentary Procedure and Practice in the Dominion of Canada*, and invoked the standards of Aristotelian logic. Though admitting that the amendments to Bill C-55 recommended by the committee were not the absolute negative of the bill's original proposition, he was in no doubt that they constituted "contrary opposition by any standard of logic." Accordingly, the senator contended that the amendments denied the principle of the bill and were unacceptable.

The discussion on the point of order continued with interventions by Senator Carstairs and Senator Graham, as well as further statements by Senator Poulin, Senator Lynch-Staunton, Senator Murray, and Senator Kinsella.

[*Translation*]

It was at this stage that a second element of the point of order became the focus of some comment. Senator Lynch-Staunton, in his first intervention, had suggested that Bill C-55 might be a money bill. Senator Kinsella noted certain statements of the minister during her appearance before the committee referring to a publishers' fund to be created to compensate those who will suffer financially as a result of the amendments now being proposed to this bill. By way of response, Senator Graham challenged the opposition to point to any section of the bill that provides for the expenditure of any money. He asserted flatly that, and I quote:

> ...this bill does not create such a fund, nor does it authorize any money whatsoever for any such fund.

[*English*]

I want to thank those honourable senators who participated in the discussion on the point of order. I have since had an opportunity to review the arguments presented and to assess the parliamentary authorities mentioned with respect to the scope of committee amendments to bills and the underlying importance of the principle of a bill as adopted at second reading. I have also read the clerk's copy of the bill with the amendments incorporated into it, in order to have a better understanding of their significance.

I shall deal with the second aspect of the point of order first. A connection has been made between the amendments to the bill and the minister's remarks about a related program that the government might put in place to aid publishers adversely affected by the consequences of Bill C-55 as amended by the committee's report. Senator Kinsella indicated that he regarded these two elements as interlocking, as a package. At the very least, he suggested that I consider the matter as problematic.

Senator Graham, on the other hand, challenged anyone to show any text in the bill that provides an expenditure of any government money. In his judgment, there is none to be found. This is certainly a critical point.

Any amendment that authorizes an expenditure from the Consolidated Revenue Fund would be out of order. As the chamber of sober second thought, it is not within the power of the Senate to introduce such an amendment. That is the responsibility of the other place.

[*Translation*]

It is not enough to suggest that there are consequences that might flow from the amendments, that there might be expenditures as a result of programs the government might establish following the implementation of Bill C-55. While such a program might be part of a package, they are not directly part of the bill itself or the amendments now before the Senate. As Speaker, I can only look at the bill and the amendments. What I see does not explicitly provide for the appropriation of any funds from the CRF. Accordingly, the incorporation of these amendments would not convert Bill C-55 into a money bill. The amendments are not out of order based on this second objection.

[*English*]

The original argument raised by Senator Lynch-Staunton is more problematic, but equally fundamental. It is his position that the amendments go against the principle of the bill. Citing the summary of the bill in clause 3, he maintains that the bill is seeking to prohibit absolutely the placement of Canadian advertisements in American split-run magazines. Any variation of this policy, whether 1 per cent or 99 per cent, would, according to the senator, violate this principle.

[*Translation*]

Holding a contrary position, Senator Poulin argues that the amendments are not contrary to the bill as understood by its long title which states that Bill C-55 is an Act respecting advertising services supplied by foreign periodical publishers. Furthermore, the senator explained that the amendments fall clearly within the scope of the bill and are relevant to it. The committee, in making its recommendations to amend the bill, was operating properly.

[*English*]

• (1650)

Reliance on the long title of the bill as a guide to assess the procedural acceptability of amendments to a bill is derived from British practice. In the United Kingdom, the legislative drafting conventions, as I have been advised, provide for titles that are more fully descriptive of the bill's contents. In Canada, however, the long title of bills is rarely as descriptive. More often, the title simply suggests its subject-matter. Indeed, with respect to amending bills, the title usually indicates only what acts are being amended. Frequently, there is little substantive difference between the long and short titles of the bill whether they are creating original acts or amending parent acts. That appears to be the case with Bill C-55. Consequently, the long title cannot always be used as reliable guide in assessing the procedural merits of any amendment.

A more useful approach, and one that must always be considered in examining the procedural acceptability of amendments, is to determine if they are within the scope of the bill and relevant to it. In the case now before us, the only amendments that seem to be in dispute are the ones that add new clauses 20.1, 21.1 and 21.2.

I do not think that there is any doubt that the amendments are relevant to the bill. There is nothing in their content that suggests that they are bringing into the bill anything that is extraneous or foreign to it. The real question is whether they are destructive of its principle. Do they have the effect of reversing this principle? Unless they do this unmistakably, I would feel obliged as Speaker to allow them and so let the Senate itself come to a determination on their merits.

It has been argued that the principle of the bill is enunciated in clause 3, which states that the provision of advertising services by foreign publishers should be restricted. With respect, I do not think that just one clause can capture the entire principle or scope of a bill, unless, of course, it is a very simple bill. Indeed, the principle of the bill can be difficult to identify precisely. As Speaker Jerome from the other place once pointed out in a ruling he made in 1976, past precedents give "absolutely no assistance in attempting to define what is the principle of the bill." Certainly I had the same challenge when I was asked to rule on the acceptability of amendments proposed to Bill C-28, dealing with the agreements for the redevelopment of Pearson International Airport, considered in the second session of the last Parliament.

[*Translation*]

In summary, therefore, I would suggest that the identification of the principle of a bill can encompass the understanding reflected by senators during debate at second reading as well as its title and content.

With respect to the principle of Bill C-55, the debate at second reading by several senators on both sides seemed to include a somewhat broader meaning than just clause 3. As was explained then, the principle or objective of Bill C-55 is to provide some means to ensure the continued viability of the Canadian magazine industry. Moreover, the text of the bill suggests that clause 3 can be subject to some qualification. For example, clause 20(*c*) states that the Governor in Council has the authority to make regulations respecting, and I quote:

> ...criteria to determine whether advertising services are directed at the Canadian market.

[*English*]

Even more important, clause 21 provides for what is described as the non-application of the act. This clause spells out an exemption that is aimed to protect some foreign publishers from the punitive operations of Bill C-55. The proposed amendments, new clauses 21.1 and 21.2, expand upon the scope of that non-application within certain other parameters. Whether these are desirable objectives is not for me to decide. My responsibility is to assist whether these proposed amendments are beyond the scope of the bill, whether they are clearly destructive of the bill's principle or whether they unmistakably reverse that principle. It does not appear to me that they do this.

It is my ruling that the amendments are in order. Debate on the twelfth report of the Standing Senate Committee on Transport and Communications recommending several amendments to Bill C-55 can now proceed.

Hon. John Lynch-Staunton (Leader of the Opposition): Point of order! The motion was moved by Senator Carstairs. Therefore, I assume that Senator Carstairs will lead off the debate. Honourable senators, yesterday, the Speaker ruled — for some strange reason, which I do not want to get into — that we had to have a motion before the point of order would have been accepted. I will argue that with His Honour at another time, I hope. In any event, Senator Carstairs made the motion. Therefore, I assume she is the person who will speak to it.

Hon. Sharon Carstairs (Deputy Leader of the Government): Honourable senators, I defer to the Honourable Senator Poulin.

The Hon. the Speaker: Honourable senators, before we proceed, partly in response to Honourable Senator Lynch-Staunton's comments, I do not believe that I ordered that the second reading should proceed. There was some confusion as to what would happen, and I asked, "Is it the wish of the Senate that you proceed now?" That was my recollection of the event.

Senator Lynch-Staunton: Honourable senators, I said that I did not wish to get into an argument. We are not proceeding to second reading now, we are proceeding to the report.

