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OFFICIAL REPORT  
(HANSARD)

**Tuesday, June 27, 2006**



THE HONOURABLE NOËL A. KINSELLA  
SPEAKER

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## THE SENATE

Tuesday, June 27, 2006

The Senate met at 2 p.m., Hon. Wilfred P. Moore (The Hon. the Acting Speaker) in the Chair.

Prayers.

### SENATORS' STATEMENTS

#### VISIT TO UNITED STATES SENATE

**Hon. Noël A. Kinsella:** Honourable senators, yesterday at this hour, a high honour was accorded to the Senate of Canada on Capital Hill in Washington, D.C. Together with the Chair of the Standing Senate Committee on Legal and Constitutional Affairs, the Honourable Donald Oliver; and the Chair of the Standing Senate Committee on National Security and Defence, the Honourable Colin Kenny; we were invited on to the floor of the United States Senate and given a gracious introduction by the President *pro tempore*, Senator Ted Stevens, whilst the Senate was in session.

In coming days a report on this inter-parliamentary delegation led by the Speaker will be tabled.

• (1405)

At this time of the year, as Canadians and Americans prepare to mark our respective national days, I wish to underscore the special bond that exists between our two countries. It was because of this special relationship, the decision was made that the first inter-Parliamentary delegation, led by the present Speaker of the Senate of Canada, would be to the Congress of the United States.

I would like to take this opportunity to underscore the distinguished representation, assistance and leadership which Ambassador David Wilkins and Ambassador Michael Wilson are giving to the enrichment of Canada-United States friendship.

As we approach the eve of the respective national days of July 1 and July 4, we might well choose this period to reflect on our generation's stewardship and husbandry of the many blessings that have been bestowed on our two great countries.

Honourable senators, may God continue to bless the people of the United States and the people of Canada.

#### PROLIFERATION AND MISUSE OF SMALL ARMS AND LIGHT WEAPONS

**Hon. Roméo Antonius Dallaire:** Honourable senators, every day millions of men, women and children live in fear of armed violence. Every minute, one of them is killed. From the drug gangs of Rio de Janeiro and Los Angeles, to the civil wars and armed rebellions in Uganda and Nepal, conventional weapons are used to do the killing. Small arms and light weapons, in particular, have been described by the UN Secretary-General as "weapons of mass destruction."

The proliferation and misuse of arms take a massive human toll in lost lives. According to a report released by the International Action Network on Small Arms and Light Weapons, small arms are the cause of 60 to 90 per cent of direct conflict deaths.

There are 300,000 child soldiers involved in conflicts due to the availability of these small arms. Women and girls are raped at gunpoint during armed conflict. For example, 15,700 women and girls are estimated to have been raped in Rwanda and nearly 25,000 in Croatia and Bosnia.

There are 640 million guns in the world and eight million new ones are produced each year. Of these, the majority is in the hands of civilians — in fact, 59 per cent; and 10 to 14 billion rounds of ammunition are produced annually, sufficient to shoot every person in the world at least twice.

The report by the International Action Network on Small Arms and Light Weapons, called *Bringing the Global Gun Crisis under Control*, reveals that the source of the illicit market is the legal trade. The vast majority of these small arms are manufactured, traded and initially owned legally. Many later fall into illegal ownership. Small arms are easy to use, transport and carry across borders and last forever. They are good for at least 100 years; they just do not wear out.

The global arms trade that puts these weapons in the hands of killers and violators is a multi-billion dollar business that is totally out of control. Stricter universal controls on the international movement of weapons are needed to address the rising human and social cost of arms proliferation and misuse.

I invite honourable senators to see the movie *Lord of War*, with Nicolas Cage, which is a solid portrayal of how legal arms trade becomes illegal.

What is Canada's role? An article in *Le Devoir* on April 13, 2006, indicated that Canada is considered a major player in the area of small arms exports. The article quotes Mr. Epps from Project Ploughshares:

Canada has recently exported to countries where security forces are accused of grave human rights violations.

The UN review conference of the Programme of Action on Small Arms and Light Weapons is an opportunity for Canada to show leadership. The UN conference, which began yesterday, is a two-week conference. Canada should take a leading role in moving the global principles of international arms transfer; and for each state's authorization, small arms exports should be agreed upon and added to the UN Programme of Action on Small Arms and Light Weapons.

[Translation]

## ROUTINE PROCEEDINGS

### THE SENATE

#### NOTICE OF MOTION TO EXTEND WEDNESDAY SITTING

**Hon. Gerald J. Comeau (Deputy Leader of the Government):** Honourable senators, I give notice that, at next sitting of the Senate, I will move:

That, notwithstanding the Order of by the Senate adopted on April 6, 2006, when the Senate sits on Wednesday, June 28, 2006, it continue its proceedings beyond 4 p.m. and follow the normal adjournment procedure according to rule 6(1).

### PARLIAMENTARY EMPLOYMENT AND STAFF RELATIONS ACT

#### BILL TO AMEND—FIRST READING

**Hon. Serge Joyal** presented Bill S-219, to amend the Parliamentary Employment and Staff Relations Act.

Bill read first time.

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

On motion of Senator Joyal, bill placed on the Orders of the Day for second reading two days hence.

• (1410)

[English]

### SCOUTS CANADA

#### PRIVATE BILL TO AMEND ACT OF INCORPORATION— FIRST READING

**Hon. Consiglio Di Nino** presented Bill S-1001, respecting Scouts Canada.

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

On motion of Senator Di Nino, bill placed on the Orders of the Day for second reading two days hence.

### CANADA-UNITED STATES INTER-PARLIAMENTARY GROUP

#### ANNUAL MEETING, MAY 5-8, 2006—REPORT TABLED

**Hon. Jeremiah S. Grafstein:** Honourable senators, pursuant to rule 23(6) of the *Rules of the Senate*, I have the honour to table in the Senate, in both official languages, the report of the Canadian Parliamentary Delegation of the Canada-U.S. Inter-Parliamentary Group, forty-seventh annual meeting held in Charleston, South Carolina, May 5-8, 2006.

#### PRIVY COUNCIL POLICY RESEARCH INITIATIVE ON FRESHWATER, MAY 8-10, 2006—REPORT TABLED

**Hon. Jeremiah S. Grafstein:** Honourable senators, pursuant to rule 23(6) of the *Rules of the Senate*, I have the honour to table, in both official languages, the report of my participation as Co-chair of the Canada-U.S. Inter-Parliamentary Group, *Freshwater for the Future: Policies for Sustainable Water Management in Canada*, policy research initiative of the Privy Council Office, Gatineau, Quebec, May 8-10, 2006.

### DALAI LAMA

#### NOTICE OF MOTION TO BESTOW HONORARY CITIZENSHIP

**Hon. Consiglio Di Nino:** Honourable senators, with leave of the Senate and notwithstanding rule 58(1)(i) of the *Rules of the Senate*, I give notice that later this day I will move:

That,

Whereas Tenzin Gyatso, the fourteenth Dalai Lama of Tibet, has been recognized with a Nobel Peace Prize, is one of the world's leading champions of peace and non-violence;

Whereas His Holiness will visit Canada from September 9-11, 2006; and

Whereas the Senate of Canada has previously acknowledged historic visits to Canada by other leading champions of human dignity, such as Raoul Wallenberg and Nelson Mandela, by adopting motions granting them honorary "Canadian citizenship";

Therefore the Senate of Canada supports the resolution of the other place to bestow the title, Honorary Canadian Citizen, on his Holiness, the Dalai Lama of Tibet.

• (1415)

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

**Hon. Senators:** Agreed.

On motion of Senator Di Nino, notice of motion placed on the Orders of the Day for consideration later this day.

[Translation]

## QUESTION PERIOD

### FINANCE

#### FISCAL IMBALANCE WITH QUEBEC

**Hon. Dennis Dawson:** Honourable senators, my question is for the Leader of the Government in the Senate. Last week, the cabinet held a symbolic meeting within the walls of the Citadel in Quebec City. I would like to thank you for promoting the most beautiful city in Canada. I am sure that most of the minister's

colleagues went to Quebec City to celebrate Saint Jean-Baptiste Day for the first time. Nevertheless, I congratulate them and thank them for celebrating the event.

[English]

I am told that the Leader of the Government decided to visit some of her favourite shrines while she was in Quebec City. I have information on what they are, but I will not go too far in that regard. I want to thank her for promoting the city.

[Translation]

Still, cutting \$807 million from daycare programs in Quebec and over \$328 million from funding for the Kyoto Protocol — you cannot be serious.

Will these cuts of over a billion dollars help to relieve the fiscal imbalance with Quebec? With these billion-dollar cuts, is this where the money will come from to correct the fiscal imbalance with Quebec?

[English]

**Hon. Marjory LeBreton (Leader of the Government):** I thank the honourable senator for his question. I saw Senator Dawson on the aircraft as we were flying in Thursday evening. It was a great pleasure to be in Quebec City, and it was certainly a full, long day of cabinet meetings.

The new government has specific plans for the environment and a new child care policy. As I have said many times in this place, we were not elected to implement the policies of the previous government. We are working over the summer on the environmental policies, as well as the child care policies, the first part of which will be implemented July 1. The next part of the plan, namely working with industry to develop 25,000 child care spaces, is well under way. We are not planning the environment or child care initiatives, in any way, shape or form, in relation to the fiscal balance of the provinces.

## THE ENVIRONMENT

### KYOTO PROTOCOL ON GREENHOUSE GAS EMISSIONS—QUEBEC'S STANCE

**Hon. Dennis Dawson:** As I said before, honourable senators, I was glad to see the cabinet meet in Quebec City. I flew down with half a dozen ministers. I find it ironic that we know more about a cabinet meeting held in Quebec City, behind the walls of the Citadel, than cabinet meetings held here on the second floor.

Considering the nature of the declarations made by Mr. Harper's ministers in the scrum after the cabinet meeting, I understand why he has a tendency of trying to hide ministers following cabinet meetings.

I would like the honourable minister to tell me if there was a secret meeting with Mr. Charest and whether Prime Minister Harper raised the issue of Kyoto and asked that Quebec not publicly blame Ottawa for cancelling Canada's support for the agreement.

**Hon. Marjory LeBreton (Leader of the Government):** As a matter of fact, as we flew down on that Dash 8 aircraft, there were eight cabinet ministers. Some of the media on the flight mentioned

that this was different from the past, when cabinet ministers would have been flying on Challenger jets.

We had a day-long meeting. I am not sure what Senator Dawson is referring to in terms of what cabinet ministers said following the meeting. I know that I did not say anything. However, several cabinet ministers went out and participated in Saint Jean-Baptiste events that evening and the next day.

The fact that we were meeting in Quebec City was well known. When we meet here in Ottawa, we do not keep the meetings a secret; we just do not issue media releases. Oftentimes meetings are just that: meetings. There is no point in creating expectations when there is really nothing to announce afterwards and no news stories are coming out of it.

• (1420)

## PUBLIC WORKS AND GOVERNMENT SERVICES

### SUPPORT FOR LE MASSIF DE PETITE-RIVIÈRE-SAINT-FRANÇOIS DEVELOPMENT

**Hon. Dennis Dawson:** I am happy to know that nothing was discussed, if it was just a meeting. Certainly, following that cabinet meeting nothing was announced neither for Quebec nor for the rest of the country.

[Translation]

It was strange to hear the Prime Minister say that he drove by the National Assembly in the national capital and then, suddenly, the concept of nation escapes him. But that is another matter, honourable senators.

Honourable senators, my supplementary question is for the Minister of Public Works and Government Services. Yesterday, Michel Després, Quebec's transport minister and minister responsible for the national capital region, reiterated his support and the support of his government for the Massif de Petite-Rivière-Saint-François project, which has the support of the community and significant financial backing from private partners.

Is the minister prepared to approach his colleague, Minister Lawrence Cannon, who is responsible for Quebec and is also the transport minister, to ensure his support for the transportation portion of this project?

Would it be possible to intervene with the Minister of the Environment or any other minister to obtain the remaining \$10 million required to go ahead with this \$230 million project that is vital to the economic recovery of this region?

[English]

**Hon. Marjory LeBreton (Leader of the Government):** Just to clarify, the meeting in Quebec City was a wrap-up of the issues that we have just completed and the start of the planning for the fall agenda. There was not a lot to announce, as the honourable senator rightly pointed out.

[ Senator Dawson ]

With regard to the question to the Minister of Public Works, I will, on his behalf, take that question as notice.

## NATIONAL DEFENCE

### LONG-RANGE AIRCRAFT PROCUREMENT— BUSINESS ANALYSIS

**Hon. Pierrette Ringuette:** My question is for the Leader of the Government in the Senate. Given that your government will buy, without tender, directly from the U.S. government four C-17 cargo airlift planes, I hope that a detailed business analysis has been presented to cabinet before spending more than \$3 billion of Canadian taxpayers' money. Given that we already have an agreement with 15 other NATO partners to share in a pool of large, long-distance planes on a per-hour need basis, can the Leader of the Government confirm to me that she has received, before making this expensive decision, the proper business financial analysis?

**Hon. Marjory LeBreton (Leader of the Government):** Honourable senators, in response to the honourable senator's question, there have been two announcements, one yesterday in Halifax on the ships and another today on the trucks. They were all costed out, and the benefits to Canada have been made known.

With regard to the honourable senator's question about the aircraft, I will not make any specific comment until there is an announcement.

**Senator Ringuette:** Therefore, the answer to my question is that, yes, as a cabinet minister, the leader received the proper business analysis to make this decision. Is the answer yes or no?

**Senator LeBreton:** I was speaking specifically about the details of the ships and the trucks. As the honourable senator and those senators who have been members of cabinet know, I would not in any way, shape or form divulge discussions that are held in cabinet.

**Senator Ringuette:** I certainly respect the confidentiality of cabinet meetings. However, on February 21, my office sent a request for information to DND as follows. I wanted to know DND airlifting equipment for the past 10 years, both leased and purchased, its purpose, its cost by lifts and trips and its contractual suppliers, including the amount of the contracts as well.

