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Wednesday, February 18, 2004



THE HONOURABLE DAN HAYS
SPEAKER

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THE SENATE

Wednesday, February 18, 2004

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

Prayers.

SENATORS' STATEMENTS

"ACCOMPLISHMENTS" OF LIBERAL GOVERNMENTS

Hon. Gerry St. Germain: Honourable senators, Senator Bryden has done an excellent job of listing the "accomplishments" of the Conservative Party in the past, and now I will list some of the "accomplishments" of the Liberal Party in this statement.

We have the GST flip-flop to start off with; the Airbus investigation; voting against the Red Book promises of an independent ethics commissioner; the gun registry, which has cost billions of dollars and was supposed to cost \$2 million; problems with the Transition Job Funds program; the Radwanski affair, whose appointment I voted against, by the way; the Pearson airport fiasco; Irving fishing lodge stays and travel on Irving jets by ministers and MPs; Mr. Martin travelling on private corporate jets as Finance Minister; the sponsorship scandal, which is right before the country and before every citizen, including the RCMP investigations of Communications Coffin and Groupaction, and the possible investigations of the Quebec wing of the federal Liberal Party; the Shawinigate affair; the Liberal fundraiser, Pierre Corbeil, charged with fraud by the RCMP after he approached several Quebec companies seeking federal job training grants and asking for payments to the Liberal Party; former minister Gagliano's son benefiting from contracts from his father's department; and Gagliano's former speechwriter, Michèle Tremblay, on a \$5,000-a-month retainer with the Canada Lands Company to provide speeches for the minister. Former president John Grant let her go, saying, "We got nothing in return." Grant claimed that all Crown corporations reporting to Mr. Gagliano were told to put Ms. Tremblay on a monthly retainer.

The purchase of the new Challenger jets for the Prime Minister, without any tenders — shameful; Liberal friends appointed as IRB judges being investigated by the RCMP; Hedy Fry's imaginary burning of crosses in Prince George; Lawrence MacAulay and the Holland College case; Art Eggleton and contracts to Minister Eggleton's ex-girlfriend; Copps' aide Boyer's spending habits — the list goes on.

These are great "accomplishments." Collette resigns for breach of ethical guidelines involving a letter he wrote to the Immigration Refugee Board; the APEC inquiry; Minister Rock giving a Health Canada contract to a car cleaning company; Manley lobbying CIBC on behalf of Mr. Rod Bryden; Manley's

fundraiser, suggesting donors to his leadership write it off as a business expense — again, the list goes on.

Honourable senators, I think that Canadians have a right to know each and every one of these things, and we will be reminding them come the next federal election.

Senator Robichaud: I am sure you will. That is the only thing you will be able to say. No program.

PRINCE EDWARD ISLAND

COMMERCIAL AIR TRAVEL

Hon. Elizabeth Hubley: Honourable senators, commercial air travel to and from Prince Edward Island became a little easier and more affordable on February 5 with Prince Edward Air's introduction of regular passenger service between Charlottetown and Halifax. The airline's new schedule includes three return flights Monday to Friday, and two daily flights on Saturday and Sunday, enabling timely connections with CanJet, Jetsgo, WestJet and Air Canada regularly scheduled flights into Halifax International Airport.

Prince Edward Air, with its head offices in Charlottetown, is not a newcomer to the skies of Atlantic Canada. It is a well-established and respected regional air carrier that has been operating throughout the Atlantic region since 1990, with a deserved reputation for customer satisfaction resulting from on-time performance and client-centred service.

In addition to its new passenger service, this dynamic little airline also provides air charter, medical evacuation, and dedicated cargo and courier services from New York City to Labrador, from St. John's, Newfoundland to Hamilton, Ontario, and just about everywhere in between. Prince Edward Air, honourable senators, operates a fleet of 15 aircraft, and has about 100 employees including pilots, engineers, technicians, administrative support personnel and agents, making it one of Atlantic Canada's home-grown industry leaders in aviation.

Honourable senators, commercial air service in Atlantic Canada has deteriorated badly in recent years; and just a few months ago, Air Canada reduced its daily flights between Charlottetown and Halifax, making it more difficult for local business travellers and others to reach destinations within and outside the region. Now, Prince Edward Air, a locally owned and operated company, has come along to fill this under-served market with dependable, comfortable and affordable commercial passenger service.

I want to congratulate this Island company and its president, Mr. Bob Bateman, for their enterprise and initiative.

NOVA SCOTIA

FLAG DAY CELEBRATIONS
AT DIGBY REGIONAL HIGH SCHOOL

Hon. Donald H. Oliver: Honourable senators, I am pleased to rise today to report to you on a magnificent afternoon I spent with the students of the Digby Regional High School in Nova Scotia on February 16, to celebrate Flag Day. The town and the municipality of Digby joined the school and the students in this important celebration. It began with a procession led by the Digby RCMP Legion Colour Guard and guests, and we were welcomed by the master of ceremonies, Mr. Richard Levy. Elder Agnes Potter of the Bear River First Nation led us in seven prayers, and greetings were brought by MPs, MLAs, the Mayor of Digby, the warden of the Municipality of Digby and others.

• (1340)

I reminded the students that it was a cold, blustery day 39 years ago that Canada's distinctive red and white Maple Leaf flag was first raised over Parliament Hill in Ottawa and in hundreds of communities large and small across this country. I told the students that in the days leading up to the flag's proclamation by Her Majesty Queen Elizabeth II, it was the late George F.G. Stanley who stated:

A flag is more than a means of identification. It is the embodiment of what a country stands for. It is the symbol of the ethos or spirit of a people, its hope, its aspirations, its will to live and its determination to play its role in history.

I reminded the students that around the world the Canadian flag flies at our embassies, at our businesses and is stamped on the food that we give to other countries. It is emblazoned on the arms of our soldiers' uniforms and stitched on the backpacks of our travellers.

Honourable senators, I told the students that, as a group, Canadians are a rainbow of the world's people. Together, we seek out a common path for the future under the flag. When we look at the present, we can think about the role that the flag plays in our daily lives and we can think about how each of us upholds the virtues of the Maple Leaf, be it at home or abroad. As Canadians, we can lead and make great contributions to the world.

In conclusion, honourable senators, the more than 250 students, from grades 9 to 11, who were in attendance were reminded by me that the Maple Leaf flag is such a familiar sight as it flies over fishing outposts, bustling cities, prairies, farms and Arctic tundra. We see it daily and yet so seldom take the time to look at it against the vastness of the skies with the realization that its clean, bold lines speak of our shared citizenship, our sense of common purpose and our sense of community.

Honourable senators, it was a great honour for me to participate in this important ceremony with our national flag that reminds us all of our tolerant, peaceful and blessed peoples.

ROUTINE PROCEEDINGS

RULES, PROCEDURES AND
THE RIGHTS OF PARLIAMENT

SECOND REPORT OF COMMITTEE TABLED

Hon. Lorna Milne: Honourable senators, I have the honour to table the second report of the Standing Committee on Rules, Procedures and the Rights of Parliament, being a reprint of the *Rules of the Senate* dated February 2004.

THE SENATE

NOTICE OF MOTION
TO EFFECT WEDNESDAY ADJOURNMENTS

Hon. Bill Rompkey (Deputy Leader of the Government): Honourable senators, I give notice that tomorrow, Thursday, February 19, 2004 I will move:

That, for the remainder of the current session, when the Senate sits on a Wednesday it do adjourn no later than 4 p.m.; and

That, should a vote be deferred on a Wednesday until 5:30 p.m. the same day, the Speaker shall interrupt the proceedings at 4 p.m. to suspend the sitting until 5:30 p.m. for the taking of the deferred vote, and during that intervening period committees may meet.

[Translation]

OFFICIAL LANGUAGES

BILINGUAL STATUS OF CITY OF OTTAWA—
PRESENTATION OF PETITION

Hon. Jean-Robert Gauthier: Honourable senators, pursuant to rule 4(h), I have the honour to table, in this house, petitions from another 1,000 signatories, for a total of 28,840, asking that Ottawa, the capital of Canada, be declared a bilingual city, reflecting the country's linguistic duality.

The petitioners wish to draw the attention of Parliament to the following:

That the Canadian Constitution provides that English and French are the two official languages of our country and have equality of status and equal rights and privileges as to their use in all institutions of the Government of Canada;

That section 16 of the Constitution Act, 1867, designates the city of Ottawa as the seat of the government in Canada; and

That citizens have the right in the national capital to have access to the services provided by all institutions of the Government of Canada in the official language of their choice, namely French or English;

That Ottawa, the capital of Canada, has a duty to reflect the linguistic duality at the heart of our collective identity and characteristic of the very nature of our country.

Therefore, the petitioners call upon Parliament to affirm in the Constitution of Canada, that Ottawa, the capital of Canada — the only one mentioned in the Constitution — be declared officially bilingual, under section 16 of the Constitution Acts from 1867 to 1982.

[English]

VISITOR IN THE GALLERY

The Hon. the Speaker *pro tempore*: Honourable senators, I would like to draw your attention to the presence in the gallery of the Honourable Alvin Curling, Speaker of the Legislative Assembly of Ontario.

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

QUESTION PERIOD

INTERNATIONAL TRADE

TRANSPARENCY INTERNATIONAL INDEX— EFFECT OF CORRUPTION ON BUSINESSES

Hon. David Tkachuk: Honourable senators, my question is for the Leader of the Government, and it is about the transparency index. Transparency International ranks countries by the degree of corruption that is perceived to exist among public officials and politicians. Wesley Cragg, of Transparency International Canada, has said that the current sponsorship scandal would likely show itself in measurable terms when the annual corruption index is released next year. In the index released in 2003, Canada had slipped from fifth best in the world in 2000 to eleventh in 2003.

Honourable senators, this perception will make it harder for Canadians doing business overseas. Has the government any idea what the cost to businesses will be because of the latest revelations of corruption and wrongdoing?

Hon. Jack Austin (Leader of the Government): Honourable senators, that is an interesting question. As far as my international business experience is concerned, I would imagine that nothing happening in Canada today will, in any way, impair the credibility of Canadian businesses in doing business abroad.

Some Hon. Senators: Hear, hear!

Senator Tkachuk: Knowing the leader's business affairs in China, I am not surprised.

Some Hon. Senators: Oh, oh.

Senator Tkachuk: Honourable senators, last fall, the esteemed World Economic Forum said that Canada's competitiveness

ranking had dropped from third to sixteenth in just two years. The chief factor leading to the decline was the level of confidence held by business operators in the government's ability to limit corruption and bias in the public sector. This report came out before the sponsorship scandal broke wide open. Can the Leader of the Government in the Senate tell us if the government has any idea of the effects this growing culture of corruption will have on Canada's competitiveness?

Senator Austin: Honourable senators, I am not familiar with the report. I will take an opportunity to examine it in full before answering any further questions with respect to it.

In answer to Senator Tkachuk, I trust his opening sentence was not intended in any way to reflect in a negative fashion on me or on my business experience.

SOLICITOR GENERAL

POLICE INVESTIGATION INTO ALLEGATIONS OF IMPROPRIETY BY LIBERAL PARTY

Hon. Gerry St. Germain: Honourable senators, my question to the Leader of the Government in the Senate refers to the police raids on the B.C. legislature.

The minister in this place was part of the Martin team. The allegations are that there may have been illicit behaviour on the part of certain individuals in regard to funding that possibly could have gone through the Liberal Party. Can the minister tell us what action will be taken in the event that these allegations are correct?

Some Hon. Senators: Oh, oh.

• (1350)

Hon. Jack Austin (Leader of the Government): Honourable senators, Senator St. Germain has been in a federal cabinet. As such, he knows very well that my responsibility here is to reply on behalf of the government, not on behalf of any other entity.

In respect of the rest of his question, it is so hypothetical that it belongs in dreamland.

PUBLIC WORKS AND GOVERNMENT SERVICES

AUDITOR GENERAL'S REPORT— SPONSORSHIP PROGRAM—INCIDENCES OF KITING CHEQUES AND FALSIFYING INVOICES

Hon. Donald H. Oliver: Honourable senators, my question is for the Leader of the Government in the Senate. Last Sunday, the Prime Minister promised that the inquiry into the sponsorship program would "find out what happened."

Yet, at the same time, the Prime Minister is saying that people were kiting cheques and falsifying invoices. As a lawyer, the Leader of the Government in the Senate will know that kiting cheques and falsifying invoices are items that are caught by section 380(1) of the Criminal Code. Can the Leader of the Government in the Senate provide details of the particular incidences of cheque kiting that the Prime Minister was referring to?

[Senator Gauthier]

Hon. Jack Austin (Leader of the Government): Honourable senators, the government has set up a process for determining the facts of those circumstances, as Honourable Senator Oliver is well aware. The RCMP is carrying out investigations. These questions can be raised in the Public Accounts Committee of the other place, and we will have a judicial inquiry. The Prime Minister is prepared to appear before the judicial inquiry. In good time, all the facts of those circumstances will be known.

I have no further statement to add on that topic at this time.

AUDITOR GENERAL'S REPORT—SPONSORSHIP PROGRAM—RELEASE OF CABINET DOCUMENTS

Hon. Donald H. Oliver: Honourable senators, the Prime Minister has said that no cabinet minister will be able to hide behind the tradition of cabinet secrecy. Can the Leader of the Government tell us if cabinet documents such as records of decisions or committee reports that are classified as secret will be subject to the Security of Information Act? Will those cabinet documents be laid before the public inquiry and the people of Canada?