Hon. Noël A. Kinsella (Deputy Leader of the Opposition): Honourable senators, I think we should have clarification on that point, for the record. In examination of the Hansard from yesterday, it was my understanding that, when this item was called, it was pending the Speakers's ruling. His Honour did rise and say that he was not ready with his ruling and that perhaps honourable senators would like to take advantage of the time to do something, namely, present a motion that the report be adopted.

The suggestion was then made that the point of order that had been raised the day before by Senator Lynch-Staunton, somehow, was out of order and that we should have had a motion from the government side to the effect that the report be adopted so that debate, as most commonly occurs, would proceed.

It was my opinion that the house had it properly before it, because on the previous day the report from the Standing Senate Committee on Transport and Communications was tabled. It was also on the Order Paper. A matter that has been tabled, circulated to honourable senators and is on the Order Paper but has yet to be moved is subject to a point of order if an honourable senator is of the view that that report, in and by itself, is out of order.

I think that Senator Lynch-Staunton was very much in his right to be able to raise the point of order, notwithstanding the fact that the motion to have the report adopted had not theretofore been made. I rose yesterday to register that objection, but I was not 100 per cent sure and I am only 30 per cent sure today. I think it would be helpful if His Honour could give us guidance on that matter.

The Hon. the Speaker: Honourable senators, I will be very pleased to do so. I will go back and check again. I believe that what you are saying reflects what has been done in the past. Senator Lynch-Staunton was quite proper in what he did when he raised his points of order. I was only making the point that I do not recall that I ordered that the motion be made. However, I shall be happy to check that again.

Honourable senators, are we prepared to hear now from the Honourable Senator Poulin?

Senator Lynch-Staunton: To finish that, His Honour the Speaker said yesterday:

> Honourable senators, I have not received the ruling as yet....
>
> There is, however, a bit of business that we might complete. The motion was not moved yesterday.

His Honour thus indicated that he preferred to have a motion before the chamber. That may not have been an instruction, but it was a strong indication.

• (1700)

[*Translation*]

Hon. Marie-P. Poulin: Honourable senators, as chair of the Standing Senate Committee on Transport and Communications, I would first like to explain the nature of the amendments proposed in the committee's report on Bill C-55, respecting advertising services supplied by foreign periodical publishers, and then to make a few comments.

The purpose of this bill is to ensure the long-term viability of our periodicals industry, while respecting our various international obligations. Bill C-55 is based on the traditional Canadian approach of protecting and promoting our cultural industries.

During its many meetings on this bill, the committee heard close to 40 witnesses representing various interested groups. The committee made four amendments to Bill C-55. These amendments follow on the agreement between Canada and the United States to end the dispute between the two countries on this issue.

The first amendment changes the rules on the rate of foreign participation in Canadian periodical publishing companies. Under this amendment, Canadian companies will henceforth be allowed increased foreign content. Magazines that are more than 50 per cent owned and managed by Canadians will be considered Canadian.

The second change is a new clause in the bill. Clause 20.1 gives the Canadian government increased regulatory power in order to establish a system for determining Canadian advertising revenue with respect to total advertising revenue from a foreign periodical. This amendment will make it possible to enforce the next clause, which is a so-called *de minimis* exemption provided for in clause 21.1.

This third amendment incorporates a *de minimis* exemption clause in the bill. This amendment to Bill C-55 will give foreign publishers limited access to the Canadian advertising market. The day the legislation takes effect, foreign publishers will be able to publish advertising up to 12 per cent of which is aimed at the Canadian market. This access will be gradually increased to 18 per cent 36 months after the legislation takes effect.

The final change, clause 21.2., is an exception which allows a foreign publisher to invest in an area of commercial activity relating to Canadian cultural heritage or national identity. The publisher must submit to an approval process under the Investment Canada Act in order to establish in Canada. Only those offering a clear advantage to Canada will be accepted. The parameters defining this concept of clear advantage will be available shortly in the guidelines to be drawn up for release by the Department of Canadian Heritage.

[*English*]

Honourable senators, Bill C-55 has generated a great deal of public debate. These amendments make the bill more acceptable. This ground was covered during our debate on the point of order earlier this week.

It was surprising to hear during that debate the assumption that my remarks, as Chair of the Standing Senate Committee on Transport and Communications, had been prepared by ministry officials. I was relieved when Senator Kinsella indicated during a rebuttal by Senator Carstairs that he would withdraw the erroneous assertion, and I truly appreciate his coming to me later on to apologize. I thank the honourable senator for his generous courteousness.

Honourable senators, when we as senators study legislation in committee, we always take into account the reality surrounding the bill. The reality here is plain enough.

First, new technology is transforming our world into the "global village."

Second, we have no cultural exemptions before the World Trade Organization. Canada fought that battle once three years ago and lost. This time the committee feels that, with Bill C-55 as amended, Canadians have a victory within their grasp. Let us not allow the opportunity to protect and promote our culture slip away. The fact that the Americans have recognized a foreign country's right to protect its culture in trade negotiations is a significant advancement. We ought to be proud of this accomplishment.

Striking an accord that recognizes cultural integrity and avoids triggering a trade war in which both countries, Canada and the U.S., would suffer sounds like a good deal.

Ms Copps noted at the committee that Gordon Ritchie was dead right in his assessment of retaliatory measures by the U.S., and she acknowledged that she was unsure that Bill C-55 unamended was the best possible solution. The cultural implications, the advantages of the legislation as amended, cannot be overemphasized. The words of the minister at the committee meeting of May 31 put the situation we are dealing with into perspective:

> From the beginning of this process, I said that if the Americans put something on the table specifically related to a recognition of the uniqueness of culture and content, we were looking for an agreement. The fact that we have an agreement gives us the certainty of knowing that we will not be dragged before future international tribunals.

Another poignant observation by the minister also puts the amendments to Bill C-55 in perspective:

> I do not want to overstate the legislation, but I do know that never before in history has the American government agreed that a foreign law that permits discrimination on the basis of content is unappealable to their tribunals, domestically and internationally. It happened because the Prime Minister felt strongly enough that he took this issue all the way to the President of the United States.

This is not political rhetoric, honourable senators. *The Washington Post* had this to say:

> ...for the first time, the United States was forced to accept the principle that, even in a free-trade environment, foreign countries could take steps to limit access to their markets by American firms in an effort to protect the viability of local culture — in this case, a Canadian magazine industry that could provide an outlet for Canadian writers to tell Canadian stories and deal with Canadian themes.

That, honourable senators, is not a symbolic recognition. Therefore, I invite you to embrace these achievements by adopting the committee report concerning Bill C-55.

[*Translation*]

In closing, honourable senators, I must thank the Deputy Chair of the Transport and Communications Committee, Senator Forrestall, as well as all the senators who took part in the numerous hearings.

[*English*]

Hon. Noël A. Kinsella (Deputy Leader of the Opposition): Would the honourable senator take a couple of questions for clarification?

Senator Poulin: Certainly, honourable senators.

Senator Kinsella: Could the senator explain to the house the relationship between the amendments included in the report and the negotiations we have all heard about that have gone on between Canada and the United States concerning the magazine bill?

Senator Poulin: I thank the honourable senator for his question.

As honourable senators know, the Transport and Communications Committee sat for several weeks to hear from over 40 witnesses on Bill C-55.

• (1710)

We, unfortunately, did not have the opportunity to sit at the negotiating table. What we heard about the negotiations was related to us by the witness who made a presentation and who received our questions, the Minister of Trade Sergio Marchi. Also following this negotiation, we heard from the Minister of Heritage, Minister Copps.

I take for granted that their presentations and their answers instructed all members of the committee on the links between what was tabled in the negotiation itself and these amendments.

Senator Kinsella: When Minister Marchi appeared, did he not tell us that, when he appeared before us, there was as yet no agreement?

Senator Poulin: Honourable senators, I do not have in front of me the blues of the hearing when Minister Marchi was before the committee. I must rely on my memory. I do not honestly remember hearing the minister say that there was no agreement. I do remember hearing Minister Marchi saying that he was very open to an agreement.