That information is definitely the minimum required to prepare a proper business case on this issue.

That was February 21 of this year.

• (1425)

On March 7, DND replied that since the information was not readily available, we had to make the request via the Access to Information Act, which we did.

On April 28, DND advised that it was a big task to complete the research; that it would have cost me, my office, \$10,416; and that I would have to make a deposit of \$5,205 before they would

start gathering the information. As of that date, the information still had not been gathered for proper analysis by DND. I am not a military expert, but I know how to review a business case.

Will the Leader of the Government table in the Senate the business case related to the decision to purchase, without tender, the four C-17 aircraft, thereby breaching accountability and transparency to Parliament, without my having to pay over \$10,000?

**Senator LeBreton:** I will not comment on what was referenced in terms of cost. I would simply invite my honourable friend, like all honourable senators have the right to do, to put a question on the Order Paper. Perhaps we could try that route.

## HEALTH

### INTERNATIONAL HIV/AIDS CONFERENCE— ATTENDANCE OF PRIME MINISTER

**Hon. Daniel Hays (Leader of the Opposition):** Honourable senators, I have a question for the Leader of the Government in the Senate. It arises as a result of the XVI International AIDS Conference that is to be held this summer in Toronto.

Earlier this month, Kofi Annan spoke on this subject at the United Nations. It has been 25 years since AIDS was first identified. He observed that some 25 million people have died since the actual virus was diagnosed, that 8,500 people die each day as a result of the disease and that some 13,500 become infected.

The Canadian statistic, while it compares well, is alarming. We have some 60,000 people who are infected, 30 per cent of whom do not know they are infected.

By attending this conference, I think the Prime Minister could provide a tremendous lift to its success. Is the Prime Minister in the course of reconsidering his decision not to attend?

**Hon. Marjory LeBreton (Leader of the Government):** Honourable senators, it is my information that the Prime Minister is unable to attend. However, our Minister of Health, Tony Clement; and our Minister of International Cooperation, Josée Verner; will both be there.

It is an important conference, and the government takes it very seriously. The Prime Minister may not be able to attend, but he is not the first Prime Minister to be in that situation. I remember that Prime Minister Chrétien also was unable to attend one of the conferences, and I think the government of the day acquitted itself well with respect to the seriousness of HIV/AIDS.

**Senator Hays:** I read the same material, but mine came from the media and not from a briefing book that Prime Minister Chrétien had not attended. Apparently, Nelson Mandela was not in attendance as a result.

• (1430)

I believe that situation only serves to highlight that there are consequences, when Canada hosts such an important conference about a pandemic that has not been matched, including the

14th century occurrence of the Black Death. We will all know why the Prime Minister did not attend, and it will be observed because of the importance of this issue.

I ask the Leader of the Government to take a message back to the government that this matter is something of the utmost importance, particularly because of the context in which it is being reported. That is, this issue is not being addressed by the government as a health issue but as a social issue, which must be put to rest. The best way to do it will be for the Prime Minister to change his mind and attend this important conference.

Please carry that message back to the government.

**Senator LeBreton:** First, it is a health issue. The only person who made that claim was the interim Leader of the Opposition in the other place. No one in their right mind would say this is anything other than a health issue.

I do believe that by having two ministers as well as officials from Canada at that conference, Canada's position will be well represented. Canada, in the past and at the present time, is certainly carrying its weight in terms of this serious health issue in the world.

**Senator Hays:** I have a final comment, and I am sure the Leader of the Government intended to cover it, but will she take this message back from the Senate: Some of us think that it is important the Prime Minister attend, unless he has an irreconcilable conflict.

**Senator LeBreton:** Yes, Senator Hays, not only will I take the message back but he will undoubtedly get the message because the Prime Minister, to my great surprise, reads the *Debates of the Senate*. When I heard that, I responded that I now have to be really careful about what I say.

In any event, he reads the *Debates of the Senate* and therefore he will undoubtedly get this message almost before I pass it to him.

## THE ENVIRONMENT

### CUTTING OF ENERGUIDE PROGRAM—COMMENTS BY MINISTER OF NATURAL RESOURCES

**Hon. Tommy Banks:** My question is addressed to the Leader of the Government. The EnerGuide program, which was introduced by the previous government, was an effective means for individual Canadians, homeowners in particular, to reduce greenhouse gas emissions and save on their energy costs. Thousands of Canadians have made use of that program, its assessment capacities and the financial assistance it provided.

The present government has cancelled the program, along with several other environmental measures and programs that were in place, saying that the EnerGuide program did not fulfil its promise. In *Le Devoir* of June 9, 2006, reports were given that in an appearance before the House of Commons Standing Committee on Natural Resources, the Minister of Natural Resources, the Honourable Gary Lunn, was asked to give the basis on which the government had determined that the program

was not working. Mr. Lunn replied, according to the translation, which I have, that he was not able, because of cabinet confidentiality, to provide the reasons for the program's cancellation. "We are under oath," he said, "and I can't reveal any details about this."

Would the Leader of the Government confirm here that it is the government's policy that the reasons and rationale behind these decisions about environmental programs are matters which, for reasons of cabinet confidentiality, will not be revealed to Parliament or to Canadians?

**Hon. Marjory LeBreton (Leader of the Government):** Honourable senators, as I have stated in answer to a question about EnerGuide in this place before, slightly over 50 per cent of the program costs were in the administration of the program. All the files and all the programs that have to do with the environment, whether they are on greenhouse gases, clean air or clean water are under review and will be considered in the context of the environmental plan that Minister Rona Ambrose will announce early in the fall.

• (1435)

**Senator Banks:** Honourable senators, I appreciate that and I remember what the honourable leader said about the program. However, my question is not about the program itself. My question is whether it is the policy of the government that the reasons for which it either puts into place, or in this case cancels, programs are matters of cabinet confidentiality and, therefore, on the basis of that reason, which the minister gave in this case, cannot be revealed to Canadians.

**Senator LeBreton:** Senator Banks, I would have to confer with my colleague, Minister Lunn, to get the full context of his answer before I could make any kind of statement. When we release our new environmental plan, I am sure it will be obvious why some of the plans of the previous government were changed to bring in the new environmental plan of this government.

I will make inquiries of my colleague, Minister Lunn, to get the full context of his comments. I will try to clarify exactly to what he was referring when he said he could not reveal a cabinet confidence.

**Hon. Daniel Hays (Leader of the Opposition):** Honourable senators, I wish to ask a supplementary question of the Leader of the Government.

I note the minister's reference again to what, if I am not mistaken, is the only reason given for the cancellation of the EnerGuide program: some 50 per cent of the funds were used for administration. When this issue was dealt with before, it was in the context of the organization that is in part responsible for the inspections under the program. It was indicated at the time that 11 per cent was spent on administration costs. The balance, taking the figure up to 50 per cent, was for inspections. I assume, although I do not know for sure, that the inspections would relate to an important part of the program. Home inspections would include assessing a home before and after energy efficient improvements were made. The final assessment would confirm whether the improvements produced the EnerGuide program results. Can the honourable senator comment further?



Honourable senators, I have been watching for Delayed Answers to see whether or not the honourable leader would provide additional information as to why she used, and is still using, the figure of 50 per cent. Thus, I raise it again. If the figure is only 11 per cent and other monies are understandably spent for inspections that are needed for such a program, then can the Leader of the Government confirm that is the only reason the program has not been continued? Can the minister give us additional information on the difference between the 11 per cent and the 50 per cent?

**Senator LeBreton:** Honourable senators, by way of Senator Hays' question, I will certainly ask for more detail. I was reading some material on EnerGuide not long ago. There is a great deal of misinformation on the subject. Many people would get the assessment but could not afford, even with assistance, to spend thousands and thousands of dollars on windows, for example. Even though they received the initial assessment that their homes needed a major upgrade, most people did not pursue the assessment because of the personal cost. There seems to be a lot of inaccurate information concerning the EnerGuide program.

In the cancellation of this program, what the government was simply doing was taking all these programs and more or less having a look at them so that we could start our own environmental programs. If there was a lot of value in a program such as the EnerGuide program, I am certain it would be looked at favourably. I am sure that all the environment and energy issues that cross over will be well addressed when the government releases its environmental plans in the fall.

• (1440)

**Hon. Madeleine Plamondon:** Honourable senators, my question is about EnerGuide, which is a very good program that is respected throughout the country. I have been in the consumer protection business for 40 years and know that every consumer group respects the program. Having high administrative costs is not reason enough to scrap the program.

When a new program is created, much money is spent on publicity to make it known. Even if a new program is thought to be better, it will be a long time before consumers recognize it and adhere to it.

I am very disappointed that this program was abolished. We should not throw out the baby with the bath water. Some aspects of it should be reviewed, but the program should not be abolished. If programs are abolished and new ones started every time something goes wrong, Canada will go nowhere.

**Senator LeBreton:** Honourable senators, I understand that any work started under the EnerGuide program will be completed.

I would be happy to inform the Minister of the Environment and the Minister of Energy of Senator Plamondon's strong views in defence of the EnerGuide program. I am confident that programs that will assist homeowners will be looked upon very favourably when we announce our new policy in the fall.

**Senator Banks:** Honourable senators, would the Leader of the Government in the Senate ask the government to take into account that Germany has introduced a program based on the One-Tonne Challenge, which is a program also cancelled by the government?

**Senator LeBreton:** Honourable senators, I am not aware of what is being done in Germany. Of course, Canada's use of energy resources is completely different from that of Germany, including the cost of heating our homes.

I will take that question as notice.

[*Translation*]

## DELAYED ANSWERS TO ORAL QUESTIONS

**Hon. Gerald J. Comeau (Deputy Leader of the Government):** Honourable senators, I have the honour of presenting delayed answers to oral questions raised in the Senate on June 15, 2006 by Senator Hays, regarding the Canadian Wheat Board — the possibility of effecting dual marketing and regarding future funding.

### AGRICULTURE AND AGRI-FOOD

#### CANADIAN WHEAT BOARD—POSSIBILITY OF EFFECTING DUAL MARKETING

(*Response to question raised by Hon. Daniel Hays on June 15, 2006*)

The government of Canada is committed to allowing western Canadian wheat and barley farmers to choose whether to market their products through the Canadian Wheat Board (CWB). Our commitment that we made during the election is to "Give western farmers the freedom to make their own marketing and transportation decisions. Western grain farmers should be able to participate voluntarily in the Canadian Wheat Board." This government will keep its commitment to the farmers of Western Canada.

The government's approach on this issue will be evolutionary, and consideration will be given to all legislative and regulatory options to ensure that producers are given the best possible marketing opportunities.

The Government intends to consult producers on how it will proceed in providing them with the choice of how they market their wheat and barley. No decision has been made at this time as to whether that consultation will take the form of a plebiscite.

The CWB's current role in wheat and barley marketing is only one of the issues facing the Canadian grain industry. Given that various policies and legislation that affect the grain industry are currently under review, the federal government sees a unique opportunity to develop an integrated and coordinated approach to grain policy that will enable Canadian farmers to prosper and remain viable in the future.

## CANADIAN WHEAT BOARD—FUTURE FUNDING

*(Response to question raised by Hon. Daniel Hays on June 15, 2006)*

This government has not yet established a position on the Honourable Senator's question on whether capital will be provided to assist the CWB to re-structure to provide farmers who wish to market through the CWB with the option of continuing to do so.

There are a number of important factors to consider on this matter, including the implications for Canada's multilateral and bilateral trade commitments, and the equity of competitive advantages and disadvantages among all stakeholders in the Canadian grain industry.

[English]

## THE SENATE

## TRIBUTE TO DEPARTING PAGES

**The Hon. the Speaker:** Honourable senators, I wish to introduce two of our departing pages. Tatiana Sotindjo, who is a native of Ottawa and the current Deputy Chief Page, is honoured to have served in the Senate of Canada for the past two years.

[Translation]

She just completed her Bachelor of Health Sciences at the University of Ottawa. Working at the Senate of Canada has been a privilege and an unforgettable experience. Tatiana will remain in Ottawa this summer and hopes to pursue her studies in health sciences in the years to come.

[English]

After three years in the Senate Page Program, the Chief Page, Dustin Milligan, from the charming village of Tyne Valley, Prince Edward Island, is bidding farewell to the Senate of Canada. He is grateful for his experience and is humbled to have led such a wonderful team. He will be spending the summer on the Island before attending law school at McGill University in the fall.

## ORDERS OF THE DAY

## FEDERAL ACCOUNTABILITY BILL

## SECOND READING

On the Order:

Resuming debate on the motion of the Honourable Senator Oliver, seconded by the Honourable Senator Champagne, P.C., for the second reading of Bill C-2, providing for conflict of interest rules, restrictions on election financing and measures respecting administrative transparency, oversight and accountability.

[ Senator Comeau ]

**Hon. Joseph A. Day:** Honourable senators, I rise to join in the second reading debate on Bill C-2, which, in part, is stated to be an act providing for measures respecting administrative transparency, oversight and accountability. All of us share the goal of working to ensure the government works well and is accountable, transparent and open to Canadians.

It is a very good thing in our country when Canadians are involved in the democratic process, scrutinizing the actions of their government, getting involved in political parties and contributing to the development of public policy, whether at national party conventions, through letters to their members of Parliament and cabinet ministers appearing before parliamentary committees, or through dialogue with the public servants who draft the policies that will affect them.

As honourable senators will know, the government produced Bill C-2 very quickly. As we are all aware, this bill is a monumental undertaking. Honourable senators have had a chance to look at this bill of some 210 pages and 217 clauses. Prime Minister Harper is seeking to make significant changes that will resonate for many years to come. This bill was prepared in an extraordinarily short time frame. The legislative committee in the other place was told that the bill was drafted in only six weeks. It must be pointed out that a lot of work done under the previous government is reflected in this legislation, such as the work of the Treasury Board Secretariat, led by the Honourable Reg Alcock, with respect to cleaning up the rules that govern the operation of other government departments. Government procurement rules were also under review, led by Walt Lastewka, Parliamentary Secretary to the Minister of Public Works and Government Services.

