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THE HONOURABLE GILDAS L. MOLGAT
SPEAKER

CONTENTS

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THE SENATE

Wednesday, June 17, 1998

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

Prayers.

SENATORS' STATEMENTS

OCEAN OPPORTUNITIES FOR TOMORROW CONFERENCE

HELD IN BRITISH COLUMBIA

Hon. Gerald J. Comeau: Honourable senators, Senator Pat Carney, who is recuperating from an operation, has asked me to give the following statement on her behalf regarding the Ocean Opportunities for Tomorrow Conference.

Honourable senators, British Columbia's coastal and northern regions are facing unprecedented challenges this year. The salmon fishery, until now a central part of the regional economy, is undergoing tremendous restrictions and restructuring. The critical condition of the northern Skeena coho stocks leaves no doubt that northern British Columbia will bear much of the brunt of this year's fishing adjustments. Forestry, another of the region's chief industries, is plagued by sinking pulp prices, the Asian meltdown and stiff competition from developing countries. Skeena Cellulose, which directly employs 800 people in Prince Rupert and indirectly accounts for 12 times that many jobs in the surrounding region, is holding bankruptcy at bay thanks to a massive provincial bailout.

In the face of these difficulties, coastal British Columbians are demonstrating what I believe is typical resilience and ingenuity. Last month the Canadian Ocean Frontiers Research Initiative, the Northern Maritime Institute and the Coastal Community Network brought together stakeholders and decision-makers from across coastal British Columbia to plan for long-term and sustainable economic development. Hosted by the Tsimshian Nation and the beautiful city of rainbows, Prince Rupert, the Ocean Opportunities for Tomorrow Conference gave coastal communities a forum in which to discuss the range of opportunities open to the region and to develop their own local solutions.

Much to her regret, health considerations forced Senator Carney to withdraw from the conference, but she would like to draw to the attention of her honourable colleagues to some of its outstanding features.

Discussion over the two days of the conference focused on new marine and value-added industries, such as finfish, shellfish

and kelp farming, and related medical and health-product industries, salmon habitat enhancement and restoration, offshore oil and gas exploration, tourism and the role of research and government in future development. Participants then embarked on the creation of strategies and goals for the long-term development of their communities and their region.

This process provided a valuable opportunity for dialogue between native and non-native stakeholders, and for debate on contentious issues such as farm fishing and the moratorium on offshore oil and gas exploration. It has also given the people of the West Coast a chance to claim their future.

I should like to commend the conference organizers and participants on the initiative and hard work that went into this very important event. Many challenges lie ahead. We are confident that the resilience and great skill of the people of the coast will prevail.

Honourable senators, we look forward to sharing with you their success.

HIS EXCELLENCY, JON BALDVIN HANNIBALSSON

NEW ICELANDIC AMBASSADOR TO WASHINGTON AND OTTAWA

Hon. Janis Johnson: Honourable senators, I should like to draw your attention to the visit last week of His Excellency Jon Baldvin Hannibalsson and Madam Bryndis Schram, Iceland's new ambassador to Washington and Ottawa.

Ambassador Hannibalsson presented his credentials at Rideau Hall and then met with officials in Ottawa from the Departments of Foreign Affairs, Fisheries, Indian Affairs and Northern Development and Heritage Canada. His Excellency was also involved in meetings with the millennium committee of the Icelandic Canadian Commission, a group planning celebrations for the year 2000.

Ambassador Hannibalsson is a former foreign affairs minister in Iceland and a career politician of 30 years. He led significant discussions, resulting in a European area agreement that gives Iceland free access to the European market short of full membership. Prior to his entry into politics he was an educator, and he retains his life-long interest in education and youth. Like most Icelanders, the ambassador is keenly interested in the importance of learning and literacy.

It is said that the Egyptians have their pyramids and the Icelanders have their sagas. I can attest to this love of learning for it is inherent when one grows up with this influence in an Icelandic home.

Madam Schram, the wife of the ambassador, is a well-known actor and television performer in Iceland, who is also the director of the Icelandic Film Funding Board. Their combination of talents brings much to their new role as ambassadors for Iceland, and I know they will serve their country well in North America.

Honourable senators, as we move towards the coming millennium, everyone will be celebrating in their own fashion. In the case of Canadians of Icelandic background, we will be marking the 1,000th anniversary of the discovery of North America by Icelander Leifur Eriksson. Leifur and his crew landed on the shores of North America at L'Anse aux Meadows, in the Great Northern Peninsula in Newfoundland, in the year 1,000. One of our planned millennium projects will revolve around this significant event. The plans being made to date involve Iceland, Greenland, Canada and the United States in recreating Leifur's voyage to the new world. A replica of the Viking ship he sailed is to be built and will retrace the same journey. This is our hope.

• (1340)

Along with this will be exhibits, including a major one from the Smithsonian Institute in Washington which is artefact bound. As well, booklets, education materials and films on the story of the Icelanders, the voyages and the history of these people and their Viking ancestors will be prepared and will travel to specific places in North America in the millennium year.

Honourable senators, there are 30,000 people of Icelandic origin in Manitoba and 200,000 in North America. The home of the Icelanders in Canada is my hometown of Gimli, Manitoba, a beautiful fishing and tourist town on the shores of Lake Winnipeg. We are proud Canadians and celebrate our Icelandic heritage in our special way.

Ambassador Hannibalsson and his predecessors have always shown a special interest in the Icelandic Canadian community. Many joint ventures and exchanges have taken place over the years. It is an important link for us. In this new era of international cooperation, it is my belief that there is a great deal that Iceland and Canada can learn from each other, particularly in the area of the fishery, and in relation to literacy, new technologies and environmental and resource development.

I welcome the new ambassador to Canada and wish him well in his work.

NOVA SCOTIA

THE SCHOONER BLUENOSE II

Hon. Wilfred P. Moore: Honourable senators, I rise today to make a statement with respect to Nova Scotia's sailing ambassador of goodwill, the schooner *Bluenose II* — at 181 feet sparred length, the prettiest sailing ship in the world.

I have the pleasure of serving as the volunteer chairman of the *Bluenose II* Preservation Trust, the charity which has the mandate to maintain and operate this national icon.

Last year, the ship began a two-year tour of Canada which commenced on May 29, 1997, when she was the first ship to sail under the Confederation Bridge connecting New Brunswick and Prince Edward Island. *Bluenose II* sailed as far west as Thunder Bay and returned to her home port of Lunenburg on August 22, having travelled 5,000 nautical miles and visited 23 ports in Quebec, Ontario and the four Atlantic provinces. Over 162,000 proud Canadians visited her decks. The record for one day was set in Montreal when 11,200 people came aboard in nine and a half hours. Canadians love the ship, and we love to share her with them.

On July 24, 1997, *Bluenose II* visited Ville de La Baie upon the first anniversary of the great flood. Captain Wayne Walters, master of the vessel, delivered two mailbags full of postcards to the Museum de la Fiord. These postcards, many from Nova Scotian school children, contained messages of encouragement and inspiration to the people of that devastated area. The postcards now form part of the permanent exhibit of the museum.

This past Sunday evening, 1,000 people gathered on the wharf of Lunenburg to give a warm send-off to *Bluenose II* as she departed for British Columbia to complete the western portion of her tour. The ship will make stops in Bermuda and Jamaica, including one at sea near the reef of Île à Vache off the southwest tip of Haiti where the original *Bluenose* foundered on January 28, 1946.

From there, she will transit the Panama Canal, sail up the coast of Mexico and California and into British Columbia. The ship will sail in B.C. waters for one month, visiting eight ports. Her first port of call is Port Alberni on August 11. From there she will go north to Prince Rupert, west to Queen Charlotte City, down the inland passage to Gibsons, Nanaimo, Ganger, Victoria and Vancouver. She will leave Vancouver on September 11 for home, and is due back in Lunenburg on October 30. This voyage covers 15,000 nautical miles and is a historical trip for the ship and her fine co-ed crew.

I invite all honourable senators to follow the ship by visiting her web site at www.bluenose2.ns.ca.

HUMAN RIGHTS

HATE CRIMES AND ACTS OF DISCRIMINATION

Hon. Donald H. Oliver: Honourable senators, on Sunday, June 7, James Byrd Junior, a 49-year-old father of three children, was abducted in Jasper, Texas, by three white men. He was beaten until he was unconscious, chained to the back of a pick-up truck and dragged three miles to his death. James Byrd was killed for no other reason than the colour of his skin.

As reprehensible, inconceivable, shocking and brutal as this act was, it is not an isolated incident. There have been two additional, copycat cases since his death.

While this barbaric act occurred in the United States, Canadians should not be complacent and think that hate crimes are confined to our neighbours to the south. Canada is not immune from hate crimes or acts of discrimination.

Last year, Professor Julian Roberts of the University of Ottawa completed a study of hate- and bias-related crimes for our Department of Justice here in Ottawa. Her study showed that, over the past three years, the number of hate- and bias-related crimes in Canada has risen by approximately 50 per cent.

Professor Roberts estimates that there are 60,000 hate crimes committed in Canada's nine urban centres each year. This includes crimes committed in Halifax, Montreal, Ottawa, Toronto, Winnipeg, Calgary, Edmonton and Vancouver. Her study shows that approximately 61 per cent of these crimes were committed against racial minorities, a percentage that is almost identical to that of the United States.

Hate crimes are only the tip of the iceberg. Discrimination against visible minorities exists in the justice system, as evidenced by the Supreme Court decision concerning Judge Sparks which I addressed in this chamber approximately three months ago. Canadians smugly assume that our society is more open, more tolerant than that of the United States but, unfortunately, it is not so.

Racial minorities in Canada continue to face major problems in our workforce. On February 15, 1997, I spoke in this chamber about the lawsuit filed against Texaco in the United States on behalf of black workers who wished to end the corporate culture of discrimination that existed in that company.

Canadians have not yet experienced a similar high-profile case. However, Robert Swidinsky of the University of Guelph concluded in a study in 1997 that visible minority workers contend with significant wage and occupational discrimination. In the same year, another researcher, James Torczyner, of McGill University, found that notwithstanding similar education, the black workforce tended to have a higher percentage of unemployed workers — 15 per cent compared to 10 per cent.

Even our own public service cannot escape criticism. As I commented on a previous occasion, the Employment Equity Report of 1997 proved that, despite legislation that has been in effect for ten years, true equality and equal opportunity for advancement does not exist in our public service.

Individuals, regardless of race or colour, must be vigilant in the fight against racism and inequality. Honourable senators, we have a duty to Canada, to lead the way in the fight against discrimination and racism. We have a duty to set an example. We must rise above partisan politics and join together on this issue.

The family of James Byrd has suffered a terrible loss. I urge honourable senators to find some way, collectively or otherwise,

to send our condolences to the family with a statement condemning this senseless act.

THE SENATE

REFLECTIONS ON VARIOUS PARTY WHIPS

Hon. Philippe Deane Gigantès: Honourable senators, yesterday I spoke about the leaders I have known. Today I want to speak about the whips. When I arrived, I had the pleasure of finding Senator Petten here as the Liberal whip. What a lovely man. Of course, Jacques Hébert is my best friend, as everyone knows.

On the other side, I remember Senator Phillips actually giving me an office with a bathroom.

Senator Grafstein: He gave you an office?

Senator Gigantès: I was entitled to that office. Never mind. He gave me an office with a bathroom. Even though we are on opposite sides and we occasionally crossed swords, he treated me with unending courtesy, and I thank him.

I had similar treatment from Senator Kelly and my dear friend Senator Kinsella opposite. I know that he is a Dominican and I am a product of the Jesuits.

Then there was that intimate moment of walking down the aisle with Senator DeWare. That made my day.

[*Translation*]

NATIONAL UNITY

DEFENCE AND PROMOTION OF REGIONAL INTERESTS

Hon. Jean-Claude Rivest: Honourable senators, one of this Chamber's responsibilities is to defend and promote the interests of all regions of the country.

With the government's budget slashing of recent years, I think all members of this chamber must be aware of the considerable difficulties Canadians have been experiencing in the health, education and social services sectors.

That is why I am urging all honourable senators to let the Prime Minister of Canada know of their concerns with respect to the extremely urgent and pressing financial needs of all provincial governments.

• (1350)

In addition, honourable senators, I find regrettable the Prime Minister of Canada's somewhat cavalier treatment of the provincial premiers yesterday, when he said that, as usual, they were asking the federal government for money and offering nothing in return.

I would remind the Right Honourable Prime Minister of Canada that it is because of the very great contribution of all Canadians, particularly those who depend on provincial services, that his government has been able to put its fiscal house in order. The provincial governments have been largely responsible for the Canadian government's success in balancing its budget.

I would remind the Prime Minister of Canada that the needs of the elderly, the very young, and hospital and social services workers are extremely pressing. All these services are the responsibility of provincial governments, which must have additional resources if they are to meet the expectations of the Canadian public.

The Prime Minister's statement is all the more scandalous when we know that budgetary surpluses are predicted and that the federal government is undertaking unilateral initiatives such as the millennium scholarships when priority needs are so much more urgent.

We know that the EI surpluses must be returned to the workers who paid into the fund and, through their efforts, helped the Government of Canada balance its budget.

As for the pension plan, a study published in Toronto recently gave figures to show that, in a few years, the budgetary surpluses the federal government will be squirreling away will run in the billions of dollars.