Hon. Jack Austin (Leader of the Government): Honourable senators, both an oath of office and legislation apply to ministers of the Crown, as Senator Oliver well knows. I do not have a further answer to the question. The principle of the position of the government is that, to quote the Deputy Prime Minister in the other place, "We have nothing to hide."

Senator Stratton: Nineteen times.

Senator Austin: However, I will only say that once in this chamber.

AUDITOR GENERAL'S REPORT—SPONSORSHIP PROGRAM—DEPARTMENTAL AUDIT—INVOLVEMENT OF PRIME MINISTER

Hon. Donald H. Oliver: Honourable senators, in terms of what Prime Minister Martin knew and what he did not know, it is obvious from the Public Works audit released in the year 2000 that there were more than administrative errors relating to the sponsorship program. That report of almost 2,000 pages cites example after example of detailed and questionable billing practices by advertising agencies. This report was known within government circles then and was public knowledge by 2001. Does the Leader of the Government expect Canadians to believe that the Prime Minister did not hear anything about the scandal before the Auditor General's report?

Hon. Jack Austin (Leader of the Government): I beg the pardon of Senator Oliver. Would he please tell me to which report he is referring?

Senator Oliver: I am referring to the Public Works audit that was released in the year 2000. It is a report of about 2,000 pages and gives details of certain irregularities.

Senator Austin: Honourable senators, I wonder if the Honourable Senator Oliver is aware that the deputy minister at

that time said that, while there were administrative irregularities, there were no issues that related to other and more serious forms of actions.

FISHERIES AND OCEANS

FUNDS TO REBUILD SATURNA ISLAND DOCK

Hon. Pat Carney: Honourable senators, my question is directed to the Leader of the Government in the Senate and involves Liberal priorities in spending taxpayers' money. We know that the Liberal government has said yes to the \$250-million sponsorship program, the \$1-billion gun registry fiasco and the \$1-billion human resources boondoggle. Canadians should know what the Liberals have said no to.

In June of last year, the Saturna government dock burned down — cause unknown. It was the only public dock on the island, which is situated by the U.S. border. The dock was used by the community for the school boat that takes children to middle school and high school, for medical, ambulance, telephone and hydro services, and for mail, newspaper delivery, police services, aviation traffic — a whole range of community uses.

DFO officials worked with the community to redesign the dock. However, I am in receipt of a letter from the Minister of Fisheries, Geoff Regan, wherein he writes that, unfortunately, no funds are available to rebuild the Saturna Island government dock.

Could the government leader explain to me, so that I may explain to my neighbours on Saturna, why the government cannot find the funds to rebuild a government dock when they have funds to pay their Liberal friends in the advertising business?

Hon. Jack Austin (Leader of the Government): Honourable senators, this is the first time that I have heard of the matter of the Saturna Island dock. I shall make inquiries with respect to that particular question and advise Senator Carney.

With respect to the last portion of the honourable senator's question, I consider it to be political dialogue and, as such, will not respond to it at this time.

Some Hon. Senators: Oh, oh.

Senator Carney: I know our party considered it a matter of political priorities on behalf of the Liberals.

In view of the response, I should point out that Saturna Island is now comprised of 60 per cent of the land mass in a national park. Visitors to this island now approach the island and see this huge, hulking, blackened, smelly ruin of a dock, which one could use — and this is a political statement — as a metaphor for Liberal hopes on the Pacific Coast.

Will the minister commit to working with his colleagues the Minister of Public Works and Government Services, Stephen Owen, and the Minister of the Environment, David Anderson, to find the money in this fiscal year to rebuild the government dock for that marooned community?

Senator Austin: Honourable senators, I recognize that Senator Carney is a resident of Saturna Island and knows the details of the issue that she is presenting to us. I shall repeat what I said in response to her first question: I am not aware of this particular issue, but I will look into it.

BUSINESS DEVELOPMENT BANK

MEETING BETWEEN OFFICIALS AND MINISTERS

Hon. Marjory LeBreton: Honourable senators, when the Leader of the Government in the Senate quoted the Deputy Prime Minister as saying, “We have nothing to hide,” did he not mean, “We have nowhere to hide?”

My question is for the Leader of the Government in the Senate, and it concerns the comments of the Auditor General about the Business Development Bank and its unethical actions in paying advertising agencies without contracts.

In a decision handed down recently by Mr. Justice Denis in the *Beaudoin* case, we learned that Jean Carle, then with the Business Development Bank, met with Minister Alphonse Gagliano, Minister Martin Cauchon, Minister Lucienne Robillard and Chuck Guité.

It is now obvious, thanks to the court testimony, that the sponsorship program was not a case involving just rogue bureaucrats, but that senior ministers were involved. Can the Leader of the Government tell us if Prime Minister Martin has asked his Minister of Industry, Madam Robillard, specifically what she discussed at that meeting?

Hon. Jack Austin (Leader of the Government): Honourable senators, I heard the very interesting “nowhere to hide” line used in the other place.

Senator LeBreton: I thought it was original.

Senator Austin: It is interesting to note that Senator LeBreton thinks it is worth copying.

On the question directly addressed to me — and not taking into account all the foregoing presentational material, which I do not adopt by not referring to it — I will say that I am not aware of the question. I am not aware of what request has been made to the Minister of Industry with respect to the *Beaudoin* lawsuit. I am not sure that I will be able to answer Senator LeBreton’s question at a later time.

• (1400)

QUEBEC SUPERIOR COURT RULING EXONERATING FORMER PRESIDENT

Hon. Marjory LeBreton: Honourable senators, it is very clear from the testimony what Mr. Carle said. Chantal Hébert has outlined it succinctly in today’s *Toronto Star*. My supplementary question is this: Mr. Justice Denis, in his judgment in the *Beaudoin* matter, was particularly harsh in his criticism of the behaviour of BDC employees, especially Michel Vennat and Jean Carle.

Can the Leader of the Government in the Senate tell us if the government condones the actions taken by the BDC employees against Mr. Beaudoin and, if not, what specific measures have been put in place to prevent another vendetta taking place?

Honourable senators, “vendetta” is Mr. Justice Denis’ word, not mine.

Hon. Jack Austin (Leader of the Government): Honourable senators, those actions are not actions for which this government is responsible. I answered that question in the same light yesterday.

I would be very pleased to have the honourable senator’s advice and consultation on the question of vendettas.

FOREIGN AFFAIRS

CHINA—CONVICTION OF CONSULAR OFFICER FOR DEFAMATION OF FALUN GONG

Hon. A. Raynell Andreychuk: Honourable senators, I would like to ask the Leader of the Government what steps the Canadian government is taking against the Chinese government to ensure that its diplomatic officials on Canadian soil are not misusing their authority. It gives me great concern because intelligence and security are issues for all of us today.

A Chinese official in Toronto has now been convicted by the courts for defaming the Falun Gong. What steps is the government taking, or has it taken, to ensure that this kind of action is not repeated on Canadian soil? With regard to Falun Gong members, this kind of behaviour is not restricted to that one consular officer but is systematic throughout this country.

Hon. Jack Austin (Leader of the Government): Honourable senators, my information is that certain people in Toronto, who thought they were defamed, took an action against the deputy consul general, who had written a letter, and that the Chinese government did not appear in the action, believing that it had diplomatic immunity. Perhaps the Chinese government was not fully advised, because the judgment was given in default of its appearance.

What may be taking place in that file as of this moment I cannot advise, but I am sure that the honourable senator will ask me the question again shortly.

Senator Andreychuk: I will ask a supplementary question. I trust that the government already has — and it would be shocking if it has not — taken up this matter with the Chinese government. The Canadian government has been on record as saying that the Falun Gong has done nothing wrong in Canada and that they are a peaceful movement. We should, if we are not continuing to do so, take that position at the Human Rights Commission and in our bilateral discussions.

I was led to believe that some of those discussions had taken place over the last number of years, but here is the actual proof. There have been a number of allegations that this is a consular officer, within the Chinese consular delegation on our soil, defaming the Falun Gong. The courts have now adjudged that to be defamation. Surely the Canadian government can no longer look the other way but must take up this matter with the Chinese authorities.

Senator Austin: Honourable senators, I can say with a high degree of certainty, if not personal knowledge, that there will be discussions between the Chinese embassy officials and the Department of Foreign Affairs, but I will have to inform myself as to what is taking place.

AGRICULTURE AND AGRI-FOOD

BOVINE SPONGIFORM ENCEPHALOPATHY— AID TO CATTLE INDUSTRY

Hon. Leonard J. Gustafson: My question is to the Leader of the Government in the Senate. It is with regard to some very serious problems now arising in the agricultural sector.

Saskatchewan feedlot operators tell me that they are losing about \$350 per head of cattle. One of these feedlots has 25,000 head of cattle on feed. This is a serious loss.

The question of time is very important. Our farmers are 60 days away from planting another crop. If the U.S. border remains closed, the situation in the cattle industry will be a catastrophe. In fact, that is what it now is. Many farmers do not know which way to turn.

I know there are programs in place that will produce results in the long term. Does the government have a short-term program to help farmers over the very serious situation that they face at this time? It will take some short-term money to help alleviate the problems; otherwise, they will not be able to put in a crop this year.

Hon. Jack Austin (Leader of the Government): Honourable senators, the government is in constant dialogue with provincial governments with respect to further programs to deal with the issue that the honourable senator has raised. I do not deny the serious damage that is taking place in the cattle industry. The fear today is that if the U.S. border is not opened fairly soon, the damage will be structural, not cyclical.

I might say, after discussion with the Honourable Senator Fairbairn, who is from Lethbridge, Alberta and knows that area well, that the damage to the feedlot industry is substantial and is now becoming as considerable a crisis as anywhere in Canada. It is not just the producers, as Senator Gustafson knows; it is workers like the feedlot operators, the truckers and the packers.

Senator Lynch-Staunton: What will you do about it?

Senator Austin: The Honourable Senator Lynch-Staunton asks what we will do about it. We are not able unilaterally to open the border. If the honourable senator has that expectation, he expects too much. We are in dialogue with the United States. The issue is well known to all of the decision-makers. I wish, as much as anyone here, even the Honourable Senator Gustafson, that new steps can be taken soon.

Senator Lynch-Staunton: He is asking for help.

Senator Gustafson: As the honourable senator is aware, the farmers are completing forms now on the new program for the end of March. There is some question as to whether the program will be in place before seeding time so that there might be some assistance for the year 2003. They are also filling out forms for the year 2004.

It appears to me that nothing will happen in this program until probably the fall. Yet, this industry is so vital to Canada. Agriculture is responsible for 25 per cent of the gross national product of this country. A dollar spent in agriculture will bring returns in many ways. As the honourable senator just mentioned, a wide range of people are affected by this situation, encompassing jobs in manufacturing and so forth. That is why this question is so important.

I have no doubt that this matter has been discussed already in cabinet, but will the minister consider taking it once again to cabinet and relaying to its members the importance that I am sure he understands is there to the whole industry and to the whole country?

Senator Austin: Honourable senators, indeed, I have done so, and so can report that Minister Speller has been absolutely prodigious in the work that he has done to try to deal with this issue.

I can tell you that there is more than just the federal government in the problem-solving side of this issue. It requires provincial participation and the participation of many levels in the industry itself, plus the dialogue with the United States and its many levels of agriculture: producers, packers and so on; and, of course, all the scientists whose advice is at the absolute base of solving the issue.

• (1410)

It is a most complex and difficult issue. I am sure that the federal government will not let up in pushing for a balanced solution that preserves the industry.

FOREIGN AFFAIRS

CANADA-UNITED STATES RELATIONS

Hon. Gerry St. Germain: Honourable senators, my question is for the Leader of the Government in the Senate. My concern is that the entire problem will not be solved, unless we can reach an agreement with the U.S.

I have previously referred to the February 9, 2004, cover of *Maclean's* magazine, "Canadians to Bush: Hope you lose, eh," with a picture of the President of the United States inferring that Canadians hope he loses the election. If the Americans were to do that to us, we would be screaming murder because they would be seen as interfering in our political process. As well, we get all excited about a couple of comedians and showmen, like Don Cherry and Conan O'Brien, who have made some disparaging and inappropriate remarks.

Honourable senators, what is at the heart and soul of our agriculture industry is being jeopardized, yet I do not hear one ounce of complaint from the government side. I know that freedom of the press is involved in the *Maclean's* issue; nevertheless, I think we have a responsibility to speak out, to send a message to the Americans that we do not agree with this type of thing. How can we expect President George W. Bush to cooperate with us if we sit back and accept derogatory comments made by former MPs and now an unfavourable article in one of our largest national magazines? What is the minister's reaction to that?

Hon. Jack Austin (Leader of the Government): Honourable senators, my reaction is that those who disagree with the article should cancel their subscription to *Maclean's*.

Senator St. Germain: I did. However, as things stand, I do not even have to subscribe to the magazine to receive it; they just keep sending it.

AGRICULTURE AND AGRI-FOOD

CONSUMER BEEF PRICES

Hon. Gerry St. Germain: Honourable senators, farmers are taking a pounding at the farm gate. However, a walk into any supermarket in this country will reveal that the price of beef has not gone down three cents. Has the government looked into why consumers are not benefiting from lower beef prices? The price of calves has gone from \$1.20 per pound to 60 cents per pound. Prices dropped exactly 50 per cent at the auction I attended last week in Langley.

Can the government leader explain to Canadians why they are not receiving a reduction in the price per pound of beef?

Hon. Jack Austin (Leader of the Government): Honourable senators, that question is one that I myself have raised with the Minister of Agriculture.

Senator Lynch-Staunton: What is his name?

Senator Austin: Senator Lynch-Staunton does not know the Minister of Agriculture's name. His name is Bob Speller.

Senator Lynch-Staunton: I was not addressing the government leader.