Those initiatives are reflected in this bill, and many of us will find favour with a lot of the initiatives that have been taken. Nevertheless, six weeks is a very impressive accomplishment. The numerous amendments the government itself introduced in committee and at report stage would lead us to believe that the legislation may have been tabled prematurely, before all the checking had been done. Since hastily drafted legislation often results in bad legislation, our role as a chamber of sober reflection is perhaps even more important for this legislation.

Honourable senators, our job, our constitutional responsibility, is to do our best to make sure that the bill actually accomplishes what it sets out to do. Whether by chance or not, we are presented with a very extensive proposal at the same time as Bill S-4 proposes an eight-year term for Senate appointments. As a result, many of us have been reflecting a great deal on the role of the Senate, those times when we fulfilled our constitutional role best and those instances when perhaps we could have done better.

In reading various scholarly and other articles written on the subject, I have been struck that the examples most frequently cited to demonstrate the valuable contribution of this chamber have been instances when we refuse to accede to the request by the government of the day of whatever political stripe to just trust them and hurry to pass the particular piece of legislation.

Honourable senators, with Bill C-2, we may be embarking on another such episode, particularly when one examines what the governing members of the other place expect us to do with this legislation.

• (1450)

The Prime Minister, on June 22 of this year, in a CTV interview, talking about this bill, which is now in the Senate, stated, with respect to the Senate:

I think it should go through promptly.

There was no discussion of the important role that we have to play, no request for help in improving on this important piece of legislation, but rather a warning of intense criticism if we hold off on prompt passage.

The other place had its own reasons for the timetable it accepted with respect to this bill. I respect that. As a result, the legislative committee in the other place rushed into hearings and then proceeded to hear witnesses under marathon conditions.

Witnesses were given six minutes — many even less, only three minutes — to make their presentations. Committee members were severely constrained in terms of the time allotted to ask questions, notwithstanding that written submissions by the witnesses were often lengthy and raised a number of important issues.

I read one committee transcript when the chair cut off a witness one minute or so into her submission — literally in mid-sentence — as the committee was behind and needed to make up time to keep to their strict schedule. This witness was from a government department and that was the reason offered by the chair for suddenly abridging her time.

Honourable senators, this bill makes extensive changes that will have a significant impact on our government departments. These witnesses need to be heard on this important bill.

According to a newspaper report, the Public Service Alliance of Canada was initially going to decline an invitation to appear before the committee, because it so strongly disagreed with the strict time allotments provided for witnesses to express concerns about:

the massive bill, which will significantly affect the work of Canada's bureaucracy.

According to an article in the *Ottawa Citizen* on May 15, 2006, and I quote:

The union, which represents 130,000 public servants, argues the hearings, conducted under strict time limits, are “window-dressing” and not aimed at getting any meaningful feedback from those affected by the bill.

Honourable senators, I was particularly struck by the following paragraph in that newspaper article:

Instead, PSAC decided to send in their brief, but save their public presentation for the Senate where “we will get a full hearing” said Mr. Gordon.

Mr. John Gordon is President of PSAC. In the end, he did appear on a panel, the whole of which was rushed in and out in 39 minutes.

At one point, one of the witnesses on that panel stopped during her opening remarks as the chair was laughing as he worked to move the speed of the proceedings along faster. The witness had to point out to the chair that the issues she was raising were very serious ones for her organization.

Honourable senators, that is not how we do things in this chamber or in our committees. I am confident we will do better by the witnesses who are prepared to take the time to appear before us and do their part to make this important proposed legislation the best it can be for Canadians.

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

**Senator Day:** Many amendments were made on this bill in the other place — just under 150 amendments at clause-by-clause consideration, and some 23 more at report stage, honourable senators, with hundreds more put forward for consideration. All amendments were debated and voted on under marathon-like conditions both in the committee and in the chamber, where sitting days were specially extended to allow members to compress that huge task into a matter of a few days.

The recent report by Mr. Justice Gomery laid an important foundation for this bill. I was struck that he introduced his recommendations on his publication *Restoring Accountability*, saying:

As readers will see, the recommendations aim to restore accountability by rebalancing the relationship between the Government and Parliament, and by achieving greater transparency in the operation of government.

Mr. Gomery said that a key failure in the management of the sponsorship program was the failure of Parliament to fulfil its traditional and historic role in that case as watchdog of spending by the executive branch.

Honourable senators, if this legislation is intended to address Mr. Gomery's conclusions, we should be looking for provisions that will strengthen the role of parliamentarians in fulfilling our role as watchdogs of the spending of the government.

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

**Senator Day:** Honourable senators, it would be singularly wrong for us to abdicate our responsibility on this bill. We must take the time to study the bill carefully and thoroughly. We cannot seek to enhance accountability to Parliament and transparency to government with the first step being a failure to fulfil our role and thoroughly study this bill.

How can we contemplate bringing in an accountability act without first being accountable and transparent to those Canadians who wish to be involved in the process, make representations to our committee and have their concerns thoroughly heard and considered? That would be absolutely and patently wrong. We are legislating for and on behalf of Canadians. I am uneasy about how Canadians were treated in the other place; we need to do better.

Honourable senators, this is a far-reaching bill. Arthur Kroeger, the highly respected former senior mandarin, whose experience stretches throughout the federal government, told the legislative committee in the other place studying Bill C-2:

These are institutional questions you are dealing with. You are creating new officers of Parliament, who are going to be there for a long time, or so you hope. You are creating new procedures, and again, it is not a quick fix. This is something that you, as parliamentarians and officials and ministers, are going to live with for the foreseeable future. It is not as though it was really urgent to pass this bill because people were stealing money hand over fist. Canada is not that kind of country. You are not trying to deal with larceny or fraud in regional offices or on the part of anybody in politics.

Every year there is an organization called Transparency International that publishes a so-called "corruption perception index." It lists 170-plus countries in its organization. Canada is always in the top 10 along with Scandinavians, New Zealanders, the Dutch and good folks like that. So, it is not as though we have a question of rampant corruption that is urgent to deal with; you are dealing with longer-term matters.

Indeed, Mr. Kroeger felt so strongly about the importance of the committee in the other place, in not rushing its study on the bill, he broke with his customary approach when testifying before that committee. He said:

If I may, Mr. Chairman, I would like to offer just one last observation. This runs contrary to all my years of conditioning as a senior official in the Canadian bureaucracy, when I always thought that what parliamentarians did was none of my business. You do not give them advice. Since I am now a private citizen, and some other private citizens have given you advice, maybe I can too. I hope you will take enough time with this bill. This is a major piece of legislation.

One of the great advantages you have, as far as I can tell, from the outside, is that this is not really a matter in which there are intense partisan divisions. When I was in government, my observation was that Parliament was at its best when a committee did not have a situation in which one side was dug in on one position, and another was dug in on the other. Instead of that, you had members of Parliament putting their heads together and trying to figure out what kind of outcome would best correspond to the public interest. As parliamentarians, you have the responsibility in that you had the last word about the public interest.

So, I am not going to tell you what should or should not be in the bill, but I do think it is really important that you not rush it, and that when you get into clause-by-clause, you take as much time as you need to work it out. It is complicated. There are some things in the bill that I think show some haste. There are some things that a more experienced government probably would not have done. In putting you heads together on this committee, I hope you will be able to sort those out and arrive at improvements.

• (1500)

Mr. Kroeger went on to say that he thought Bill C-2 was a good bill, but that he hoped the committee would take the opportunity to make it a better bill.

That hope, of course, honourable senators, applies to the role in the Senate and the importance of the committee hearings in regard to this proposed legislation. We need to take the time to make Bill C-2 better.

As we learn more about the 317 clauses in this bill, Canadians have concerns about a number of provisions. Time does not permit me to detail them all but I want briefly to raise a few.

First, concerns have been expressed over the plethora of officers of Parliament that we would create with the passage of this bill. The bill would create a new procurement auditor, a public sector integrity commissioner, a parliamentary budget officer and a parliamentary budget authority, a new director of public prosecutions, a public appointments commission, a public servant disclosure protection tribunal and a commissioner of lobbying.

**An Hon. Senator:** We can all go home!

**Senator Day:** Members are well aware that the bill would also replace the Ethics Commissioner and Senate Ethics Officer with a new parliamentary officer, called a conflict of interest and ethics commissioner. Will these new officers of Parliament and agents help parliamentarians conduct their oversight? Will they help with transparency, or will we get lost in a maze of agents and officers? How many levels of bureaucracy will we impose on an already complex system?

I would have thought we needed to reduce the size of government, to do what we can to help our public servants work more effectively for Canadians. It is particularly relevant for us, as parliamentarians and watchdogs of the government spending, to ask what will these new officers and bureaucracies cost the Canadian public, both directly and in increased work for the public service?

This question was asked of Minister John Baird, President of the Treasury Board, who was the sponsor of this bill in the other place. I am disappointed to tell you, honourable senators, that no satisfactory answer was provided. He said:

With respect to how much the fiscal accounting will cost, the price of accountability is priceless.

**Senator Oliver:** Good answer.

**Senator Day:** He went on to say:

These measures hopefully will save money, not cost money.

That was his answer, honourable senators.

Hopes alone should not satisfy us. I trust the government will provide a proper answer as we proceed to study this bill in committee.

We know from testimony of other witnesses before the legislative committee that indeed there will be costs associated with this bill, as there would have to be given the number of new parliamentary officers — and staff to assist them and automobiles — that would be created by Bill C-2.

Honourable senators may question the wisdom of creating new officers of Parliament if we do not fully use the ones that already exist. Perhaps because this new order of parliamentary officers is relatively new to our system, the government of the day appears able to pick and choose with equanimity whose views will be accepted and whose ignored.

As Senator Chaput and Senator Tardif have reminded us in recent days, the term of our current Commissioner of Official Languages expires this summer, yet no replacement has been put forward for our consideration. I was concerned to learn that the Privacy Commissioner, who already exists as well, was not consulted during the drafting of Bill C-2. As many of us are no doubt aware, the Information Commissioner's recommendations were largely ignored — despite the fact that one of the election promises made by the new Prime Minister was, to quote from the Conservative election platform, to “implement the Information Commissioner's recommendations for reform of the Access to Information Act.”

Obviously, that promise has not been kept.

Recently, the Information Commissioner submitted a special report to Parliament, responding to the current government's action plan for reform of the Access to Information Act, in which he said:

All of the positions the government now takes in the discussion paper are contrary to the positions the Conservative Party took, and its leader espoused, during the election campaign.

The Information Commissioner's special report continued — and this is a special report that has been filed recently in the other place — with a discussion of Bill C-2, the very bill under consideration here today. He said:

Finally, and most important, the content of the *Federal Accountability Act*, and the government's discussion paper on access reform, is a cause for grave concern. What the government now proposes — if accepted — will reduce the amount of information available to the public, weaken the oversight role of the Information Commissioner and increase government's ability to cover up wrongdoing, shield itself from embarrassment and control the flow of information to Canadians.

He ends up with this final quote:

No previous government, since the *Access to Information Act* came into force in 1983, has put forward a more retrograde and dangerous set of proposals to change the *Access to Information Act*.

That was the Information Commissioner. I am confident we will want to explore these issues in depth at our committee hearings when the committee is entrusted to study this bill.

As mentioned, the bill would create another new position, the director of public prosecutions. Honourable senators may recall that this idea was first presented by now-Prime Minister Harper during the election campaign. There was some confusion in the party at the time, however, as the then-Deputy Leader of the Conservative Party, and now Foreign Affairs Minister, disagreed with the leader publicly about this proposal.

Foreign Affairs Minister Peter MacKay was previously a Crown prosecutor in Nova Scotia, one of the few jurisdictions in Canada that had experience with a director of public prosecutions. No doubt he was familiar, as a former Crown prosecutor himself, with the controversy that, as one commentator put it:

...has plagued this Service on a number of fronts, including its effectiveness, organizational structure, level of resources and public confidence.

Honourable senators, I share the doubts about the wisdom of this proposal, and look forward to learning why this new position is deemed necessary. Certainly, some provisions set out in Bill C-2 regarding prosecution in the federal government accurately describe the rules now in effect to ensure that there is not even the appearance of political interference in the prosecution process.

My impression is that, indeed, those provisions are useful in that regard. The issue, however, is why we need to create a new position of director of public prosecutions. In fact, federal responsibility for criminal prosecutions is limited. The provinces and territories are responsible for the administration of justice, and the vast majority of prosecutions in our country are handled by provincial Crown prosecutors.

When representatives of the Department of Justice testified before the legislative committee in the other place, they were asked specifically what problem was trying to be fixed. Was there any recent history of challenges to the appearance of independence in the federal prosecutions? The senior official replied that no such problems had provoked this proposal. Indeed, the official went on to say that in his thirty-three year career of prosecuting criminal cases in government, both Quebec and federal, he had never been involved in a situation in which a political intervention occurred in the prosecution of a case.

• (1510)

I am aware of some concern among members of the government that there should have been more prosecutions in respect of the sponsorship affair. The origin of these provisions might lie in that belief. However, honourable senators, in the sponsorship affair, for which prosecutions continue, the federal prosecution service is not involved. The prosecutions were handled by the prosecution service of the Province of Quebec, and the Sûreté du Québec, not the RCMP, is doing the supporting investigations.

Creation of a new prosecutorial service, even though it is expected to use the existing prosecutors, will require significant upheaval and great expense. As the legislative committee in the other place was told, it will require the transfer of some 600 employees from the Department of Justice, where in some cases they have worked for over 30 years, to a new office of the director of public prosecutions. The committee was told that the transfer “will have a significant impact on interpersonal relations within

the Department of Justice.” In addition, the office will need separate office space from the Department of Justice, which will involve an expense. Finally, presumably, there will be an individual to fill the new position of director of public prosecutions. As the legislative committee was told, “the budgetary impact shouldn’t be enormous but there will nevertheless be an impact.” Is this an appropriate expenditure of time and resources, honourable senators, given that not one problem has been cited that would be fixed by the creation of this new office? I look forward to learning why this change is being proposed as our committee studies this bill.