All members of this chamber, regardless of party affiliation, should unanimously support the serious, repeated and responsible requests by all provincial premiers that the federal government restore the provinces' financial capacity to assume their responsibilities in sectors affecting the well-being, safety and development of Canadians.

[*English*]

ROUTINE PROCEEDINGS

PARLIAMENT OF CANADA ACT MEMBERS OF PARLIAMENT RETIRING ALLOWANCES ACT SALARIES ACT

BILL TO AMEND—REPORT OF COMMITTEE

Hon. Michael Kirby, Chairman of the Standing Senate Committee on Banking, Trade and Commerce, presented the following report:

Wednesday, June 17, 1998

The Standing Senate Committee on Banking, Trade and Commerce has the honour to present its

THIRTEENTH REPORT

Your committee, to which was referred the Bill C-47, An Act to amend the Parliament of Canada Act, the Members of Parliament Retiring Allowances Act and the Salaries Act, has examined the said Bill in obedience to its Order of Reference dated Tuesday, June 16, 1998, and now reports the same without amendment.

Respectfully submitted,

MICHAEL KIRBY
Chairman

The Hon. the Speaker: Honourable senators, when shall this bill be read a 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.

MACKENZIE VALLEY RESOURCE MANAGEMENT BILL

REPORT OF COMMITTEE

Hon. Charlie Watt, Chairman of the Standing Senate Committee on Aboriginal Peoples, presented the following report:

Wednesday, June 17, 1998

The Standing Senate Committee on Aboriginal People has the honour to present its

SIXTH REPORT

Your committee, to which was referred the Bill 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, has, in obedience to the Order of Reference of June 16, 1998, heard the Minister of Indian Affairs and Northern Development.

Respectfully submitted,

CHARLIE WATT
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.

MI'KMAQ EDUCATION BILL

REPORT OF COMMITTEE

Hon. Charlie Watt, Chairman of the Standing Senate Committee on Aboriginal Peoples, presented the following report:

Wednesday, June 17, 1998

The Standing Senate Committee on Aboriginal People has the honour to present its

SEVENTH REPORT

Your committee, to which was referred the Bill C-30, an Act respecting the powers of the Mi'kmaq of Nova Scotia in relation to education, has, in obedience to the Order of Reference of June 16, 1998, examined the said Bill and now reports the same without amendment.

Respectfully submitted,

CHARLIE WATT
Chairman

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

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

PRIVATE BILLALLIANCE OF MANUFACTURERS & EXPORTERS CANADA—
FIRST READING

Hon. James F. Kelleher presented Bill S-18, respecting the Alliance of Manufacturers & Exporters Canada.

Bill read first time.

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

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

SOCIAL AFFAIRS, SCIENCE AND TECHNOLOGYCOMMITTEE AUTHORIZED TO MEET
DURING SITTING OF THE SENATE

Hon. Lowell Murray: Honourable senators, with leave of the Senate and notwithstanding rule 58(1)(a), I move:

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

Honourable senators, with your indulgence, I would say a word as to why I am seeking leave for this motion at this time.

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

Hon. Senators: Agreed.

Senator Murray: Honourable senators, this will be our fifth, and probably final, meeting on Bill C-19. We have scheduled to hear this afternoon the Minister of Labour, Mr. Lawrence MacAulay, as our closing witness. He is scheduled for 3:30. Like most ministers, he has a rather short amount of time available. We would like to spend an hour or 90 minutes hearing from him.

• (1400)

Against the possibility that a debate will take place in this chamber beyond 3:30, I am asking permission for the committee to begin to sit at that time.

Motion agreed to.

LEGAL AND CONSTITUTIONAL AFFAIRSCOMMITTEE AUTHORIZED TO MEET
DURING SITTING OF THE SENATE

Hon. Lorna Milne: Honourable senators, with leave of the Senate and notwithstanding rule 58 1(a), I move:

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

Honourable senators, my explanation follows almost word for word that of the honourable senator opposite. In case the Senate is still sitting at 3:30 this afternoon, in deference to the opposition, we would like to carry on with the hearings on Bill S-15.

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

Hon. Senators: Agreed.

Motion agreed to.

[Translation]

TRANSPORT AND COMMUNICATIONS

COMMITTEE AUTHORIZED TO MEET
DURING SITTING OF THE SENATE

Hon. Marie-P. Poulin: Honourable senators, with leave of the Senate and notwithstanding rule 58(1)(a), I move:

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

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

Hon. Senators: Agreed.

Motion agreed to.

[English]

THE SENATE

INTERPRETATION OF CERTAIN RULES—NOTICE OF MOTION

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

That the Senate is aware of a Question of Privilege on June 11, 1998, regarding the abolition of the Senate, and the Senate Speaker's ruling of June 16, 1998, and Senate rule 43 regarding questions of privilege;

That the Senate wishes clarification, understanding and agreement on the construction, interpretation and meaning of the words "*prima facie*" in the exercise and application of Senate rule 43 by the Senate Speaker and by the senators, and particularly rule 43(12) in respect of the word "determine" and the words "*prima facie* case of privilege"; and

That therefore the Senate refer to the Standing Committee on Privileges, Standing Rules and Orders the matters raised in my question of privilege of June 11, 1998, the Speaker's ruling of June 16, 1998, and Senate rule 43, particularly rule 43(12), for examination of privileges and for the examination of the meaning, construction, interpretation and intention of the words "*prima facie* case."

BUSINESS OF THE SENATE

Hon. Sharon Carstairs (Deputy Leader of the Government): Honourable senators, I do not have a notice of

motion, so that my intervention now is quite irregular. However, I do know that honourable senators will be attending a number of committees this afternoon, and so I must inform honourable senators that the committee room locations have changed. We wanted to have all of the committees meeting in this building today.

For the information of all senators, the Standing Senate Committee on Legal and Constitutional Affairs will be meeting in room 256-S; the Standing Senate Committee on Social Affairs, Science and Technology will be meeting in room 356-S; and the Subcommittee on Communications of the Standing Senate Committee on Transport and Communications will be meeting in room 172-E.

CHILD CUSTODY AND ACCESS

MISREPRESENTATION OF OFFICIAL RECORD OF COMMITTEE—
NOTICE OF INQUIRY

Hon. Anne C. Cools: Honourable senators, I give notice that two days hence, I will call the attention of the Senate to certain statements about the Special Joint Committee on Child Custody and Access, which statements were made both in the other place and in certain media reports, and to the comparison of these statements and reports to the relevant and actual transcripts of the hearings of the Special Joint Committee on Child Custody and Access. These statements include:

the cross-Canada deliberations on child custody and access have become a forum for the taunting and intimidation of women who report domestic abuse;

women have been booed and hissed;

the existence of violence against women has been denied;

Custody hearings upset witnesses — Members dismissive, say women;

Women rattled by custody hearings — Grilling by committee leaves mothers upset;

Divorce panel "taunts" women — Women who report abuse are intimidated, MP charges;

Women's groups angered by rough ride at hearings — Complaints filed over committee on child custody;

these men erupted in noisy laughter, jeers and shouts;

the level of venom and hatred toward women rose to a pitch of hysteria; and

the men's aggressive and abusive behaviour at the committee hearings bears out just how threatening they are.

VISITORS IN THE GALLERY

The Hon. the Speaker: Honourable senators, I wish to draw your attention to distinguished visitors in our gallery from Australia. They are members of the Scrutiny of Acts and Regulations Committee of the Victoria Parliament.

On behalf of all honourable senators, I wish you welcome here to our Senate.

Hon. Senators: Hear, hear!

QUESTION PERIOD

ENERGY

APPOINTMENT OF NEW CHAIRMAN OF NATIONAL ENERGY BOARD—GOVERNMENT POSITION

Hon. Ron Ghitter: Honourable senators, my question to the Leader of the Government concerns the oil and gas industry in Canada. It has now been close to two years since the government had knowledge that the chairman of the National Energy Board was retiring. At the end of 1997, Roland Priddle resigned. It has now been six months since his actual date of resignation, and there has been no action as to his replacement. Could the honourable leader kindly advise the chamber as to whether it is the intention of the government to appoint a new chairman of the National Energy Board and when?

Hon. B. Alasdair Graham (Leader of the Government): Honourable senators, I have not heard anything that would be at variance with an opinion that the government will appoint a new chairman. As to when, I am not exactly certain. However, I certainly shall make an inquiry this afternoon, and perhaps I could bring forward that information tomorrow.

FOREIGN AFFAIRS

AFRICA—APPARENT COUP IN GUINEA-BISSAU BY SENEGAL—GOVERNMENT POSITION

Hon. Eymard G. Corbin: Honourable senators, my question is for the Leader of the Government in the Senate. We have new reports that Senegal has crossed its borders into Guinea-Bissau allegedly in pursuit of Senegalese separatists, but it is being done in the context of a coup in Guinea-Bissau. The capital, Bissau, is apparently empty, and there are 150,000 refugees on the move.

As the honourable leader knows, Canada and Senegal have entertained important exchanges and certainly friendship over the years. I, for one, am worried that this situation could develop into

another African hot spot and certainly another human tragedy. I say this on the basis of previous events on that continent.

• (1410)

I should like assurances from the government leader that the Minister of Foreign Affairs is keeping an eye on the situation and using his good offices to bring stability to that area so that we will not have to end up once again as peace-keepers after the fact.

Hon. B. Alasdair Graham (Leader of the Government): Honourable senators, the honourable senator is quite correct about the action in that part of the world. I know there are many senators in this chamber who have personal friends in Senegal. It is a matter of urgent concern. I know the Department of Foreign Affairs is monitoring the situation on a daily basis. I will indeed bring the honourable senator's concerns to the attention of the Minister of Foreign Affairs directly.

SITUATION IN KOSOVO, SERBIA—ROLE FOR CANADIAN FORCES AND AIRCRAFT IN NATO INVOLVEMENT— GOVERNMENT POSITION

Hon. Donald H. Oliver: Honourable senators, my question is to the Leader of the Government in the Senate. On Monday, every member of NATO, except Canada, took part in launching fighter aircraft in the show of force over Kosovo province. Since we have fighter aircraft available and long-range fuel tankers capable of refueling these fighters so they can fly to Europe, why was Canada not involved?

Hon. B. Alasdair Graham (Leader of the Government): Honourable senators, as I explained in the honourable senator's absence yesterday or the day before, the matter is under constant review by the Government of Canada. I offered the interpretation that while the fighter jets that may be sent are based in Cold Lake, Alberta, and Bagotville, Quebec, I believe it was the proximity of the other nations to that particular part of the world that made it possible for them to take part. At the same time, the Government of Canada supported the initiatives that were taken.

THE SENATE

CAMPAIGN BY MEMBER OF PARLIAMENT FOR ABOLITION— GOVERNMENT POSITION

Hon. Edward M. Lawson: Honourable senators, I have a series of questions for the Leader of the Government in the Senate relating to Liberal MP Roger Gallaway's millennium project of petitioning across Canada to abolish the Senate.

I have a short preamble. We all know this is really a tragic political farce, because it cannot be done without a constitutional amendment, with the support of the provinces and the federal government. However, we should deal with the way it will be presented to the people. The Canadian people are entitled to know what they would lose and what they would win.

They would lose the detailed expert examination by this chamber and its committees of legislation that comes from the other place. They would lose all of the outstanding work of the committees in the past that we take for granted: Senator Davey's report on media, the Croll report on poverty, the Lamontagne report on science and technology, the Sparrow report on soil erosion, and dozens more. They would also lose the wisdom and experience of senators from every province, territory and region — and that would be lost forever.

What would they win? According to Liberal MP Roger Gallaway, they would win \$50 million.

How would they benefit? Would that mean an instant tax cut? No. Would it be a \$50-million contribution to the deficit? No. Would it be a token payment on the national debt? No. Would it go to Medicare? No. Where would it go? According to Roger Gallaway, the \$50 million would go to the budget of the House of Commons.

The present budget is \$230 million, I am told. This would bring it to \$280 million, just \$21 million short of a per capita cost of \$1 million per MP. I am sure they will try to find a way to get that money. I can see it now: all across Canada, new movies on the millennium projects. The movie? Gallaway's Greed: The titanic story of the only surviving house of Parliament, the House of Commons, at a cost of only \$1 million per Member of Parliament by the millennium.

Honourable senators, I come now to my questions: Since the Treasury Board and/or the government are the only entities able to assign this \$50 million to the House of Commons budget after we are abolished, does Liberal MP Gallaway have some advance inside information or is he merely perpetrating a fraud on the Canadian people? My second question is: Do the Prime Minister and the government support Gallaway's millennium project to abolish the Senate? I would not normally raise that, but senators over there have been somewhat quiet while we have been under attack. I want to know. Do they support this initiative? Do the Prime Minister and the government agree that the House of Commons budget is underfunded by \$50 million?

Mr. Gallaway also says that he will send these petitions to every MP, including the 150 plus Liberal MPs. My last question is: Will the majority Liberal MPs support this millennium project, sending out petitions to abolish the Senate, and do the Prime Minister and the government support that millennium project? If they do not, I want them to say so out loud.

In fairness to the government leader, I do not expect him to be able to answer these questions today. I am quite content to wait for a written response over the summer. I assure him that this is the last question I will ask before the summer.

Hon. B. Alasdair Graham (Leader of the Government): Honourable senators, let me take a shot at an answer. Part of the question, of course, is hypothetical.

If I were to answer the questions in order, I would not want to comment on anything relating to fraud. As to the next three questions the honourable senator asked, I would say a definite, very affirmative no.