Senator Austin: I beg the pardon of Senator Lynch-Staunton, but I could hear him loud and clear across the aisle. I would advise the honourable senator to keep his voice a little lower if he is not talking to me.

[Senator St. Germain]

Honourable senators, the initial response I received is that the entire supply chain is affected by the volumes going through it. As the volumes decline, the unit cost rises. Whether that is a sufficient answer for Senator St. Germain, I do not know. It is not sufficient for me; I am continuing to make inquiries.

[Translation]

SOLICITOR GENERAL

ROYAL CANADIAN MOUNTED POLICE— POSSIBLE BREACH OF CODE OF ETHICS

Hon. Jean-Claude Rivest: Honourable senators, this morning, on radio station CKAC, there was a news item I would like the minister to verify, because it could have a certain bearing on the inquiry related to the sponsorship affair.

A journalist has revealed the text of a letter to the Royal Canadian Mounted Police, in which it appears that VIA Rail made a free train available to high-ranking RCMP officers to attend an event in the Quebec City area. This would have been contrary to section 54 of the RCMP code of ethics, which forbids RCMP officers from accepting any gifts at all.

Therefore, I would ask the minister to verify the accuracy of this information. If it turns out to be correct, I would ask the minister if it would not be appropriate, considering the involvement of VIA Rail in the sponsorship affair, to question how credible it is for the RCMP to conduct the part of the inquiry concerning VIA Rail.

The minister could then inform his colleague of the following fact:

[English]

Wrongdoing happens outside Quebec. It does not imply necessarily Quebecers.

Hon. Jack Austin (Leader of the Government): Honourable senators, as to Senator Rivest's last remark, I have no doubt that he is correct. Wrongdoing takes place everywhere because wrongdoers are everywhere.

With respect to the honourable senator's question, I shall raise the matter with the President of the Treasury Board and ask him to provide me with a response.

DELAYED ANSWER TO ORAL QUESTION

Hon. Bill Rompkey (Deputy Leader of the Government): Honourable senators, I have the honour of tabling a delayed answer to an oral question posed by the Honourable Senator Beaudoin on February 4, 2004, concerning parliamentary review of Bill C-36, which became the Anti-terrorism Act.

JUSTICE

REVIEW OF ANTI-TERRORISM ACT

(Response to question raised by Hon. Gérald-A. Beaudoin on February 4, 2004)

Bill C-36, the *Anti-terrorism Act*, requires that a committee of Parliament must undertake a comprehensive review of the provisions and operation of the Act within three years after the Act received royal assent. Royal assent was received on December 18, 2001. The review must therefore begin, at the latest, by December 18, 2004. Within this time frame, it is up to Parliament to decide when the review will begin. The committee must submit its report within a year after the review is undertaken or within such further time as may be authorized by Parliament. The Department of Justice is currently preparing for this forthcoming review.

THE SENATE

INTRODUCTION OF DEPUTY PRINCIPAL
CLERK CATHERINE PICCININ

The Hon. the Speaker: Honourable senators, before proceeding to Orders of the Day, I should like to draw your attention to the fact that today is the first occasion that Ms. Catherine Piccinin, Deputy Principal Clerk of Committees, is serving as a Table Officer. Ms. Piccinin began her career in the Senate in 1988 and was appointed Deputy Principal Clerk in January of this year.

Hon. Senators: Hear, hear!

VISITOR IN THE GALLERY

The Hon. the Speaker: Honourable senators, I wish to draw your attention to the presence in the gallery of Melanie Bratkoski, a former head page. As we all know, Melanie is from Saskatchewan. Welcome back.

Hon. Senators: Hear, hear!

BUSINESS OF THE SENATE

Hon. Herbert O. Sparrow: Honourable senators, my question is to the Deputy Leader of the Government in the Senate and regards tabling an answer to a question. I would ask him, if it is in order, that answers be read, so that they are recorded in Hansard. I would further ask, and perhaps this will require a motion, that all delayed answers be read into the record, so that all honourable senators will be able to read the answers in Hansard.

Hon. Bill Rompkey (Deputy Leader of the Government): Honourable senators, I believe that a portion of the delayed answers to questions appears in Hansard. I would be pleased to explore what more we can do to ensure that a full answer appears in Hansard.

Senator Lynch-Staunton: They are in Hansard.

ORDERS OF THE DAY

LIBRARY AND ARCHIVES OF CANADA BILL

BILL TO AMEND—SECOND READING

On the Order:

Resuming debate on the motion of the Honourable Senator LaPierre, seconded by the Honourable Senator Fraser, for the second reading of Bill C-8, to establish the Library and Archives of Canada, to amend the Copyright Act and to amend certain Acts in consequence.

Hon. David Tkachuk: Honourable senators, I spoke to this bill at second reading when it was before us in the last session of Parliament, albeit with a different number. As well, I listened with interest to Senator LaPierre's speech, Monday last, on Bill C-8.

• (1420)

The Library and Archives Canada Act has now been reinstated by the Martin government. This bill does more than consolidate our National Library and National Archives into one institution. It proposes amendments to the Copyright Act, which would extend copyright protection to the unpublished works of authors who died within a set time period. The amendment is commonly associated with Lucy Maud Montgomery, as her estate pushed hard to gain an extension for her unpublished diaries before the end of last year, December 31. The estates of authors who died before 1949 had already been given a five-year extension in 1997 to find publishers, meaning that they were protected until December 31, 2003.

Due to prorogation, Bill C-36, along with everything else on the Order Paper, had already been dead for over a month when that day arrived. On January 1, over a month and a half ago, these previously unpublished works legally lost their protection and became part of the public domain. They are now technically available for study by historians, archivists, researchers, librarians, genealogists and countless others. Yet last week, the government chose to bring this bill back in the exact same incantation as when the Parliament prorogued, as if the calendar had not changed at all.

Why has the bill been reintroduced with the same Copyright Act amendments? It would appear that there could be one or two possible reasons for this. The government either intends to give retroactive copyright protection to those unpublished works or it does not intend to do so and wants the Senate to delete the clauses in its consideration of this bill.

The first possibility poses significant questions as to the legal and political ability of the government to extend copyright protection once it has been lost. The second possibility suggests that the government is just looking for a way to get around having to start from the beginning with this bill.

The truth is that we do not know the intention of the government in this matter, perhaps because the government does not know itself. I do know that Senator LaPierre alluded to the fact that that section of the bill — section 28, I believe it is — on copyright would no longer exist. In fact, they did exist. By getting rid of the copyright section, perhaps it would become a new bill. They would then have to start again at first reading in the House of Commons, because the substance of the bill would have changed to such an extent that it would not be allowed to fall back to where it normally should be.

In the United States, every time the Walt Disney Company has been in danger of losing its copyright protection for its landmark animated movie, *Steamboat Willy*, it has successfully lobbied the U.S. Congress to change the term of copyright protection. I fear that a similar pattern may be established in our country with the L.M. Montgomery estate. It has successfully lobbied twice in the space of five years for the Department of Canadian Heritage to propose changes to our copyright laws, one of which was successful. Actually, the second one would also have been successful had Parliament not prorogued.

The department has never pointed to another estate that has asked for similar changes. A one-time-only extension had already been given; an extension that benefited only the estates of authors who died before 1949, including Montgomery. How many more one-time-only extensions will be sought in the future?

Honourable senators, it is difficult to know how to proceed with this bill until the government makes clear its intentions regarding the Copyright Act clauses. Last week's report from the Auditor General indicates that the National Library and National Archives are in desperate need of help. Merging these two institutions is one step towards improving their operations. However, the copyright changes attached to this bill must be clarified before we can proceed with what should have been the focus of this bill all along.

I have had discussions, honourable senators, with the chairman of the committee, and I think I have a pretty good idea of how this matter will proceed, so I will leave the bill with you, as I have tried to clarify what has taken place. When the bill gets to committee, we will deal with those sections of the act and perhaps have them deleted.

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

Hon. Senators: Agreed.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

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

[Senator Tkachuk]

REPRESENTATION ORDER 2003 BILL

SECOND READING—DEBATE CONTINUED

On the Order:

Resuming debate on the motion of the Honourable Senator Smith, P.C., seconded by the Honourable Senator Robichaud, P.C., for the second reading of Bill C-5, An Act respecting the effective date of the representation order of 2003.

Hon. John Lynch-Staunton (Leader of the Opposition): Honourable senators, I have already spoken to this bill when it was Bill C-49, and I will try not to repeat too many of the comments I made at that time. My position is well known. In particular, however, I do want to discuss the position taken by the Chief Electoral Officer with regard to the early implementation of the representation order. This is an issue that requires detailed exploration because it brings into question the impartiality of an officer of Parliament.

I turn first to the letter written by the Chief Electoral Officer on July 15 of last year, addressed to Liberal member of Parliament Peter Adams, Chair of the Standing Committee on Procedure and House Affairs, with copies to Liberal member of Parliament Don Boudria, then Minister of State and Leader of the Government in the House of Commons; Liberal Senator George Furey, Chair of the Standing Senate Committee on Legal and Constitutional Affairs; and, finally, to Liberal MP Paddy Torsney, Chair of the Subcommittee on Electoral Boundaries Readjustment of the Standing Committee on Procedure and House Affairs. The Chief Electoral Officer states in that letter that he has seen "media articles concerning the possibility of accelerating the implementation of the new electoral boundaries, effective April 1, 2004."

I thought that colleagues would be interested in those articles that the electoral officer saw and that prompted his letter. Here is an editorial from *The Vancouver Sun*, published on July 5 of last year:

If an early election is called, the West might be cheated of the extra seats it deserves.

Fortunately, Mr. Martin is showing signs that he's serious about making good on his promise to the West.

He is said to be working on a way to expedite the process of redistribution, so B.C. and Alberta will have their extra seats if a spring election is called.

In a wire story also on the same day, July 5, from Nouvelles Télé-Radio, the Chief Electoral Officer would have heard the following:

[Translation]

There will be seven additional seats in the House of Commons, two for British Columbia, two for Alberta, and three for Ontario.

According to a source in Mr. Martin's camp, he does not necessarily want to call an election in the spring, but he wants to have the option.

[English]

Then, on the front page of the July 4 edition of *The Globe and Mail*, under the headline, "Martin lays plans for spring election, Wants to expedite seat changes to give Western provinces their due," the Chief Electoral Officer would have learned:

Liberal leadership front-runner Paul Martin is planning to tell Elections Canada to speed up its redistribution of House of Commons seats to facilitate a possible spring election, sources said yesterday. Mr. Martin — who is widely expected to win the leadership in November — is considering an election in the spring of 2004, but faces a potential backlash in Western Canada if he calls one before British Columbia and Alberta gain the new seats to which they are entitled.

The redistribution, based on population changes shown in the 2001 census, is scheduled to take effect mid-July, 2004 —

Here is a small error; it is actually towards the end of August of this year. The article continues:

— but the government could force Elections Canada to move it up with a legislative change.

• (1430)

One source in the Martin camp said the candidate is well aware of the potential problem in Western Canada with calling an election before British Columbia and Alberta get the two new seats redistribution will give to each of them.

Mr. Martin has pledged to address western alienation and democratic reform as a priority, and it would be virtually unthinkable, the source said, to call an election that would give less weight to the West.

He said Mr. Martin would push Elections Canada to ensure the process can be expedited, that he would "go to virtually any length to ensure the West is not disenfranchised."

The source stressed that Mr. Martin is not necessarily planning for an early general election if he wins the leadership, although he wants the flexibility to be able to call one.

Then, on July 10, the Chief Electoral Officer would have read the following, again in *The Globe and Mail*:

The Liberal government's senior minister from British Columbia said his cabinet colleagues need to move quickly to put in place new electoral boundaries in time for a possible spring election. Natural Resources Minister Herb Dhaliwal — Prime Minister Jean Chrétien's political minister for B.C. — said yesterday Elections Canada should speed up implementation of the system, which gives B.C., Alberta and Ontario additional seats.

"I think the government should seriously consider any amendment that is required or legislation to ensure the additional seats will be provided if the election is called in the spring or prior to the deadline date for redistribution," he said.

Strategists for Liberal leadership front-runner Paul Martin have made it clear they would like to see legislation this fall that would require Elections Canada to have the new system in place by April 1.

The July 10 article goes on to say:

In Victoria yesterday, Mr. Martin said that if he wins the leadership, he would have a "very, very strong bias in favour of having an election after redistribution."

He said speeding up redistribution "is certainly a possibility."

Chief Electoral Officer Jean-Pierre Kingsley "has indicated that is possible, and obviously that's the kind of thing one has to work on," Mr. Martin said after delivering a 15-minute speech to 500 Liberal Party supporters.

This article appeared only five days prior to the Chief Electoral Officer's letter to Liberal Member of Parliament Peter Adams. Of course, it could also have been a telephone call in June from Elly Alboim, a top campaign strategist in the Martin leadership machine, which focused his attention on early implementation. In a July 18 article that appeared in the *Ottawa Citizen*, under the headline "Plan to redraw electoral map on fast-forward: Rumours of early election call prompt move by electoral officer," the Chief Electoral Officer is quoted as saying:

I did receive a phone call at one time from one person who does work in Mr. Martin's camp. He was asking me what was feasible (in terms of speeding up the redistribution of boundaries). I told him my intention was to tell Parliament (first).

In light of this background and these comments by Liberal ministers, Liberal advisers and the man widely expected at the time to become the next Liberal Prime Minister, can anyone not sympathize with the Chief Electoral Officer feeling some compulsion to comply? That said, my great concern, as everyone else's, is that he appears to have caved in to political pressure, no matter the origin.