The next issue that requires attention relates to the obligations that this bill imposes on the private sector and some of the broader implications this bill might have in policy development in Canada. David Stewart-Patterson, Executive Vice-President of the Canadian Council of Chief Executives, testified before the House of Commons Legislative Committee on Bill C-2. He raised concerns about the administrative burden imposed on the private sector by what he termed “the intrusive record-keeping and recording both by anyone who talks to a senior official in the government and de facto by government officials themselves in order to provide a check.”

The lobbying provisions of the bill require individuals to file monthly reports setting out the names of senior public office-holders with whom they met or communicated, the date of the communication or meeting, particulars to identify the subject matter of the meeting or communication and any other information that may be prescribed in the future. A number of issues have been raised about these disclosure requirements. Several individuals worry that the provisions will impose a considerable administrative burden. I hope that the Standing Senate Committee on Legal and Constitutional Affairs will look into whether these requirements will unintentionally harm or even destroy grassroots advocacy and volunteer advocacy for not-for-profit groups.

Mr. Stewart-Patterson also expressed his organization’s concerns that the level and speed of reporting required under the act might lead to the unfair release of commercially sensitive information. Again, these are important questions concerning implications that I am sure were never intended by the drafters of this proposed legislation but that could have significant impact on Canadians and Canadian business.

It is my hope that honourable senators will consider the broad impact of these provisions on policy making in the federal government. Will this put a chill on the members of the public service who seek to engage Canadians in the development of public policy? Right now, an important part of public policy development is engaging the stakeholders to learn about the problems being addressed and to consider the various alternatives to try to fix them. Each stakeholder who attends any policy development meeting would be required by law to file a report, within a month, with the commissioner of lobbying. Just think about the consultations held in respect of proposed environmental legislation or think of the pre-budget consultations of the Minister of Finance. If Health Canada held a consultation meeting on the future of the Food and Drugs Act with 30 stakeholders, each participant would be required to file a report. The failure to file that report would be a criminal offence,

leading to fines of up to \$50,000 and/or imprisonment for up to six months. The offence could be prosecuted as indictable, leading to a fine of up to \$200,000 and/or imprisonment for up to two years.

Surely these provisions are a disincentive to Canadians engaging in policy development. Is this the message we want to send to Canadians, honourable senators: avoid meeting with government officials for fear of inadvertently facing criminal prosecution? Do not engage in policy development or, unwittingly, you might fall afoul of the law. Does this enhance transparency and accountability or does it accomplish the reverse, driving Canadians away from government by constructing a wall between policy-makers and the citizens they serve?

Do we want to make the process more accessible to Canadians, not less; and engage more with the people who will be affected by the policies of our government? Surely our objective should be to make the process more transparent and open, not closed and forbidding. Is this forbidding, walled-in government the new face of our federal government? Is the treatment of witnesses in the other place on Bill C-2 the touchstone of what openness, transparency and engagement really mean to this new government?

One wonders if the same trend to close off government and the political process for Canadians underscores the provisions in electoral financing as well. Reasonable people may differ on the appropriate limits of campaign contributions. This bill proposes to reduce the maximum contribution that an individual may make from \$5,400 to \$1000. This seems to me to be especially low. In the United States, the maximum allowable is \$27,000. The United Kingdom, Australia, Germany and Sweden have no prescribed limit. In France, the limit is \$6,500; in Italy, \$14,600; in Spain, \$60,500; and in Ireland, \$8,900. Our current limit has been in place for only two years and is already quite modest, in the amount of \$5,400, when compared to other leading Western democracies.

In the context of national political parties, the sum of \$1,000 is so low as to potentially interfere with the freedom of association and freedom of speech rights of the individual. It is important to get this right, honourable senators. A national policy on electoral financing should never be designed after one political party’s fundraising model and must be constructed to be in the best interests of the country as a whole, taking into account its history, traditions and how best to engage Canadians in the political process. It might be commendable if a political party has a broad-based, small, individual contribution system for fundraising, but legislation should not necessarily be based on that model to the exclusion of all others.

Honourable senators, what about attendance at party conventions? Why should those costs be included as part of the annual donation limit? Is there an attempt to curtail party activity? Is this another example of this bill constructing a wall between Canadians and the political process? Instead, should we not encourage Canadians to actively engage in the political process and draft our proposed legislation and make our policies accordingly? A healthy democracy depends on more involvement by more citizens. We need higher voter turn-outs in elections, more Canadians involved in policy discussions and debates if we are to build a more inclusive, healthy future for our democratic institutions.

• (1520)

Right now it costs \$10 to join either the Conservative Party of Canada or the Liberal Party for one year. How can a person join the Liberal Party, pay his \$10 and attend a national convention at a cost of \$995? The drafting of these provisions would appear to make this impossible. Why, honourable senators? What is the democratic principle that we are seeking to advance in this rule? How are we opening up the Government of Canada to Canadians if we are drafting the laws in such a way that Canadians are excluded from participation in the drafting of policies and platforms?

Honourable senators, these are important changes we are making with potentially far-reaching consequences for our country. I look forward to in-depth consideration of these issues and a discussion of the alternatives.

The Chief Electoral Officer has indicated that should this bill pass in its current form, in order to enforce it, he will have to go back and force people to get back some of the money they donated before the law changed. This is an issue the committee will want to pursue with witnesses in committee hearings.

Honourable senators, the final issue I would like to address is one that is well known to many of us in this chamber, namely, the provisions on conflict of interest and the newly proposed conflict of interest and ethics commissioner. There is a long history on this matter in this place, and most of us are very familiar with it.

In brief, in October of 2002, then-Prime Minister Chrétien tabled a draft bill in the Senate for preliminary consideration by this chamber. That draft bill would have established a single ethics commissioner, to be appointed by the Governor-in-Council, to serve each of the Senate, the House of Commons and the public office-holders, namely, the executive branch. This proposal met with significant resistance from honourable senators on both sides. In particular, as Senator Joyal stated:

The structure of government provides for a clear separation of rights and privileges or prerogatives between the executive, the legislative and the judicial branches of government. These are the vital checks and balances of our system of government. In other words, each branch of government — the executive, the legislative and the judicial — is autonomous in its responsibility and master of its privileges and rights.

The Senate rejected the suggestion of one commissioner responsible for senators and also members of the other place and the executive. That rejection was accepted by the government at that time, which returned in October of 2003 with a bill to establish a Senate Ethics Officer for this chamber and a separate Ethics Commissioner for the other place and public office-holders.

Honourable senators, to our surprise, the present government has chosen to reopen this debate. I am not aware of any problems or concerns with the current system. It is particularly surprising that a government, under the guise of a bill that purports to make the executive more accountable to Parliament and creates so many new parliamentary officers specifically, we are told, to help

Parliament do its work, wants to reduce the number of ethics officers who assist parliamentarians to do their work. We look forward to learning the rationale for this decision.

Senator Cools asked Senator Oliver specifically about this issue last Thursday in this place when Senator Oliver, the sponsor of the bill, spoke about its provisions. Senator Cools asked for information about the problems in the current regime that caused the government to want to replace it. Senator Oliver replied by noting that it was a decision of cabinet, and the honourable senator does not sit in cabinet. Senator Oliver went on to say, "As I understand it, the Prime Minister wanted to have someone involved with judicial and legal training."

According to press releases, the Prime Minister, when he first decided to proceed in this manner, offered the position of Ethics Commissioner to Ed Broadbent. Mr. Broadbent, to my knowledge, is neither a lawyer nor a former judge.

Honourable senators, this underscores the question we have debated at length in this chamber. Who should properly be responsible for deciding who will oversee the conduct of the senators of this chamber? In this case, it would seem that the long arm of the Prime Minister's office is reaching into the Senate and overruling our clear decision and consensus about the independence of this chamber.

I join with Senator Cools and look forward to learning, during our committee hearings, the precise problems with the current regime that we in this chamber chose to adopt. I also look forward to learning how the proposed regime purports to be an improvement.

Another issue which was a point of particular concern to many honourable senators was the fact that the officer was to be appointed by the Governor-in-Council. The provision of the former Bills C-34 and C-4 that caused significant concern read as follows, in clause 20.1:

The Governor-in-Council shall, by commission under the Great Seal, appoint a Senate Ethics Officer after consultation with the leader of every recognized party in the Senate and after approval of the appointment by resolution of the Senate.

The relevant provision of the current bill is similarly worded, other than that the commissioner is called a Conflict of Interest and Ethics Commissioner and he is for the Senate and the House of Commons.

I am sure we will have a lively discussion on this clause. In particular, I look forward to hearing the views of senators opposite. At the time, in 2004, many were adamantly opposed to a statutory provision that would give the Governor-in-Council — in effect, the Prime Minister — the power to appoint the Ethics Commissioner for members of this chamber.

As an example, permit me to quote Senator Oliver. The following words were spoken in this chamber with regard to the previous bill:

Honourable senators, even though it has been quoted to you on several occasions by several speakers, one cannot help but go back to the main language in Bill C-4, proposed

section 20.1. The language is clear and unmistakable: "The Governor-in-Council shall..." Nothing could be clearer. In other words, not the Senate; this is not a Senate initiative. It does not become a Senate initiative until we read the amendment of Senator Bryden...

Honourable senators will recall that Senator Bryden's amendment was not passed, but there was an undertaking given by the government, through the then-Leader of the Government in the Senate, on how that process would take place.

Senator Oliver continued:

As Bill C-4 stands now, it not only continues to provide the Prime Minister with this control and influence, but it suggests that he would also have similar control over the ethics officer appointed to the Senate. I suggest to honourable senators that if the Senate blindly accepts Bill C-4 as it now stands, then we, too, would be seen as lapdogs, not watchdogs. We, too, would comprise our independence. That independence is crucial to preserving our integrity. The Senate, and not the Governor-in-Council, must appoint the Senate ethics officer, and we should do it by resolution of this chamber.

I thank the Honourable Senator Oliver.

Senator Andreychuk spoke in a similar vein, but she concentrated on the Prime Minister and the consolidation of power in the Prime Minister's office:

We will be creating a further democratic deficit in Parliament at a time when the public wants a real return to parliamentary process.

Senator Andreychuk goes on to say:

Honourable senators, Bill C-4 represents the first time in over 100 years that our independence from the government will be tested by law. This comes at the very time when the public is questioning our legitimacy due to the fact that we are appointed. Surely, our critics will be right if we do not at least pass Senator Bryden's amendment.

Senator Di Nino was equally clear in his view of the proposed provision:

This debate is about the even further erosion of our independence.

Those are beautiful words.

• (1530)

Senator Di Nino continues:

The ethics officer will be appointed by Governor in Council, which office will also set his or her compensation. The officer will be removable by the Governor in Council. The Governor in Council will appoint an interim ethics

officer. In short, the ethics officer will owe his or her allegiance primarily to the Governor in Council and not the Senate.

By all means, let us establish an ethics officer....Let us do it ourselves.

**An Hon. Senator:** Hear, hear!

**The Hon. the Speaker:** Honourable senators, Senator Day had 45 minutes to speak and has a few more pages to read.

**Senator Day:** Could I request a short extension?

**Hon. Gerald J. Comeau (Deputy Leader of the Government):** We will give him five minutes.

**Senator Day:** Thank you.

Honourable senators, I have so many quotations that I would like to give to you.

Let me read one quotation from Senator Comeau. He is talking about the Prime Minister at the time and says the following:

In addition to his own members of Parliament, which he now controls quite well, he will now extend that control over opposition members. The executive, in effect, will control Parliament...

**An Hon. Senator:** Good comment.

**Senator Day:** I note that the Law Clerk and Parliamentary Counsel for the House of Commons took the unusual step of presenting the legislative committee on this bill with an unsolicited report, raising questions about a number of provisions in the bill he felt impacted "the constitutional position of the House of Commons and its Members or that otherwise violate provisions of the Constitution Act, 1867 pertaining to the House of Commons." I look forward to hearing the views of the Law Clerk and Parliamentary Counsel of our own chamber to learn whether he also has constitutional or other concerns with respect to this bill.

While I have spoken at length, I have only touched on some of the issues that I believe deserve our consideration in reviewing Bill C-2. Let me summarize some of those issues, and I will try to do it in five priorities.

**Senator Comeau:** In five minutes.

**Senator Day:** There are many officers of Parliament. Are they all needed? Will they help parliamentarians do their job to oversee the executive and bring accountability to the system?

Political financing reduction from \$5,400 to \$1,000: Why? What problem is being addressed? Is there an ulterior motive for this proposal?

The creation of a director of public prosecutions: Is this an overreaction to a misunderstanding as to who is responsible for the federal prosecutions?

[ Senator Day ]



New lobbying filing requirements: Will these new reporting rules stifle private/public sector exchanges? Why the last-minute change in the rules relating to the transition team exemption from the five-year rule on government lobbying?

Finally, there is the question of the abolition of the Senate Ethics Officer and the constitutional challenge this brings to the fundamental requirement of an independent Senate.

I appreciate that this bill is a priority for the government. I understand that it was an important plank of its election platform. No one on this side, at least, has any plan to derail this bill or delay its passage unnecessarily. However, it is a major and lengthy bill that would amend many statutes and make significant changes. It deserves careful study. There are witnesses whose views deserve to be heard.

We have seen this before, honourable senators. A government, with the best of intentions and purposes, rushes an important bill through the other place without allowing appropriate time for parliamentary scrutiny or the hearing of witnesses.

If we have a role to play in legislative review, this is it. As Senator Austin described the other day, our constitutional role is “democracy slow,” to provide the opportunity for careful scrutiny and full airing of the views by interested Canadians.

Happily, there is no crisis afoot. We have the time to do the job right. Bill C-2 is too important to treat quickly or lightly.

I will end by quoting the words of Senator Nolin spoken also with respect to Bill C-4, the proposal to establish the Senate Ethics Officer:

I have been here for 10 years. Do you think I am preoccupied by perception? Every day, when I look at my e-mails, if I were driven by perception, I would probably change jobs....