I should just like to repeat a comment that has been made before: The Senate of Canada is the most efficient legislative body, dollar-wise on a per capita basis, in the whole of this nation. That includes both Houses of Parliament and every provincial legislature and every territorial legislature.

With respect to Mr. Gallaway's initiative, I perhaps should refer to the fact that he indicated an acceptance of the Senate as a very important part of our parliamentary institutions when he agreed to be the co-chairman of the Special Joint Committee of the Senate and the House of Commons on Child Custody and Access, an initiative which was started by the Senate of Canada, not by the House of Commons.

If any honourable senator wants to review the attendance records of both members of this chamber and members of the other chamber at the hearings held in every region of this country, you will find that the attendance of senators was a heck of a lot better than that of the members of the other place.

VETERANS AFFAIRS

PRESENT STATUS OF PERLEY AND RIDEAU VETERANS HEALTH CENTRE—REQUEST FOR RESPONSE

Hon. Orville H. Phillips: Honourable senators, last week I raised with the Leader of the Government in the Senate the situation at the Perley and Rideau Veterans Health Centre and requested that he contact the Minister of Veterans Affairs and try to persuade him to assume his responsibility in representing the veterans who are patients at that home in the litigation presently before the courts.

Has the leader had any reply from the Minister of Veterans Affairs?

Hon. B. Alasdair Graham (Leader of the Government): Honourable senators, I have made the contact, I have asked for a reply, and I hope to have it tomorrow.

• (1420)

POSSIBLE REPLACEMENT OF MINISTER IN CABINET SHUFFLE— GOVERNMENT POSITION

Hon. Orville H. Phillips: Honourable senators, I have a supplementary question. Political pundits around Ottawa say that there is a cabinet review or reorganization approaching and that Mr. Mifflin will no longer be a member of the cabinet. Therefore, I would urge the Leader of the Government to use an electric cattle prod or some other instrument and try to get a favourable reply from Mr. Mifflin before he is dropped from the cabinet, hopefully in favour of Senator Rompkey.

Hon. B. Alasdair Graham (Leader of the Government): Honourable senators, the choice of cabinet members, of course, is the sole prerogative of the Prime Minister.

However, having had the privilege of serving with Minister Mifflin for the last year, I can tell you what an outstanding Minister of Veterans Affairs he is. He is a veteran who rose through the ranks, starting in the Sea Cadets in his native province, to the position of Admiral in our armed forces. I could not think of a more worthy Minister of Veterans Affairs than Minister Mifflin.

FORESTRY

SETTLEMENT OF SOFTWOOD LUMBER DISPUTE—FAILURE OF QUOTA SYSTEM—CONSIDERATION OF POSSIBLE COMPENSATION—REQUEST FOR RESPONSE

Hon. Gerry St. Germain: Honourable senators, my question is directed to the Leader of the Government in the Senate and is further to a question I asked last week in this place regarding the softwood lumber agreement and the quota that has been imposed. On page 1723 of the *Debates of the Senate*, the Honourable Senator Graham responded to me by saying:

Honourable senators, it is my understanding that it would be negotiations to get rid of the quota. It is now June 10, and I understand that U.S. Customs must publish its final ruling by mid-June.

Has the Leader of the Government any information that he can share with us to elaborate on that answer?

Hon. B. Alasdair Graham (Leader of the Government): Honourable senators, regrettably, I do not. You last asked a question on this matter on June 15. I believe that the publication of the revocation notice by U.S. Customs was made on April 15 of this year, which is why I was looking at the June 15 date. That notice was on its review of its 1997 classification of drill studs outside the scope of the Canada-U.S. softwood lumber agreement. U.S. Customs is expected to publish its final ruling in the next few days. As I understand it, the effective date of implementation will be 60 days after the date of publication and the final ruling.

Senator St. Germain: Honourable senators, now that the Leader of the Government in the Senate has indicated that negotiations to remove the quota are part of the government's agenda, does the government admit that the softwood lumber agreement was an extremely bad deal for Canada? This agreement has led to the loss of thousands of jobs and hundreds of millions of dollars in the forestry sector.

I am hesitant to ask this question, but my purpose is to look out for an important part of our industry. Other industries have been compensated. Is there any thought of compensation for those communities that have been so negatively impacted by this agreement with the United States?

To be fair to the government, I think it was dragged into the fighting and screaming. Furthermore, I do not think the government ever thought it would be as bad as it is. That is why I ask whether there is any consideration for compensation.

Senator Graham: Honourable senators, I am not aware of any consideration of compensation, although it could very well be a matter which is being studied by the appropriate officials.

Canada disagrees with the proposal by U.S. Customs to reclassify drill studs into a different tariff category. After consultation with the key stakeholders, Canada has chosen to pursue a negotiated solution. We hope that the United States will refrain from taking any further action to reclassify drill studs. I wish to assure the honourable senator that Canada will defend its rights vigorously, if necessary.

THE ENVIRONMENT

EROSION OF SABLE ISLAND, NOVA SCOTIA—POSSIBLE CULLING OF PONY HERD—GOVERNMENT POSITION

Hon. J. Michael Forrestall: Honourable senators, my question is with regard to the Sable Island ponies. We will all have noted reports in the press recently that some central Canadians think the only way to save Sable Island is to cull the ponies. That suggestion has been made by a panel of biologists examining the future of Sable Island. They claim, among other things, that the consumption of the natural grasses on the island permits a level of erosion of the sands that might lead to the loss of Sable Island itself.

Sable Island has existed since God put it there. A French priest took some ponies there a long time ago. Thousands upon thousands of the horses have bred, matured and died, very peacefully of old age, all by themselves and with the help of God alone. Those of us who have flown to the island on numerous occasions can attest to the fact that one year it may lie at one coordinate and the next year at another. However, the island still exists. It is virtually the same size as it was 20,000 years ago.

Colin Stewart, coordinator of the World Wildlife Foundation's endangered species program in Atlantic Canada, says that the government will have a tough time making its case and convincing the public that these horses must be culled.

Dr. Ian McLaren, Professor Emeritus of Biology at Dalhousie, an organizer of the trust responsible for the island, says that culling of horses is "absolutely not an option being contemplated."

I ask the minister to assure all Nova Scotians, who have come to view these ponies as our symbol of strength, endurance, steadfastness, and everything else that is honourable in our society, that people from Ottawa will never be allowed to get on the backs of those ponies.

Hon. B. Alasdair Graham (Leader of the Government): Honourable senators, two of the most treasured Christmas presents I received from one of my sons are pictures of Sable Island ponies. They were taken by him and his wife during a visit to that beautiful part of our country last summer. I have promised that I will visit there this summer to explore and enjoy, for the first time, the unusual nature of that part of Canada.

It is true that on June 1 an agreement was signed between the Minister of the Environment for Canada, the Honourable Christine Stewart, and the Minister of Finance for Nova Scotia, who is also the province's Minister of the Environment, the Honourable Ron Down. They have signed an agreement involving Environment Canada, Fisheries and Oceans Canada and four provincial agencies. The conservation strategy would be to consider all future uses of the island. It provides what might be called an ethical blueprint for management with a priority on the preservation of the terrain of the island, the native plants and the animals.

• (1430)

One of the major recommendations of the conservation strategy states that the conservation objectives can best be realized if a human presence is maintained on Sable Island. However, future studies will be undertaken. Indeed, if those future studies demonstrate that such is the case, then the strategy obliges island managers to work out a management plan for the herd that minimizes all of the impacts.

Senator Forrestall: Honourable senators, the plans call for the closing of the environmental station on the island. Could the minister undertake to invite his colleagues to revisit that decision? He has indicated, and I could not agree more, that the greatest protection for the animals on the island is a human presence. That human presence has been more than adequately provided for 100 years by the environmental services.

Senator Graham: Honourable senators, as I understand it, the strategy recommends what might be termed slow but very tightly controlled development of any tourism interests with the island's natural environment of wildlife and vegetation not being degraded or disturbed. I shall be happy to convey my honourable friend's representations to the minister involved.

DELAYED ANSWER TO ORAL QUESTION

Hon. Sharon Carstairs (Deputy Leader of the Government): Honourable senators, I have a response to a question raised in the Senate on June 3, 1998 by the Honourable Senator Kelleher regarding the Agreement on Internal Trade and measures taken to reduce outstanding interprovincial barriers.

INDUSTRY

AGREEMENT ON INTERNAL TRADE—MEASURES TAKEN TO REDUCE OUTSTANDING INTERPROVINCIAL BARRIERS—GOVERNMENT POSITION

(Response to question raised by Hon. James F. Kelleher on June 3, 1998)

This refers to an internal report which updated a study carried out by the Conference Board of Canada in 1992. In this study, the Conference Board surveyed fifty companies to identify barriers they faced in carrying out their business across provincial boundaries. As this survey was not comprehensive, gauging progress on removing barriers to internal trade by comparison with this study is, at best, only suggestive.

That said, progress has been made since January 1997. About 18 per cent of the barriers identified by a Conference Board study have now been addressed by the Agreement on Internal Trade. This increase from 13 per cent is largely attributable to certain measures relating to trade in agriculture products.

Moreover, implementation of the recent agreement on procurement by MASH sector entities would address up to 25 per cent of barriers identified by the Conference Board.

A successful conclusion to negotiations aimed at opening up Crown corporation procurement would result in up to 36 per cent of identified barriers being addressed.

Other discussions underway include those aimed at improving labour mobility by reconciling occupational standards and harmonizing regulations governing trucking. Their success would mean that up to 67 per cent of the barriers would be addressed.

The Conference Board study does not reflect the universe of internal trade barriers. For example, no company surveyed by the Conference Board identified provincial impediments to the transmission of electricity as an internal trade barrier. There is no doubt, however, that restrictions in this area have been a significant barrier to interprovincial trade. The energy transmissions barriers faced by Newfoundland provide one compelling example. The completion of an energy chapter that addresses this issue is close to being realized. This agreement would significantly improve the efficiency of the economy, even though it would not affect the statistics based on the Conference Board study.

ORDERS OF THE DAY

BUDGET IMPLEMENTATION BILL, 1998

THIRD READING

On the Order:

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

Hon. P. Michael Pitfield: Honourable senators, a great many of us here today are involved, in one way or another, in fund-raising. This is the sort of thing that, more and more, we must do. We know what it takes to raise even just a couple of hundred dollars, let alone a thousand, and that sums beyond that are a tough sell. Raising \$1 million is real money. It exists in a fairyland all of its own — \$1 million: that is government money. One billion dollars is beyond serious. That is in the league of a community's whole set of priorities. That is in the range of what our society is all about.

Thus, when we read the Prime Minister's proposal some months ago for putting aside that kind of money into a millennium fund, it is not surprising that the idea seemed to many of us a welcome, common-sense follow-up to the hardship, sacrifice and rough justice of all the cutting in recent years.

I am sure none of us underestimate how tough the consequences of that process have been and, given that they have not yet fully worked themselves out, how tough they have yet to be. In the long run, the cut-backs, not in their amounts so much as in the impact they will have, may prove to have been the kiss of death to orchestras, libraries, hospitals and university facilities all across the country. There is a good chance that the process has permanently crippled one of our major universities.

Institutes and institutions do not die by only one hand. As Aristotle says, "It takes a lot of ill to kill a nation" — but it can happen. Given the years of decline, there are many institutions across the country that are walking in the line of the dead, or feel they are, and for them, a millennium fund seemed to have been the promise of salvation.

That was not to be. What were, and what are the government's promises? Whatever was the alternative to youth scholarships, it never really came forward. It did not involve a long and difficult hunt to find out the government's agenda. From the beginning, within the government, there seems to have been only one option for consideration, one driving force behind the definition of the future, and not a very well-defined view of what that one push was meant to produce.

I regret that I cannot support the government's legislation of a scholarship program system supported by a millennium fund. I

believe such a program is ill-founded and wrong in policy terms, and is virtually immoral in constitutional terms. Beginning with the constitutional issue, it is simply not in our field of jurisdiction. If we are to deal with education, then we must consider letting the provinces deal with it. Honourable senators, if we really think that the education of youth should be our national priority, then let us negotiate an arrangement to let the provinces do the job.

To the extent that we can make the technical case for peace, order and good government, and with the history of temperance and prohibition behind us almost anything is conceivable, we can build a case for federal intervention and, perhaps, even for our leadership.

First, however, let us ensure that we have the clear priorities before us as to what we think our government should be doing. What is our position in terms of priorities of health, social security and work? We should then satisfy ourselves that the provinces cannot, and perhaps should not, do the job themselves. Most of us have never known anything but a post-Rowell Sirois world. Well, welcome to the millennium! Is there anything fundamentally unthinkable in a world where the provinces do something themselves, where programs are not forced to grow faster than reality so as to maintain and justify a forever enlarging federal role?

• (1440)

If, when all is said and done, we come up against a reality of provincial need greater than ours at the federal level, what would happen if we did not use the spending power? What a giant step towards maturity, constitutional reform, and fresh air that would be!

[Translation]

Hon. Roch Bolduc: Honourable senators, I am pleased to hear a free thinker share his views on Bill C-36. I would like to add a few words to what Senator Pitfield just told us on the matter.

First of all, I would like to mention that we studied the matter in such depth at second reading that my colleague Senator Bryden even thought we did a good job of analyzing the bill. At least that is how I interpreted his remarks.