Even with this media focus, let me turn back to his letter of July 15 to look at some of its details into which my colleague Senator Smith, in his comments, was careful not to delve. The Chief Electoral Officer said:

I have reviewed the feasibility of early implementation and would like to advise you that it would be possible for my Office to implement this scenario by April 1, 2004; the feasibility of doing so would be dependent on certain conditions being met.

I repeat: "...the feasibility of doing so would be dependent on certain conditions being met." What were those conditions, and were they met?

The first condition was that the new returning officers — all of them — be appointed no later than mid-September 2003 because, and I quote again from the letter:

Returning officers require extensive training to perform their duties during the election, as well as to become familiar with their electoral district and to perform a number of pre-writ tasks in preparation for an election.

Was this condition met? Were all the returning officers appointed by mid-September?

The government, by Order in Council, is obliged by law to appoint returning officers in every one of the 308 new ridings, as well as to maintain a complete complement for the existing 301 ridings. We can assume that most, if not all, of the 301 will be willing to continue, if asked, as returning officers and can be, and probably will be, if they are not already, transferred as part of the 308. Nonetheless, on September 15, the Chief Electoral Officer's self-imposed deadline, only nine returning officers of the 308 had been officially appointed by Order in Council. The most recent count of appointments — and this goes to February 12 — shows that just 106 of the required 308 returning officers had been appointed.

Again, there is a conflict between my figures and those provided by the Chief Electoral Officer. According to the Office of the Chief Electoral Officer, there are a total of nine vacancies remaining in the complement of 308, rather than the 202 that the review of Order-in-Council appointments suggests. There may well be a valid explanation for this discrepancy. Perhaps the Orders-in-Council have yet to be put on-line or to be made public, which is not unusual. Perhaps there is a sufficiently large number of individuals signing up for another term who have already had the training. These are questions that, hopefully, will be put during the course of committee hearings.

The point, however, is that the September 15 deadline was not met and five months later not all the returning officers are in place. Simply put, Elections Canada has not seen the basic condition fulfilled that it imposed on itself last July.

In any event, we find that, in the interim, the Chief Electoral Officer issued another news release, this time on November 12, in which he assured Canadians that Elections Canada was ready, as

always, to conduct a general election or a referendum at any time. Why he bothered to assure us that he could do his job properly is beyond me. More to the point, he added that Elections Canada "continues to prepare for a general election under the 308-seat scenario for April 1, 2004."

What I and, I hope, others want to know is under what authority is Elections Canada preparing for an April 1 implementation of a 308-riding elections map when the present law clearly states that it does not come into effect until August 25? Since when do Liberal Party aspirations to remain in office have the force of law? Since when is it proper for an officer of Parliament to write to members of only one party — in this case the government party — that their wishes are his command? If I am suggesting certain conclusions based on incomplete evidence, let someone here contradict me immediately, as I am the first to want any suggestions of nothing but the strictest abiding of the law to be convincingly confirmed.

Certainly it would have been preferable for Elections Canada to come before Parliament and explain that advances in technology now allow implementation of a proclamation order in less than one year — even six months, as recommended by the Royal Commission on Electoral Reform and Party Financing in 1991. No doubt an all-party agreement after such consultation could then have been reached to make a permanent and appropriate amendment to the Electoral Boundaries Readjustment Act.

To say, however, that he had read a number of newspaper articles in which senior Liberal MPs and a possible future Liberal Prime Minister had opined that they would like to see the boundaries come into effect on April 1 rather than August 25, and then to leap forward to propose that very date just five days after Mr. Martin's urgent appeal in Victoria, is far from a principled recommendation based on a careful analysis of the operational considerations and their impact on all political parties. The recommendation that the date be advanced to meet the partisan priorities of a single political party on a single occasion does not meet the smell test.

• (1440)

In reading the debates from the time when the Electoral Boundaries Redistribution Act was introduced in 1964, I was particularly impressed by the remarks of then Minister of Transport Jack Pickersgill, sponsor of the bill and a man not necessarily known for political neutrality, on March 10, 1964. At page 742 of Hansard, Mr. Pickersgill said:

I may say at once that the government has no intention of trying to impose its will, and has no desire to do so; I want to emphasize that. As I said earlier, we are committed to the principle of an independent impartial redistribution to be performed outside this house.

At page 739, he said:

It will be recalled also, sir, that at the last session of parliament we had, both on the resolution preceding the representation commissioner bill and on the bill itself, not what I would call an extended debate but a pretty full debate in which the general principles were, I think, unanimously accepted by the house.

He also spoke about the consultation process that had gone on. In other words, this was not a bill introduced and rammed through Parliament with no thought or consideration given to other viewpoints. At page 739, he went on to say:

It was also agreed that in this process —

— by which he meant the redistribution process —

— the government should have no more voice than any other part of the house, because this was a business which was peculiarly the business of parliament, of all of parliament, where we all have an equal obligation and, I hope and think, an equal desire to see that the people are fairly represented.

Here we are, nearly 40 years later, faced with a Liberal government bent on altering the act to meet its own partisan needs, without any particular regard or consideration for any viewpoints other than its own.

Senator Kinsella: Shame!

Senator Lynch-Staunton: As Senator Smith noted, there was support among other parties in the other place in the last session when this bill was known as Bill C-49. What he did not say is that in the current session it was pushed through the House of Commons without a vote on its merits and that a motion to prevent the reinstatement of Bill C-5 was supported by not one party but by two parties.

Perhaps government enthusiasm for this bill will vary in direct proportion to its standing in the polls. Even should the government choose to exercise its majority to ram it through over the principled objections being raised on this side, there is no assurance whatsoever that it will ever have the slightest effect, as the timing of the election remains in the hands of the Prime Minister; and he continues with the mantra that he will call the election “when it is appropriate to do so.”

All of this could be obviated by implementing fixed election dates, as the Province of British Columbia has already done. This would serve to remove many of the uncertainties and impediments associated with the existing process and would be a boon to those involved in the details of organizing and running an election.

More and more, questions are being raised about a system under which the Prime Minister either chooses an election date only in the best interests of the governing party or has it dropped by surprise upon the loss of what is called a confidence vote, one which historically had significance until Mr. Chrétien used it constantly as a threat on any vote, whatever the subject matter, to browbeat his caucus.

A major concern right now is that the Prime Minister is engaging in strategic manipulation of the governance of the nation to achieve partisan ends, something that could only be to the long-term detriment of the country, and contribute to increasing an impression already too widespread regarding parliamentarians as a whole.

Fixed election dates would enable the members of the House of Commons to vote according to the wishes of their constituents, or according to what they perceive to be the best interests of the country, rather than adhere to the party line to avoid discipline. Defeating a bill should not in itself cause the defeat of the government and trigger an election.

In addition to dealing with policy concerns, there is a practical side to a fixed election date in that it would greatly facilitate the administration and organization of elections.

Honourable senators, as a matter of principle, Bill C-5 should be rejected out-of-hand not because shortening the implementation date is inherently wrong, but because allowing the Prime Minister and his government for the moment to manipulate the election law for personal and partisan advantage simply cannot be tolerated in an enlightened democracy.

It is indefensible on the part of the Prime Minister, who not too long ago promised to fix what he calls the “Democratic Deficit,” to in effect widen it by persisting in the passage of this one-time amendment to an act simply to allow an election call to suit his ambitions within a time frame never envisioned by its authors. Any change should be a permanent one and only after wide public consultation to meet Mr. Pickersgill’s affirmation that in the redistribution process “the government should have no more voice than any other part of the house...”

The Liberal Party was elected in November 2000, only three and one-quarter years ago. The claim that a new prime minister means a new government deserving of quick electoral confirmation is spurious, to say the least, as many Canadians have agreed in recent days in their insistence that certain questionable practices at the time the Prime Minister, as Minister of Finance and Vice-President of Treasury Board, was a front-row witness to a culture of corruption be explained to their satisfaction so that an appropriate judgment can be made on facts, not on uninspiring and unconvincing beatings of the breast and the wearing of ill-fitting hair shirts.

Honourable senators, Bill C-5, essential as it is to the government’s election strategy, must still be given the most careful study in committee. Any attempt to rush it through at that stage will only confirm the apprehensions just listed and many more.

Hon. David P. Smith: Will the honourable senator take a question?

Senator Lynch-Staunton: Yes.

Senator Smith: Senator Lynch-Staunton said that, in principle, he believes that Bill C-5 should be rejected out of hand because it offends certain principles that he thinks are sacrosanct. Would that lead him to the same conclusion in respect of Senator Kinsella’s bill — that it should be rejected out of hand in that it does exactly what this bill does, only it does it 10 weeks later? Would he reject out of hand his bill as well?

Senator Lynch-Staunton: Yes.

Some Hon. Senators: Oh, oh.

Senator Rompkey: That is a succinct answer.

Senator Smith: Thank you for clarifying that point.

I have one more issue to raise with the Honourable Senator Lynch-Staunton, whom I have always regarded as a fair-minded person, and I say that sincerely. When the impartiality of an official, such as Chief Electoral Officer Kingsley, is raised, this allegation is quite serious. Regardless of how the honourable senator and other senators vote in the final analysis, does he not think, out of respect for the Chief Electoral Officer — who, by the way, has been unequivocal in saying that he has not been under any pressure to initiate the April 1 readiness date and that he has been aware of the debate, which he drew to the attention of the committee — that the fair thing to do would be to refer the matter to committee, where Mr. Kingsley could be called as the first witness? I am certain that honourable senators would agree to allow Mr. Kingsley to appear as the first witness so that he could respond to the issue raised by the honourable senator. When someone's integrity and impartiality are under a cloud, we would want to be fair. He should speak about this issue before the committee and before Parliament, which is charged with this bill. Would that not be fair?

Senator Lynch-Staunton: That would certainly be fair. That is why I made a point of saying, as I related the facts, which have yet to be contradicted, that Mr. Kingsley should be given an opportunity to contradict them. I want them contradicted. I want him to appear before the committee to tell me that the interpretation, which, unfortunately, is widespread in respect of his role in all of this, is based on fiction rather than on fact.

• (1450)

As I have stated, he was influenced by media reports that were the result of desires of spokesmen for only one political party. What I have objected to is that an amendment to a law, which should have no political input whatsoever as much as possible, is being brought as a result of the desires of only one political party. What I am afraid of is that Mr. Kingsley was drawn into this dispute, wittingly or not. I am not raising here any suggestion that he acted improperly. I am merely putting all of these apprehensions on the record so that he may be made aware of them and have time to prepare for his appearance before the committee.

Senator Smith: I thank the honourable senator. I trust we will have his cooperation in getting this bill to committee as soon as possible in order to give the Chief Electoral Officer that opportunity.

Hon. Terry M. Mercer: Honourable senators, if Senator Lynch-Staunton would permit another question, I am wondering if the honourable senator is aware of the advisory committee that meets with the Chief Electoral Officer on a quarterly basis? That committee has representatives from all political parties, including the honourable senator's own party. At the last meeting I attended in my former capacity, all political parties represented there were urging Mr. Kingsley to do just this, namely, to be ready for an early election and to speed up the process so that all political parties could have the materials and the information that they need in order to be ready for an election. I was wondering if the honourable senator was aware of that process.

Senator Lynch-Staunton: I am aware of the advisory committee. What I am also aware of is that there was no public consultation on this issue. It is not enough for a few people to sit around the table, with as much respect as I have for them, and come to an agreement. This matter should have been brought before a parliamentary committee and discussed thoroughly.

It is not just political parties sitting in the House of Commons that are involved in this issue. There are 15 or 20 registered parties right now, and there are independent candidates and others who would like to be involved in the process. However, this was all apparently done — perhaps with or without the approval of the advisory committee, but certainly done — in a manner that does not respect the intent of the act.

An Hon. Senator: Or the way in which it should be handled.

Hon. Lowell Murray: Honourable senators, I do have a few things to say about this bill. I will, with the indulgence of the house, make a few preliminary comments now and conclude my remarks tomorrow.

I am moved to make a few comments by the exchange that has just occurred between Senator Smith and Senator Lynch-Staunton, and between Senator Mercer and Senator Lynch-Staunton. When Senator Smith introduced this bill on Friday last, he put forward, as one of his first arguments in its favour, the fact that it had been supported by just about all of the parties in the House of Commons.

I must say that, on most matters, that level of support for a bill would give me pause. Like most people here, I would think seriously that a bill that had such widespread support in the House had a great deal in its favour. However, Senator Smith joined that argument to the statement that, after all, the content of this bill touches upon elections, and elections really affect those people over there, not us, and that we should pass the bill on that account; perhaps even on the nod. I have heard that argument before in this place, and I have heard it from some very eminent senators. I have always regarded it with the greatest of doubt — and suspicion, even.

It seems to me that a bill having to do with elections, and even — perhaps especially — a bill coming from the House of Commons that has the support of most of the members over there, should be examined with very particular attention, even with skepticism in this place. The fact is that the interests of incumbent MPs are not necessarily identical to the interests of the other players in our parliamentary democracy, including those of the voters.

I asked Senator Smith a question the other day as to why, for example, if the government is so convinced that the period should be shortened from 12 months to five, six or seven months, they did not simply change the law in that respect, rather than making an exception for this case only and bringing it down to five months. His answer was: Well, we are doing it for this time only, but as for the future, we could have a review of the law.

I have had occasion since our exchange on Friday to do some research on that matter. I find, as the Leader of the Opposition pointed out earlier, that the Lortie Royal Commission in the early 1990s recommended a six-month delay between the end of the redistribution process and the coming into force of new boundaries. Indeed, I find that the Chief Electoral Officer himself, as long ago as 1994, suggested at the Standing Senate Committee on Legal and Constitutional Affairs that the delay could be reduced to six months. This, therefore, raises a question: Why did the Mulroney, the Chrétien and the Martin governments not give effect to that recommendation of the Lortie commission, or to that statement by the Chief Electoral Officer almost 10 years ago?