Senator Kinsella: Honourable senators, it is my recollection that Minister Marchi did tell us that he was hopeful there would be an agreement, but there was none when he was the witness before us. Then when Minister Copps appeared, we asked her if she had a copy of this agreement and she said no, she did not.

Is that your understanding of what happened at the committee when Minister Copps appeared?

Senator Poulin: Once again, honourable senators, I do not have the blues of the meeting at which the Honourable Sheila Copps appeared. If I remember correctly, in her opening remarks she very reliably related to us the key issues on which there had been an understanding between both countries. I would not wish to comment on the agreement itself. I believe that was the responsibility of the minister herself.

Senator Kinsella: Has the honourable senator yet seen a copy of this agreement upon which the amendments were based?

Senator Poulin: Honourable senators, my role as chair of the Transportation and Communications Committee is to ensure that due process is followed in the review of Bill C-55.

Senator Kinsella: The report that we have received includes amendments that are tied to an agreement between the United States and Canada, which agreement neither the Minister of International Trade nor the Minister of Canadian Heritage could present to us.

Earlier this afternoon during Question Period, I asked the Leader of the Government in the Senate whether he had seen a copy of this agreement upon which the amendments are based.

Does the honourable senator think it is good practice for us in this house to be adopting legislation that is based on travaux préparatoire that we have not seen and to which we have no access?

[*Translation*]

Senator Poulin: We recognize the moral and real authority of the ministers who appeared before us, and have therefore accepted the testimony of both ministers as objective and honest.

[*English*]

Senator Kinsella: The honourable senator recognizes that there is a common practice, when committees or other tribunals have witnesses giving testimony, to have witnesses appear sometimes under a summons known as *duces tecum*. The witnesses arrive with documents that may be germane to the testimony that they will give.

This places all of us in the situation, including the distinguished Chairman of the Transportation Committee, where all we have to rely on is the testimony given. There are certain lacunae in the testimony. We have serious amendments based upon an agreement. Neither of those witnesses was able to give us a copy of that agreement.

In your report then, you speak of the amendments and the time line to be followed within which foreign publishers may publish Canadian advertisements up to the level of 12 per cent. There is another time line for up to 15 per cent and yet another specific period for 18 per cent within three years.

Did your committee receive any assurance that percentages of 12, 15 and 18 within those time lines are the same conditions agreed to by the negotiators for Canada and the United States? How do we know that it was not 9, 13 and 26 per cent?

Senator Poulin: When the honourable senator uses Latin words, he takes me back to private school where I studied Latin for five years. Unfortunately, that was so long ago that I cannot remember the appropriate words to answer in that language.

I return to the same answer that I gave earlier. We fully accepted the testimony of the two ministers on these matters. We know that the implementation of the bill will be the responsibility of the Department of Canadian Heritage.

The Hon. the Speaker: I must point out that the 15-minute period for speech and questions has expired.

Senator Kinsella: Honourable senators, it is not for me to request an extension. Since one has not been requested, I do now rise to move the adjournment of the debate.

On motion of Senator Kinsella, debate adjourned.

NOTICE OF MOTION FOR TIME ALLOCATION

Hon. Sharon Carstairs (Deputy Leader of the Government): Honourable senators, I give notice that tomorrow, Friday, June 4, 1999, I will move:

> That, pursuant to rule 39, not more than a further six hours of debate be allocated to dispose of both the report stage and third reading of Bill C-55, respecting advertising services supplied by foreign periodical publishers;
>
> That, when debate comes to an end or when the time provided for the consideration of all stages of the bill has expired, the Speaker shall interrupt, if required, any proceedings then before the Senate and put forthwith and successively every question necessary to dispose of all remaining stages of the bill;
>
> That any recorded vote or votes on the said question be taken in accordance with the provisions of rule 39(4).

[*Later*]

Honourable senators, a few moments ago I gave notice for time allocation on Bill C-55. At that time, I neglected to mention an important part of that notice.

In order for there to be no confusion on the matter, I would like the record to show that there had been discussions with the opposition about allocating a specified number of hours for debate at report stage and third reading. Unfortunately, we have not at this point been able to agree, which is why I gave notice earlier this day.

• (1720)

CRIMINAL CODE

BILL TO AMEND—SECOND READING—DEBATE CONTINUED

On the Order:

> Resuming debate on the motion of the Honourable Senator Lavoie-Roux, seconded by the Honourable Senator Butts, for the second reading of Bill S-29, to amend the Criminal Code (Protection of Patients and Health Care Providers).—(*Honourable Senator Corbin*)

Hon. Eymard G. Corbin: Honourable senators, I rise today to speak on Bill S-29 which, in my opinion, is a positive step forward in dealing with so-called "end-of-life issues."

Modern medicine has given humankind the opportunity to live longer and healthier lives. However, despite medical advancements, many Canadians of all ages suffer from a multitude of debilitating terminal diseases. The fact that medicine can delay or slow down dying processes has fired the debate on whether or not medical techniques should be applied, and, if so, in what circumstances. Some Canadians believe that terminally ill persons have the right to be left to die, whereas others believe that medicine should do everything in its power to postpone death. Of course, consideration of the issue comes in a multitude of degrees, shades, and colour.

This debate over life and death is not new. In 1983, the Law Reform Commission of Canada examined end-of-life issues and recommended that the Criminal Code be amended to give patients the right to reject medical treatment. In addition, they asked that physicians not be permitted to violate this right.

Later, in 1995, the Special Senate Committee on Euthanasia and Assisted Suicide, chaired by now-retired Senator Joan Neiman, of which Senator Lavoie-Roux was the deputy chair and myself and other senators were members, produced a report entitled "Of Life and Death." That report examined the highly controversial issues of euthanasia and assisted suicide. Our study constituted a Canadian parliamentary breakthrough and will stand in the annals of the Senate as one of its brilliant, avant-garde pieces of work. Our committee recommended that amendments be made to the Criminal Code in order to clarify the circumstances under which withholding and withdrawal of life-sustaining medical treatment are legally acceptable.

Despite this ongoing debate, Canadian legislators have failed to implement clear guidelines for doctors and nurses who treat and care for terminally ill patients. It is particularly annoying that members of the other place have yet to give these matters proper attention. Canadian health care workers are treating terminally ill and near-death patients outside the framework of clearly defined and up-to-date legal parameters.

During our study, the committee heard witnesses who explained that there was confusion among health care workers around the issues of withholding and withdrawing life-sustaining treatment, of administering medication to control pain, and fear of the imputation of criminal responsibility for improper actions, though such deeds have yet to be determined within the broadly based consensual legal framework. More frightening is the practice of some to impose their personal code of ethics on suffering humanity. As Senator Keon indicated in his recent speech on Bill S-29, these fears have led to the improper treatment of some terminally ill patients.

Some health care workers administer inadequate amounts of pain medication because, among other reasons, they have insufficient training and knowledge regarding palliative care. Indeed, our committee was appalled by the lack of knowledge surrounding proper pain-management techniques. These fears and the inadequate care are what we as parliamentarians must address. My goodness, even His Holiness Pope John Paul II addressed these issues in a positive manner. Canada's political parties, including successive governments, are avoiding the subject and, in my considered opinion, are failing to assume their prerogative of initiative and leadership in this respect.

We are not doing the country, hospital administrators, the professions, the patients and their families and friends, and even the local coroners and juries any good by delaying or refusing to address these matters so as to collate them in a proper corpus of law. We are allowing our prejudices to come into play. We have been stalled at the crossroads. This is a complicated challenge, considering the number of interested parties and split jurisdictional difficulties. If the government has a plan or strategy to deal with this challenge, we should be told about it. It has had almost four years to reflect on our report, and yet not a word of reaction.