Let us do our job properly. Our burden is not only to vote for a law that will give a shot to someone else. No. We must do it ourselves. We must be in charge, but we must be in charge of a process that will be efficient, transparent and credible.

I could not have said it better, honourable senators. We have work to do. This may be our finest hour.

**The Hon. the Speaker:** Honourable senators, as we have two ministers in the house, it might be helpful if I reference our rules. Rule 37 is clear that beyond the proponent of the bill and the senator who speaks right after it, 45 minutes is allotted. The Leader of the Opposition and the Leader of the Government have unlimited time, but the second minister in the house, like all honourable senators, has 15 minutes.

[*Translation*]

**Hon. Michael Fortier (Minister of Public Works and Government Services):** Honourable senators, it is an honour and pleasure for me to speak to you in support of Bill C-2, the Federal Accountability Act.

It is an honour because I am participating for the first time in the legislative process, and a privilege and sign of trust that few Canadians are afforded. It is also a pleasure because not only is Bill C-2 our first piece of legislation, but it also represents something essential about the nature of our government. This bill will result in great change and will allow us to achieve some of the most significant promises we made to the people of Canada.

I truly believe, honourable senators, that this legislation will mark a decisive moment in federal politics in our country and in the image our citizens have of it. This legislation deserves your support, honourable senators, and I trust you will oblige.

Greater accountability: that is the perfect theme for this bill being introduced by our government. When Canadians went to the polls on January 23, they gave the Conservative Party a clear mandate to change things, a mandate to replace a culture of entitlement with a culture of accountability and replace old politics with a new vision.

[*English*]

That is what Bill C-2 is all about. Cleaning up government is the first of five priorities confirmed in the recent Speech from the Throne. It is something Canadians expect this government to do, and the federal accountability act will meet those expectations.

I am especially pleased that this proposed legislation will have such a positive impact on my own department. The federal accountability act will help restore public confidence in an organization that has a long and proud history of service to Canadians. It will help ensure that the Department of Public Works has an equally promising and exciting future.

There are no surprises in Bill C-2, honourable senators. The Prime Minister has been clear about our intentions and has made them widely known. The act has already been endorsed by the other place. Now we must do our part so the implementation of these reforms can proceed at the earliest possible opportunity.

Make no mistake about it, honourable senators, these reforms will be sweeping and comprehensive. For starters, the act will end the influence of money in politics. Under Bill C-2, individual donations to political parties or candidates will be limited to a maximum of \$1,000. Political donations by corporations, unions and other organizations will be prohibited and cash donations of more than \$20 will be banned.

• (1540)

The period for which violations of the Elections Act can be investigated and prosecuted will be extended to 10 years. This proposed legislation will also put an end to use of secret trust funds and large gifts of money to finance candidates' campaigns.

Bill C-2 also contains important amendments to the Lobbyists Registration Act. Among other changes, the period for which former ministers, ministerial staffers and senior public servants are prohibited from lobbying government will be extended to five years. Lobbyists will be required to record their contacts with ministers and senior government officials. The Registrar of

Lobbyists, who currently reports to the Minister of Industry, will be made an independent officer of Parliament with a strengthened mandate and additional resources to investigate violations.

[*Translation*]

The bill also provides for the creation of a public appointments commission, which will be in charge of establishing merit-based guidelines governing selection processes for appointments to government boards, commissions and agencies.

Certain measures will also be taken to prevent ministers' assistants and other crony appointees from taking advantage of favouritism when they apply for public service positions.

Real protection will be provided to whistleblowers, a group which will include not only public servants, but also ordinary citizens and business people who expose irregularities. Among the most significant changes to that effect, the federal accountability act will ensure that whistleblowers have access to the courts. The bill as proposed will also require that the public be immediately informed of information disclosed by whistleblowers, except in cases where national security or the safety of certain individuals are at risk.

Honourable senators, Bill C-2 will also create a parliamentary budget office, a new independent office responsible for presenting to Parliament an objective analysis of the state of the nation's finances, the government estimates as well as national economic trends. This office will ensure that government fiscal forecasts are updated quarterly and that they contain complete data.

The role and duties of the Auditor General will be strengthened. The proposed legislation will give the Auditor General the legal authority and financial resources to audit any individual, institution or corporation that receives grants, contributions or transfers from the Government of Canada. New sentences will be imposed under the Criminal Code in cases of fraudulent use of taxpayers' money.

Bill C-2 will also strengthen the powers of the Ethics Commissioner, who will become a fully independent officer of Parliament.

For example, he will have the authority to fine violators and consider complaints from the public as well as politicians. Bill C-2 will enshrine the Conflict of Interest Code in the law and put an end to loopholes in the code enabling ministers to vote on matters connected with their business interests.

Auditing and accountability will be consolidated within departments. To this end, the Comptroller General will be assigned general responsibility for internal auditing in each government department. In addition, the deputy minister for each department or agency will become the officer responsible to Parliament for the expenditures and administrative practices of the department.

[*English*]

Last, but certainly not least, I want to mention the two elements of the act that will have direct implications for my department and the way it does business.

[ Senator Fortier ]

First, Bill C-2 contains a number of measures to clean up federal contracting which, as honourable senators are aware, is an important common service role provided by my department. Every year, the Government of Canada purchases over \$20 billion in goods and services, the majority of which is bought by PWGSC. We are the government's experts in procurement and will lead the way in reforming the process to ensure that it is fair, open and transparent.

Specifically, it is the government's intention to create the new position of procurement auditor with a mandate to review on an ongoing basis the government's procurement process to ensure fairness and transparency and to make recommendations for improvements. The auditor will also establish a process to review complaints from vendors, will manage an alternative dispute resolution process for contract disputes and will review complaints concerning the administration of contracts for goods and services.

Honourable senators, the auditor will be appointed by the Governor in Council and report to me as Minister of Public Works. This individual will submit an annual report that will be tabled in Parliament.

Also, as part of the federal accountability action plan, we will implement a code of conduct for procurement that will be developed in consultation with industry associations, research institutes, professional associations and other stakeholders. This code, which I hope to have in place by fall, will consolidate all existing conflict of interest and anti-corruption measures into a comprehensive and transparent statement of expectations for government employees and suppliers alike.

As another measure to clean up government contracting, integrity provisions will be included in all bids, solicitation and contract documents to provide a clear statement of the existing obligations of contractors under the Criminal Code, the Competition Act and the Lobbyists Registration Act. Taken together, the code of conduct and integrity provisions will clearly define for public servants and suppliers acceptable conduct when contracting with the government.

[*Translation*]

Honourable senators, the federal accountability action plan will also strengthen our government's commitment, and my personal commitment as minister, to improve access to government contracts for small and medium enterprises across the country. It is very important for the government to promise to provide opportunities for these businesses and to reward their hard work and innovation. I addressed this issue when the Speech from the Throne was given, but I would like to reiterate my position today.

The steps that Public Works and Government Services Canada has already taken to increase the efficiency and effectiveness of the federal procurement process should produce solid, prosperous small businesses in regional and local communities.

As I mentioned in my remarks about the Speech from the Throne, Public Works and Government Services Canada established the Office of Small and Medium Enterprises to make sure these businesses can compete fairly and equitably,

regardless of their size and location. My office has already begun addressing the concerns of small and medium enterprises, and we plan to increase funding for this initiative, which has seen six new offices opened so that all regions of Canada can benefit from resources earmarked for small businesses.

[English]

The second aspect of the act, which is of particular significance to my department, relates to public opinion research and advertising. As honourable senators well know, Canadians' confidence in the government's ability to appropriately manage this task has been seriously eroded.

As a measure to rebuild public trust in government, Bill C-2 will make it mandatory that all public opinion research reports commissioned by the Government of Canada be provided in writing and that departments make all such reports public within six months of completion of the project.

**Senator Oliver:** Hear, hear!

**Senator Fortier:** We will also appoint an independent adviser to review, assess and report on government procurement practices for public opinion research, including issues raised in the Auditor General's 2003 report and to recommend whether further action or inquiry is required. This individual will report to me as minister, and his or her findings will be made public.

Finally, our government will amend the federal communications policy to ensure that the principles of openness, fairness and transparency are applied to all procurements of federal advertising and public opinion research. We will review the definition of "advertising" to distinguish it from other related services, such as public relations or events management.

Honourable senators, time does not permit me to address each and every element of the proposed federal accountability act. However, I tried to touch on the highlights of Bill C-2 and the associated action plan to give you an idea of the breadth and depth of the reforms the government is undertaking.

[Translation]

These are not quick and easy fixes for the accountability problems that have become more serious in recent years and have undermined public trust in government. I am talking about comprehensive reform, a long-term solution that will serve Canadians well in the years to come. Honourable senators, Bill C-2 deserves your support.

**Hon. Madeleine Plamondon:** Would the honourable senator agree to answer a question?

**Senator Fortier:** No, honourable senators.

[English]

**Hon. Anne C. Cools:** Honourable senators, the issue before us is a bill about accountability. Accountability in a constitutional sense has definite meanings that one can point to for at least a few

hundred years. One of the notions of accountability is that ministers should answer to both Houses. It is not within the discretion of a minister to refuse to answer a question from the house. It is part of the constitutional duty of a minister. That is what it means to be a minister.

• (1550)

Honourable senators, I believe we just had such a situation. This minister is new, and not that well acquainted with the practices of Parliament. I have a question of my own, but my point was regarding Senator Plamondon's question. As a matter of fact, honourable senators, it is important. There are two ministers in this place and some member of the government on the floor should answer questions about this monumental and enormous initiative. It seems to me if the minister is so proud of the bill, he would be willing and eager to take not one question, but thousands.

**The Hon. the Speaker:** We are on a point of order. Are there any other senators who wish to speak on the point of order that has been raised by Senator Cools?

**Hon. Tommy Banks:** I believe that if the minister were asked again he would obviate the question.

**Senator Cools:** If the minister were asked again and were to accept, I would withdraw the point of order. However, my point still remains. The principle is a sound one.

**The Hon. the Speaker:** Honourable senators, first, the rules are clear: Any honourable senator can be asked, within that senator's time allocation; in the instance of Senator Fortier's case, 15 minutes with four minutes left. However, no honourable senator is required to answer the question, according to the rules. If Senator Fortier maintains his position that he does not want to answer the question, or if he wants to ask a question, there are four minutes left. It is not clear whether Senator Fortier is willing to answer the question.

**Senator Fortier:** Honourable senators, I apologize for having created this point of order. I believe my constitutional duties are also to run my department. A number of people are waiting for me. I am already late for several meetings. However, given that I read my speech in less than 15 minutes and there were four minutes left, I apologize if that has created an uproar. We have committees and Question Period to answer questions, but I am happy to answer the question of Senator Plamondon.

[Translation]

**Senator Plamondon:** Honourable senators, my question is about clause 81, which states that, "The Governor in Council shall... appoint a Conflict of Interest and Ethics Commissioner." I was surprised to see that the clause also states there is to be consultation with party leaders.

A senator is appointed as an individual, not as a representative of any particular party in the Senate. Under previous governments, independent senators and senators representing other parties have been appointed.

Consultation with party leaders would undermine the independence of the Senate and interfere with the rights and privileges of independent senators. In my opinion, this practice would be undemocratic. All senators should be consulted by means of a vote. Hypothetically, should half of the senators in this Chamber be independent, what would be the point of consulting the leaders of the two parties before appointing a commissioner?

My last point relates to clause 2, which states that a dependent child is one who has reached 18 years of age “but is primarily dependent on the public office holder... for financial support.” However, there are many people who, for health reasons or because of a disability, for example, remain dependent without being financially dependent. I wonder about the relevance of describing a person over 18 as being financially independent.

**Senator Fortier:** As Senator Cools so correctly stated, I am still an inexperienced senator. Nevertheless, I will try to answer your questions.

First, with respect to definitions, a line must always be drawn. The line that was drawn is the one you see in the bill. Having practiced law for 15 years, I can say with certainty that the circle must be squared, and this is how we did it.

As to your first question, the fact that this bill is being debated here and will be discussed in committee will give you the opportunity to air your point of view and debate it with your colleagues in the Senate. I think that that is the best place to state your point of view and debate it with other senators who consider this issue to be important.

**Senator Plamondon:** You did not answer my question. I asked you why the two party leaders must be consulted.

**Senator Fortier:** The bill has been sent to us from the House of Commons. It was drafted and reviewed by a committee that proposed hundreds of amendments. I spoke of definitions. This bill includes certain provisions that propose an approach you may find debatable, although it is an approach we would like to take with respect to the commissioner.

Once again, I urge you to make known your suggestions. However, the government is entitled to table any bill it feels is appropriate and that is what we have before us here today.

**Hon. Daniel Hays (Leader of the Opposition):** Given that I fully support the notion of improving mechanisms to ensure government and parliamentary accountability and transparency, I am pleased to have the opportunity to participate in the debate at second reading of Bill C-2.

[*English*]

As Senator Day said so many times and in so many different ways, it is important that we get it right. I was pleased to hear the Leader of the Government say last week, in reply to a question from Senator Fox:

I absolutely respect the right of the Senate and the Standing Senate Committee on Legal and Constitutional Affairs to give this bill thorough study.

[ Senator Plamondon ]

Senator Oliver, the chair of the committee, as well, told this chamber that the members of the steering committee for the Legal and Constitutional Affairs Committee:

...all feel that this bill is extremely important, one that we should not rush, one on which we should hear a lot of witnesses, and the witnesses should be given ample time to make their points.

[*Translation*]

I would like to believe that all senators appreciate his assurances. This is how we like to say that things are done in this House: conscientiously, carefully, respectfully, and while taking the time to properly understand the issues under review, so that we can do our best to ensure that the laws we pass serve Canadians well.

[*English*]

As Senator Day has indicated, the issues in this bill are both complex and far-reaching. I would like to thank Senator Day and Senator Oliver for their introductions to the bill, as well as the minister.

A number of important questions have been raised. I look forward to pursuing them in committee with Senate colleagues. One question on which I would like to focus concerns the extent to which the bill creates new structures of governance; primarily for oversight, but also decision-making, and generally the weight of bureaucracy that it introduces into our system and, if you will, our culture of governance.