I think I know the answer to that question. I believe the answer is that, while the Chief Electoral Officer may be able to get his job done in less than 12 months, generally speaking, the politicians in the other place of the various parties are not so confident that it can be done in that time frame. It seems that what we will end up with is a law saying 12 months, and whenever it suits the political convenience of the government — or indeed of all of the incumbents over there — either to expand the time frame or shorten it, that is what they will propose to do. I say to my honourable friend that that is no way to run an impartial election and redistribution system. I will return to this point tomorrow.

On motion of Senator Murray, debate adjourned.

CRIMINAL CODE

BILL TO AMEND—SECOND READING— DEBATE ADJOURNED

Hon. Wilfred P. Moore moved second reading of Bill C-13, to amend the Criminal Code (capital markets fraud and evidence-gathering).

He said: Honourable senators, we have before us Bill C-13, the former Bill C-46, which lapsed on the Order Paper in the last session of Parliament before this chamber had a chance to commence second reading. It has now been reinstated without amendment by the other place.

The measures in this bill are designed to bolster investor confidence in our capital markets and to send a clear message to those who threaten the integrity of our markets that their illegal activity will not be tolerated. The bill does this by making various improvements to the criminal laws that govern fraud in, and related to, our capital markets.

We are all aware of the corporate scandals that shook the markets in the United States of America in 2001 and 2002 and that resonated around the globe. We are also well aware that sound investor confidence is a key driving force behind a thriving economy. In advancing that cause, I am pleased to support Bill C-13 today.

Honourable senators may remember that our colleagues on the Standing Senate Committee on Banking, Trade and Commerce have recently studied the state of health and vibrancy of Canada's capital markets and explored means to bolster investor confidence. In June 2003, just days after the government introduced the former Bill C-46, now before us as Bill C-13, our committee issued its report entitled, "Navigating through the 'Perfect Storm': Safeguards to Restore Investor Confidence."

• (1500)

This far-reaching and comprehensive report examined the issue of investor confidence and a broad range of methods for improving it. The report recognized the importance of enhancing and improving enforcement of the criminal law relating to capital markets fraud. The committee noted the need to ensure that the law was adequate and that there were adequate resources for enforcing it. The committee also emphasized the need for whistle-blower protection for corporate employees as another means of bolstering investor confidence and market integrity.

Honourable senators, Bill C-13 reflects the recommendations of our Banking Committee's report in regard to the criminal law. To elaborate, Bill C-13 is comprised of four separate elements: two new offences; strengthened sentencing measures; enhanced evidence-gathering tools; and concurrent federal jurisdiction to prosecute fraud and market-related offences.

Before outlining these powerful new tools, it is crucial to note that the legislative amendments in Bill C-13 are accompanied by a national enhanced enforcement strategy. This larger strategy will see the creation of integrated market enforcement teams, or IMETS, in four key financial centres in Canada: Toronto, Vancouver, Montreal and Calgary. Teams have already been established in Toronto and Vancouver. The 2003-04 Budget allocated up to \$30 million a year for the next five years for creation and maintenance of these teams. The government is serious about tackling the problem of capital markets crime.

These teams are comprised of RCMP investigators, federal lawyers, forensic accountants and other disciplines working together toward a common goal. The goal of these teams is to investigate serious Criminal Code capital markets fraud offences involving publicly traded companies that are of national significance; that is, cases where these criminal actions pose a genuine threat to investor confidence and economic stability in Canada.

The government's enhanced enforcement strategy is key to repairing investor confidence and putting offenders on notice that their days are numbered. Bill C-13 complements this enforcement effort. Allow me to briefly outline the key elements of this important bill.

The first element of Bill C-13 comprises two new targeted offences. As corporate criminals currently behind bars can attest, we already have strong and effective laws under the Criminal Code to deal with capital markets fraud. These current offences include a broad and effective fraud offence, offences relating to obstruction of justice, filing a false prospectus, falsifying documents of various sorts, and others. However, in the government's view of existing laws, two gaps were identified that Bill C-13 now seeks to fill.

The first of these involves the improper activity of insider trading. Insider trading strikes at the core structures of a solid financial market and violates the fundamental principles of fairness and transparency on which transactions in capital markets are based. It harms ordinary Canadians; it can damage companies; and it can have a severe effect on the integrity of our capital markets at the international level.

As honourable senators may be aware, insider trading is currently prohibited under provincial securities laws and in certain circumstances under the Canadian Business Corporations Act. It has become clear in recent years, however, that the use of the criminal law is a necessary additional instrument for deterring this kind of corporate malfeasance because of the powerful symbolic value of the criminal law and its more severe penalties. The message is clear: This type of activity, when carried out on a serious level, will carry severe sanctions should the Senate see fit to pass this bill.

The other new offence created by Bill C-13 is a form of whistleblower protection that would, through deterrence, protect employees who report unlawful conduct to a law enforcement body. The offence will punish an employer for making employment-related threats or taking retaliation against employees who do assist in law enforcement. Employees can and often do play an important role in the detection and investigation of individual and corporate malfeasance and, ultimately, in the protection of society as a whole. They clearly deserve this legislative protection.

The second element of the bill involves strengthened sentencing provisions. Bill C-13 proposes to strengthen the penalties applicable to fraud and related offences, which will impact on white collar crimes in general, as well as capital markets fraud cases. It proposes to raise the maximum prison term for the primary fraud offence in section 380 of the Criminal Code from 10 to 14 years and for fraudulent manipulation of stock exchange transactions under section 382 from five to 10 years.

It is to be noted that a maximum prison term of 14 years, which this bill would apply to the primary offence of fraud and which is the offence that is most often charged in capital markets fraud

cases, is the highest maximum sentence under the Criminal Code short of a maximum term of life imprisonment. This increased penalty will be available for other kinds of serious fraud as well and can be expected to have an enhancing effect on the punishment of white collar crime generally, including predatory crimes like telemarketing fraud that target vulnerable groups such as senior citizens.

The bill would also codify aggravating sentencing factors and non-mitigating factors. These factors are Parliament's way of telling the courts that certain circumstances — such as a large number of victims, a high dollar value lost or exploitation of a person's position of trust in the community — merit a harsher penalty. Certain forms of fraudulent behaviour are more serious than others, and punishment would reflect these aggravating circumstances accordingly.

Honourable senators, I think you would agree that these measures send a clear and proper message: If you commit a serious fraud on the people of Canada and threaten the security of our capital markets or otherwise victimize large numbers of Canadians or residents of other countries from Canada, you will be punished accordingly.

The third element of Bill C-13 is the creation of enhanced evidence-gathering tools. In response to the legitimate needs of front-line investigators, Bill C-13 will create two types of "production order" powers in the Criminal Code. These production orders are for the most part based on similar standards and safeguards as search warrants. Whereas a search warrant allows police to search a certain place for evidence, a production order compels a person to produce the relevant information, even if stored outside Canada, to the police within a specified time and at a specified place.

First, the "general production order" will require a person other than the individual under investigation to produce documents or data if a judge or justice is satisfied that there are reasonable grounds to believe an offence has been committed, that the specific documents or data will afford evidence of the offence, and that the recipient of that order has possession or control of this material. This is the basic search warrant standard.

Second, the "specific production order" compels the production of information for which there is a lower expectation of privacy. This specialized type of order will have a narrower scope in that it would only apply to financial institutions and other organizations specified in the legislation. General threshold information relating to bank accounts, such as the name of an account holder or type or status of an account, would be accessible, but not the transactions in the account. A judge or justice will still have to be satisfied that there are reasonable grounds to suspect that the information will assist in the investigation of the offence. The information so obtained will aid law enforcement agencies in deciding whether to seek a general production order or a search warrant.

Honourable senators, it is important to note that these new production orders will be available in general to the investigation of all criminal offences. They will be particularly useful in gathering, in a timely and effective way, the financial information that is critical to the investigation of capital markets fraud cases and other white-collar crimes. Law enforcement agencies and Crown prosecutors have been asking for this new legislative tool for some time. With the increasing computerization of records, the proliferation of the Internet and the widespread adoption of new communications technologies, the timing is right for this form of investigative tool.

• (1510)

These new powers complement the government's enhanced investigation approach. They will be of tremendous assistance to the IMETS investigators and their passage into law is greatly anticipated by both law enforcement and securities industry stakeholders.

Honourable senators, the fourth and final element of the bill is the proposal to give the federal government the concurrent jurisdiction to prosecute fraud and certain market-related offences. The application of federal prosecutorial resources in this area will be restricted to a narrow range of cases that threaten the national interest and the integrity of our capital markets. The federal government does not intend to replace or overtake provincial prosecutorial jurisdiction but, rather, to complement it. In order to ensure proper coordination, the Government of Canada is currently working with the provinces to develop prosecution protocols that will recognize the primary role of the provinces in this area and ensure a coordinated and effective implementation of concurrent jurisdiction. The end goal is partnership, because only through partnership with our provincial colleagues can we strengthen our investor confidence and bring to justice those who threaten it.

The Hon. the Speaker: Honourable senators, I wonder if I could ask for order. If there are conversations, could you carry them on beyond the bar or outside the chamber? That would be appreciated. I should like to hear Senator Moore.

Senator Moore: Honourable senators, in conclusion, the legislative measures in Bill C-13, coupled with the focused commitment of additional resources in the form of the Integrated Market Enforcement Teams, will help to improve the detection, investigation, prosecution and, ultimately, the punishment of fraudulent activities that affect our capital markets and our economy.

This comprehensive package sends the message that Canadians expect us to send to the perpetrators of capital markets fraud — that those who engage in such activity face a significantly increased risk of being detected, caught, charged, convicted and punished. I ask all honourable senators to support Bill C-13.

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

AMENDMENTS AND CORRECTIONS BILL, 2003

SECOND READING

Hon. John G. Bryden moved the second reading of Bill C-17, to amend certain Acts.

He said: Honourable senators, as you know, this is a reprint of Bill C-41, which received second reading during the last session, on October 29, 2003. At that time, Senator Lynch-Staunton, Leader of the Opposition, indicated that he and his side are basically in support of the substance of this bill. Nevertheless, I think it is useful to mention the things covered herein, and I will do that as quickly as possible.

The bill proposes minor corrections to a number of statutes to ensure that our laws are accurate and up to date. This is the second technical corrections bill that the government had introduced in the last session; the first for this session.

Last year, Parliament passed Bill C-43, which we have discussed, making corrective amendments to a variety of statutes. Although the purpose of Bill C-17 is to make technical corrections to our statutes, it is not designed to replace the Miscellaneous Statute Law Amendment Program. Several of the amendments in this Bill C-17 require the expenditure of funds and would not fit the strict requirements of the MSLA Program.

I will briefly highlight the amendments in Bill C-17. The first amendment relates to lieutenant governors. I do not think it relates to former lieutenant governors. We had two of those at one point, but now we only have one who is currently with us in this place.

Several provisions of the bill update the disability provisions for lieutenant governors, consistent with the recent changes made in the Parliamentary Compensation Program.

Honourable senators will recall that, in 2001, the disability provisions for parliamentarians were updated. The 2001 changes provided disability benefits for parliamentarians aged 65 or over. Prior to that, parliamentarians could not be covered for disability when they were over 65. Parliamentarians can now continue to contribute to their pensions while they receive disability benefits. For example, senators who become disabled are able to receive disability benefits until age 75. This period of time is included in the senators' pensionable service.

Bill C-17 would update the disability benefits for lieutenant governors on a similar basis. Disability benefits would be available for lieutenant governors aged 65 or over for a period of up to five years. Currently, disability benefits are only paid to those under 65 years of age. Lieutenant governors would be able to contribute to their pensions while they receive their disability benefits.

A number of proposed amendments relate to appointments, or really the title of appointed positions. Several amendments clarify the provisions of certain appointments. For example, the French title for the deputy commissioner of the Canada Customs and

Revenue Agency would be changed from “commissaire adjointe” to “commissaire délégué”, which is allegedly a more correct term. The title for the executive director under the National Round Table on the Environment and the Economy Act would be changed from “executive director” to “president,” which is a more up-to-date title. The bill would also clarify the definition of “officer-directors” in the Financial Administration Act.

Bill C-17 makes corrections in relation to customs. The Customs Act would be amended to provide the correct references to the Canada-Costa Rica Free Trade Agreement in the French version of the text. The Importation of Intoxicating Liquors Act would make direct reference to the List of Tariff Provisions set out in the schedule to the Customs Tariff, consistent with other provisions.

There are some retroactive corrections as well. First, Bill C-17 would make an administrative correction to ensure the authority for consular service fees collected for the period from April 1998 to January 2003. An administrative correction is necessary due to a procedural error that took place when these fees were enacted in 1998.

Second, the bill would provide for the retroactive payment of compensation to chairs and vice chairs of special committees. Earlier this year, parliamentary compensation was updated to provide chairs and vice chairs of special committees with the same compensation as that for chairs and vice chairs of standing committees. However, this change was not made retroactive and previous chairs of special committees cannot qualify for additional compensation.

Bill C-17 would correct this situation by making these payments retroactive to January 1, 2001, the same date that chairs and vice chairs of standing committees began receiving additional compensation. Although that issue has been the subject of more interest in the other place, a parallel provision for special Senate committees was added to ensure parallel treatment for both chambers.