Recent Canadian cases show that there is a pressing need to legislate and regulate critical end-of-life issues. It will not satisfy this former member of the House of Commons and this senator to have the Supreme Court of Canada assume our legislative responsibilities with an occasional trickle of commentary and guidelines. I only ask for an opportunity to exercise my legislative duties.

Other senators who have spoken to Bill S-29 have mentioned the case of Dr. Nancy Morrison as a recent example, but I will not dwell on specific legal cases at this time, though I may do so when I rise to speak on Senator Carstairs' inquiry.

Bill S-29 is a most important initiative in the effort to establish clear guidelines, which Canadians, the medical profession and health care workers have indicated are necessary to provide more responsible and competent care for the patients. The guidelines proposed by Bill S-29 include amending the Criminal Code to absolve or exempt a physician from the responsibility of having to administer medical treatment where such treatment is against the patient's wishes. In addition, Bill S-29 calls for the requirement of health care providers to obtain free and informed consent from the patient or substitute decision-maker concerning pain control and medication and to respect living wills.

Many senators believe that Bill S-29 respects the patient's right to control his or her own treatment and protects health care workers, who act in accordance with these legal standards, from criminal prosecution. I also believe that this bill has the potential to achieve these goals. Therefore, I am anxious to have Bill S-29 referred to the appropriate committee for a detailed and in-depth study. Bill S-29 proposes important changes to the Criminal Code, and it is imperative that we fully understand their impact on patients, their families, and health care professionals for the immediate and long term.

Once again, I thank Senator Lavoie-Roux for this important statutory initiative, which should have the effect of inciting the Government of Canada and the elected house to join with us in assuming their responsibilities and putting some order into the laws and regulations concerning end-of-life issues. I do trust, however, that she will not lose patience with the process. There are no quick fixes to these important fundamental issues. Though she may have seen the light, others remain to be convinced. That goes to the very heart of what this institution is all about.

A thorough examination of the bill, with the assistance of the best available legal experts, is also very much a part of the process. We cannot afford, as the house of legislative review, to put forward flawed proposals for the other place's approval. I do hope that the members of whichever committee of the Senate this bill is referred to will apprise themselves of the painstakingly arrived at report and recommendation of the special committee to which I already alluded so that the bill is examined in its proper context.

• (1730)

If the Senate can meet the challenge across party lines and come up once more with a first-class piece of work, we will have solidly anchored our claim to political leadership in the field of end-of-life issues.

Let our detractors from the other place waste their time pedalling hot dogs, if it amuses them. The quality of our work will be mustard and ketchup on their haughty faces — and may their buns be soggy! The Senate does care about the sick, the dying, and health care professionals and institutions. We will not be distracted by jokers.

On motion of Senator Carstairs, debate adjourned.

PRIVILEGES, STANDING RULES AND ORDERS

CONSIDERATION OF NINTH REPORT OF COMMITTEE— ORDER STANDS

On the Order:

> Resuming debate on the motion of the Honourable Senator Maheu, seconded by the Honourable Senator Ferretti Barth, for the adoption of the ninth report of the Standing Committee on Privileges, Standing Rules and Orders (independent Senators) presented in the Senate on March 10, 1999.—(*Honourable Senator Kinsella*)

Hon. Marcel Prud'homme: Honourable senators, I wish to ask Senator Kinsella if he intends to participate in this difficult issue. In a few minutes, we will have received a report amending a report that was already amended.

We would like to know what is going on. The ninth report was accepted in committee. It has been amended, to our chagrin and regret. There is a new report dealing with many other matters and squeezed in as part of the ninth report.

I would like to know if there will ever be a debate. This item has been on the Order Paper for 10 sittings now; it can only remain on the Order Paper for five more days. I hope that it will be back to zero soon, but not today.

Hon. Noël A. Kinsella (Deputy Leader of the Opposition): Honourable senators, I thank the senator for his inquiry. It is not my intention to speak on this item today. Indeed, the notes that I had prepared I now wish to review in light of the subsequent report to which the senator has alluded.

Senator Prud'homme: May I ask for direction from the Chair?

If we arrive next week with this item having been on the Order Paper for 15 sittings, it will die on the Order Paper the day following. Any senators who have permission to say a few words will kill the deadline and it will revert to zero. Do I understand the process correctly?

The Hon. the Speaker: The accepted practice is that even though a matter stands in the name of a certain senator, any other honourable senator who wishes to speak may do so.

You are correct that, if an item reaches 15 sitting days on the Order Paper and someone speaks even briefly before that, the order returns to day No. 1.

Order stands.

STATE OF FINANCIAL SYSTEM

CONSIDERATION OF INTERIM REPORT OF BANKING, TRADE AND COMMERCE COMMITTEE ON STUDY—DEBATE CONTINUED

On the Order:

> Resuming debate on the consideration of the sixteenth report (Interim) of the Standing Senate Committee on Banking, Trade and Commerce entitled: "The Governance Practices of Institutional Investors," tabled in the Senate on November 19, 1998.—(*Honourable Senator Meighen*)

Hon. Noël A. Kinsella (Deputy Leader of the Opposition): Honourable senators, I shall be brief on this item. I rise to say a few words in consideration of the sixteenth report of the Standing Senate Committee on Banking, Trade and Commerce entitled "The Governance Practices of Institutional Investors."

This report is the committee's second stand-alone report on issues relating to governance practices. The work of the committee on issues of corporate governance is unprecedented, as will be evidenced in upcoming amendments that we will see relating to the Canada Business Corporations Act in which it is expected that all recommendations of the committee's first report might find favour in this place.

As Senator Meighen will state in this chamber next week, when he speaks to this report, he has found that the report has already brought about change in the institutional investor industry through voluntary standards from various associations.

The work of the Banking Committee is an example of the wealth of value that this place provides to Canadians, Parliament and government.

The Hon. the Speaker: Honourable senators, this matter will remain standing in the name of the Honourable Senator Meighen.

Hon. Sharon Carstairs (Deputy Leader of the Government): We must clarify that it will revert to No. 1 .

HEALTH

MOTION TO MAINTAIN CURRENT REGULATION OF CAFFEINE AS FOOD ADDITIVE ADOPTED

On the Order:

> Resuming debate on the motion of the Honourable Senator Spivak, seconded by the Honourable Senator Cochrane:
>
> That the Senate urge the Government of Canada to maintain Canada's current regulation of caffeine as food additive in soft drink beverages until such time as there is evidence that any proposed change will not result in a detriment to the health of Canadians and, in particular, to children and young people.—(*Honourable Senator Carstairs*)

Hon. Sharon Carstairs (Deputy Leader of the Government): Honourable senators, caffeine has been listed as a food additive in Canada's Food and Drug Regulations since the inception of the food additive regulations and tables in 1964, and had been used in cola-type beverages long before that time.

Caffeine, while not having much flavour in itself, is intensely bitter and is used as a bittering agent. That is to say that it modifies by making bitter the other flavours.

Canada is one of the few countries that regulate closely the use of caffeine in soft drinks. The United States, United Kingdom and members of the European Community and many other countries of the world allow its broad use in soft drinks.

Caffeine, like some other substances used in soft drinks — for example quinine, a flavour often used in tonic waters, or saponins, used as heading or foaming agents — has some physiological activity and can be used both as a food additive and as a drug.

Caffeine is physiologically active in the body and is well known for its stimulative effects. As Senator Spivak stated in her remarks, some individuals experience insomnia, headaches, irritability, nervousness and hyperactivity after consuming caffeine. Caffeine is naturally present in several foods like coffee, tea, cocoa, chocolate, chocolate milk and guarana extracts. The level in soft drinks is six to nine times lower than the level in filter-drip coffee. Unlike naturally occurring caffeine, when caffeine is used as a food additive, it must be declared so in the list of ingredients appearing on the label. This allows those who do not wish to consume caffeine to avoid it.