Senator Day referred to David Stewart-Patterson, Executive Vice-president of the Canadian Council of Chief Executives, who testified before the legislative committee in the other place. The members of his organization are, as I am sure you all know, chief executives of large companies — individuals with experience in the values of good governance in both the public sector and the corporate world.

• (1600)

Mr. Stewart-Patterson reminded committee members of the experience in the United States when the government responded to the Enron crisis with the Sarbanes-Oxley Act. He told the committee:

It did reassure investors by providing tough new rules and penalties, but it was highly complex and hastily drafted and it created months of headaches for regulators and a continuing very high cost of compliance for companies.

He continued:

Today, I'd like to suggest we're seeing some important parallels between issues of corporate and public governance. In both cases there are real failures and fundamental issues of lost trust that have to be addressed. But as with Sarbanes-Oxley, we would ask whether the political desire to move quickly may lead to an excess of new rules that may, in time, prove counter-productive. I'd remind you that in the corporate sector, governance rules are aimed at protecting investors.

At the same time, they do impose new costs, costs that come right off the bottom line. What's more, if executives spend too much time talking with the lawyers and the accountants instead of growing a business, the end result is not to serve the interests of the shareholders.

Now, no one questions the need to repair the flaws in public governance exposed by the sponsorship scandal, but as in the corporate sector, new rules, new internal controls, all will add significant new fixed costs, even as they reduce opportunities for fraud.

I'm also worried about whether these new measures, as a whole, could affect the culture of government. Could they lead to an obsession with obeying the rules and avoiding mistakes that, in turn, could become a serious brake on innovation and efficiency? There is more to delivering the best possible value to citizens than simply preventing fraud.

These are important questions for the attention of honourable senators.

[*Translation*]

Senator Day has listed the various positions of officers of Parliament that will be created by this bill. They include a procurement auditor, a public sector integrity commissioner, a parliamentary budget officer, who will be in charge of a parliamentary budget office, and a commissioner of lobbying.

In addition, the bill provides for the appointment of a new independent advisor to conduct a comprehensive review of the government's public opinion research practices, as the minister explained. As Senator Day indicated, these positions are independent of the existing departmental audit committees, and their status will be enshrined in this bill.

[*English*]

I am concerned that we appear to be moving in a direction wherein responsibilities are taken away from the executive and the public service and made subject to these independent decision makers. Are they creating another layer of government to do work that properly should be done by the executive within government and by parliamentarians holding the executive to account for its actions? Have we fully considered the implications of this new order that is being established?

Are we well-served by moving toward a congressional or, if you will, a U.S. style of government with many levels of unelected overseers superimposed on the system? If so, we should do so with full understanding of the many implications of our actions because our parliamentary democracy is significantly different in critical aspects from, say, the American system. It is not necessarily right or appropriate to seek to graft certain aspects of their system on to ours.

Are we establishing so many reviews, audits and oversights that it will be increasingly difficult for public servants to get about and do their jobs? Is the message that we are sending our highly

professional, capable public servants that we do not trust them? The government has stated that Bill C-2 will not stifle innovation or create an atmosphere that is risk averse. Honourable senators, we will want to be persuaded that this is true.

I note that I am not alone in these concerns. Professor Emeritus C.E.S. Franks, who was senior research adviser to the Gomery commission, raised some of these concerns when he testified before the legislative committee in the other place on Bill C-2.

He said:

I have a concern — this is a personal concern — that the Act asks too much of Parliament in terms of the number of agents of Parliament that Parliament will wind up with and in terms of the efforts to keep their own agents accountable and in line.

I express it as a concern, and it fits into another concern I have, that the thinking behind the Gomery Commission on responsibility and accountability was, to rephrase an old expression, that you should choose wisely and entrust liberally. In other words, you should choose the right people and give them the powers in the belief and faith that they will act responsibly, and then you hold them accountable at the end.

The Gomery Commission boiled down its views on the accountability and responsibilities of deputy ministers by saying that if they are faced with an issue they're doubtful about, they should ask themselves two questions: first, can I defend this adequately before the public accounts committee, and second — since the public accounts committee represents Parliament, which represents the people of Canada — the question could be phrased as, can I defend this decision satisfactorily in a public forum?

What's implied in here is a sense of responsibility. The commission did not recommend any more regulations, rules, or oversight agencies; it felt that we had enough. The problem was that these weren't observed, not that we needed more. I have a concern that the Federal Accountability Act goes too far in the direction of more oversight agencies, more varieties of accountability and more mistrust of public servants, more efforts to control and command and punish, and less attention than I would like to see on ensuring that the public servants themselves have a sense of responsibility that they follow in their work.

[*Translation*]

Honourable senators, these are important issues. This testimony in the other place by the senior research adviser to the Gomery commission makes me wonder whether the government, which is creating this new administrative level, clearly understood what Justice Gomery recommended in his report.

[*English*]

Senator Day quoted a number of passages to us from the testimony of Arthur Kroeger before the legislative committee on Bill C-2. I was struck in particular by the following:

These are institutional questions you're dealing with. You're creating new officers of Parliament who are going to be there for the long term, or so you hope. You're creating new procedures. And again, this isn't a quick fix. This is something that you, as parliamentarians, and officials, and ministers, are going to live with for the foreseeable future.

Honourable senators, we will need to examine the provisions of the bill to ensure that the regimes they establish can truly achieve the objectives they are put forward to accomplish. Some of the new procedures and institutions introduced appear to be rather tortured attempts to appear transparent and independent while in fact maintaining tight control over power at the centre. For example, the proposed new director of public prosecutions is being introduced specifically to assure Canadians that all prosecutorial decisions are being made completely independently of cabinet and political concerns. As Senator Day told us, our process is now set up so that these decisions are absolutely independent of cabinet and political consideration. There is no suggestion of any impropriety about our system now. The only suggestion seems to come from this bill. This is unfortunate, as it may suggest to Canadians that a problem does exist where in fact none does.

From all information, there is complete independence now.

[*Translation*]

But one issue I want to draw attention to in particular is the process created by this bill to appoint this new Director of Public Prosecutions. The bill provides that the Attorney General will create a selection committee. Note that the Attorney General is also the Minister of Justice and the person responsible for criminal prosecutions.

This committee would consist of a member named by the Federation of Law Societies of Canada, a member named by each recognized political party in the other place, the Deputy Minister of Justice, the Deputy Minister of Public Safety and Emergency Preparedness and a member selected by the Attorney General.

• (1610)

[*English*]

One may quibble with aspects of the composition of this proposed committee, but in general I appreciate that this should result in an independent committee comprised of knowledgeable, respected individuals. The concern is with the next part. This committee is not entrusted with the task of finding qualified individuals to propose to fill the position of director of public prosecutions. Instead, the Attorney General, the very person whose supposed lack of independence is the reason given for this new position in the first place, prepares a list of up to 10 names that he or she then submits to the selection committee. The selection committee may only choose from those names. The committee's job is simply to review their qualifications, choose three individuals from the Attorney General's list, and those names are returned to the Attorney General, who chooses the final candidate. At that stage, a parliamentary committee is struck to approve or disapprove the choice. If the choice is disapproved, the committee is referred another candidate, again from the Attorney General's list.

[ Senator Hays ]

[*Translation*]

Honourable senators, can we say that this committee is truly independent? Or is this a smokescreen to hide the fact that the real control remains at the centre? We either need an independent director of public prosecutions or we do not — there is still no proof that such a need exists in Canada. If this need does exist, is it fair for candidate selection to be controlled by the very person who currently plays this role, namely, the Attorney General?

[*English*]

This is but an example of some of the possible problems with the details of this bill. The issue is not accountability and transparency. We are all in favour of more open government, but the devil, as they say, is in the details.

We have work to do on this bill. I believe Canadians have one of the best systems of government in the world, and my international and inter-parliamentary experience is to the effect that we are so regarded internationally as well. Our public service is among the most highly respected in the world. Can we do better? Improvement is always possible. My impression is that there are many very strong provisions in this bill that I hope will help to further improve the accountability and transparency of our system.

Our work is to ensure, to the best of our abilities, that any changes we make are the right changes; that they are needed to address real problems and are not less than they are made to appear or there only to make a political point; that they provide value-added and are cost efficient for their purpose; that they make the best use of the resources we already have in abundance in our excellent public service; and that they bring transparency to the Canadian government, inviting and helping Canadians to engage on the issues that affect and concern them.

[*Translation*]

I am anxious to see what our committee will say about this broad and complicated bill. The committee's report will allow us to determine whether the provisions of the bill will bring real improvements to accountability and transparency in government operations and, thus, benefit all Canadians.

[*English*]

**Hon. Hugh Segal:** Honourable senators, it is my privilege to stand and speak in broad support of Bill C-2, its principles, its direction, its thrust, its purport and its intent.

Wherever I travel in the country, I am stopped by Canadians in all walks of life, who speak in both official languages, who indicate how delighted they are that the present administration is moving to make some of these corrective steps active and substantial.

I thank Senator Oliver, Senator Day, Minister Fortier, and the Leader of the Opposition, Senator Hays, for the quality of their interventions. However, as I listened to Senator Day, for whom I have the greatest respect and affection, I was struck by the degree to which his speech reminded me of Woody Allen's speech

to a graduating class in the Bronx. He said, "On the one side, we face atomic destruction and the end of the world as we know it. On the other side, we face environmental degradation and the end of civilization. I know, as graduates, you will have the courage to make the right choice."

There are some redeeming elements in this legislation, and I want, with great respect, to offer to my colleagues a view or two on what they might be. The parliamentary budget office is an important addition to our operation in this place and the other place so we can better assess and analyze government expenditures on a more consistent and timely basis.

I believe that the commitment to tougher rules with respect to lobbying and greater parliamentary accountability will strengthen the general frame of reference of what we try to do here in the interests of the people of Canada.

The kinds of changes offered in this bill take place every few years. They are part of the cycle of parliamentary debate and discussion. However, I do want to make a point about the context, and I say this as someone who is new to this place. I do not accept for one moment that there was any corrupt intent on the part of the previous government or its leadership, and I am offended by suggestions to the contrary.

I am comfortable that Mr. Justice Gomery has identified the specific areas and individuals of concern and that the Sûreté du Québec, the OPP and the Royal Canadian Mounted Police will recommend charges where evidence justifies charges.

However, we should step beyond such negative debate to look at the proposition of accountability overall. I am sure all members in this house agree that an active sense of accountability is more than retroactive blame and punishment. It has to be if it is to be a dynamic force in good government in this country.

I believe that accountability should be about a more positive process of disclosure, a framework of regular information sharing that liberates parliamentarians, public servants and media to do their job well and constructively.

I am hopeful, therefore, that the provisions of Bill S-217, which reflects on quarterly financial disclosure, might be adopted by the government as an appropriate and supportive companion piece to the transparency they are attempting to achieve through this important proposed legislation.

If we are asking our political parties to disclose their ins and outs financially on a quarterly basis, it is only fair that we require the same of our government departments and Crown corporations. The same rules should apply constructively right across the board.

Bill C-2 has within it, as has all legislation, whether it is developed over a long period of time or more quickly, some technical difficulties that I hope the Standing Senate Committee on Legal and Constitutional Affairs is able to address constructively. They are unintended technical difficulties that will produce perverse consequences that are quite unhelpful.

For example, reducing permissible donation maximums for our political parties, without addressing the expense side, will create a gap that may produce precisely the kinds of circumstances Mr. Gomery's commission was brought in to look into. If we are not prepared to address the expenditure side while limiting the legal source of appropriate donations, we have to look at what consequences may emerge therefrom and what might be done to address this.

Having a higher threshold of detail for lobbying disclosures that exists relative to corporate confidentiality than now exists in our access to information legislation may produce duelling and competing standards around the same principle, namely, that companies, in good faith, should be able to deal with their government in confidential matters without the information being disclosed in an inappropriate fashion to their competition.

I believe that the five-year lobby exclusion will end up decreasing competition amongst those who are now in the lobby profession. I cannot imagine that that was a precise goal desired by the Conservative government, which I wholeheartedly support and which generically should be in favour of appropriate competition.

I am hopeful that the committee will seek legal advice and counsel as to whether the five-year exclusion is, by definition, unwittingly perhaps, oppressive.

• (1620)

Public corporations across this country pay large, substantial executive salaries so as to have a non-compete agreement with those CEOs when they leave, and very few courts have been prepared to enforce more than two or three years in that context with respect to that constraint. I also believe, honourable senators, that lobbying for non-profit causes is different from lobbying for commercial gain and appropriate commercial access, and some distinction would be constructive for the committee's due consideration.

Any law that seeks retroactively to extend its reach is potentially problematic, although I recognize the rationale in the case of Bill C-2 and the purity of the motivation that underlies it. The fact that both the National Energy Program and the legislation with respect to the Pearson airport were retroactive should give all Canadians a moment of pause on the larger question of the principle.

Honourable senators, I enthusiastically support Bill C-2 and hope it can be passed in a reasonable period of time and that senators on the standing committee have a broad breadth of opportunity and discussion to reflect the substance and matter of the technical details.

Technical refinement and improvement where appropriate is what this place, I believe, does best, but respecting the democratic authority of the House of Commons, which has passed this bill in a multi-partisan way, should also define the context within which we operate. I humbly submit to all honourable senators that that should direct our activity going forward on this important bill.

**Hon. Serge Joyal:** Honourable senators, I am tempted to follow up on the conclusion of the Honourable Senator Segal and accept the invitation that the Honourable Leader of the Government made during Question Period, informing us that the Prime Minister reads the *Debates of the Senate* and pays attention to it.

Bill C-2 is mammoth legislation. It is a bill that is approximately a centimetre and a half thick. It amends 70 different statutes and if we were to put all those statutes on our desk, each of us would need an extension to try to understand the interplay of all the clauses this bill contains.

When this bill came out from the other place, the President of the Treasury Board was quoted in an article in the *Ottawa Citizen* on June 20 as saying:

It would be something remarkable with all parties supporting the bill in the House of Commons for a few rogue senators to delay or postpone it. I am going to be optimistic and hope we will be able to pass it expeditiously.