Second, the National Finance Committee heard those who wanted to give evidence. The Fédération des étudiants universitaires du Québec was also speaking for the Quebec coalition on this matter, that is, university presidents, faculty associations, teachers' unions, basically everyone besides the government.

Then, we heard government officials *in camera* because they were government employees. They came to explain the technical side of the problems the establishment of such a foundation would create for Quebec, which already has a bursaries system in place.

Finally, we heard our distinguished Minister of Finance, who came to tell us kindly, politely and diplomatically that the case had been heard and that the answer was no.

I have drawn four conclusions from these hearings. They may or may not be the same as yours.

As Senator Pitfield said, this kind of infringement of federalism is hardly acceptable at this time. I would have understood, 30 or even 20 years ago, when we thought of ourselves as affluent. Just two or three years ago, the government said "Look, from now on we will be using our spending power very sparingly and wisely." But now the government's head is above water so to speak, with respect to public finances, although we still have a \$600-billion debt. That is a huge debt, especially when \$150 billion or \$200 billion of it is held by foreign creditors. When the Japanese withdraw their marbles, the Canadian dollar goes down. The result is that, whereas in 1970, 28 years ago, Canada's national wealth was 40 per cent higher than the average for OECD countries, it is now 3 per cent below that average. This means that our competitiveness at the international level and, consequently, our domestic productivity are not very good.

This seems to me to be an infringement, because it is an abusive way of using the government's spending power.

I must say I am not the only one who feels this way. Independent and reasonable minds such as Claude Ryan agree with me. For years, Mr. Ryan was the editor of *Le Devoir*, a sort of national conscience in Quebec. Later, he became a member of the provincial government, with Senator Bacon. He is now retired, but his wisdom remains intact. Mr. Ryan says:

Third, I am surprised by the federal government's attitude regarding the millennium scholarships. This initiative is taking place in an area where responsibilities have been assumed by Quebec for a long time. It is an area where Quebec has played and continues to play a more significant role than any other province. This initiative reflects an attitude reminiscent of the centralizing federalism that prevailed during the post-war years.

That the federal government would want to invest more money to help students even though Quebec is already doing a very good job in that respect — particularly considering that the post-secondary sector greatly suffered from the cuts in federal transfer payments to the provinces — is clearly contradictory and inconsistent.

This is a case where there could be no doubt that Quebec's jurisdiction takes priority. Quebec should therefore be permitted to exercise its right to opt out, with full financial compensation.

I believe this initiative is an infringement on federalism, to the extent that we have had 35 years of unconditional transfers for the funding of higher education. An agreement was signed in 1964 by Mr. Pearson and Mr. Lesage, in which it was agreed that the federal government would no longer impose conditions on the funding of higher education.

It was accepted by the Liberal Party in Ottawa, by the Conservative Party in Ottawa. We supported it then and we still do.

So then what happened? After 35 years, there was a radical change. The federal government decides that now there are conditions. That is serious, conditions on the funding of post-secondary education. First they say student assistance is a priority, but anyone familiar with education knows that is not the case. They indicate that this or that condition will be set out in the law, and the foundation can provide further details.

We have misgivings about accepting this. It represents a shift in direction that is not normal.

It runs counter to the principles for action just defined by the Minister of Intergovernmental Affairs, Mr. Dion. He recently sent me one of his speeches, which I liked very much. One of the principles for action is that the Constitution must be respected. In this case, I find that it is not being respected. Close cooperation must be established where it is needed. An approach was made between the federal and the provincial governments and the answer was no. Just like Andrei Gromyko's stock reply, in the days of Stalin, Krushchev and Breznev, to any proposal made during visits to the United States, Paris or London: "Nyet." No way, in other words. That is the government's response too.

Governments' ability to act must be preserved. This action takes us back to the time when we thought we were rich and we could just spread money around.

The federation must be flexible I see this as more than flexibility. The federal government is getting into provincial politics.

The federation must be fair. There is no guarantee in this bill that our people, who make up 24 or 25 per cent of the population, will receive the equivalent of \$600 million in the next 10 years.

We must exchange information. No information was exchanged in this case. We had the Canadian millennium scholarships bill dumped on us. The Prime Minister wanted the bill and he will get it.

The contributions of the various governments should be made public. In this case, it is more than public knowledge, let us say it is true. The minister has decided to invest \$250 million a year.

Given the circumstances, the inflexibility and the refusal to strike a committee, the National Assembly introduced a resolution, which we have already read here. It provides that Quebec would like the part granted each year to Quebec students to be determined by means of a formula based on demographic parameters, that Quebec would select the students, and that the scholarships would be awarded so as to ensure visibility for the federal government.

Mr. Dion talks of visibility. We do not object to that, on the contrary. In response to this, Mr. Chrétien wrote Mr. Bouchard, because Mr. Bouchard did not like the tone of things. On May 27, Mr. Chrétien wrote back:

Our study leads us to conclude that the positions taken are valid and positive and the objectives in keeping with the spirit of Bill C-36.

MOTIONS IN AMENDMENT

Hon. Roch Bolduc: Accordingly, honourable senators, I move, seconded by Senator Rivest, an amendment along the lines of the motion of the National Assembly, which Mr. Chrétien himself found reasonable. I read the amendment:

[English]

That Bill C-36 be not now read the third time but that it be amended in clause 29 on page 15,

(a) by replacing line 7 with the following:

(2) Notwithstanding subsection (1), where the provincial minister gives three months notice to the Foundation of the minister's intention that this subsection apply to the particular province, the Foundation shall

(a) allocate, based on demographics, an amount from out of its funds, for each fiscal year of the Foundation, for scholarships to be granted to residents of the province and advise the provincial minister of the amount so allocated;

(b) adopt the criteria for the determination of financial need and merit proposed by the provincial minister to the Foundation; and

(c) grant, subject to the provision of this Act, scholarships to the residents of the province whom the provincial minister determines are qualified to receive a scholarship from the Foundation under the criteria proposed and adopted in paragraph (b).

(3) In entering into an agreement under subsection (1) or in administering an arrangement under subsection (2), the.

It then continues on as it is in the bill:

(a) renumbering subsection (3) as subsection (4), and any cross-references thereto accordingly.

I also wish to stress another aspect before coming to a conclusion. I do not know what will happen, but we know that you on the other side are the majority in this chamber. Even though we tried very hard to convince you, our colleagues on the other side, of our good intentions.

[Translation]

To give the government a last chance to negotiate an agreement with Quebec and show that federalism can work — better give arguments to Mr. Charest than to his opponents — we are making a last-ditch attempt to delay the implementation of the foundation for three months. In other words, all we are asking for is a three-month postponement to push for further negotiations between the provincial government and the foundation.

It seems to me that this delay is more than reasonable and certainly in the interest of everybody. If we do not secure an agreement, there will be a political debate in Quebec in September or October.

Honourable senators, I move, seconded by my colleague, Senator Rivest, another amendment:

[English]

That Bill C-36 be not now read the third time but that it be amended in clause 133, on page 79, by replacing line 35 with the following:

133. (1) Sections 2 to 46 come into force on the day that is three months after the day on which this Act is assented to.

(2) Sections 127 to 132 come into force.

The Hon. the Speaker: Honourable senators, in amendment it is moved by the Honourable Senator Bolduc, seconded by the Honourable Senator Rivest:

That Bill C-36 be not now read the third time but that it be amended in clause 29, on page 15 —

Shall I dispense?

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

The Hon. the Speaker: It is further moved in amendment by the Honourable Senator Bolduc, seconded by the Honourable Senator Rivest:

That Bill C-36 be not now read the third time but that it be amended in clause 133 — shall I dispense?

Senator Carstairs: Dispense.

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

Some Hon. Senators: No.

Some Hon. Senators: Yes.

[*Translation*]

Hon. Jean-Claude Rivest: Honourable senators, I already spoke on Bill C-36, but I would like to stress how unanimous Quebecers are on this. Often when we take a reading on Quebec's reality, we differentiate between federalists and sovereignists, between anglophones and francophones. In this case, however, all Quebecers, francophones and anglophones, federalists and sovereignists alike, are against the bill as a matter of principle as explained previously in this chamber. Senators Bolduc and Pitfield mentioned that it was really about the very conception of our federal system.

I warn honourable senators that to proceed with such an important piece of legislation — I want to stress this because it seems to me fundamental in our reflection on the future of Canada and Quebec — will not be without political consequences for a majority government, which is legitimately entitled to disregard for what may be perfectly good reasons the will of Quebecers to decide for themselves and the will of the National Assembly. It has every right to do so, democratically and institutionally. Over the past 15 or 20 years, those who have been reflecting on the future of our country are aware of how difficult it is for us to convince and rally public opinion in support of the Canadian option, which is what the vast majority of Quebecers really want deep down inside.

What makes the option of staying in Canada less attractive to Quebecers? I am not talking about a few die-hard separatists. For the past 15 or 20 years we have been faced with a major political problem.

There is no better way to keep encouraging those who want to break up this country than to put Quebec or Canada in conflict with the very essence of Canada's political reality.

I would like to remind honourable senators that this country owes its existence to its federative structure. Such a structure implies shared sovereignty. This is what the Fathers of Confederation had in mind.

Those who are familiar with this country's history will know that one of the fundamental things which led the French Canadians of that time, who are today's Quebecers, to join in the Canadian project was precisely this sharing of state sovereignty. In the area of education, this meant that Quebec, Quebecers or French Canadians would have full control over their decisions.

This guarantee — demanded by Quebecers and French Canadians of that time, so this country could exist — is the very essence of this bill.

This is a battle Quebec has always fought in the area of education, as we were so pertinently reminded by Senator Bolduc. This federalism was renewed in an extraordinary fashion by two men of vision who will always be the shining stars of Quebec's and Canada's history, namely Lester B. Pearson and Jean Lesage.

This is what these men of vision did in the area of education in this 1964 agreement. And now, on a whim inspired by the new millennium, the federal government is challenging this agreement by acting unilaterally, without consultation, with no respect for the authority of the National Assembly in our federal system, bringing forward a bill that is not a priority and that nobody asked for. Our mandate as senators is to defend federal institutions. We are now being asked to support this bill to please the Prime Minister of Canada before he retires.

What we in Quebec dislike about the way our federal system works is these unilateral actions that are always taken in defiance of the National Assembly of Quebec.

I want to say once again that it is not true that, when Quebecers express their opposition to a federal program in an area under their jurisdiction, it means that they are separatists, nationalists or anti-Canadians. On the contrary, we do respect the authority of our country and its Constitution.

Honourable senators, I simply wish to point out that this is not without political consequences. It was not without political consequences that the country's Constitution was patriated without the consent of the National Assembly in 1982. There were consequences to sabotaging the Meech Lake Accord. And there are consequences now to thwarting the will of the National Assembly in the education sector. If one believes in the future of our country, it seems to me that one should demonstrate a minimum of decency, consideration and sense of responsibility and respect this reality.

Hon. Serge Joyal: Honourable senators, it is my privilege today to address you on this issue, which is of such concern to our colleagues from Quebec. I would like to draw your attention to a number of facts.

I would like to say that federalism can indeed work in Quebec and in Canada. This bill does not run counter to our country's Constitution, nor does it devalue the Canadian option. In support of my argument, I would like to draw your attention to a number of facts.

The first has to do with the very purpose of this bill, the millennium scholarship provisions. Student debt in Canada is not a phenomenon created by the current Prime Minister of Canada. Student debt is a reality acknowledged by the education ministers of Canada at their meeting last September. These ministers hold regular meetings to examine the needs of Canada's educational system. In September 1997, they asked the federal government to implement measures to reduce student debt as quickly as possible. The Prime Minister of Canada was not at these meetings of education ministers.

At their annual meeting on December 12, 1997, the provincial premiers and the Prime Minister of Canada issued a final press release on the meeting which emphasized the pressing need for facing up to the student debt load in Canada. I will quote it here, because again, the present Prime Minister of Canada was not the one who unilaterally decided to include this paragraph in the closing press release. It was worded as follows:

The First Ministers agree on the importance of lessening students' financial burden. Furthermore, it is agreed that the Minister of Finance and the Minister of Human Resources Development will accelerate work in concert with provincial and territorial Education Ministers so that the Minister of Finance can take account of this work in the next federal budget.

Moreover, if the honourable senators would like to think back to the debates surrounding the last election campaign, I will quote to them from the Charest blue book. Some of the honourable senators on the other side may not be in agreement with it, and I acknowledge that, but most of you supported this blue book. I will quote what it says on page 35, under advanced learning, research and technology.

The transition to an information economy and the need for specialized skills are transforming the work force of tomorrow. The new jobs of the future will almost all demand training beyond secondary school and require us to build a culture of life-long learning.

Listen well, as I continue to quote:

A Jean Charest government will help make it possible for more students to go to universities and colleges.

And how?

By starting a \$100 million Canadian merit scholarship program that will open the doors to higher education for 25,000 needy students with the top marks in a scholarship exam covering core subjects;

by working with interested provinces to help —

Your Honour, we are not in the House of Commons but in the Senate, and I trust that my honourable colleagues will behave like senators and not like certain persons in that other place. I continue my quote.

by working with interested provinces to help co-ordinate and institute universal student assistance programs backed financially by the private sector. Assistance will be made available to every student. Students will pay back the loans after graduation, with the payments determined by their personal level of income.

When we are told that the Prime Minister of Canada is responsible for the student debt problem, I submit to you,

honourable senators, that this statement ought to be qualified. All education ministers and first ministers of Canada, the party across the way and we in our party agree that there is a student debt problem.