Let my take a few moments to outline the events that prompted Senator Spivak to move the motion before us today.

In October 1996, a major international beverage manufacturer requested, in accordance with requisite preclearance procedures under the Food and Drug Regulations, an amendment to provide for the use of caffeine in all soft drinks. Specifically, this company has marketed a citrus-flavoured product in North America for a number of years. In the U.S.A., this product has contained caffeine for many years, whereas in Canada caffeine cannot be added to this type of product. The company wishes to standardize its formulation for North America at the same level, unfortunately, as that used in the U.S.A. The purpose of caffeine in the formulation is to add to the specific bitter flavour and taste in the soft drink.

Preliminary internal assessment of this proposal within Health Canada did not raise any health concerns for the consumer, as the projected intakes of caffeine in general are not expected to increase if citrus-based, caffeine-containing soft drinks are substituted for traditional caffeine-containing, cola-type soft drinks. It was recognized, though, that acceptance of this proposal would result in more types of soft drinks containing caffeine and therefore a slight increase in the general overall average consumption of this product.

A proposal to allow the addition of caffeine to non-alcoholic, carbonated, citrus-flavoured beverages at a maximum level of 200 parts per million was pre-published in Part I of the *Canada Gazette* on January 3, 1998, with a 90-day closing date for comment.

A targeted consultation was conducted at the same time with a number of medical associations, consumer groups, regulatory agencies, government agencies and health professionals. Of the 13 respondents to these consultations, four expressed no concern with the proposal, eight were against the proposal, and one, a major addiction and mental health organization, stated that it had no position.

The predominant concerns expressed against the proposal dealt with the potential lack of availability of non-caffeinated alternative beverages and the proper labelling of products containing caffeine.

As a result of comments received through the consultation process, including comments from the Centre for Science in the Public Interest and from the Women's Health Clinic of Winnipeg, Manitoba, Health Canada conducted an extensive review of the physiological and toxicological effects of this food additive. This review focused particularly on consideration of any potential impact on children and women of child-bearing age. The review has been peer-reviewed internally by Health Canada scientists and will also be peer-reviewed externally by qualified scientists outside of Health Canada.

To date, the extension of the use of caffeine has not been approved. Health Canada indicates that a final decision on this submission will be made when the scientific review and consultation process has been completed.

Honourable senators, the public health of Canadians must be a first priority. I applaud the government for undertaking the scientific review of caffeine, and I applaud Senator Spivak for bringing this motion before us. I agree with her that a comprehensive review must be completed to ensure that such a change would not be to the detriment of Canadians in general, but particularly not to the detriment of Canadian youth. I urge honourable senators to support this motion.

The Hon. the Speaker: If no other honourable senator wishes to speak, I will put the motion. Is it your pleasure, honourable senators, to adopt the motion?

Motion agreed to.

DRAGON BOAT FESTIVAL

INQUIRY—DEBATE ADJOURNED

Hon. Vivienne Poy rose pursuant to notice of May 31, 1999:

That she will call the attention of the Senate to the Dragon Boat Festival.

She said: Honourable senators, June is the time for the Dragon Boat Festival, which is one of the three most important festivals in Chinese culture. The festival, also known as the Poet's Festival, is called *Duan Wu Jie* in Chinese. It is celebrated on the fifth day of the fifth month of the Chinese lunar calendar, the timing of which is closely linked to the summer solstice.

In the fourth century B.C., near the close of the warring states period in China, lived a poet-statesman named Qu Yuan, a member of the Royal House of Chu and minister of Huai, King of the State of Chu. Qu frowned on the corruption of the court and proposed effective domestic political reforms, a legal system, and a civil service to hire only people of great competence and integrity. He was opposed by other advisors to the king, as well as by the queen consort. His advice to King Huai to make an alliance with the State of Qi against the State of Qin was ignored. Qu was banished and wandered around the country writing many odes and poems showing his concern for his country, and he gained great respect from the people.

In the year 278 B.C., Qin troops defeated the State of Chu and absorbed it. Not wanting to see his country vanquished by the enemy, Qu Yuan, the age of 62, held a rock in both arms and drowned himself in the Miluo River, present-day Changsha.

When the news of his death came, the people rushed to the scene, rowing boats in the river in an attempt to find his remains, which had drifted downstream and were never recovered. According to legend, this happened on the fifth day of the fifth month of the Chinese lunar calendar. Qu Yuan's fame spread across the land, and every year the people mourned his death by rowing boats in the river and the sea, throwing in bamboo leaves filled with glutinous rice symbolically to prevent the sea creatures from mutilating Qu's body.

There is so much respect for Qu Yuan in China that in 1957 he was one of the four cultural giants the World Peace Council called on the people of the world to commemorate.

• (1750)

The painting of boats to look like dragons began in the late neolithic period in China. A tribe called Raiyue that lived in ancient Wu and Yue, present day Jiangsu and Zhejiang provinces, offered sacrifices to their totem, the dragon. The men cut their hair short and tattooed their bodies with dragon designs, for they considered themselves as scions of the dragon. They also pointed dragon designs on their boats and tools and threw rice wrapped in reed leaves into the water as an offering to the dragon on the fifth day of the fifth month.

Today's Dragon Boat Festival has its origins in both the tradition of commemorating the people's poet, Qu Yuan, and in honouring the dragon. Over the centuries, the people of China celebrated the event annually by holding a dragon boat race, imitating the day the people took to their boats to try to retrieve Qu Yuan's body. The boats were decorated with dragon heads at the bows.

The culinary traditions of the festival still reflect the glutinous rice wrappings that people threw in the water. At this time of year, steamed glutinous rice wrapped in bamboo leaves, sometimes stuffed with pork or red beans, is consumed by Chinese all over the world.

This year, the Dragon Boat Festival falls on June 18 in the Gregorian calendar. Over the past 10 years, more and more Canadian cities are hosting their own dragon boat races. Most of the races occur in June and July, though some cities celebrate as late as September.

This celebration draws Canadians from all walks of life and has become a mainstream Canadian festival in Victoria, Vancouver, Calgary, Edmonton, Winnipeg, Regina, Montreal, and Halifax. In Ontario, races are held in Ottawa, Toronto, Guelph, Pickering, Hamilton, Waterloo, Woodstock, London, and Stratford.

Internationally, they are held all over Asia and Europe, as well as in South Africa, Australia and New Zealand.

In Toronto, the dragon boat races are now in their eleventh year. Last year, the races drew over 100,000 people. This year, the celebration will include more than 30 multicultural performances, and 85 races with 160 teams participating.

Honourable senators, the Dragon Boat Festival is a wonderful opportunity for us to celebrate our multicultural heritage in Canada. I hope that many of you will have the opportunity to participate in the festivities in your respective parts of the country.

On motion of Senator Prud'homme, debate adjourned.

ADJOURNMENT

Leave having been given to revert to Government Notices of Motions:

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 Monday next, June 7, 1999 at 4 p.m.

Hon. Marcel Prud'homme: Honourable senators, again, I speak on behalf of another independent senator, as well as myself.

Indeed, there has been an agreement between the two parties. However, we will consider that there was also consultation with us. We will not push further. However, we will pretend, or do, or act, as if there were consultations with at least two of us. I do not wish to speak for the other independent senators.

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

Some Hon. Senators: Agreed.

Motion agreed to.

The Senate adjourned until Monday, June 7, 1999 at 4 p.m.