• (1520)

In conclusion, honourable senators, these amendments are technical in nature and do not make any major policy changes. I hope honourable senators will support the passage of this bill. In particular, I hope we can soon move this bill into committee stage, where it can be examined in detail on behalf of the Senate.

On motion of Senator Kinsella, for Senator Lynch-Staunton, debate adjourned.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY— DEBATE CONTINUED

On the Order:

Resuming debate on the motion of the Honourable Senator Trenholme Counsell, seconded by the Honourable Senator Massicotte, for an Address to Her Excellency the

Governor General in reply to her Speech from the Throne at the Opening of the Third Session of the Thirty-seventh Parliament.—(9th day of resuming debate)

Hon. Jack Austin (Leader of the Government): Honourable senators, to begin, I should like to offer my congratulations to Senator Trenholme Counsell for her address proposing the adoption of the Speech from the Throne.

[Translation]

The Honourable Senator Trenholme-Counsell was Lieutenant Governor of New Brunswick for over six years and a member of the provincial cabinet. We are privileged to have among us someone with such valuable experience in the public service.

[English]

Also, I should like to thank the Honourable Senator Paul Massicotte for his insightful maiden speech and for seconding the motion to adopt the Address in Reply to the Speech from the Throne.

As Leader of the Government in the Senate, I wish to convey my appreciation to senators for your understanding, support and solid work on behalf of the Senate of Canada and on behalf of the people of Canada and the regions we represent. I want to work with all of you to build a greater respect for Parliament, for political integrity and for the well-being of Canada.

Sitting next to me, on my left, are Senators Carstairs, Graham and Fairbairn, all of whom have served as Leaders of the Government in the Senate, as has the Honourable Senator Murray, who sits opposite. On behalf of us all, I extend our appreciation for their extraordinary service.

In addition, my thanks go to Senators Robichaud and Rompkey for the leadership they have shown to the government side in the last session.

To you, Your Honour, I offer our highest esteem as you continue to discharge your important service to this chamber with the necessary *gravitas* and courtesy it requires.

The Leader of the Opposition in the Senate, the Honourable Senator John Lynch-Staunton, has earned the respect of all of us in the chamber, as has his deputy, Senator Kinsella. I am sure I speak for all my colleagues when I say that we are looking forward to holding many edifying debates with our colleagues across the floor, and that our legislative actions will, in the fullness of time, prove to be to the benefit of the Canadian people.

Let me begin by quoting Prime Minister Paul Martin at the time he assumed the leadership of the Liberal Party of Canada a few months ago. He said:

The world is not waiting for us — it is evolving, changing. So we must be ready to meet new challenges — with new solutions, new ideas.

[Senator Bryden]

Under the Canadian Constitution, the Senate has virtually the same legislative powers as the House of Commons. The well-known exceptions relate to the initiation of money bills and the limited role to deal with constitutional amendments that have received the requisite approval of the House of Commons and the provincial legislatures.

One of the critical events of the 1980-81 negotiations for patriation was the inability of the Prime Minister and the premiers to come to any agreement on changes to the Senate's constitutional and legislative roles. Nor were the people of Canada prepared to support constitutional change when proposed by the Charlottetown agreement.

The Senate's authority is based on the British North America Act, 1867, now called the Constitution Act, 1982. As is well known, negotiators representing the Canadian colonies decided, in establishing an upper chamber, that its role would be to represent peoples in the various regions of Canada and to slow the possible excesses in social and political zeal that a popular vote of all male adult citizens might bring. As Prime Minister Sir John A. Macdonald said, it was a saucer to cool the forces of hot and irrational opinion.

However, the bargain of 1867, while still our constitutional mandate, has had its political underpinnings undermined. The regions or provinces no longer look to the Senate to protect their authority and they represent themselves quite effectively. Our citizens in general have adopted the principles of democratic representation and no longer see an appointed body as representing them, if they ever did. As for business and property interests, they have long ago found other and better ways to have their concerns attended to.

The issue for the Senate, then, is to determine whether other interests in Canadian society need to have their views and voices heard. Clearly, there are many communities and groups who find, due to their lack of political power, their size or our political culture, that the Senate gives them a voice in the Canadian political system that otherwise they would not have. Think of the special role senators are playing in the interests of children, health care — including mental health — palliative care, literacy, Aboriginal issues, the empowerment of women, the role of media, culture and heritage, official languages, and more.

It is rare when the House of Commons can give its attention to the concerns of lower-profile but active communities, particularly in highly partisan seasons, such as the present, with an election in the offing. We can and we do, thereby adding greatly to the proper governance of Canada.

One other special feature is that many of the peoples and communities of Canada are too small or too widely dispersed to have any real chance to elect a member to the House of Commons. However, by appointment, they can be represented in the Senate. Honourable senators, think of Senator Adams, the first Inuit to be represented in Parliament; or Senator Chalifoux,

the first Metis or Senator Poy, the first Chinese woman or any senator from Alberta, so far as the Liberal way of thinking is concerned.

It was not so long ago that in three provinces the Trudeau government failed to elect a government member to the House of Commons and that senators, including myself, were appointed to cabinet to represent those regional interests.

The Senate should not normally be a place of adversarial politics, but a place of thoughtful debate, analysis, compromise and persuasion. Opposition here originates not only in a literal way from across the floor, but from the essential tension between the upper and lower Houses of Parliament.

Although there are times in our history when we have been resistant in our opposition to government legislation, our normal role, through convention, has been to review, to counsel and to influence, where possible, until Parliament as a whole is satisfied with the legislation it sends for approval to the Governor General.

In general, we have held our legislative powers in reserve. We have given recognition to the political mandate held by the House of Commons through elections. When we have advised and they have resisted, we have accepted their view. The exceptions are few, but related to great issues, where, if legislation is passed, the step cannot be retrieved. Such was the case with the Free Trade Agreement of 1988 that the Senate declined to pass. The Mulroney government then sought and won a mandate for free trade.

The Senate has long been the target of criticism, much of it, regrettably, uninformed. I have heard senators, themselves newly appointed, express surprise and subsequent admiration when they arrive and discover the invaluable work done by their colleagues. I believe we all feel privileged to be here. I, myself, feel honoured that I am able to serve in a position where so many worthy men and women have served before me.

The Senate today, despite its reputation in some circles, is a place that is forward thinking and responsive to new challenges. The work of many committees of the Senate deserve note; but all senators will agree that in the last few years alone we have made major contributions to public policy in such areas as health care, security and defence, and Aboriginal policy. I believe that today, honourable senators, the institution of which we are a part is facing questions that require renewed answers.

This morning, I had the opportunity to read a speech given on Monday, February 16 — that is, two days ago — to a Halifax audience by our colleague Senator John Lynch-Staunton. The title of that speech is, "The Senate: Appointed or Elected? It's not that simple."

• (1530)

The speech is one that all senators and many others should read if they are interested and concerned with the issues of Senate reform. The key points are there and well discussed. No doubt there remains much to debate, but the speech is a good guide.

The debate about the Senate and constitutional reform will be an ongoing one and beyond our ultimate control. We can do more, however, to make the Senate a better, engaged institution in the day-to-day lives of Canadians. We have talked about including more Canadians in our policy work through a Senate citizens' commission. Let us do it. We have talked about a greater presence for the Senate and its committees in the regions of Canada. Let us do it. Let us show Canadians how we can serve them.

On reflection, one of the greatest and most beneficial changes to the Senate in the nearly three decades that I have been here has been the appointment of many women. Beginning with Prime Minister Trudeau, then Prime Minister Mulroney and followed especially by Prime Minister Chrétien, women have been appointed in sufficient numbers that they are a substantial presence and, I might add, nearly in control. There is nothing but good to come of it. The Senate has 35 women members out of a present total of 99. As I said last fall in an article in *The Hill Times*, the Senate has the best representation of women in the legislatures of any democratic system except for Sweden, but we look forward in due course to appointments that further the goal of equal numbers of qualified men and women in this chamber who are also truly representative of the Canadian mosaic.

In the international sphere, Canada has an important role to play in parliamentary diplomacy. Senators are ideally situated to promote Canadian interests abroad. Parliamentary diplomacy has grown dramatically in the last decade and developing countries are reaching out to seek help from us as they define their governance issues. Due to the longer tenure that senators have in office, we are able to play an effective role in building longer term relations with key people in foreign governments, legislatures and communities.

While most senators have been active in our parliamentary associations, let me note a few of our colleagues in particular. Senator Pierre De Bané has made several trips to the Middle East, both for Canada and individual Canadians, has built key links that allow informal dialogue, and has succeeded in obtaining repatriation of Canadian citizens from foreign incarceration. Former senator Heath Macquarrie was similarly active. Senator Jerry Grafstein has played a valuable role in developing relations and in dialogue on issues with the United States, and recently assisted the democratic process in Georgia.

Senator St. Germain: We need more Jerry Grafsteins.

Senator Austin: Senator Al Graham has made countless trips to observe foreign elections in the company of such leaders as former U.S. president Jimmy Carter. Senator Marcel Prud'homme is a founder of the parliamentary association movement and has been everywhere. Honourable senators will remember our former colleague Lois Wilson and her important work in Sudan and North Korea. Work in Sudan is now being continued by Senator Mobina Jaffer, who is Canada's special envoy. I also want to mention the valuable role that Senator Doug Roche has played and is playing in the work of the United Nations and in the global peace process.

[Senator Austin]

Let me turn now to the issue of Canada's presence in the world community. In Afghanistan, Canada is making our largest current military commitment to another country. This investment in a terribly war-torn country is providing real assistance to the Afghan people, who have now adopted a constitution. We are grateful to our Canadian military and to government and non-government Canadians who are working for the peace and development of Afghanistan.

I mention also that Canada has joined other G7 nations in recent debt reduction for Iraq and will provide that country with \$300 million more in humanitarian and reconstruction aid over the next five years. At the recent Summit of the Americas, Canada was a leader to the group of Caribbean nations which comprise CARICOM in discussions seeking to restore democracy to Haiti.

Members of the Senate have an active and abiding interest in promoting parliamentary democracy, and senators have visited many of these countries.

We are living in an age where multinational institutions, whether they are corporations, associations of citizens or associations comprised of many member countries, are receiving attention as never before, for the simple reason that they are directing our lives as never before. We have seen protests mobilized against companies, as well as APEC and WTO summits. The common thread is a fear by our populace of handing control of the future over to large bodies that they cannot control or understand. Market forces, environmental changes and international fiscal exigencies all have the power to be harnessed to make our lives better or to worsen the human condition.

The advantage to Canada in a world such as this is that we are widely trusted. In an era where multilateral fora cannot always contain the nature and speed of contemporary changes, or even where the United Nations cannot exercise control over conflicts, Canada occupies a special ground. Canada has often served as an honest broker in past conflicts and on behalf of populations who have not had a voice on the international stage, and senators have been an integral part of this contribution to stability overseas. I hope that we continue to foster among ourselves this aspect of our institution, as I believe it says a great deal about the values that Canadians hold dear and about the responsibility of individual senators themselves.

Senators also occupy a special place in policy development for the nation. The Senate has historically been astute at identifying emerging issues and drawing attention to issues that have resulted in mobilizing Canadians to demand change from our governments and our institutions. There have been numerous reports of this nature from senators and their committees: The 1971 report by Senator Croll on poverty in Canada; Senator Sparrow's 1984 report on soil erosion; Senator Davey's report on the Canadian media; my predecessor Senator Carstairs' key participation in two reports on end-of-life issues; and Senator Nolin's special committee on illegal drugs. Another of my predecessors, Senator Fairbairn, has worked tirelessly on improving literacy across our country and she continues this work today.

Private members' bills that originate in the Senate have also made a contribution to lives of Canadians. Senator Oliver's introduction of a private member's bill to prevent unsolicited messages on the Internet is something that I believe has the support of a great many Canadians. Senator Kenny's Alternative Fuels Act is one bill that has become law, but many other bills from individual senators have prompted the government to act by introducing its own parallel legislation in the House of Commons.

As I have said in earlier comments, a senator's first role is as legislator, a role that has concomitant responsibilities. Senators are keenly aware that, as a parliamentary institution which studies legislation originating in a house of elected representatives, senators must treat with respect the wishes of the government of the day as embodied in the other place. There is general acknowledgement that the appointed nature of the Senate requires that it exercise its powers cautiously.

I have referred to Senator Lynch-Staunton's speech in Halifax on Monday and he, too, makes this point.

Nevertheless, Canadians also want to know the issues and will tolerate active dialogue between the two chambers when it is seen to be informative and constructive.

The Senate often exercises restraint in rejecting bills from the other place. We have tacitly agreed to follow the Salisbury-Addison document originating in Westminster, a convention of not opposing measures proposed by the government if those same proposals are a key part of the elected mandate. Discussion is key to democratic debate, and what could be a more public forum than an election for debating and determining the direction of public policy.

However, our responsibility to amend legislation remains where a bill is not workable, or where it does not respond to constituencies that are most affected by the proposals. At times we can and have introduced better ways to affect the same purpose of the original legislation where a particular constituency is at risk. Still, we send our comments back to our colleagues in the other place for approval because we remain cognizant of our status as a chamber that must ultimately reflect the wishes of the people who granted approval to a government to enact its specified mandate.

In my opinion, the Senate has been well served when its members have been able to maintain a balanced viewpoint midway between looking to the past for guidance on earlier practice, and looking to the future and what the institution will need as it evolves.

• (1540)

Viscount Whitelaw, who held the position of the Lord President of the Council in Westminster, stated in 1984 that:

I have learnt that a certain flexibility, together with a certain understanding of convention, has worked much to the benefit of this House.