The Prime Minister gave an interview to CTV and made the following statement:

I do not think the... Liberal majority has any business trying to change the fundamental principles of this legislation.... I think it should go through. I think it should go through promptly.

Then the Leader of the Government in the Senate also made a statement:

[*Translation*]

I trust that the senators will understand the importance of this bill for Canadians and that they will not delay its adoption because of the leadership convention to be held in December.

[*English*]

Honourable senators, we have a constitutional duty. Our constitutional duty is to review a bill that was drafted in the six-week period following the election and that amends 70 statutes and that was pushed through the House of Commons. We have heard how reluctant the witnesses were to be part of a process that was contrary to the reflection that should be brought to such an important exercise.

Bill C-2 is very important and would create a fundamental change in Canadian institutions, and that is what I want to outline this afternoon. When there is such an important bill, what are our constitutional duties? Honourable senators, I will quote Sir John A. Macdonald. Sir John A. Macdonald tells us:

There would be no use of an upper House if it did not exercise when it thought proper the right of opposing or amending or postponing the legislation of the Lower House. It would be of no value whatever, were it a mere chamber for registering the decrees of the Lower House. It must be an independent House, having a free action of its own, for it is only valuable as being a regulating body, calmly considering the legislation initiated by the popular branch, and

preventing any hasty or ill considered legislation which may come from that body, but it will never set itself in opposition against the deliberate and understood wishes of the people.

Honourable senators, this is the context in which I prefer to set my mind when I approach such an important bill.

There are three points I wish to share with you this afternoon. The foundational principle of our system of democratic government is responsible government. That is what distinguishes us from our friends south of the border. What does responsible government mean? Responsible government means, as Senator Cools has stated, that the government is accountable in the chamber. Anything that improves the process of accountability of the government in the chamber is an initiative that we have to look into carefully and support.

Honourable senators, I humbly submit that Bill C-2 does not essentially look into the priority of the principle of enhancing responsible government. I look to Senator Murray, because this bill does not address the fundamental issues of the study of the estimates.

We have a parliamentary budget officer, as the Honourable Senator Segal has mentioned, but let me remind honourable senators of former Senator Bolduc, who was a public officer; and former Senator Stewart, who was a professor of administrative law. In their wisdom, those two former senators from both sides of this chamber made proposals when we had to strengthen the control of Parliament over the government of the day. Senator Stewart said:

Although the decreasing independence of the House of Commons is visible in other aspects of its operations, nowhere are the consequences more grave than in the study of government estimates. The study of estimates is by far the most important way in which members of the House of Commons can review the success of government policy and the performance of its ministers and public servants.

While ominous in itself, the declining role of the House of Commons and the scrutiny of government estimates is but a symptom of the lower chamber's loss of independence vis-à-vis the government.

• (1630)

Let me read from one of the essential authorities of constitutional reference in this chamber, former Senator Eugene Forsey. Senator Forsey offered a diagnosis that I think will help us in studying Bill C-2 when he stated:

Party governments tend to spurn constitutional limitations and to seek to overcome them. Parties seek to capture all the organs of the state and to make them work to the party purpose or for the benefit of the party leader, their principal supporters and their friends. An independently minded House of Commons is an obstacle to this outcome; a strong upper house, an even greater one.

Honourable senators, the first scrutiny that we should bring to this bill is how the capacity of Parliament to scrutinize estimates should be enhanced to ensure that the government remains accountable.



The problem with this bill is that, as Senator Day and other senators have mentioned, it creates five new parliamentary officers — a new group of people whose responsibility would be to act with very specific terms of reference. In fact, being called officers of Parliament, for whom will they stand? Will they stand for the members on the other side or for the members on this side? They are not honourable senators.

Those five new officers that come on top of all the layers of administration we already have, even though they are officers of Parliament, and here I quote the law clerk's testimony in the other place:

It should be noted that for present purposes, those "officers of parliament" carry out an executive function — that is, they do not act in accordance with house rules and under the direction of the house. They act in accordance with statutory requirements. More, they are not appointed by either house but by the Governor in Council. And finally, though described as officers of Parliament because they report directly to one or both houses of Parliament, as a matter of public law, these are positions of executive function and, as such, are part of the executive branch.

What are we doing here, honourable senators? We are strengthening the executive branch. We are taking some of our responsibilities and giving them to another group or set of people, deemed officers of Parliament, who will be outside our control.

Honourable senators, this issue is fundamental, because we have so-called officers of Parliament. We have the Auditor General. We have the Chief Electoral Officer. We have the Privacy Commissioner. We have the Information Commissioner. We have the Commissioner of Official Languages. We have a Senate Ethics Officer and an Ethics Commissioner in the other place. Ask yourselves, when all those officers of Parliament report to this place or the other place, what do we do with their report? What are our resources when we receive those reports? Honourable senators, to ask the question is to receive the answer.

My first point is this: If we are to give additional strength to the Canadian democratic principle, we should concern ourselves with wherein lies the fundamental problems of responsible government, and how we want to maintain responsible government and better improve our control over the administration. The Honourable Senator Segal has a suggestion for the budgetary reports of Crown agencies and departments. This suggestion is one way for us to try to understand it, but once we have an officer that exercises responsibilities outside our day-to-day control, we include in the system another layer whereby our own responsibility will be diminished. This point is very important.

My second point this afternoon, honourable senators, is about the proposal in this bill that the Senate Ethics Officer merge with the Ethics Commissioner of the other place. I was tempted, the first time I read that, to do what Senator Day did this afternoon and go through all the statements made by all the senators in this place when we discussed this previously. I have them here. Honourable senators who want to consult what they said at that time can come and look at them.

**Senator Cools:** I know what I said.

**Senator Joyal:** This is not the most important thing. The most important thing is that three constitutional principles are at stake.

The first is that the Parliament of Canada consist of three elements, according to section 17: the Crown, an upper house styled the Senate and the other place. Those three elements of the Constitution have to maintain their independence if they are to work properly. This is a fundamental principle, honourable senators.

The second is that each house, this one and the other one, has sole jurisdiction over its internal affairs and the discipline of its members.

The third is that the court system, or the justice system, should remain out of our daily business if we are to conduct our operation with the objective of maintaining the democratic principle in our institution. In other words, the court should not meddle in our internal affairs.

Those principles are simple to understand. Many of us, if not the majority of us, repeated those fundamental principles when we discussed the draft bill introduced at that time by Senator Carstairs, and then Bill C-34 — and I am looking at the honourable speakers who studied that bill very specifically at that time — and then Bill C-4. We came forward with a system that, honourable senators, I think operates satisfactorily.

**An Hon. Senator:** Hear, hear.

**Senator Joyal:** In fact, you received this report —

**The Hon. the Speaker:** The honourable senator's time has expired. Is he requesting additional time?

**Senator Comeau:** Five minutes.

**The Hon. the Speaker:** Five minutes. Senator Joyal.

**Senator Comeau:** Following your lead.

**Senator Joyal:** Thank you, honourable senators. I appreciate your leniency.

Last week, all of you received the annual report of the Senate Ethics Officer. No one can identify a single iota in this report where a member of this place has not met their obligation under the code, whereby the registry is not publicly accessible somewhere in the office of the SEO, and that the SEO does not have all the power to investigate any kind of complaints that could be lodged and to make recommendations to this house. We have a system that is not a year old. This bill sets aside all the principles that we implemented in this code. Why? Because there will be one ethics commissioner.

Honourable senators, when I thought about this issue some years ago, I said to myself that the worst scenario we can have is one ethics commissioner and in the other place there is a major problem. They start bickering with the person, there is an over-politicization of the system and we are dragged into it. My worst nightmare happened last year. Ask yourselves one simple question: Besides all the principles and abstract concepts I have

tried to explain, what would have happened if we had one ethics commissioner last week who would have become part of the game? Do you think we could have protected our independence and our autonomy?

**An Hon. Senator:** No.

**Senator Joyal:** Do you think we could ensure that, when there is an investigation, that investigation is not over-politicized? We know that ethics is a difficult area. If we want to maintain trust in the system, we have to maintain the kind of independence that is essential for the Senate to function.

Honourable senators, if you read section 6 and section 44 of this bill, you will realize that we will be dragged into that situation. If the system we have put into place in the last year had not given results, I would be the first one, as Sir John A. Macdonald said, to exercise sober second thought about it. However, the system functions presently. Before we throw it aside, we should think twice.

• (1640)

Finally, honourable senators, I have listened carefully and read most of the comments of honourable senators, as well as the testimony that many of the witnesses gave in the other place. When something is done that affects the functioning of the institutions — and I call upon those senators involved in public administration, or who have studied public administration before — there is a law called the Law of Unintended Consequences. The objective of the law is good. We want transparency, accountability, equity and justice for all. We want the justice system to go after rogue people. That is something we spontaneously support. When the government introduces proposed legislation and amend 70 statutes in one bill, something is put in motion. We trigger something.

When I read this bill, there is a pervasive element of distrust. It seems we cannot trust anyone anymore. If one joins the public service now, one will be submitted to layers and layers of over-the-shoulder control. There are commissions, officers and tribunals. Employees must deal with investigations, surveys and reports.

This morning the *National Post* outlined in an editorial that the major challenge now is to invite younger recruits into the public service.

If the culture is distrust and not the benefit of the doubt, not the quality of someone with education to serve the public, people who join the service or who are in the service will have to be well aware that the first foot that they put ahead, something very heavy will be on them. A different kind of culture of public service will be created or triggered.

This is an important point. This is the dynamic that the bill will trigger.

Honourable senators, we are the ones to try to bring that reflection in this chamber. We are well-positioned to try to evaluate the impact of this bill and to ensure that the objective of accountability and transparency are served in the best interests of all Canadians.

[ Senator Joyal ]

[*Translation*]

**Hon. Francis Fox:** Honourable senators, I would be pleased to hear the often liberal opinion of Senator Cools.

Today we have heard a series of very interesting speeches that have contributed significantly to the debate by both sides of the chamber. The debate is not a strategy to delay this bill but, rather, one to ensure that it is reviewed in detail.

Our critics have already indicated to the Leader of the Government in the Senate that the Liberal senators would expedite the second reading in order to help pass this bill today, while reserving our right to examine the issues raised when the bill is before the committee. Consequently, no one can objectively accuse the Liberal senators of delay tactics.

Honourable senators, we all agree that this is a wide-ranging bill that makes profound changes to the public administration in this country. I believe that this has been clearly shown by Senators Joyal and Segal.

The intention of the legislator is to improve the management of the public service in Canada; however, this bill does have shortcomings and can definitely be improved. The role of the Senate is to do just that. To deny it this opportunity, as indicated by Senator Joyal, is to deny the bicameral nature of our parliamentary system. It would deny the role attributed to the Senate by the Constitution.

Several of us have quoted from the Speech from the Throne. I would like to use the same quote from the Prime Minister but provide a different interpretation.

In an interview at the end of the session, the Prime Minister stated:

[*English*]

I do not think the unelected Senate, particularly the Liberal majority, has any business changing the fundamental principles of this legislation.

[*Translation*]

I take this to mean that, even in the eyes of the Prime Minister, we can and must review this legislation in order to improve it, provided we do not change the basic principles.

I am much comforted by the response of the Leader of the Government in the Senate in reaction to a question I asked her when she said:

[*English*]

I absolutely respect the right of the Standing Senate Committee on Legal and Constitutional Affairs to give a bill thorough study.

[*Translation*]

In other words, we must review this bill in detail and propose amendments based on the evidence provided.

I was also impressed with the speech by Senator Oliver on June 22, when he said, quite candidly — and I am quoting from page 628 of Hansard:

No individual piece of legislation is absolutely complete or perfect, but that is where we come in. We, the Senate of Canada, the body of sober second thought, have a responsibility to carefully review this legislation...

And in response to a question from Senator Mercer, he acknowledged that in the other place, there often is no opportunity to review the issue in detail — and I quote:

Senator Joyal, Senator Carstairs and I all feel that this bill is extremely important, one that we should not rush, one on which we should hear a lot of witnesses, and the witnesses should be given ample time to make their points.

I assume that referring this bill to the Senate is not an exercise in futility and that there will indeed be an in-depth review during the hearings held by Senator Oliver and his committee and that, following testimony by experts from a number of different fields, amendments will be proposed and, I hope, accepted by the government in the very spirit of the statements by the Prime Minister, the Leader of the Government in the Senate and the chair of the committee.

Some senators will linger over a number of specific provisions in Bill C-2. Personally, I intend to limit my remarks to section 405 on political financing activities in this country.

From the outset, I want to say that I do not have any problem with eliminating contributions from corporations or unions. It was the Right Honourable Jean Chrétien who had, in his reform, virtually eliminated such contributions by limiting them or placing a double limit on them: a monetary limit of \$1,000 and an eligibility limit by limiting them to riding associations.

• (1650)

Personally, I see no problem in completely eliminating this source of funding, although the recent report by Justice Moisan in Quebec gives some food for thought. I also see no problem with the limit on contributions that are allowed. What really hurts is the categorical refusal to allow convention registration fees to be counted as legitimate expenses without affecting the other contribution limits.

It is quite clear from the debates in the other place and the lower house's committee hearings that these changes are directed squarely at the Liberal Party, given the leadership convention scheduled for December. I would like to quote an excerpt from an interview the NDP critic, Yvon Godin, gave to the Canadian Press, during which he commented that the purpose of Bill C-2 was to prevent the Liberals from receiving any money from big business.

In any case, this is not real. He is deluding himself, as his party often does. It is clear from this Canadian Press report that the NDP would like the bill to be passed as soon as possible in order

to change the rules on funding political parties during the leadership race. This sort of talk has nothing to do with principles; it has to do with strategy, with tactics.

On this issue, *The Globe and Mail*, a reputable newspaper, said in its editorial last Saturday:

[English]

In some respects, the federal government's proposed federal accountability act might more accurately be called the gotcha act or the holier than thou act.