THE SENATE OF CANADA
PROGRESS OF LEGISLATION
(1st Session, 36th Parliament)
Thursday, June 3, 1999

GOVERNMENT BILLS
(SENATE)

No.	Title	1st	2nd	Committee	Report	Amend.	3rd	R.A.	Chap.
S-2	An Act to amend the Canadian Transportation Accident Investigation and Safety Board Act and to make a consequential amendment to another Act (Sen. Graham)	97/09/30	97/10/21	Transport and Communications	98/04/02	four	98/05/27	98/06/18	20/98
S-3	An Act to amend the Pension Benefits Standards Act, 1985 and the Office of the Superintendent of Financial Institutions Act (Sen. Graham)	97/09/30	97/10/21	Banking, Trade and Commerce	97/11/05	seven	97/11/20	98/06/11	12/98
S-4	An Act to amend the Canada Shipping Act (maritime liability) (Sen. Graham)	97/10/08	97/10/22	Transport and Communications	97/12/12	three	97/12/16	98/05/12	06/98
S-5	An Act to amend the Canada Evidence Act and the Criminal Code in respect of persons with disabilities, to amend the Canadian Human Rights Act in respect of persons with disabilities and other matters and to make consequential amendments to other Acts (Sen. Graham)	97/10/09	97/10/29	Legal and Constitutional Affairs	97/12/04	one	97/12/11 Senate agreed to Commons amendments 98/05/06	98/05/12	09/98
S-9	An Act respecting depository bills and depository notes and to amend the Financial Administration Act (Sen. Graham)	97/12/03	97/12/12	Banking, Trade and Commerce	98/02/24	one	98/03/19	98/06/11	13/98
S-16	An Act to implement an agreement between Canada and the Socialist Republic of Vietnam, an agreement between Canada and the Republic of Croatia and a convention between Canada and the Republic of Chile, for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income	98/05/05	98/05/12	Foreign Affairs	98/05/28	none	98/06/02	98/12/03	33/98
S-21	An Act respecting the corruption of foreign public officials and the implementation of the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, and to make related amendments to other Acts	98/12/01	98/12/03	Whole	98/12/03	one at 3rd	98/12/03	98/12/10	34/98
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	98/12/01	99/02/11	Foreign Affairs	99/03/24	four	99/04/28		

S-23	An Act to amend the Carriage by Air Act to give effect to a Protocol to amend the Convention for the Unification of Certain Rules Relating to International Carriage by Air and to give effect to the Convention, Supplementary to the Warsaw Convention, for the Unification of Certain Rules Relating to International Carriage by Air Performed by a Person Other than the Contracting Carrier	98/12/10	99/02/03	Transport and Communications	99/03/11	none	99/03/16	

GOVERNMENT BILLS
(HOUSE OF COMMONS)

No.	Title	1st	2nd	Committee	Report	Amend.	3rd	R.A.	Chap.
C-2	An Act to establish the Canada Pension Plan Investment Board and to amend the Canada Pension Plan and the Old Age Security Act and to make consequential amendments to other Acts	97/12/04	97/12/16	Committee of the whole 97/12/17	97/12/17	none	97/12/18	97/12/18	40/97
C-3	An Act respecting DNA identification and to make consequential amendments to the Criminal Code and other Acts	98/09/30	98/10/22	Legal and Constitutional Affairs	98/12/08	none	98/12/09	98/12/10	37/98
C-4	An Act to amend the Canadian Wheat Board Act and to make consequential amendments to other Acts	98/02/18	98/02/26	Agriculture and Forestry	98/05/14	five	98/05/14	98/06/11	17/98
C-5	An Act respecting cooperatives	97/12/09	97/12/16	Banking, Trade and Commerce	98/02/24	none	98/02/25	98/03/31	01/98
C-6	An Act to provide for an integrated system of land and water management in the Mackenzie Valley, to establish certain boards for that purpose and to make consequential amendments to other Acts	98/03/18	98/03/26	Aboriginal Peoples	98/06/09	none	98/06/18	98/06/18	25/98
C-7	An Act to establish the Saguenay-St.Lawrence Marine Park and to make a consequential amendment to another Act	97/11/25	97/12/02	Energy, Environment and Natural Resources	97/12/09	none	97/12/10	97/12/10	37/97
C-8	An Act respecting an accord between the Governments of Canada and the Yukon Territory relating to the administration and control of and legislative jurisdiction in respect of oil and gas	98/03/17	98/03/25	Aboriginal Peoples	98/03/31	none	98/04/01	98/05/12	05/98
C-9	An Act for making the system of Canadian ports competitive, efficient and commercially oriented, providing for the establishing of port authorities and the divesting of certain harbours and ports, for the commercialization of the St. Lawrence Seaway and ferry services and other matters related to maritime trade and transport and amending the Pilotage Act and amending and repealing other Acts as a consequence	97/12/09	98/03/26	Transport and Communications	98/05/13	none	98/05/28	98/06/11	10/98

C-10	An Act to implement a convention between Canada and Sweden, a convention between Canada and the Republic of Lithuania, a convention between Canada and the Republic of Kazakhstan, a convention between Canada and the Republic of Iceland and a convention between Canada and the Kingdom of Denmark for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and to amend the Canada-Netherlands Income Tax Convention Act, 1986 and the Canada-United States Tax Convention Act, 1984	97/12/02	97/12/08	Banking, Trade and Commerce	97/12/09	none	97/12/10	97/12/10	38/97
C-11	An Act respecting the imposition of duties of customs and other charges, to give effect to the International Convention on the Harmonized Commodity Description and Coding System, to provide relief against the imposition of certain duties of customs or other charges, to provide for other related matters and to amend or repeal certain Acts in consequence thereof.	97/11/19	97/11/27	Banking, Trade and Commerce	97/12/04	none	97/12/08	97/12/08	36/97
C-12	An Act to amend the Royal Canadian Mounted Police Superannuation Act	98/04/28	98/04/30	Social Affairs, Science & Technology	98/06/04	none	98/06/08	98/06/11	11/98
C-13	An Act to amend the Parliament of Canada Act	97/10/30	97/11/05	Legal and Constitutional Affairs	97/11/06	none	97/11/18	97/11/27	32/97
C-15	An Act to amend the Canada Shipping Act and to make consequential amendments to other Acts	98/05/05	98/06/03	Transport and Communications	98/06/10	none	98/06/11	98/06/11	16/98
C-16	An Act to amend the Criminal Code and the Interpretation Act (powers to arrest and enter dwelings)	97/11/18	97/12/11	Legal and Constitutional Affairs	97/12/16	none	97/12/17	97/12/18	39/97
C-17	An Act to amend the Telecommunications Act and the Teleglobe Canada Reorganization and Divestiture Act	97/12/09	98/02/24	Transport and Communications	98/03/25	none	98/04/29	98/05/12	08/98
C-18	An Act to amend the Customs Act and the Criminal Code	98/02/10	98/02/18	Legal and Constitutional Affairs	98/04/02	none	98/04/28	98/05/12	07/98
C-19	An Act to amend the Canada Labour Code (Part I) and the Corporations and Labour Unions Returns Act and to make consequential amendments to other Acts	98/05/26	98/06/08	Social Affairs, Science & Technology	98/06/18	none	98/06/18	98/06/18	26/98
C-20	An Act to amend the Competition Act and to make consequential and related amendments to other Acts	98/09/24	98/11/17	Banking, Trade and Commerce	98/12/03 99/02/16	none + two at 3rd *concur in Commons amendments*	98/12/10 *Commons amendments referred to Committee 99/02/11*	99/03/11	02/99
C-21	An Act to amend the Small Business Loans Act	98/03/19	98/03/25	Banking, Trade and Commerce	98/03/26	none	98/03/31	98/03/31	04/98