Let me quote a few figures to refresh your memory. In Canada, students are graduating with an average debt of \$18,000. Sadly, the province with the highest student debt level, \$24,818, is Nova Scotia. You may be surprised to hear that the province with the second highest level, \$23,700, is Saskatchewan. This is a province led by a government whose top priority is supposed to be to promote equal opportunities. In the three richest provinces in the country — British Columbia, Alberta and Ontario — the average is \$17,500. The province with the best record, in my opinion, is Quebec, with an average student debt of \$11,227.

These figures must, however, be qualified. In terms of the number of students who are currently forced to get into debt in each province, Quebec unfortunately has the highest percentage, with 232,052 students out of Canada's total student population of 617,206. This means that, proportionally, students in Quebec get deeper into debt than their Canadian counterparts, which only reinforces the need to take action to reduce the student debt load.

What measures should we take? Does the federal government have the power to spend in the education sector? It is a question that we heard from the other side of the Senate and one that was raised several times during the hearings of that committee.

Let me remind you that the Canadian government has the power to spend. My honourable colleague Senator Beaudoin explained it very clearly in his comments to this house. The Canadian government's spending power is a constitutional reality that the highest courts in the land have recognized many times. They did, however, impose a constitutional limit on that power. That limit was clearly explained by the Honourable Justice Sopinka in the reference concerning the Canada Assistance Plan. The Honourable Senator Beaudoin alluded to it in his speech, and I want to quote an excerpt from Mr. Justice Sopinka's 1991 ruling. Mr. Justice Sopinka said, and I quote:

The written argument of the Attorney General of Manitoba was that the legislation "amounts to" regulation of a matter outside federal authority.

The simple withholding of federal money which had previously been granted to fund a matter within provincial jurisdiction does not amount to the regulation of that matter.

• (1510)

This is the most direct and immediate limit on the federal spending power, namely an act that would have the effect of regulating an area that does not come under federal jurisdiction.

I am of the opinion that the bill before us does not regulate tuition fees or the courses that regular students should take. It is a fair measure that applies to all students in need.

Honourable senators, this spending power is not the spectre that some like to raise. It also benefits the provinces. We never talk about it and it is probably the best kept constitutional secret in Canada.

The provinces have the power to spend in jurisdictions that are not theirs. This is not from me, but from the 1984 Supreme Court ruling in *Dunbar v. Attorney General of Saskatchewan*.

I would like to read a passage, because the provinces have in the past spent in a number of jurisdictions not their own, and the Honourable Justice rightly pointed out. They spent to operate interprovincial airlines and internationally to provide aid to developing countries. From the time of Canada's Confederation, they have spent in the area of international affairs to ensure their interests are represented abroad. They spend on interprovincial trade. The judge provides a list of such expenditures, and I would ask my honourable colleagues to bear this in mind.

Why does it exist? Because our constitutional law provides that, in fully exercising its exclusive responsibilities, a government can have bills, regulations or legislation applying beyond its jurisdiction in order to implement political decisions taken in a given set of circumstances.

I am not questioning the provinces' spending power. On the contrary, I think they enjoy an excellent power arising from royal prerogative and convention in Canada.

That said, I would add an element vital to this debate. We are saying that education is a matter of exclusive provincial jurisdiction. I heard my colleagues opposite say so.

I would remind them that some of them have a short memory. A few weeks ago, we adopted an excellent Senate report on post-secondary education in Canada. A group of learned senators in this house, chaired by the Honourable Senator Bonnell and assisted by the Honourable Senator Lavoie-Roux, released an excellent report in December 1997. We adopted this report.

What does the report provide on page 62? I think it warrants rereading. I will read part of it, which, in my opinion, clearly indicates the delicacy of the matter we are discussing and the fact that we are not outside our jurisdiction.

I quote:

The Special Committee recommends:

That the federal government establish a mechanism to enhance the performance of its appropriate role in post-secondary education.

This is written in bold. I will read out the roles of the federal government in post-secondary education as noted by the honourable senators, including Senator Lavoie-Roux, who took part in this debate, and I quote:

Initiate cooperative efforts with the CMEC to resolve problems and pursue progress in post-secondary education areas that fall within shared federal-provincial jurisdiction (for example, interprovincial mobility, equity of access nationally, student financial assistance, accommodation of the disabled, statistical services and exploitation of information technology);

Those who suggest the Canadian government should keep its hands off education do not recognize the experience we have lived through. Let me tell you about it.

As a young student, I had the privilege to become the first president of the Fédération des étudiants des collèges classiques du Québec 36 years ago, in 1962. This was the first umbrella organization of student associations of all private colleges in Quebec. It had two main goals. The first one was to secure access to education for all, so that education would not be the preserve of the rich and of those who could afford to pay. The second was to have a comprehensive public education network so that all levels of education would be open to all students.

Where do we stand 36 years later? The education ministers and first ministers of this country recognize that the debt load of students is unbearable and that, if we do not deal efficiently with this problem right now, the careers of these students as young professionals and workers will be jeopardized.

As a member of the other House, I had the privilege of being the Secretary of State of Canada. In the area of education, I set up the network of centres of excellence in Canada in 1982. What was this network all about? It was meant to give Canadian universities the financial means to specialize in various sectors of research and development that were more relevant to their own province.

Where do we stand now, 16 years later? We have a network of centres of excellence in which most Canadian universities participate according to their own resources, in one of the areas that are most promising for the future of research and job creation.

Honourable senators, in 1982, I was harshly condemned because I acted in an area of so-called exclusive provincial jurisdiction.

The Hon. the Speaker: I regret to interrupt you, but your time has now expired. Is leave granted, honourable senators?

Hon. Senators: Agreed.

Senator Joyal: The aim of this program which, in my opinion, fits in perfectly with the responsibilities of the Canadian government, was, in fact, to redistribute part of the national wealth so that universities, through their education ministers, could conclude agreements with the Canadian government. They could decide themselves which universities would take part in the program, what the eligibility criteria would be, which

researchers would participate, what initiatives they would take to develop these programs. I had no interest in that. The only thing that was important to me as a Canadian minister was to ensure that funds were put at the disposal of the provinces to help them fight against what we always call the "brain drain," that is the exodus of scientists who choose to work for American research centres. I felt that that was my responsibility as Secretary of State of Canada.

What do we have today? We have a situation where student debt has become almost a national emergency. We have a series of witnesses who appeared before us asking that an agreement be negotiated with the Government of Quebec as quickly as possible. I know that many of my colleagues opposite share this goal. We are trying to see that the funds referred to in Bill C-36 reach students.

Unfortunately, there is no guarantee that they will. I pointed this out when our committee began its hearings. The student representatives I met this week presented me with a letter signed by Quebec's education minister acknowledging that some of the funds would go to students, but that some would go elsewhere, and I quote from the letter:

• (1520)

As you are aware, we promised to use the funds that the federal government wants to put towards the Canada Millennium Scholarship Foundation to begin reinvesting in post-secondary education, with particular emphasis on improved student assistance in order to lower debt in Quebec.

You are also aware that the budgetary efforts of recent years have forced institutions to make many sacrifices. Accordingly, it is obvious that we must invest in our colleges and universities and that the recovery of the millennium funding will make it possible for us to better meet Quebec's needs as it evolves in the knowledge based economy.

What does that mean? We were told by the Quebec government that if we just transfer money to the province, part of it will go to the students, but part of it will go to the system.

We submit that the education system needs money and that the finance minister recognised it when he announced \$300 million more in research subsidies in his budget. Last year, he put \$400 million in an innovation foundation specially to help universities.

The Quebec National Assembly adopted an extremely sensible resolution. It has three objectives. The first one is to identify the total amount that Quebec could receive on the total allocation. Clause 5.(2) of the bill says clearly that the money must be given out in a fair and equitable manner across Canada. I quote clause 5.(2):

The Foundation shall grant scholarships in a fair and equitable manner across Canada.

Throughout the history of the Canadian government, the province of Quebec has always received more than its share for post-secondary education. If I could give you statistics for each of the programs I have referred to, you would see that, for most of them, it exceeded the 24 or 25 per cent population figure.

The second element of the resolution passed by the National Assembly stipulates that the Government of Quebec should select the students who shall receive a scholarship. I do not see anything incompatible with the criteria set by the Government of Quebec, which has established a generous loans and scholarships program, being respected and recognized by the Canadian millennium scholarship foundation.

The third item of the resolution passed by the National Assembly, and it is extremely important, is that the scholarships be forwarded to the recipients in such manner so as to avoid all duplication. This is a key element of the operation of the foundation. We absolutely must avoid the waste of public funds becoming the trademark of the foundation. The only way to do so, I think, is for all parties to go back to the negotiation table.

In his letter dated May 15, the Premier of Quebec chose to put an end to the negotiations instead of honouring the deadline agreed upon by the negotiators. If we have one request to make today it is to urge both parties, the representatives of both the Canadian government and the Quebec government, to go back to the negotiation table. Reasonable people should be able to come up with a solution that takes into account previous cooperation in this crucial and essential area, which is nonetheless essential for the administration of our country.

Hon. Thérèse Lavoie-Roux: Honourable senators, I will not take as long as those who spoke before me and who were very eloquent, whether it is Senator Bolduc, Senator Rivest or Senator Joyal.

I must say from the outset that I fully agree with their analysis of the federal government's intrusion in an area that is exclusively a provincial jurisdiction.

Senators who are from Quebec know that education is a sacred jurisdiction for our province. I believe Senator Pitfield also pointed that out when he said that we were getting into a constitutional problem that does not seem to be understood by the government.

Senator Joyal was absolutely right when he said that the report of the Senate special committee on post-secondary education notes the students' underfunding and indebtedness. However, there is a province that did its homework and that is Quebec. As Senator Bolduc mentioned a few times, Quebec has its own loans and scholarships program, unlike the other provinces.

Students in Nova Scotia did not have a loans and scholarships program and, year after year, they had to put up with increases in tuition fees, which was not the case for Quebec students. If we compare the situation in Quebec to that in the other provinces, we find similarities, but that is not the substance of the matter.

We noted that problems in the funding of education are even more acute when it comes to the quality of education and the support given to research in the universities. We heard testimonies from everywhere and from various levels. In Quebec, it is the CEGEPs, while in the other provinces it is the colleges. We learned that the resources, including the equipment, at the disposal of teachers and administrators in universities are truly inadequate because of the underfunding of education. This underfunding is largely due to the major cuts in federal transfers for education. This is the reality.

Quebec says it is making a lot of efforts in this area and adds that it has urgent needs regarding the quality of education in the universities, the training, the overspecialization of teachers and the equipment required. Given our particular situation — and regardless of the constitutional aspect — Quebec wants to be in a position to use that money according to its real priorities.

I would simply like to say to my colleagues on the other side that I was a bit naughty yesterday. I told them they were suffering from the hepatitis C syndrome.

Some 15 amendments were put forward. I will mention two that had absolutely no serious effect on this bill. We have to admit that students have gone to a lot of trouble to express their point of view. They asked that the foundation's board, comprising 15 members, include two students instead of one. I proposed an amendment to that effect. It was rejected. That is how our colleagues opposite behaved.

• (1530)

University students and professors had asked that the program be applied not only at the bachelor's level, but also at the master's and doctoral levels. I pointed out to the students that they often got financial support from drug companies or other sources. At the master's level today, if you have an undergraduate degree, in most cases, you need a graduate degree to get anywhere.

I proposed it be applied at the master's level. That was rejected. With this sort of attitude — while I acknowledge that there was a hint of naughtiness in my remarks, I found them not far from the truth.

I am sure people in Quebec and the other provinces agree with me on the sharing of responsibilities, especially on the consequences this will have in Quebec. There was such unanimity in opposing the approach. Senator Bolduc has moved two amendments. Consider that, with no threat to a bill concerning the entire budget or to the millennium scholarships, it would be useful to have a little more time to look at the issue and agree on terms that would not prevent the federal government from acting but would give Quebec a little more latitude for the reasons I have mentioned.

So I ask you, honourable senators, most respectfully to consider all the arguments that my colleagues have put forward probably more eloquently than I.

Hon. Gérald-A. Beaudoin: Honourable senators, I would like to add just a few words, since Senator Joyal has already referred to what I said in committee. It is true that there is a federal spending power in Canada, but the difficulty in exercising that power lies in the following: If the expenditure conflicts with a provincial priority, major debates always arise. As I said in committee, and repeat here, this problem must be resolved. Whether this is via an amendment, as my colleague proposes, or as I proposed in committee, that is, an administrative arrangement, I feel something must be done.

Just read the constitutional archives. Mr. Trudeau spoke to this, as did Justice Beetz, before he was named to the Supreme Court. A compromise has always been reached, either an administrative arrangement or an amendment.

I simply wished to restate the facts. It is very clear in my mind. If, however, there is a conflict in exercising the spending powers, everything possible must be done to reach an administrative arrangement. That is what federalism is.

[English]

Hon. Consiglio Di Nino: Honourable senators, I have been listening to some wonderful debates on this issue and certain points continue to arise. The points deal with the relevancy of this institution and, as well, the prediction by some pundits of the future of Jean Charest upon deciding, at great personal sacrifice, to lead the Quebec Liberals, to fight the fight which may save our country.

The pundits were saying that Jean Charest would need to be concerned not only about fighting Lucien Bouchard but also about the actions of the federal government in acts that they might take which would undermine his authority or at least the opportunity for him to defeat Lucien Bouchard. That certainly seems to be the case in this debate.