I wholeheartedly endorse that sentiment and will come back to it when I have the opportunity to address the Senate on Bill C-4, the ethics bill.

It is my hope that this open approach to establishing the Senate's function within Parliament will have a continuously rejuvenating effect on the Senate and will sustain our role as an institution that is dedicated fundamentally to preserving democracy.

Honourable senators, every government assumes office with different perspectives and priorities. Each government establishes its own goals and its own methods to achieve those goals. So it is with the Speech from the Throne read in this chamber on February 2, 2004. This government is committed publicly to changing the face of Parliament and the way in which parliamentarians interact with the executive. This government has pledged to open the channels of discussion, to be more inclusive and consensus-building in reaching decisions and, in its first week, introduced guidelines on democratic reform. This type of democratic reformation of the way in which the government interacts with its own members and members of the opposition in the other place raises questions for members of this chamber.

Committees in the House of Commons will be further empowered under these changes because many bills will be sent for committee scrutiny after first reading rather than after second reading, when the shape and intent of the bill has already largely been determined. With this earlier intervention by committee members, the government will be able to avail itself of the views of members of Parliament, both on the government and opposition sides, who are well versed in the issues in question raised by the bill. The government will be able to incorporate the amendments that it sees as meritorious before second reading, when again the bill will be debatable on the floor of the House.

What are the implications for senators of this new procedure? Where will the Senate stand now that bills will have a more thorough review and arrive in this chamber with more of a consensus of the elected members?

Since the Second World War, the Senate has regularly used the pre-study device to look at bills that have been part of the legislative process in the other place, but which have not yet completed legislative review and have not moved to the Senate.

As honourable senators are aware, other bicameral legislatures around the world are able to study bills concurrently. Pre-study of bills in the Senate was inaugurated in 1943 by the then Leader of the Government in the Senate, the Honourable James Horace King. Initially, pre-study was conducted by the Standing Senate Committee on Banking, Trade and Commerce, but since then other committees have availed themselves of this procedure.

The Honourable Paul Martin Senior, when Leader of the Government, defended the practice of pre-study, stating:

We are not dealing with the principle of the said bill, we are anticipating the bill.

The practice was used frequently by Senator Hayden 30 years ago and remains an option open to honourable members. Pre-study does not restrict the legislative options of senators, but it does assist in mitigating the workload of senators when a large number of bills are referred by the other place within a short span of time.

While there are opportunities afforded by pre-study, there are, of course, concerns. One consequence of early intervention in the legislative process is that the Senate appears less active because the majority of debates over legislation have been resolved earlier, when amendments were made in the House of Commons following our pre-study phase.

When my predecessor, the Honourable Allan J. MacEachen, opined on pre-study, he withheld his approval of the procedure, believing it best that the Senate not pre-study bills but, rather, that it be true to its nature as a chamber of sober second thought and study legislation following established process. However, there remain times when pre-study is found to be a valuable legislative tool.

As many honourable senators will recall, the pre-study option was used recently during the study of an anti-terrorism bill that had become a priority for the government in the wake of events that occurred in the United States of America on September 11.

Other questions will arise with respect to the implementation of the ideal of democratic reform. How will this change our engagement with the other place — our review role? Can we both pre-study and post-study the same bill? I respectfully submit these issues, which do not comprise an exhaustive list of the implications of democratic reform, for the consideration of honourable senators in the coming months.

[*Translation*]

Honourable senators, as you know, my counterpart in the other place, the Honourable Jacques Saada, will be responsible for democratic reform. I will meet with him regularly to talk about the repercussions that democratic reform will have on the Senate.

[*English*]

I am sure that senators have their views on the evolution of their role as legislators, and I have considerable interest in hearing the views of my colleagues. I hope that this topic will stimulate much debate among senators and that they will be able, collectively, to make a contribution in establishing the direction of our new roles.

Honourable senators, this new government has established priorities in three areas that it believes are of paramount importance to the Canadian people. We will work to strengthen our social foundations, build a 21st century economy and ensure Canada's role in the world. These concerns will guide our legislative and policy agenda.

As we work toward these goals, this government will be measured by the ways in which it conducts itself using the criteria of transparency, accountability, financial responsibility and ethical conduct.

[Senator Austin]

Four new parliamentary secretary positions have been created to support the Prime Minister on these key government priorities. The Parliamentary Secretary for Canada-U.S. relations will support the Prime Minister in developing an integrated approach to our relations with the United States and work to enhance cooperation between our governments as we maintain our own national values and observe the wishes of the Canadian people.

The Parliamentary Secretary for Cities will work with the Prime Minister to improve communications between our cities and the federal government and work to develop better strategies for dealing with the challenges that our cities are now facing.

The Parliamentary Secretary for Science and Small Business will work with the National Science Adviser to examine ways in which science can be applied to help our small businesses become more productive and gain better access to research expertise.

The Parliamentary Secretary for Aboriginal Affairs will work with the Cabinet Committee on Aboriginal Affairs and with the Aboriginal Affairs Secretariat in the Privy Council Office to make more rapid progress on Aboriginal issues and to improve the effectiveness of the government's Aboriginal policies.

All parliamentary secretaries are assuming enhanced roles and will be more active on policy issues associated with their files.

In 1997-98, the Liberal government was able to balance the books of the country and this has been "a watershed event," in the words of my colleague the Minister of Finance. Since then, we have had six consecutive budget surpluses. We have reduced our national debt by \$52 billion during those six years, and the net result is that today we are paying \$3 billion less in interest payments on that debt. Canada has moved in rank from the second-worst G7 country in terms of debt-to-GDP ratio to the second-best.

Responsible fiscal management entails not only managing the debt but also using our financial resources to build a better country. Since balancing the budget, we have been in a better position to make decisions on our national priorities, to shore up our social foundations and to decide our objectives as we build for the next generation.

A great deal of credit for our current economic prosperity is due to our new Prime Minister, the Right Honourable Paul Martin. As Minister of Finance, he presided over decisions that had tough consequences for the Canadian people but which have been proven to benefit the common weal. None of this would have been possible, of course, without the full support of the former Prime Minister, the Right Honourable Jean Chrétien. Mr. Chrétien has been a remarkable servant of the people of Canada for four decades, and all Canadians wish for him a happy and fruitful retirement. Without the Right Honourable Jean Chrétien and the leadership he has shown, together with the ability and personal convictions of the Right Honourable Paul Martin, I believe our country would be far less prosperous than it is today.

Notwithstanding the remarkable progress we have made in the last decade, many challenges, of course, remain. Last year, Canada suffered many blows to our economy: an outbreak of severe acute respiratory syndrome in Toronto; a power blackout across Ontario; a hurricane in Atlantic Canada; mad cow disease across Western Canada; and devastating forest fires in my home province of British Columbia. These events are changing the way that different levels of government in the nation are interacting with each other.

As honourable senators know, the Prime Minister recently held a First Ministers meeting, the first of many in a process of what he describes as “forging a renewed and productive partnership.” This re-definition of federal, provincial and territorial roles will impact Canadians over the long term as they discover how they want the dialogue between first ministers, mayors, the federal public service and members of Parliament, including the Senate, to unfold.

• (1550)

These disasters took a toll not only on our economy but also on Canadians. The government is acutely aware of the burden that these events have placed upon Canadians and the extent to which they have been affected both in terms of their livelihood and their general well-being. I also think that Canadians can appreciate that the trouble caused by these events could have been far worse had this country still been struggling under a \$40 billion deficit.

The economy grew only half as much as was forecasted for 2003 as a result of these developments but employment growth is strong, exports are increasing, consumer and business spending is increasing and interest rates remain low. The last federal budget was made under economic forecasts of 3.5 per cent growth. Private forecasters now predict that Canada will likely reach 3 per cent this year. The difference leaves a sizeable gap relative to Canada’s potential performance. This differential will have an impact on our fiscal situation until the economy closes that gap.

At the present time, there is \$2.3 billion in what was a \$3 billion contingency reserve. The current government is undertaking immediate steps to reassess its financial position and to meet established priorities, including scrutinizing expenditures and placing a freeze on new capital spending and on the size of the public service. We are seeking ways to maintain payments on the debt to bring our debt-to-GDP ratio to 25 per cent so that we retain credibility on international markets.

The creation of an expenditure review committee is key to achieving our financial goals. This committee will review all spending to ensure that taxpayers’ dollars are spent prudently and with confidence, and that each expenditure is necessary. I can understand that these economic plans leave some opponents skeptical of the commitment to fiscal prudence. Our budget is approximately \$180 billion. However, if we were to miscalculate revenues by only 2 per cent, that could affect our budget by \$3.5 billion. Attention to our financial situation is always necessary, despite what may appear to be a secure and rosy economic forecast.

These measures were taken to balance the books and to ensure that the \$2 billion in surplus promised to the provinces and territories for health care will be available. Health care is a top priority for Canadians. The Prime Minister is committed to providing timely access to quality care, regardless of income or geography, as spelled out in the principles of the Canada Health Act. Health care is a local issue and has international ramifications, and so we are establishing a Canadian public health agency. This new agency will work with its counterparts around the world and will organize our experts here at home to deal with health emergencies.

Canadians have always felt a moral obligation to help those in less fortunate circumstances and our former Prime Minister has made great strides on that front. In recognition of his work, we are introducing the proposed Jean Chrétien pledge to Africa Act, which will provide low-cost anti-HIV/AIDS drugs to African countries so that they might better resolve a serious and current threat to their own public health.

We are establishing government priorities but we also want to hear from Canadians about their priorities. To this end, the Minister of Finance, the Honourable Ralph Goodale, has been conducting pre-budget consultations for 2004. We have many issues that are priorities for Canadians: health care, education, the needs of an aging population, building an innovative economy and many other issues. Establishing the importance of these issues will require on-going engagement with people from coast to coast to coast.

Education is a priority for Canadians and we are providing a new grant program to provide savings for post-secondary education. We will reorganize the student grant and loan program to help students better cope with student debt and to help low-income students with a first-year education grant.

Another priority identified by the government is our nation’s cities, which will require more of our attention as they contend with new demands on their budgets and infrastructures. In the Speech from the Throne, the government committed to instituting a new policy for our cities whereby they will no longer pay GST. This will amount to a rebate for cities of \$7 billion over 10 years. We will continue to work with our municipalities to ensure that they are able to provide better housing, transit and roads and to improve the overall quality of life for their residents.

I would like to quote the Prime Minister speaking to one of our most important commitments. He said:

The Speech from the Throne sets out an ambitious agenda on air, water and climate change. It reaffirms our intention to meet the Kyoto challenge — and it makes environmental technologies an important part of both our economic and social agenda. We must be ambitious if we are to leave the planet in better shape for future generations.

The initiative to clean up the Sydney tar ponds prominently illustrates how serious this government is about protecting our environment and the urban environments in which most of us live. Due to the preponderance of Canadians living in urban centres, our cities are important to Canadians but they also identify strongly with the provinces in which they live.

It is with some pride that I speak of my own home province, its energy, beauty and diversity. Since British Columbia joined Confederation in 1871, bringing to Canada one of the most scenic and physically beautiful areas of Canada, British Columbians from every corner of the globe have worked to create one of the most hospitable communities to be found anywhere. We inherited vast forests and its development has founded the industry that is sustained today. Our mines have built such communities as Kimberley and Trail and our fishing industries have built such communities as Prince Rupert and Campbell River. Today our universities are incubators of new technologies and value-added employment.

Last week *The Economist's* Intelligence Unit, their business branch, released the result of their worldwide 2003 survey of cities, giving Vancouver, my home, the top rating for the best city in which to live in the entire world. It also gave the same rating to Melbourne, Australia, and Vienna, Austria. Montreal rated sixth, Toronto thirteenth and Calgary sixteenth — all very high. Factors taken into account were scenic beauty, environment, transportation, health services, personal safety and cultural activity.

While such recognition for Canada and Canadian cities is welcome, we know full well that we have major problems in infrastructure, crime protection, health care, education and social services to vulnerable citizens, to name just a few. A pat on the back by *The Economist* should be seen as further incentive to address our essential domestic problems and make Canada an even more socially just society.

As the Speech from the Throne acknowledges, Canada and British Columbia have secured the 2010 Winter Olympic Games for Vancouver-Whistler. It is a challenge to meet very high standards and an opportunity to place both Canada and British Columbia very high indeed in world recognition.

My province still faces many challenges. As honourable senators may know, British Columbia has moved over the past few years from a contributor to a recipient of equalization payments. This has been a difficult adjustment for the people of British Columbia. In the Speech from the Throne given in the British Columbia legislature earlier this week, and in the budget brought down this week as well, the provincial government has pledged itself to balance its revenues and expenditures in fiscal 2004-05. The Government of Canada is also committed to ensuring the stability and growth of British Columbia and many recent announcements of funding by the federal government have been made. The federal government has been in intense discussions on the subject of fisheries on the West Coast and has taken legal action to help resolve the softwood lumber dispute.

[Senator Austin]

Many new jobs will be created because of efforts by the federal government to bring the 2010 Winter Olympic Games to Vancouver. In addition, Vancouver is expanding its convention centre and the region is in the initial stages of constructing a state-of-the-art mass transit system, the Richmond-Airport-Vancouver Rapid Transit Line. All three projects have substantial funding committed by the federal government.

One of the interesting and promising projects currently under way is the cruise ship port-of-call in Campbell River. Funding is being provided to the Campbell River Indian Band and its partners. An estimated 150 jobs will be created and \$8.5 million will be generated annually from the project. This project is important despite the other cruise ship ports in the province because it will be able to offer cultural and outdoor tourist excursions that are not as available in the larger urban ports of Vancouver or Victoria.