C-22	An Act to Implement the Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on their Destruction	97/11/25	97/11/26	Foreign Affairs	97/11/27	none	97/11/27	97/11/27	33/97
C-23	An Act for granting to Her Majesty certain sums of money for the public service of Canada for the financial year ending March 31,1998	97/11/26	97/12/04	—	—	—	97/12/08	97/12/08	35/97
C-24	An Act to provide for the resumption and continuation of postal services	97/12/02	97/12/03	Committee of the whole	97/12/03	none	97/12/03	97/12/03	34/97
C-25	An Act to amend the National Defence Act and to make consequential amendments to other Acts	98/06/11	98/06/18	Legal and Constitutional Affairs	98/11/24	one	98/12/01	98/12/10	35/98
C-26	An Act to amend the Canada Grain Act and the Agriculture and Agri-Food Administrative Monetary Penalties Act and to repeal the Grain Futures Act	98/06/08	98/06/16	Agriculture and Forestry	98/06/18	none	98/06/18	98/06/18	22/98
C-27	An Act to amend the Coastal Fisheries Protection Act and the Canada Shipping Act to enable Canada to implement the Agreement for the Implementation of the Provisions of the United Nations Convention on the Law of the Sea of 10 December 1982 Relating to the Conservation and Management of Straddling Fish Stocks and Highly Migratory Fish Stocks and other international fisheries treaties or arrangements	99/04/21	99/04/27	Fisheries	99/05/13	none	99/05/13		
C-28	An Act to amend the Income Tax Act, the Income Tax Application Rules, the Bankruptcy and Insolvency Act, the Canada Pension Plan, the Children's Special Allowances Act, the Companies' Creditors Arrangement Act, the Cultural Property Export and Import Act, the Customs Act, the Customs Tariff, the Employment Insurance Act, the Excise Tax Act, the Federal-Provincial Fiscal Arrangements Act, the Income Tax Conventions Interpretation Act, the Old Age Security Act, the Tax Court of Canada Act, the Tax Rebate Discounting Act, the Unemployment Insurance Act, the Western Grain Transition Payments Act and certain Acts related to the Income Tax Act	98/04/28	98/05/12	Banking, Trade and Commerce	98/06/04	none	98/06/16	98/06/18	19/98
C-29	An Act to establish the Parks Canada Agency and to amend other Acts as a consequence	98/06/03	98/06/15	Energy, the Environment and Natural Resources	98/10/20	none	98/11/19	98/12/03	31/98
C-30	An Act respecting the powers of the Mi'kmaq of Nova Scotia in relation to education	98/06/11	98/06/16	Aboriginal Peoples	98/06/18	none	98/06/18	98/06/18	24/98
C-31	An Act respecting Canada Lands Surveyors	98/05/07	98/05/26	Energy, the Environment and Natural Resources	98/06/09	none	98/06/10	98/06/11	14/98

C-32	An Act respecting pollution prevention and the protection of the environment and human health in order to contribute to sustainable development	99/06/02							
C-33	An Act for granting to Her Majesty certain sums of money for the public service of Canada for the financial year ending March 31, 1998	98/03/18	98/03/25	—	—	—	98/03/26	98/03/31	02/98
C-34	An Act for granting to Her Majesty certain sums of money for the public service of Canada for the financial year ending March 31, 1999	98/03/18	98/03/26	—	—	—	98/03/31	98/03/31	03/98
C-35	An Act to amend the Special Import Measures Act and the Canadian International Trade Tribunal Act	98/12/07	99/02/17	Foreign Affairs	99/03/24	none	99/03/25	99/03/25	12/99
C-36	An Act to implement certain provisions of the budget tabled in Parliament on February 24, 1998	98/05/28	98/06/08	National Finance	98/06/15	none	98/06/17	98/06/18	21/98
C-37	An Act to amend the Judges Act and to make consequential amendments to other Acts	98/06/11	98/09/22	Legal and Constitutional Affairs	98/10/22	eight	98/11/04	98/11/18	30/98
C-38	An Act to amend the National Parks Act (creation of Tuktut Nogait National Park)	98/06/15	98/06/17	Energy, the Environment and Natural Resources	98/12/01	none	98/12/10	98/12/10	39/98
C-39	An Act to amend the Nunavut Act and the Constitution Act, 1867	98/06/03	98/06/08	Aboriginal Peoples	98/06/09	none	98/06/10	98/06/11	15/98
C-40	An Act respecting extradition, to amend the Canada Evidence Act, the Criminal Code, the Immigration Act and the Mutual Legal Assistance in Criminal Matters Act and to amend and repeal other Acts in consequence	98/12/02	98/12/10	Legal and Constitutional Affairs	99/03/25	none	99/05/12		
C-41	An Act to amend the Royal Canadian Mint Act and the Currency Act	98/12/02	98/12/09	National Finance	99/02/18	none	99/03/02	99/03/11	04/99
C-42	An Act to amend the Tobacco Act	98/12/02	98/12/08	Legal and Constitutional Affairs	98/12/10	none	98/12/10	98/12/10	38/98
C-43	An Act to establish the Canada Customs and Revenue Agency and to amend and repeal other Acts as a consequence	98/12/08	99/02/10	National Finance	99/03/18	none	99/04/27	99/04/29	17/99
C-45	An Act for granting to Her Majesty certain sums of money for the public service of Canada for the financial year ending March 31, 1999	98/06/10	98/06/16	—	—	—	98/06/17	98/06/18	28/98
C-46	An Act for granting to Her Majesty certain sums of money for the public service of Canada for the financial year ending March 31, 1999	98/06/10	98/06/16	—	—	—	98/06/17	98/06/18	29/98
C-47	An Act to amend the Parliament of Canada Act, the Members of Parliament Retiring Allowances Act and the Salaries Act	98/06/11	98/06/16	Banking, Trade and Commerce	98/06/17	none	98/06/18	98/06/18	23/98
C-49	An Act providing for the ratification and the bringing into effect of the Framework Agreement on First Nation Land Management	99/03/09	99/04/13	Aboriginal Peoples	99/05/13	two	99/05/13		

C-51	An Act to amend the Criminal Code, the Controlled Drugs and Substances Act and the Corrections and Conditional Release Act	98/11/18	98/12/03	Legal and Constitutional Affairs	99/03/04	none	99/03/09	99/03/11	05/99
C-52	An Act to implement the Comprehensive Nuclear Test-Ban Treaty	98/10/20	98/10/28	Foreign Affairs	98/11/18	one	98/11/24	98/12/03	32/98
C-53	An Act to increase the availability of financing for the establishment, expansion, modernization and improvement of small businesses	98/11/25	98/12/02	Banking, Trade and Commerce	98/12/08	none	98/12/09	98/12/10	36/98
C-55	An Act respecting advertising services supplied by foreign periodical publishers	99/03/16	99/03/24	Transport and Communications 99/03/25	99/05/31	three			
C-57	An Act to amend the Nunavut Act with respect to the Nunavut Court of Justice and to amend other Acts in consequence	98/12/07	98/12/10	Legal and Constitutional Affairs	99/02/18	none	99/03/02	99/03/11	03/99
C-58	An Act to amend the Railway Safety Act and to make a consequential amendment to another Act	99/02/02	99/02/11	Transport and Communications	99/03/17	none	99/03/18	99/03/25	09/99
C-59	An Act to amend the Insurance Companies Act	98/12/10	99/02/04	Banking, Trade and Commerce	99/02/16	none	99/02/18	99/03/11	01/99
C-60	An Act for granting to Her Majesty certain sums of money for the public service of Canada for the financial year ending March 31, 1999	98/12/02	98/12/08	—	—	—	98/12/09	98/12/10	40/98
C-61	An Act 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	99/03/16	99/03/18	Social Affairs, Science & Technology	99/03/23	none	99/03/24	99/03/25	10/99
C-64	An Act to establish an indemnification program for travelling exhibitions	99/05/31	99/06/03	Social Affairs, Science & Technology					
C-65	An Act to amend the Federal-Provincial Fiscal Arrangements Act	99/03/11	99/03/16	National Finance	99/03/23	none	99/03/24	99/03/25	11/99
C-66	An Act to amend the National Housing Act and the Canada Mortgage and Housing Corporation Act and to make a consequential amendment to another Act	99/05/11	99/05/11	Social Affairs, Science & Technology					
C-67	An Act to amend the Bank Act, the Winding-up and Restructuring Act and other Acts relating to financial institutions and to make consequential amendments to other Acts	99/05/31	99/06/03	Banking, Trade and Commerce					
C-69	An Act to amend the Criminal Records Act and to amend another Act in consequence	99/05/31							
C-71	An Act to implement certain provisions of the budget tabled in Parliament on February 16, 1999	99/05/11	99/05/12	National Finance	99/06/03	none			