The first point deals with the relevancy of this institution. We have eloquently discussed this institution and what it stands for. The original purpose of the Senate was to represent the interests of the regions. Some may not like Senator Bolduc's first amendment; however, the second amendment provides for a 90-day delay. It is not the end of the world. If we are here for any purpose at all, is it not to represent the interests of the regions? As I have said in the past, I think we have abdicated this responsibility.

Let us not put another cross on the shoulders of Jean Charest. Let us not again abdicate our responsibility. Let us at least accept the second amendment by Senator Bolduc to recommend that we will wait 90 days. After that time, if a deal is not reached, the bill will become law.

[Translation]

Hon. Jean-Maurice Simard: Honourable senators, first of all, I would like to support the arguments by the Conservative senators from Quebec. They are not known for their partisan natures. I refer to Senators Bolduc, Rivest, Beaudoin, and

Lavoie-Roux. Unreservedly, and without ambiguity, I support their words and their arguments in favour of the motion in amendment.

Honourable senators, I move, seconded by Senator Grimard, that the Senate consent to the tabling of Minister Dion's document.

The Hon. the Speaker: I am sorry, but there are already two motions in amendment. I cannot allow a third until at least one of those we have before us is dealt with.

If there are no other speeches, I shall put the question.

[English]

The Hon. the Speaker: Honourable senators, if there is no other discussion, the questions before us are on the third reading of Bill C-36, moved by Honourable Senator Bryden, seconded by Honourable Senator Pearson; and on motion in amendment No.1 proposed by Honourable Senator Bolduc, seconded by Honourable Senator Kinsella,

That Bill C-36 be not now read the third time, but that it be amended in clause 29, on page 15 —

Shall I dispense?

Some Hon. Senators: Dispense!

The Hon. the Speaker: Further, we have motion in amendment No. 2 by the Honourable Senator Bolduc, seconded by the Honourable Senator Rivest,

That Bill C-36 be not now be read the third time —

Shall I dispense?

Some Hon. Senators: Dispense!

The Hon. the Speaker: Will those honourable senators in favour of motion in amendment No. 1 please say "Yea"?

Some Hon. Senators: Yea.

The Hon. the Speaker: Will those honourable senators opposed to motion in amendment No. 1, please say "nay"?

Some Hon. Senators: Nay.

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

And two honourable senators having risen.

The Hon. the Speaker: Call in the senators.

Honourable senators, the whips advise me that they require 25 minutes for the bell. The vote will be held at 4:05 p.m.

• (1600)

The Hon. the Speaker: Honourable senators, the question before the Senate is on motion in amendment No. 1 by the Honourable Senator Bolduc.

Motion in amendment No. 1 negatived on the following division:

YEAS

THE HONOURABLE SENATORS

Atkins	Kelly
Beaudoin	Keon
Berntson	Kinsella
Bolduc	Lavoie-Roux
Buchanan	LeBreton
Cochrane	Lynch-Staunton
Cohen	Murray
Comeau	Nolin
DeWare	Oliver
Di Nino	Phillips
Doody	Rivest
Forrestall	Roberge
Ghitter	Rossiter
Grimard	Simard
Gustafson	St. Germain
Johnson	Stratton
Kelleher	Tkachuk—34

NAYS

THE HONOURABLE SENATORS

Adams	Kroft
Bacon	Lawson
Bryden	Lewis
Butts	Losier-Cool
Callbeck	Maheu
Carstairs	Mahovlich
Chalifoux	Maloney
Cook	Mercier
Cools	Milne
Corbin	Moore
Fairbairn	Pearson
Ferretti Barth	Pépin
Fitzpatrick	Perrault
Forest	Poulin
Gigantès	Robichaud
Grafstein	(L'Acadie-Acadia)
Graham	Robichaud
Hays	(Saint-Louis-de-Kent)
Hébert	Rompkey
Hervieux-Payette	Ruck
Johnstone	Sparrow
Joyal	Stewart
Kenny	Taylor
Kirby	Watt
Kolber	Wilson—48

ABSTENTIONS
THE HONOURABLE SENATOR

Prud'homme—1

• (1610)

The Hon. the Speaker: Honourable senators, the question now before the house is on motion in amendment No.2 by Senator Bolduc,

That Bill C-36 be not now read the third time —

An Hon. Senator: Dispense.

The Hon. the Speaker: Honourable senators, do you wish to have a recorded vote or to simply have the record show a repeat of the same division?

Hon. Mabel M. DeWare: Honourable senators, the opposition senators would like the record to show the same division.

Senator Carstairs: It is agreed.

Hon. Marcel Prud'homme: Honourable senators, if there were to be a vote, I would vote this time not to delay the bill 90 days.

The Hon. the Speaker: Then we must have a vote, because it would not be the same division.

Senator Prud'homme: Your Honour, I do not wish to push the Senate to a new vote. If there is only one change, you subtract one from one side and add it to the other, as is often done, although I would not want to change the *Rules of the Senate of Canada*.

The Hon. the Speaker: Under the rules, I must proceed with a vote.

Senator Prud'homme: In that case, I will abstain again.

The Hon. the Speaker: Let me put the question again. Is it agreed that for motion in amendment No. 2 the record will show the same division?

Hon. Senators: Agreed.

Motion in amendment No. 2 negatived on the following division:

YEAS
THE HONOURABLE SENATORS

Atkins
Beaudoin
Berntson
Bolduc
Buchanan
Cochrane
Cohen
Comeau
DeWare
Di Nino
Doody
Forrestall
Ghitter
Grimard
Gustafson
Johnson
Kelleher

Kelly
Keon
Kinsella
Lavoie-Roux
LeBreton
Lynch-Staunton
Murray
Nolin
Oliver
Phillips
Rivest
Roberge
Rossiter
Simard
St. Germain
Stratton
Tkachuk—34

NAYS
THE HONOURABLE SENATORS

Adams
Bacon
Bryden
Butts
Callbeck
Carstairs
Chalifoux
Cook
Cools
Corbin
Fairbairn
Ferretti Barth
Fitzpatrick
Forest
Gigantès
Grafstein
Graham
Hays
Hébert
Hervieux-Payette
Johnstone
Joyal
Kenny
Kirby
Kolber

Kroft
Lawson
Lewis
Losier-Cool
Maheu
Mahovlich
Maloney
Mercier
Milne
Moore
Pearson
Pépin
Perrault
Poulin
Robichaud
(*L'Acadie-Acadia*)
Robichaud
(*Saint-Louis-de-Kent*)
Rompkey
Ruck
Sparrow
Stewart
Taylor
Watt
Wilson—48

ABSTENTIONS
THE HONOURABLE SENATOR

Prud'homme—1

The Hon. the Speaker: Honourable senators, we are now back to the main motion. It was moved by the Honourable Senator Bryden, seconded by the Honourable Senator Pearson, that this bill be read the third time. Is it your pleasure, honourable senators, to adopt the motion?

Senator DeWare: Let the record show the same division.

Senator Carstairs: Agreed.

Senator Prud'homme: Honourable senators, I am sorry. I abstained on the first one. I was ready to go with the government on the second one, but not to force a second vote. However, on this question, I cannot abstain. I will vote for the bill.

The Hon. the Speaker: The other alternative is simply to say, "On division."

Some Hon. Senators: Recorded vote.

Senator DeWare: The opposition agrees to a recorded vote now, with no bell.

Motion agreed to and bill read third time and passed, on the following division:

YEAS
THE HONOURABLE SENATORS

Adams	Lawson
Bacon	Lewis
Bryden	Losier-Cool
Butts	Maheu
Callbeck	Mahovlich
Carstairs	Maloney
Chalifoux	Mercier
Cook	Milne
Cools	Moore
Corbin	Pearson
Fairbairn	Pépin
Ferretti Barth	Perrault
Fitzpatrick	Poulin
Forest	Prud'homme
Gigantès	Robichaud
Grafstein	(<i>L'Acadie-Acadia</i>)
Graham	Robichaud
Hays	(<i>Saint-Louis-de-Kent</i>)
Hébert	Rompkey
Hervieux-Payette	Ruck
Johnstone	Sparrow
Joyal	Stewart
Kenny	Taylor
Kirby	Watt
Kolber	Wilson—49
Kroft	

NAYS
THE HONOURABLE SENATORS

Atkins	Kelly
Beaudoin	Keon
Berntson	Kinsella
Bolduc	Lavoie-Roux
Buchanan	LeBreton
Cochrane	Lynch-Staunton
Cohen	Murray
Comeau	Nolin
DeWare	Oliver
Di Nino	Phillips
Doody	Rivest
Forrestall	Roberge
Ghitter	Rossiter
Grimard	Simard
Gustafson	St. Germain
Johnson	Stratton
Kelleher	Tkachuk—34

ABSTENTIONS
THE HONOURABLE SENATORS

Nil.

[*Translation*]

BUSINESS OF THE SENATE

Hon. Jean-Maurice Simard: Honourable senators, I move —

The Hon. the Speaker: I am sorry, but unless this is a point of order, there is nothing before us.

Senator Simard: This is a point of order. I move, seconded by Senator Grimard, that the Senate agree that —

The Hon. the Speaker: We are at government business and under government business motions from the floor cannot be allowed. We must follow the Orders of the Day for the time being and deal with government business.

[*English*]

Senator Simard: I want to move a motion to table.

The Hon. the Speaker: If the Senate gives you leave, of course, you can do anything. Honourable senators, is leave granted for Honourable Senator Simard to make a motion?

Hon. Sharon Carstairs (Deputy Leader of the Government): Honourable senators, I understand that Senator Simard wishes to ask permission of the Senate to table several documents. In light of that very narrow request, we will, of course, give consent.

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

Hon. Senators: Agreed.

[*Translation*]

Senator Simard: I will make a fourth attempt. I move, seconded by Senator Grimard, that the Senate agree that Minister Dion's document, which Senator Bolduc quoted from earlier this afternoon, be tabled and that the Senate also agree that Mr. Justice Sopinka's ruling, which Senator Joyal quoted in part earlier, be tabled as well.

The Hon. the Speaker: I cannot allow the motion but the house has decided to let you table documents. So, you have put the said documents on the record. We will take for granted that the house has given consent for you to table these documents and that they have in fact been tabled without passing a motion to this effect.

Senator Simard: I do not need to table them. My request is not for me to table documents, but for Senators Bolduc and Joyal to table the documents they referred to and I mentioned.

The Hon. the Speaker: The house has agreed to the tabling of documents, is there any discussion?

Some Hon. Senators: Agreed.

The Hon. the Speaker: We consider the documents tabled.

[*English*]

• (1620)

MACKENZIE VALLEY RESOURCE MANAGEMENT BILL

REPORT OF COMMITTEE WITHDRAWN AND REPLACED

Leave having been given to revert to Reports of Committees:

Hon. Charlie Watt: Honourable senators, I ask the permission of the Senate to withdraw the report on Bill C-6 that I presented earlier today, and to present a revised report to which has been added the words, "and now reports the Bill without amendment"

The Hon. the Speaker: Honourable senators, you have heard the request. Is it agreeable to the Senate that the honourable senator withdraw the first report?

Hon. Senators: Agreed.

Report withdrawn.

REPORT OF COMMITTEE

Hon. Charlie Watt, Chair of the Standing Senate Committee on Aboriginal Peoples, presented the following report:

Wednesday, June 17, 1998

The Standing Senate Committee on Aboriginal Peoples has the honour to present its

SIXTH REPORT

Your Committee, to which was referred the Bill 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, has, in obedience to the Order of Reference of June 16, 1998, heard the Minister of Indian Affairs and Northern Development, examined the said Bill and now reports the samewithout amendment .

Respectfully submitted,

CHARLIE WATT
Chair

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.

APPROPRIATION BILL NO. 2, 1998-99

THIRD READING

Hon. Anne C. Cools moved the third reading of Bill C-45, for granting to Her Majesty certain sums of money for the public service of Canada for the financial year ending March 31, 1999.

Motion agreed to and bill read third time and passed.

APPROPRIATION BILL NO. 3, 1998-99

THIRD READING

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

Motion agreed to and bill read third time and passed.

NATIONAL DEFENCE ACT

BILL TO AMEND—SECOND READING—ORDER STANDS

On the Order:

Resuming debate on the motion of the Honourable Senator Rompkey, P.C., seconded by the Honourable Senator Robichaud, P.C. (*Saint-Louis-de-Kent*), for the second reading of Bill C-25, to amend the National Defence Act and to make consequential amendments to other Acts.

Hon. Mabel M. DeWare: I should like to stand this item in the name of Senator Kelly.

Order stands.

NATIONAL PARKS ACT

BILL TO AMEND—SECOND READING

Hon. Mary Butts moved the second reading of Bill C-38, to amend the National Parks Act.

She said: Honourable senators, I am pleased to rise to sponsor Bill C-38, to establish Tuktut Nogait National Park. The passage of Bill C-38 will mark significant progress in meeting the goal of completing Canada's system of national parks, truly one of Canada's great treasures. This system of national parks is cherished by Canadians and envied throughout the world.

Our current 38 national parks protect representative examples of the Canadian landscape. Thirty-nine terrestrial natural regions have been identified across Canada, and the goal is that each region be represented within the national parks system. To fulfill that goal, additional national parks must be created, and Parks Canada is focusing its efforts in creating these new parks.