Honourable senators may not be aware that the federal government now has under consideration the establishment of a national centre for disease control. Canada has been victimized by SARS, although gratefully no one died from that disease in British Columbia. Recently, we have been concerned with avian flu and its appearance in Asia.

Canada's only centre for disease control has been operating in Vancouver since 1996. It has done superb work on SARS, and was first to identify its genomic structure.

• (1600)

The establishment of such a centre was recommended by the November 2003 Senate report of the Standing Senate Committee on Social Affairs, Science and Technology. I am committed to working for the establishment of the centre in Vancouver, based on the existing team and its expertise.

Our government will continue to make Aboriginal issues a priority and will renew emphasis on focussing federal efforts in this area. The future of Aboriginal Canadians depends on the efforts that we make today. As many of you know, the population of Aboriginal youth is growing at a rapid rate. We cannot afford to miss the opportunity that this new population will present to us in terms of their potential. There are many success stories in Aboriginal communities as they themselves address social and economic issues. If these experiences are disseminated across the country, we will be able to greatly improve the futures of our Aboriginal children.

As honourable senators are aware, there is a new Cabinet Committee on Aboriginal Affairs that is chaired by the Prime Minister. In addition, a new Aboriginal Secretariat was created in the Privy Council Office. These developments illustrate the importance of Aboriginal affairs to our Prime Minister, and to my other cabinet colleagues, as we address ways to improve the relative standing of Aboriginal communities across our country and the prospects of Aboriginal businesses.

As honourable senators know, I have long had a special interest in Aboriginal affairs, and I feel very privileged to have been the sponsor for Bill C-9, the Nisga'a Final Agreement Act, five years ago here in the Senate. The federal government is actively involved in talks with other First Nations to draw up self-government agreements. We will undoubtedly see, in the near future, legislation affecting Canada's Aboriginals and First Nations. I hope that senators will continue to make contributions on this issue — contributions which have proven so valuable to past governments in guiding these issues.

I am confident, based on my experience with the Nisga'a people, that the Government of Canada, our First Nations and Aboriginal society will be successful in the future in creating better communities in which to live, and improving the lines of communication among all parties. The federal government is committed to reaching out to our First Nations and Aboriginals, and to forging new bonds so that their children will be able to more fully participate in the fabric of our country.

As a Minister representing British Columbia, I am particularly looking forward to building on established relationships we have with the West, and with my home province in particular. I would like to highlight a comment made by the Prime Minister at a town hall meeting last May in Vancouver — a comment that he repeated two weeks ago in Ottawa — on the importance of the western provinces to our nation.

In answer to a question on that topic, Prime Minister Martin replied:

When I step down as Prime Minister, when my mandate or my term has finished, if western alienation is then what it is now, then I will not consider myself to have succeeded as Prime Minister. That's how strongly I feel about this issue.

I believe that parliamentarians who represent Canadians residing in the western provinces — whether they sit on government or opposition benches — will be encouraged, as I am, by the significant store that this Prime Minister places in the voices that comprise Western Canada.

When we expand our purview of Canadian identity beyond Western Canada, we can see that Canada occupies a strategically advantageous neighbourhood: south of us is the United States of America, the strongest power in the world; north lies Russia, the country with the largest land mass and huge reserves of untapped resources, which also possesses the potential for a huge emerging economy; further south is Mexico, a highly populated country with whom we have a free trade agreement. Canada believes that there are immense benefits to be had from trade liberalization, and we have signed similar agreements with Chile and Costa Rica. In addition, we are in exploratory talks with five more South American countries.

Canada is an important member of the Organization of American States, the world's oldest regional organization. We have also recently served as chair of the Summit of the Americas for a successful three-year term. The Prime Minister recently

participated in the Special Summit of the Americas held in Monterrey, Mexico, where he was able to discuss issues important to Canada with the leaders of other countries in the western hemisphere.

To the east, Canada looks to its traditionally important ties to Europe, where European nationals left their countries to build our own new one. It is a region that holds a unique place in our history as a country; but I have too much respect for the innumerable ties we have to that continent to be able to do it justice now.

Across the Pacific are the countries of the Asia-Pacific region. At this period in our history, Canada is perfectly positioned to act as a gateway to North America for the Asia-Pacific countries. For some time now, the world's fastest growing economies have been in Asia. The government recognizes this, and will facilitate and build on what we have done in the past; but businesses must also take advantage of the opportunity presented to them by these thriving economies at this moment in history.

Among Asia-Pacific countries, Japan stands apart as a country with a great deal of might in the international arena. It holds huge foreign exchange reserves, possesses technological capacity beyond our current capabilities and has established trade networks beyond what we have been able to develop.

The Prime Minister mentioned, among other countries, China as another partner to whom we should look to secure our own place in the future. Two years ago, China was welcomed into the World Trade Organization. Despite the fact that many of our largest companies, as well as many smaller ones, now do business in China, Canada has yet to sufficiently capitalize on the partnerships it shares with China.

Moreover, Canada is in the fortunate position of having access to untapped reserves of moral capital in the Chinese people, based on our long mutual historical involvement: from wheat trade, from Dr. Bethune's famous humanitarian work, and many political exchanges. The Right Honourable Pierre Elliott Trudeau established ties with China, and our most recent prime minister, the Right Honourable Jean Chrétien, visited China six times in addition to acting as host to Chinese delegations five times.

The Honourable Lloyd Axworthy, former Minister of Foreign Affairs under Prime Minister Chrétien, writes in his recent book that:

The Prime Minister took a special interest in establishing good ties with the Chinese regime, for he saw China as a major opportunity to advance our trade interests... It did... provide the template for a policy of engagement on human rights that extended to many countries, including Cuba and Indonesia.

Chinese Premier Wen Jiabao, on a recent visit to Canada, gave a special message to the Right Honourable Jean Chrétien on the last day that he was Prime Minister. It was calligraphy, written by Premier Jiabao, with the message "Canada-China friendship will endure forever."

Canadian businesses must be attentive to these overtures and become more focused on business opportunities in the Far East, and particularly in China, because it is a country that very much needs our help and expertise. Last year, Canadian imports from China were at \$16 billion while our exports were only at \$3.6 billion. This disparity presents a real opportunity for Canadians, yet Canada has not been competitive in maintaining growth in investments and exports to China.

China is a country that is energy scarce and needs not only our resources but also our pulp and machinery industry, our scientific expertise, our educated population, and our proficiency in imparting ways to other nations on how to educate their own populations. Over the years, Canada has welcomed tens of thousands of students from China, evidence that they hold our educational institutions in high esteem. If Canada can seize the opportunities presented to it in China, it will prove to the benefit of both the Chinese and the Canadian people. This government will continue to foster relations with China, as previous governments have, and we look forward to even more growth in social and economic trade.

Canada must also work more closely with member countries of the Association of Southeast Asian Nations and India. With a population of over half a billion people, not including India or China, we cannot afford to overlook the importance of such a significant emerging region. The ASEAN+3 Forum — which includes China, Japan and Korea — is an association even more critical to the future prosperity of our own country.

In a 1997 meeting in Kuala Lumpur, the member nations of ASEAN articulated their goals for their own region — goals that are coincident with our ambitions for our nation.

Nowhere is the need for diversification more important than in my home province of British Columbia, but every region of Canada has benefited and will continue to benefit from building trade relations with these great powers. This year, we celebrate the seventy-fifth anniversary of Canada-Japan diplomatic relations. Japan is our second-largest trading partner and is currently in the midst of reassessing its approach to trade policy.

• (1610)

China is our third-largest trading partner, and well over 400 companies from Canada have a permanent presence in that country. These factors bode well for Canada at a time when China, together with the entire region, is rapidly emerging as an economic engine to challenge more traditional global economies.

I am now coming to a conclusion — which I know creates great disappointment among my colleagues.

Some Hon. Senators: More, more!

Senator Austin: That is good. Okay.

Canada is a fortunate country —

[Senator Austin]

Senator St. Germain: Read it again.

Senator Austin: Our economy allows us to participate at some of the most influential meetings in the world. We are a member of the G7, G8, G20, the World Trade Organization, the International Monetary Fund, and for the past eight years the Secretary-General to the Organization for Economic Development has been our own Donald Johnston.

[Translation]

The people of this country are also in an enviable geopolitical position. We do not seek political controversy but, rather, we seek to build partnerships with other nations.

[English]

We believe in quiet diplomacy, and we have reached many humanitarian goals under circumstances where utilizing other means would have exacerbated hostile conditions. Nevertheless, we have not neglected our duties when allies or the values we uphold have been threatened. We have fought with distinction in world wars, and today we have troops around the world who are protecting peace and defending nascent democratic governments.

Canada has always been a country that is traditionally strong on multilateralism and building alliances to promote Canadian values abroad. We have built a multicultural society, which gives us inherent ties to many other countries and which has created a tolerant nation that supports and defends the rights of all its people.

The significant role we played in the past on the world stage should benefit us as we look ahead and assess where our country can play a role in the future. Because we are a nation of immigrants, we have a wealth of resources on which we can draw. We can use our multiculturalism to establish new ties with other countries, to re-establish old ties and, as a springboard, to new opportunities as yet unforeseen. We must remain outward looking and combat policies of isolationism and insularity wherever we see them, particularly at home.

The Senate must play a role in advancing all of these interests, honourable senators, for these are the interests of the Canadian people.

Hon. Gerry St. Germain: Would the honourable senator entertain a question?

Senator Austin: I would be delighted to take a question.

Senator St. Germain: The honourable senator made reference to the fact that Senator Chalifoux was the first Metis senator appointed to this place.

An Hon. Senator: Female.

Senator St. Germain: The government leader said “senator,” I believe; I do not think he said “female.” For the record, Prime Minister Brian Mulroney named the first Metis senator to this place, being me; and, second, Prime Minister Brian Mulroney named the first Lieutenant Governor to the Province of Manitoba who was a Metis. That should be on the record.

The honourable senator did not make reference in his speech to the development of offshore resources in British Columbia, which is key. There is a report by three eminent professors on the safe ability to develop offshore resources. We would be remiss, being a have-not province at the moment, if we did not look into this. I wonder if this was left out intentionally.

Senator Austin: Honourable senators, I am grateful to the honourable senator for correcting me. I am delighted that he is the first Metis in the chamber, and I will correct the record to say “female,” and I will, with your permission, also add to Hansard your name as the first Metis senator.

Senator Kinsella: The first male.

Senator Austin: On the question of the recent report of the royal society, I wanted to leave that to allow the honourable senator to question me further during Question Period. This is not the time for extended questions. I know he will come back to it.

Hon. Noël A. Kinsella (Deputy Leader of the Opposition): Honourable senators, I was delighted to hear the government leader draw our attention to the practice of pre-study. I am wondering, given the work that this chamber has already done in the area of whistle-blowing legislation, and given what appears to be the interest of the current president of the Treasury Board to provide whistle-blowing protection to public servants, if the minister would underscore this mechanism. If the government came forward with a whistle-blowing bill right away, given our experience, that would be excellent, because everyone is interested in having that expedited. We need that legislation. We could do a pre-study on whistle-blowing legislation so that it could be in force in three weeks’ time.

Senator Austin: Honourable senators, I like the suggestion; I shall discuss it with my colleagues. I will then be in a position to respond in a more specific way. I hope the honourable senator will be able to encourage his colleagues to be agreeable to moving his suggestion forward.

On motion of Senator Kinsella, debate adjourned.

OFFICIAL LANGUAGES ACT

BILL TO AMEND—SECOND READING—
DEBATE CONTINUED

On the Order:

Resuming debate on the motion of the Honourable Senator Gauthier, seconded by the Honourable Senator Gill, for the second reading of Bill S-4, to amend the Official Languages Act (promotion of English and French).—(*Honourable Senator Stratton*).

Hon. Maria Chaput: Honourable senators, I rise today to endorse the remarks of the Honourable Senator Gauthier and the Honourable Senator Poulin on Bill S-4, which aims to clarify the scope of section 41 of Part VII of the Official Languages Act in order to make it enforceable.

[*Translation*]

This is the third bill on this subject that Senator Gauthier has presented in the Senate during the last three parliamentary sessions.

My remarks will be brief and will focus on how important it is that we pass legislation making clear the imperative nature of the commitment set out in Part VII of the Act.

In general, public service managers misunderstand sections 41 and 42 of the Official Languages Act. Many of them see in these sections only the minimum requirements with respect to the delivery of services in both official languages. Usually, these managers believe that primary responsibility for the promotion of this linguistic duality lies with the Department of Canadian Heritage, not with them. Bill S-4 states not only the nature of this commitment but also the duties of federal institutions in implementing it.

The federal government’s weakness is not, perhaps, in its resolve, but in the application of that resolve, which necessitates recognizing the duties of federal departments and practices that are mandatory in enforcing Part VII of the Official Languages Act.

As you know, the wheels of government turn slowly at times, because of a failure to understand what Canadians want done. That is why official language minority communities have long been demanding that the government take action, make a firm commitment and foster their development.

That is the message I want to send today, in support of the bill presented by the Honourable Senator Gauthier.

• (1620)

[*English*]

I am confident that the Senate will respect its constitutional mandate to protect, defend and promote in a timely fashion the rights of all minorities and to represent the regions.

On motion of Senator Chaput, for Senator Stratton, debate adjourned.

SPAM CONTROL BILL

SECOND READING—DEBATE ADJOURNED

On the Order:

Resuming debate on the motion of the Honourable Senator Oliver, seconded by the Honourable Senator Gustafson, for the second reading of Bill S-2, to prevent unsolicited messages on the Internet.—(*Honourable Senator Rompkey, P.C.*).

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