C-72	An Act to amend the Income Tax Act, to implement measures that are consequential on changes to the Canada–U.S. Tax Convention (1980) and to amend the Income Tax Conventions Interpretation Act, the Old Age Security Act, the War Veterans Allowance Act and certain Acts related to the Income Tax Act	99/05/11	99/05/13	Banking, Trade and Commerce	99/05/31	none			
C-73	An Act for granting to Her Majesty certain sums of money for the public service of Canada for the financial year ending March 31, 1999	99/03/17	99/03/23	—	—	—	99/03/24	99/03/25	14/99
C-74	An Act for granting to Her Majesty certain sums of money for the public service of Canada for the financial year ending March 31, 2000	99/03/17	99/03/24	—	—	—	99/03/25	99/03/25	15/99
C-76	An Act to provide for the resumption and continuation of government services	99/03/24	99/03/24	Committee of the Whole 99/03/25	99/03/25	none	99/03/25	99/03/25	13/99
C-78	An Act to establish the Public Sector Pension Investment Board, to amend the Public Service Superannuation Act, the Canadian Forces Superannuation Act, the Royal Canadian Mounted Police Superannuation Act, the Defence Services Pension Continuation Act, the Royal Canadian Mounted Police Pension Continuation Act, the Members of Parliament Retiring Allowances Act and the Canada Post Corporation Act and to make a consequential amendment to another Act	99/05/31	99/06/03	Banking, Trade and Commerce					
C-79	An Act to amend the Criminal Code (victims of crime) and another Act in consequence	99/05/31							

COMMONS PUBLIC BILLS

No.	Title	1st	2nd	Committee	Report	Amend.	3rd	R.A.	Chap.
C-208	An Act to amend the Access to Information Act	98/11/17	99/02/11	Social Affairs, Science & Technology	99/03/11	none	99/03/16	99/03/25	16/99
C-220	An Act to amend the Criminal Code and the Copyright Act. (profit from authorship respecting a crime) (Sen. Lewis)	97/10/02	97/10/22	Legal and Constitutional Affairs	98/06/10 adopted	recommend Bill not proceed			
C-410	An Act to change the name of certain electoral districts	98/05/28	98/06/04	Legal and Constitutional Affairs	98/06/08	two	98/06/09	98/06/18	27/98
C-411	An Act to amend the Canada Elections Act	98/05/28	98/06/04	Legal and Constitutional Affairs	98/06/08	none	98/06/09	98/06/11	18/98
C-445	An Act to change the name of the electoral district of Stormont–Dundas	98/12/07	98/12/09	Legal and Constitutional Affairs	99/02/04	none	99/02/11	99/03/11	07/99
C-464	An Act to change the name of the electoral district of Sackville–Eastern Shore	98/12/07	98/12/09	Legal and Constitutional Affairs	99/02/04	none	99/02/11	99/03/11	08/99
C-465	An Act to change the name of the electoral district of Argenteuil–Papineau	98/12/07	98/12/09	Legal and Constitutional Affairs	99/02/04	none	99/02/09	99/03/11	06/99

SENATE PUBLIC BILLS

No.	Title	1st	2nd	Committee	Report	Amend.	3rd	R.A.	Chap.
S-6	An Act to establish a National Historic Park to commemorate the “Persons Case” (Sen. Kenny)	97/11/05	97/11/25	Energy, the Environment and Natural Resources					
S-7	An Act to amend the Criminal Code to prohibit coercion in medical procedures that offend a person’s religion or belief that human life is inviolable (Sen. Haidasz, P.C.)	97/11/19	97/12/02	Legal and Constitutional Affairs					
S-8	An Act to amend the Tobacco Act (content regulation) (Sen. Haidasz, P.C.)	97/11/26	97/12/17	Social Affairs, Science & Technology	98/04/30	two	Dropped from Order Paper pursuant to Rule 27(3) 98/10/01		
S-10	An Act to amend the Excise Tax Act (Sen. Di Nino)	97/12/03	98/03/19	Social Affairs, Science & Technology	98/06/03 98/12/09	none one	referred back to Committee 98/09/24		
S-11	An Act to amend the Canadian Human Rights Act in order to add social condition as a prohibited ground of discrimination (Sen. Cohen)	97/12/10	98/03/17	Legal and Constitutional Affairs	98/06/04	one	98/06/09	*Motion for 2nd reading negatived in the Commons 99/04/13*	
S-12	An Act to amend the Criminal Code (abuse of process) (Sen. Cools)	98/02/10	98/05/06	Legal and Constitutional Affairs					

S-13	An Act to incorporate and to establish an industry levy to provide for the Canadian Anti-Smoking Youth Foundation (Sen. Kenny)	98/02/26	98/04/02	Social Affairs, Science & Technology	98/05/14	seven + two at 3rd	98/06/10	*Bill withdrawn pursuant to Commons Speaker's Ruling 98/12/02*
S-14	An Act providing for self-government by the first nations of Canada (Sen. Tkachuk)	98/03/25	98/03/31	Aboriginal Peoples				
S-15	An Act respecting the declaration of royal assent by the Governor General in the Queen's name to bills passed by the Houses of Parliament (Sen. Lynch-Staunton)	98/04/02	98/06/09	Legal and Constitutional Affairs	98/06/18 Report & Bill withdrawn 98/12/08	four		
S-17	An Act to amend the Criminal Code respecting criminal harassment and other related matters (Sen. Oliver)	98/05/12	98/06/02	Legal and Constitutional Affairs				
S-19	An Act to give further recognition to the war-time service of Canadian merchant navy veterans and to provide for their fair and equitable treatment (Sen. Forrestall)	98/06/18						
S-24	An Act to provide for judicial preauthorization of requests to be made to a foreign or international authority or organization for a search or seizure outside Canada (Sen. Beaudoin)	99/03/03						
S-26	An Act respecting the declaration of royal assent by the Governor General in the Queen's name to bills passed by the Houses of Parliament (Sen. Lynch-Staunton)	99/03/10						
S-27	An Act to amend the Canada Elections Act (hours of polling at by-elections) (Sen. Lynch-Staunton)	99/03/16						
S-28	An Act to amend the Canada Elections Act (hours of polling in Saskatchewan) (Sen. Andreychuk)	99/04/20						
S-29	An Act to amend the Criminal Code (Protection of Patients and Health Care Providers) (Sen. Lavoie-Roux)	99/04/29						

PRIVATE BILLS

S-18	An Act respecting the Alliance of Manufacturers & Exporters Canada (Sen. Kelleher, P.C.) (*Dropped from Order Paper pursuant to Rule 27(3)98/11/17)* *(Restored to Order paper 99/04/15)*	98/06/17	99/04/20	Banking, Trade and Commerce	99/05/04	none	99/05/05	
S-20	An Act to amend the Act of incorporation of the Roman Catholic Episcopal Corporation of Mackenzie (Sen. Taylor)	98/09/23	98/10/29	Social Affairs, Science & Technology	98/12/03	three	98/12/09	99/03/25
S-25	An Act respecting the Certified General Accountants Association of Canada (Sen. Kirby)	99/03/04	99/03/23	Banking, Trade and Commerce	99/04/20	two	99/04/22	99/04/29
S-30	An Act to amend the Act of incorporation of the Board of Elders of the Canadian District of the Moravian Church in America (Sen. Taylor)	99/05/13						

CONTENTS

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