Bill C-38 adds Tuktut Nogait National Park to the national park system. It is a significant and welcome addition, as this park protects the tundra hills natural region east of Inuvik in the Northwest Territories, a region not yet represented in the system.

The creation of this national park will provide protection to the natural resources. These include the tundra landscape, several rivers with deep gorges, and a diversity of wildlife, including musk ox, grizzly bears, and peregrine falcons.

Perhaps most noteworthy, the park will play an important role in protecting the Bluenose caribou herd. For every year for which there is information, the largest concentration of calving Bluenose caribou have been within this national park.

I should like to describe the community involvement in the creation of this park. The nearest community to the proposed new park is Paulatuk, a village of approximately 300 people. The very idea to create the park came first from this local community. It was the Inuvialuit themselves who approached Parks Canada

in 1989 with the idea of giving creation to this national park. Their primary goal was the protection of the Bluenose caribou herd, its habitat, and especially its calving grounds.

Parks Canada agreed to work with the native people to study this possible national park. Sevens years of consultation and negotiation followed, and, in 1996, the agreement to establish this national park was signed by the governments of Canada and of the Northwest Territories and four native organizations.

Honourable senators, the First Nations people see the establishment of this park as a means of diversifying the local economy and as a way to protect the calving ground of the Bluenose caribou herd.

In February, the Secretary of State for Parks Canada received a request from some of the signing parties to the 1996 agreement for a review of the boundaries of the national park. They wanted an area excised from the park so that it would be available for mineral exploration and development. Darnley Bay Resources Limited, a mineral exploration company from Toronto, holds mineral rights and has been actively exploring in the area. This request to review the boundary was made pursuant to Article 22.1 of the agreement. The agreement, however, requires that all parties must agree to any proposed review.

The federal government is not in agreement and has rejected the request for a boundary change for a number of reasons. First, we have the issue of the caribou. The area proposed for removal from the park is part of the core calving ground of the Bluenose caribou herd. A number of communities in the region rely on this herd. To remove a portion of this calving area will jeopardize a primary purpose of the park.

Second, the Prime Minister has spoken clearly and consistently over the years in urging the Government of the United States to protect the calving grounds of the Porcupine caribou herd in Alaska, as Canada has done by establishing new national parks in Yukon. Our domestic actions must be consistent with our international positions.

• (1630)

Third, a mineral and energy resource assessment of the area was undertaken as part of the park feasibility study. The public report prepared by the Geological Survey of Canada in 1994 identified an area known as the Darnley Bay Anomaly as having moderate potential for copper, nickel, and platinum. The area now proposed for excision from the park is part of this anomaly. It must be said that both the location and the potential of the mineralized anomaly were well known to all parties before the agreement was signed.

Fourth, honourable senators, 80 per cent of this "anomaly" is outside of the national park and remains open for exploration and development. A boundary change is not essential to the financial viability of this exploration venture. Further, the association which represents the Canadian mining industry has not expressed a position regarding this request.

Finally, the integrity of other agreements must be considered. In addition to this park, there are seven other national parks with park establishment agreements in place; however, they are not yet under the National Parks Act. It is important to uphold the federal government's obligations to ensure the integrity of these park agreements signed by the minister on behalf of Canada.

The federal government does not wish to set a precedent that would unleash pressures for other changes to national park boundaries to accommodate commercial development. These include well-known national parks such as the Pacific Rim and Gros-Morne.

Behind the request for a boundary review is the legitimate and important concern of the aboriginal people for local economic development and jobs. In the end, the park agreement has a number of articles related to strengthening the local economy. By this agreement, the natives are given preferential treatment in hiring for park jobs, in government contracting processes for the park and first right of refusal for park business licences.

As Paulatuk is the closest community to the park, the people there stand to gain the most from the employment opportunities that arise from park operations.

Over the next 10 years, Parks Canada will spend approximately \$10 million to establish and operate this park for the benefit of the aboriginals and for all Canadians. Clearly, the park brings with it long-term job creation and economic development that is in harmony with the land and the culture of the north.

Honourable senators, by creating this park, we preserve a very important piece of Canada's natural heritage for future generations and we safeguard a priceless legacy for our country. We cannot let this responsibility and opportunity for all Canadians pass us by.

Motion agreed to and bill read the 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 Energy, the Environment and Natural Resources.

BUSINESS OF THE SENATE

Hon. Sharon Carstairs (Deputy Leader of the Government): Honourable senators, I understand that we have agreement on both sides that we will call two inquiries: No. 34, standing in the name of Senator Simard; and No. 37, standing in the name of Senator Grafstein, and then we shall adjourn.

[*Translation*]

OFFICIAL LANGUAGES ACT

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

Hon. Jean-Maurice Simard rose pursuant to notice of Wednesday, June 3, 1998:

That he will call the attention of the Senate to the current situation with regard to the application of the Official Languages Act, its progressive deterioration, the abdication of responsibility by a succession of governments over the past 10 years and the loss of access to services in French for francophones outside Quebec.

He said: Honourable senators, section 133 of the 1867 Constitution Act expressly allows Canadians to use either the English or the French language in the various federal institutions.

In other words, since Confederation, the linguistic reality of Canada has been front and center in our country's political life.

It has been reviewed and studied many times. As a result of this examination, through the years Canadian political parties have developed positions on the language issue. Eventually, this led to the passage of pieces of legislation and constitutional amendments that were supposed to promote the creation of a suitable bilingual setting in Canada.

In 1969, the Parliament of Canada passed the Official Languages Act.

The purpose of this Act is, and I quote, to:

Ensure respect for English and French as the official languages of Canada and ensure equality of status and equal rights and privileges as to their use in all federal institutions, in particular with respect to their use in parliamentary proceedings, in legislative and other instruments, in the administration of justice, in communicating with or providing services to the public and in carrying out the work of federal institutions; support the development of English and French linguistic minority communities and generally advance the equality of status and use of the English and French languages within Canadian society; and set out the powers, duties and functions of federal institutions with respect to the official languages of Canada.

Since then, with the patriation of the Constitution and the passage of the Charter of Rights and Freedoms in 1982, and as a result of the reworking of the Official Languages Act in 1988, several measures were implemented to enhance bilingualism in Canadian institutions. Moreover, provincial governments accepted certain obligations with regard to teaching French and providing services in French in their respective provinces.

However, over the last decade, federal governments have concentrated their efforts on the need to balance the budget through cuts, reductions, privatization and decentralization. Taking precedence over all other priorities, this quest for a balanced budget, as honourable as it may be, has unfortunately relegated the promotion of Canada's two official languages to a position of secondary importance.

The Fédération des communautés francophones et acadienne du Canada and other organizations dedicated to the defence and promotion of the French fact in Canada have documented the impact of federal budget cuts on their ability to serve their own members.

Like these associations, the Commissioner of Official Languages for Canada also underlined serious deficiencies in the application of Canada's Official Languages Act. He said that budget cuts and government restructuring:

...have caused a subtle but cumulative erosion of language rights and have weakened the official languages program within the federal public service.

In light of this information, it would seem that the Official Languages Act is no longer a priority for Canada's central government. Is that correct?

To determine that and to have the most precise picture possible of the language situation as experienced by francophones in Canada, I have decided to undertake, over the next few months, a study of this extremely important issue.

In this study, I intend to consult major associations dedicated to the defence and promotion of language rights in Canada. I also intend to contact major political parties in each province as well as at the federal level to obtain information relating to their political positions and their intentions on this issue.

I will also contact the official languages commissioner's regional representatives as well as various sectoral groups whose mandate is to promote the French fact. In New Brunswick, I am thinking particularly of the Association des enseignants et enseignantes francophones, the Association des municipalités du Nouveau-Brunswick, and the Association des artistes professionnels du Nouveau-Brunswick. I give them merely as examples; there are many more. I plan to also invite them to collaborate with me so that this study will offer the most faithful and the most fair reflection possible of the reality of the French fact on the eve of the 21st century.

Needless to say, I also plan to invite the general public to share its ideas on this with me.

Essentially, I wish to obtain two things from these groups, associations and individuals: documents describing their linguistic situation within their province as far as the Official Languages Act, the Charter, and the Constitution are concerned, and suggestions for improving the situation and for better attaining the country's objectives of official linguistic duality.

Finally, this fall I shall be tabling a document reporting report on the progress, or deterioration, in access to services in French in Canada. To it will be appended all documents provided to me by the political groups and associations, in order to allow you all to draw your own conclusions.

Until then, I sincerely hope that you will be so kind as to share your opinions on this subject with me. If I may, honourable senators, I would like to adjourn this debate. I will get back to you this fall with my findings.

On motion of Senator Simard, debate adjourned.

[English]

• (1640)

CANADA-UNITED STATES INTER-PARLIAMENTARY GROUP

THIRTY-NINTH ANNUAL MEETING HELD IN NANTUCKET—
INQUIRY—DEBATE ADJOURNED

Hon. Jeremiah S. Grafstein rose pursuant to notice of June 15, 1998:

That he will call the attention of the Senate to the Thirty-ninth Annual Meeting of the Canada-United States Inter-Parliamentary Group, held in Nantucket in May, 1998.

He said: About 120 years ago, a freshly minted graduate from Harvard College, Theodore Roosevelt, published his first book, a closely documented naval history of the War of 1812. This work deeply influenced his later strategic views on extending the reach of the 1823 Munroe Doctrine which was a direct outgrowth of the personal experiences of three American presidents: Monroe, Jackson and John Quincy Adams, all encountered in the War of 1812. Theodore Roosevelt believed that the original narrow cast of the Monroe Doctrine should be expanded far West, even beyond Hawaii, to encompass the Philippines in the Pacific, and in the East, beyond Cuba, into the South Atlantic.

After being appointed Assistant Secretary of Navy, in 1897, in his very first speech given to the Naval War Academy, Roosevelt criticized President Thomas Jefferson's 1812 war strategy, alleging Jefferson sought to protect the Eastern American coastline with small defensive craft rather than a fleet of aggressive battleships, which, in Roosevelt's view, at least, might have prevented the War of 1812. Roosevelt's ideas on aggressive American naval power to broaden both the perimeters and parameters of the Munroe Doctrine had a profound effect on the strategic thoughts of twentieth century America.

Honourable senators, just a few feet away from this Senate chamber is the Rideau Canal, which connects Ottawa to the lower St. Lawrence River and to Lake Ontario, all via Canadian inland water routes. The Rideau Canal was finished in 1832 and later improved, but in its first stage it was completed as a strategic aftermath to our last war with the United States, that same War of 1812.

Honourable senators will recall that in 1813, during the war, Americans attacked and burned government buildings in York, then the capital of Upper Canada, now Toronto; and in 1814, Washington, DC was torched in retaliation. These actions led to the Treaty of Ghent in 1814, which marked the last time Canada and America formally took up arms against each other and exchanged fire.

Honourable senators, the Rideau Canal was strategically engineered to allow our naval and military forces to enter and reinforce Lake Ontario, avoiding the vulnerable border river on the lower St. Lawrence from Cape Vincent to Cornwall.

Honourable senators, we are reminded by Senator Moynihan, of New York, in his slim but invaluable volume entitled, *On the Law of Nations*, that the Rideau Canal network “effectively put an end to the prospect of war” between Canada and the United States, “and saved both Toronto and Washington DC from being burnt again.” He went on to write, “...and yet this would not be convincing. The fact is that the people along the St. Lawrence changed their minds....”

Yes, both Canada and the United States changed their minds and lowered their weapons while the United States lowered their northern ambitions. The peaceful result was the evolution of the longest, oldest undefended border in modern history. From rivals, Canada and the U.S. became fast friends, best trading partners and staunch allies.

Today, Canada and the U.S.A. are each other's largest trading partners. Since the FTA and NAFTA, our bilateral trade has increased to over \$400 billion annually. Over \$1.25 billion in trade crosses our borders, both ways, every day. Weekly, over one million people criss-cross that same border, and that number is growing.

It was with our vital national interests and our close relationships in mind that the Thirty-ninth Annual Meeting of the Canada-United States Inter-Parliamentary Group took place this year in Nantucket, resulting in one of our most productive meetings.

Organized in three workshops — trade and economics, political and global, and trans-border issues — each group first discussed, in detail, from both Canadian and American perspectives, over 38 separate issues. For instance, in the committee workshop that I chaired, trade and economics, topics ranged from culture to lumber, and from potatoes, sugar, grain and dairy to electricity. The trans-border workshop considered issues of congestion encountered at a number of border points across our two countries, stultifying the freer exchange of goods and services. There were candid, in-depth discussions in the political and global workshop where our views differed and where we held common views on the international field, ranging from trans-Atlantic trade to Bosnia, Cuba and China, and to the economic fall-out in Asia, as well as the consequences of nuclear tests in the Asian subcontinent.

At the plenary, all issues were reviewed by all delegates. The plenary decided unanimously to start a much more active process

to exchange views of bilateral concern in a more detailed way between the annual meetings as a number of these issues, all delegates believed, required more regular, timely and friendly exchanges.

The plenary decided there will be a bilateral meeting on the West Coast to exchange views on the contentious issues of lumber and fish.

At the suggestion of Representative Ben Gilman, Chairman of the House of Representatives Foreign Affairs Committee, a meeting will be arranged between our parliamentarians and members of our respective governments to facilitate a common North American front on drug trafficking. Another bilateral meeting is to be arranged between parliamentarians and officials to consider our common interest in a transatlantic trade approach, and it is to be hoped, a common transatlantic action plan.

• (1650)

A bilateral meeting with officials on both sides of the border will be held to deal with major issues at cross-border points causing congestion and concern. This meeting will include an exchange on views with respect to cigarette prices, a common approach to combat cross-border cigarette smuggling, immigration and other border irritants.

The informality of the weekend allowed members to the parliamentary delegations on both sides to explore more fully the issues, the political dynamics and political personalities motivating both countries. We agreed to cooperate where we could to facilitate solutions to trade irritants. We are pleased to report that, in some areas, irritants have been settled since our annual meetings commenced, and some have virtually disappeared. In any event, trade irritants represent less than 2 per cent of our massive total bilateral trade.

From a Canadian perspective, we view these meetings as vital to allow our parliamentarians a valuable free and candid exchange of contentious views. Both groups believe that we must now intensify our political and factual knowledge to act more quickly to resolve common problems. Our publics demand it.

We look forward to our next annual meeting in Canada in Quebec City next year. We hope we can maintain the momentum articulated by interested delegates to resolve, where we can, our common problems and pursue our common interests.

It was evident that while Canadians and Americans bear many similarities, Canada is different from our more numerous and robust neighbour to the south. Canadians believe that culture remains inseparable from our national psyche and our national identity, while Americans view culture as just another very important commercial product. Canadians believe that, with bilateral trade and constructive engagement, democratic values can be better inculcated in aberrant states like Cuba. Senators will recall that Canada recognized Red China, then considered an aberrant state, before the United States, for precisely this purpose.

Canadians are more physically tied to each other, more physically wired to each other. We make more telephone calls per capita. Cable penetration is much higher in Canada than in the United States. Our bilingual society is at work through daily English and French television and radio, which reaches virtually all of our population from coast to coast to coast. Canadians publish more books of poetry per capita, even if unread. Our educational systems differ in that we deploy public funds for both secular and non-secular public education. While Americans believe the right to bear arms is a right, Canadians believe that bearing arms is a dangerous privilege and should be carefully regulated. Canadians believe health is a national priority to protect all individuals from freedom from fear, and hence we proffer a universal and fully accessible medicare system to all Canadians, regardless of ability to pay.

Canadians cherish their ability to make choices different from our southern compatriots. While we differ from our American friends, no one can deny paramount American leadership in the world when it comes to pressing and promoting democracy in every corner of the globe. Parliamentarians will soldier on together in the hope that the Canadian-American Parliamentary Group can gain a deeper and more profound understanding of our differences and the strength of our shared values. In diversity we believe there can be unity.

As co-chair, may I thank my Canadian co-chair, Joe Comuzzi, of the other place, for his constant and persistent efforts to forge a more proactive Canada-U.S. agenda. I also take this opportunity to thank our American counterparts, Senator Frank Murkowski of Alaska and Representative Amo Houghton of New York, and their wives, Nancy and Priscilla, for their gracious hospitality that made this exchange so informative, productive and enjoyable.

Honourable senators, I can report from my vantage point, as your co-chair, that your all-party delegation from the Senate, Senators Bolduc, Oliver, Perrault, Hays, Lewis and Buchanan, each were all well informed and informative. As I said, next year Canada will serve as hosts in Quebec City to give our American counterparts a closer glance, a closer window, on the currents and cross-currents at work in Canadian society.

Honourable senators, we witnessed, during our sessions with our American friends, robust policy exchanges amongst our American counterparts. This reminded me of that great American founding father, John Adams, who said "The mission of America is not only to equal or resemble, but to excel," which would forever be "the great spring of human action."

Amen.

Hon. Marcel Prud'homme: Honourable senators, I wish to ask a question of Senator Grafstein, if permitted.

Senator Grafstein: Of course.

Senator Prud'homme: As the honourable senator may know, this summer, I have a project to write, with some other members, a report on all parliamentary associations regarding the future of all friendship groups, official and non-official. It would be enlightening to me if the honourable senator, who must have received a letter as chairman of the Canada-U.S. group, would tell us his views as to how we can make these parliamentary associations better known and better understood in Canada.

One suggestion that I will consider, having written a report in 1993, says that if we were to abolish them all, the one that should survive is the Canada-U.S. association, because of obvious reasons that the honourable senator has expressed very well. The Canada-U.S. group is very active, but I am sure the honourable senator, like me, must get depressed sometimes at the attendance of our counterparts in the United States. It seems to be very difficult to motivate them even for a weekend.

Would the honourable senator briefly tell us how we can cope with this situation concerning the most important association in priority? I say that with all due respect to the others. How can we make it a living example of cooperation between Canada and the United States and re-establish interest amongst some of the U.S. members to take it more seriously?

Senator Grafstein: I thank Senator Prud'homme, first of all, for his letter. I hope that my remarks today are, in effect, a response to that letter, because it gives a very detailed description of what we attempted to do. Let me take a moment, if I might, to explain our approach.

When I became co-chair, I found that these annual meetings were not satisfactory, in the sense that so much was going on between Canada and U.S. that it required more narrow casting to deal with it. In two years we have moved it from a bilateral meeting, in effect, once a year to four proposed bilateral meetings this year before the next annual bilateral meeting. Senator Buchanan will be speaking later on this inquiry and will talk about a fifth bilateral meeting on the East Coast. In other words, there will be one on the East Coast, one on the West Coast, one on drugs, one on the transatlantic action plan, and one on cross-border issues, all before the next regular annual meeting.

One cannot expect a small group of American legislators, who are busy with other things and who do not understand the extent of our trade, to take up their time on all of these issues. What Mr. Comuzzi and I did is we travelled to the United States with the Prime Minister when he visited President Clinton. We did not visit with President Clinton. Instead, we took the time to attend on a number of representatives and senators. Mr. Comuzzi and myself hosted a small reception in the Congress. We invited 15 senators, 14 of whom showed up. The fifteenth one, Senator Hutchison from Texas, phoned me personally to say that she was in another committee and she could not come. We had 15 out of 15 senators respond.

Representative Gilman, who is the chairman of the very influential House of Representatives Foreign Affairs Committee, and from New York, had not intended to come or participate. Mr. Comuzzi and I personally attended on him last year and extended an invitation. For the first time, he attended. This led to his suggestion that we should have a bilateral meeting to deal with a common front on drug problems, which is a concern to him, and to which we agreed.

In a number of ways, I believe that what we are doing is extending our reach into Congress, where most major decisions are made, and in that way are intensifying the relationship. In all these bilateral meetings, while I believe we helped instigate, it was essentially initiatives taken by our American counterparts.

- (1700)

For instance, on the West Coast, which is a tremendously contentious area with problems in lumber and fish, Senator Patty Murray of Washington State suggested that a bilateral meeting should take place on the border. That will take place as soon as she can clear her docket. She is now running for election.

Honourable senators, every party was represented in this delegation — the Reform, the Bloc, and so on. All members of the delegation were given tasks to fulfill, and we all proceeded as if we were one delegation. There were minor differences of opinion, which did not really manifest themselves in our exchanges with the Americans. On the other hand, as I indicated in my remarks, we witnessed an active debate amongst the Americans. We were urging them to fast-track trade issues on Canada-Europe and the WTO. The Americans have not fast-tracked as yet. We witnessed a vociferous debate, with

members of the U.S. Senate taking our position and agreeing that there should be fast-tracking, while some members of the House of Representatives disagreed for political reasons. We just sat there as most interested witnesses.

My long response to your short question, Senator Prud'homme, is that I think by attention and activity, we can intensify relationships. I do believe that these inter-parliamentary groups are most useful to our government.

For example, in trying to understand why Canada's action plan is being shut out in Europe — and this has concerned Senator Bolduc, myself and others — we discovered that the Europeans are not happy with us at this particular moment for many good reasons. However, we found that we could make common cause with senators and congressmen in the United States who share our interest in moving to reduce farm subsidies in Europe in order to penetrate that market for agricultural products. I hope that we will assist the government to move this agenda along a positive way for both countries. I see fundamental progress being made in small steps on a number of fronts.

On motion of Senator Berntson, for Senator Buchanan, debate adjourned.

BUSINESS OF THE SENATE

Hon. Sharon Carstairs (Deputy Leader of the Government): Honourable senators, both sides of the chamber are agreed that all items on the Order Paper will remain standing in the order that they are in today.

The Senate adjourned until tomorrow at 2 p.m.

CONTENTS

Wednesday, June 17, 1998

	PAGE		PAGE
SENATORS' STATEMENTS		Child Custody and Access	
Ocean Opportunities for Tomorrow Conference		Misrepresentation of Official Record of Committee—	
Held in British Columbia. Senator Comeau	1805	Notice of Inquiry. Senator Cools	1810
His Excellency, Jon Baldvin Hannibalsson		Visitors in the Gallery	
New Icelandic Ambassador to Washington and Ottawa.		The Hon. the Speaker	1811
Senator Johnson	1805	<hr/>	
Nova Scotia		QUESTION PERIOD	
The Schooner Bluenose II. Senator Moore	1806	Energy	
Human Rights		Appointment of New Chairman of National Energy Board—	
Hate Crimes and Acts of Discrimination. Senator Oliver	1806	Government Position. Senator Ghitter	1811
The Senate		Foreign Affairs	
Reflections on Various Party Whips. Senator Gigantès	1807	Africa—Apparent Coup in Guinea-Bissau by Senegal—	
Senator Grafstein	1807	Government Position. Senator Corbin	1811
National Unity		Senator Graham	1811
Defence and Promotion of Regional Interests. Senator Rivest ...	1807	Situation in Kosovo, Serbia—Role for Canadian Forces and	
<hr/>		Aircraft in NATO Involvement—Government Position.	
ROUTINE PROCEEDINGS		Senator Oliver	1811
Parliament of Canada Act		Senator Graham	1811
Members of Parliament Retiring Allowances Act		The Senate	
Salaries Act (Bill C-47)		Campaign by Member of Parliament for Abolition—	
Bill to Amend—Report of Committee. Senator Kirby	1808	Government Position. Senator Lawson	1811
Mackenzie Valley Resource Management Bill (Bill C-6)		Senator Graham	1812
Report of Committee. Senator Watt	1808	Veterans Affairs	
Mi'kmaq Education Bill (C-30)		Present Status of Perley and Rideau Veterans Health Centre—	
Report of Committee. Senator Watt	1809	Request for Response. Senator Phillips	1812
Private Bill (Bill S-18)		Senator Graham	1812
Alliance of Manufacturers & Exporters Canada—		Possible Replacement of Minister in Cabinet Shuffle—	
First Reading. Senator Kelleher	1809	Government Position. Senator Phillips	1812
Social Affairs, Science and Technology		Senator Graham	1813
Committee Authorized to Meet During Sitting of the Senate.		Forestry	
Senator Murray	1809	Settlement of Softwood Lumber Dispute—Failure of Quota	
Legal and Constitutional Affairs		System—Consideration of Possible Compensation—	
Committee Authorized to Meet During Sitting of the Senate.		Request for Response. Senator St. Germain	1813
Senator Milne	1809	Senator Graham	1813
Transport and Communications		The Environment	
Committee Authorized to Meet During Sitting of the Senate.		Erosion of Sable Island, Nova Scotia—Possible Culling	
Senator Poulin	1810	of Pony Herd—Government Position. Senator Forrestall	1813
The Senate		Senator Graham	1814
Interpretation of Certain Rules—Notice of Motion.		Delayed Answer to Oral Question	
Senator Cools	1810	Senator Carstairs	1814
Business of the Senate		Industry	
Senator Carstairs	1810	Agreement on Internal Trade—Measures Taken to Reduce	
		Outstanding Interprovincial Barriers—Government Position.	
		Question by Senator Kelleher.	
		Senator Carstairs (Delayed Answer)	1814

ORDERS OF THE DAY**Budget Implementation Bill, 1998 (Bill C-36)**

Third Reading. Senator Pitfield	1815
Senator Bolduc	1815
Motions in Amendment. Senator Bolduc	1817
Senator Carstairs	1817
Senator Rivest	1818
Senator Joyal	1818
Senator Lavoie-Roux	1821
Senator Beaudoin	1822
Senator Di Nino	1822
Senator Simard	1822
Senator DeWare	1824
Senator Prud'homme	1824

Business of the Senate

Senator Simard	1825
Senator Carstairs	1826

Mackenzie Valley Resource Management Bill (Bill C-6)

Report of Committee Withdrawn and Replaced.	
Senator Watt	1826
Report of Committee. Senator Watt	1826

Appropriation Bill No. 2, 1998-99 (Bill C-45)

Third Reading. Senator Cools	1826
------------------------------------	------

Appropriation Bill No. 3, 1998-99 (Bill C-46)

Third Reading. Senator Cools	1826
------------------------------------	------

National Defence Act (Bill C-25)

Bill to Amend—Second Reading—Order Stands.	
Senator DeWare	1827

National Parks Act (Bill C-38)

Bill to Amend—Second Reading. Senator Butts	1827
Referred to Committee.	1828

Business of the Senate

Senator Carstairs	1828
-------------------------	------

Official Languages Act

Progressive Deterioration of French Services Available to Francophones outside of Quebec— Inquiry—Debate Adjourned.	
Senator Simard	1828

Canada-United States Inter-Parliamentary Group

Thirty-ninth Annual Meeting Held in Nantucket—Inquiry— Debate Adjourned. Senator Grafstein	1829
Senator Prud'homme	1831

Business of the Senate

Senator Carstairs	1832
-------------------------	------



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