[Translation]

Once again, this sort of talk has nothing to do with principles. The editorial writer adds:

[English]

They note that it costs \$995 to be a delegate to their December leadership race, and that anyone who contributed even \$6 more to the party would be breaking the law. Too bad says Prime Minister Stephen Harper. The issue has been 'studied to death' and nobody should think of changing it. Gotcha, Liberals.

In many ways, the legislation in this part of it targets the Liberal Party directly by changing the rules in the middle of a financial year.

I am reminded of what Senator Segal said in his speech a few moments ago — how we should look with a great deal of concern at any measure that extends its reach retroactively. I think that is very wise counsel. I hope we would be able to look at that part of the bill very closely.

I am not arguing the principle embodied in the proposed bill of reducing the limits, I am arguing on the timing. This is not fair play. This is not the democratic way. This is not the Canadian way. In doing so, it is an effort to destabilize a political party in Canada. It is our turn today. It is somebody else's turn some other time. It is not something we should look upon lightly. It becomes an attack on the exercise of freedom of association, which I think to be a very serious matter.

Compare this to the Liberal way under Mr. Chrétien. Bill C-24, in its transition measures, allowed the party now led by Mr. Harper to disengage itself from Bill C-24 if it called a leadership convention before the end of 2003 — as it did in late December of that year. That, my friends, was an example of fair play, and respect for the democratic process that I hope members opposite will reflect on. It would indeed do them honour to initiate an amendment delaying implementation of the act until January 1, 2007, to allow the democratic process to unfold properly.

**Senator Fraser:** Hear, hear!

**Senator Fox:** Regarding the convention fees, may I also point out that under the Income Tax Act, parties must treat convention fees as contributions and issue receipts. I would suggest that the committee consider that registration fees could be exempted on condition their amount be registered with Elections Canada and subject to an audit by that body to ensure reasonableness.

I am somewhat heartened in my comments by seeing that there was a lot of confusion in the other place when this matter was looked at. Joan Bryden of the *Canadian Press* said:

A spokesperson for Conservative House Leader Rob Nicholson, who is shepherding the act through the Commons, dismissed the Liberal's fears of the bill's impact on their convention. Genevieve Gratton said delegate fees are meant to cover the actual costs of staging a convention. Thus, they are not considered a donation and are not subject to the donation limit.

That is the spokesperson for the government.

Ms. Bryden went on to say that the Liberals were just wrong in what they thought. However, Elections Canada, which implements and enforces political financing rules, backed up the Liberal's interpretation. If the government believes it does not influence, then let us make that change and let us say so very clearly. I think that is something that would be —

[Translation]

— a credit to the government, to make such changes.

[English]

To my mind, we are dealing here with an issue that has profound effects on the right to be involved in politics in Canada. It is an issue that has been trivialized as “gotcha politics,” as hitting out with impunity against one political party with the other standing by grinning. This is not the way to deal with issues of this kind. It is my hope and expectation that our process will allow us to vet these issues in depth, without being criticized by people in the other place.

Hopefully, academics, editorialists, law school deans, members of the Senate of all stripes, independents and think tanks will start focussing on the issue I have just raised and realize that short-term pain deliberately inflicted on one party does not serve Canada's democratic process.

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

**Hon. Gerry St. Germain:** I have a question for the honourable senator.

In 1993, I was the President of the Progressive Conservative Party of Canada. In 1984, I was the national caucus chairman. At that time, the Liberals were reduced to 40 seats. There was a request that Liberal caucus services be granted extra funding over and above the numbers — it was a numbers situation, where funds were allocated based on numbers of members. Prime Minister Mulroney granted extra funding to the Liberal Party. In 1993, we asked for special consideration. We were told by then-Prime Minister Chrétien there would be no consideration at all. Not that Senator Fox would do a thing like this, but I recall this vividly. I think it should be brought to the attention of the Senate and the country that this took place, that consideration was given in one instance but not in the other.

[ Senator Fox ]

I am not saying this is the right thing to do. All I am saying is that when the senator brings forward issues of fair play, I think the street should be called fair and it should run both ways. I ask for his comment on that.

**Senator Fox:** Honourable senators, I gather there is a question mark at the end of the comment. As Senator St. Germain knows, although it may not have pleased everybody on this side of the house, I have always had a great deal of admiration for Prime Minister Mulroney who, to my mind, will go down in history as one of the great prime ministers of this country.

I think the type of attitude he had in the case that the honourable senator mentioned was exemplary. I also think the attitude Mr. Chrétien had in introducing a transitional period in the application of Bill C-24, to allow the Conservative Party to run its leadership campaign the following year under the previous rules, is also exemplary. We have two examples to follow. I am sure we could find all sorts of examples we should not follow, but we have two examples in front of us we should follow. I would encourage the honourable senator to show the same generosity his former leader showed.

• (1700)

**Hon. Anne C. Cools:** Honourable senators, I would like to join the debate on Bill C-2 but I confess that I am not as prepared as I would like to be. However, I understand that the bill is to be referred to committee today so I must speak today or not speak at all.

I thank the other speakers today, in particular Senator Joyal, who need not fuss or worry because I remember clearly everything that I said. Senator Joyal will recall two years ago when I questioned the notion and the concept of the term “officers of Parliament.” It is a fiction in many respects that I had hoped would be examined. However, rather than examine it, we are expanding it without proper examination. At one time, the Auditor General of Canada was also the Deputy Minister of Finance. Years ago, I did a great deal of work on the history and origin of these positions, which have come a long way from anything they were ever intended to be.

I wish to come to the notion that recurs through the entire debate — our concern for the weakening of Parliament — to the extent that Senator Joyal quoted Sir John A. Macdonald. I would quote Sir Clifford Sifton. As we know, historically, Sir Clifford Sifton was one of the most able ministers in the government of Sir Wilfrid Laurier. In a collection of essays called *The New Era in Canada*, edited by Mr. John Ormsby Miller and published in 1917, Sir Clifford Sifton addressed the business of the Senate. I want this on the record to show senators that the same problems that bedevil us today began to surface 50-80 years ago.

Sir Clifford Sifton, a man of great intellectual and mental largesse, said in an essay that can be found at page 50 of the *New Era in Canada*:

It must be also remembered that, under our system, the power of the Cabinet tends to grow at the expense of the House of Commons.

He continued:

The Senate is not so much a check on the House of Commons as it is upon the Cabinet, and there can be no doubt that its influence in this respect is salutary.

Following such sensibilities, much debate ensued over the next many years, particularly in intellectual circles, on the phenomenon of the passing of Parliament, with enormous concern for the ascendancy and the concentration of power in the cabinet. However, the situation over the last 25 years has gone from concern over the concentration of power in the cabinet to the concentration of power in the Prime Minister's Office. When Sir Clifford Sifton and others were writing on and speaking to the issue, they would not have anticipated that such power could be held in the hands of non-elected individuals, many under the age of 30-35 years and often in need of some serious adult supervision. A body of opinion is growing that in governments today, particularly of the Westminster-type, there is an inherent kind of despotism.

Senator Oliver, Chair of the Standing Senate Committee on Legal and Constitutional Affairs, said that he would like Professor Peter Aucoin to appear before the committee. I would quote Mr. Aucoin's testimony before the Standing Senate Committee on National Finance on October 18, 2005, in its examination of the Main Estimates. The real issue before the committee at the time was the business of the accounting officers. Senator Day will understand why I raise this point, given the meeting we had a couple of weeks ago. Many witnesses speak to proposals for the creation of accounting officers. Mr. Aucoin said:

All these issues are important because there have been significant political pressures on the public service over the past quarter of a century and more. I would like to emphasize that this is not a uniquely Canadian phenomenon; this is an international phenomenon. In every political system, these things are occurring and they have been building incrementally for the most part, particularly in the Westminster systems, over the past quarter of a century. They wax and wane a bit but they are becoming more intense.

The pressures come from an increased concentration of power at the centre under the Prime Minister, not the Privy Council Office, which is the Prime Minister's department. There is an increased number and influence of political aides and ministerial staff. There is an increased effort to try to politicize staffing in the public service, more so in some jurisdictions than others. There is an increased effort to impose political spin on government communications, the worst case in Britain; and there is an increased demand that public servants be enthusiastic advocates of government policy initiatives — not loyal to the government of the day, enthusiastic advocates of government policy positions. All of those things are coming together. You can find elements of this in the past, but it is becoming much more intense.

It is my view that the sponsorship scandal and several of the other recent debacles we have had are the consequences of those pressures. Some are obviously more extreme and

serious than others, such as the sponsorship scandal, but we ought not to think of this as some sort of passing incident that we can get over.

I found those words to be most insightful when I reviewed the committee testimony. It is likely that Peter Aucoin will be a central witness in the committee's study of Bill C-2. In another speech that he presented in Ottawa on May 11, 2006, entitled *Naming, Blaming and Shaming*, he said:

For the Canadian Conservative Party in opposition, the proposed way to improve the capacity of Parliament to hold government to account was primarily to strengthen the capacities of parliamentary agents, the press, and the public

- to scrutinize and review the behaviour of ministers and officials ...

He continued:

What is noteworthy here is that the capacity of Parliament to hold ministers and officials to account is considered almost exclusively in terms of Parliament's agents and not MPs themselves.

That is a significant perception. He continued:

One could almost say that MPs have agreed to "contract-out" the duty of Parliament to hold ministers and officials to account to their Parliamentary agents.

There is a huge body of opinion that some things are drastically wrong and need correction, which should be happening. I support Senator Segal such that the bill is extremely well-intentioned and motivated, but it is our duty to look at it with care to see that it enhances the role of Parliament and strengthens the role of MPs and senators in the business of holding governments to account. This is no small matter.

I have taken a fair number of blows for questioning because I was trained as a youngster growing up that it was my bounden duty to do so.

- (1710)

I was raised in the best tradition of criticism, a British tradition of criticism and self-criticism. I was also raised to believe that the system of ministerial responsibility — the Queen and her council and her Parliament, particularly this thing we call Parliament — is probably the greatest tradition that has ever been bequeathed to humanity. I say that with all meaning because I was raised at a time when names like William Wilberforce still rang magic in the minds of children and the people of the British Caribbean. Many senators may not be aware that William Wilberforce was that individual who, by the 1780s and 1790s, was already raising on the floor of the House of Commons of the U.K. the whole phenomenon of the abolition of slavery and the slave trade. For 40 years on the floor of the chamber of the House of Commons he endeavoured to achieve his objective. He lived to see the abolition of one and not the other, but both were almost achieved by the time he died in 1833.

**Senator Smith:** Three days before.

**Senator Cools:** Abolition was achieved three days before his death.

There were two issues. Many people do not realize that one issue was the abolition of the slave trade and the other was the abolition of slavery.

Honourable senators have to appreciate that my upbringing was different from many others' here. I was raised not only to question but also to think. I was raised to uphold the principles of the system. At the end of the day, honourable senators, corruption is not about money; corruption is about rendering the pure impure, about rendering the sound unsound. That is what corruption really means, honourable senators.

I hope that honourable senators understand why I raise some of these questions. It comes from a deep-seated, long-held and abiding sense of what I call my own racial unconsciousness. It is important that we understand that.

The devil in this bill is in the details, and there are thousands of details. I have not yet completed my study of this bill, because it is enormous; it is gargantuan. I will not say who, but an individual said to me a few days ago that 12 years of work was put into this bill in six weeks. I have news: It is still only six weeks of work. Six weeks is six weeks; it cannot be 12 years. It does not matter how many people are working on it, because you do not have the seasoned business of maturity and testing of ideas, and so on.

A notion that seems to be passing into antiquity is what I would call the constitutional principles of the system. One of the first constitutional principles of the system is harmony, as Senator Joyal articulated. I am articulating it a little differently, but it is the proper balance of the equipoise and equilibrium between the three constituent parts of the Constitution, being Her Majesty, the House of Commons and the Senate; and, over there, the judiciary. We have a duty to inspect this bill carefully to ensure that those balances have been maintained.

I remember some of the debate on Bill C-20, the Clarity Act. I would like to say that the first duty of the cabinet, the ministry as we used to call it, and the Prime Minister is to uphold the Constitution and to uphold the phenomenon of harmony among the constituent parts of the system.

In closing, another old principle comes from Sir Robert Peel, recorded in a book called *Opinions of Sir Robert Peel Expressed in Parliament and in Public*. It was published in 1843. One of the issues that has concerned me is that this act was committed or pledged in public long —

**The Hon. the Speaker:** Honourable senators, the time for the intervention of Senator Cools has expired. Would honourable senators agree to a further five minutes?

**Hon. Senators:** Agreed.

**Senator Cools:** I thank honourable senators.

This subject has worried me because it is the first time, in my knowledge, in a parliamentary system that an opposition

announced that it will pass a bill, complete with the name and the title of a bill. What happens if one of the Houses wants to change the name of the bill, for example?

Turning to page 312 of Sir Robert Peel's opinion, under the title "Parliamentary Pledges." Remember, Sir Robert Peel, like many others at the time — Disraeli, Gladstone and Earl Grey — was laying out the principles of the system. When people ask where that is written, they must read Lord Brougham or William Gladstone in order to find out the principles.

This is what Sir Robert Peel had to say in 1832 when, discussing the government proposition concerning tithes in Ireland:

I own that abstractly, and on general principles, I object to pledge the House prospectively to the adoption of any particular course at a future period. I have uniformly objected to that course.... I object to such a course, because I think it is an improper mode of relieving ourselves from present difficulties to enter into engagements when we are not prepared with measures of practical detail, without the accompaniment of which those engagements cannot be redeemed. The whole history of parliament has a tendency to discourage the hasty adoption of pledges of this nature.

Honourable senators, as I said before, I am in the process of studying this bill. I am a member of the committee that will be studying it. I am sure that honourable senators know that I have more than a passing interest in many areas of this bill. I am sure that honourable senators will remember the struggle that was engaged in in this house on the business of the Senate Ethics Officer and the strong feelings that were held on all sides of the house, particularly in defending the right and the independence of the Senate to its own peculiar and particular Senate officer.

I would even go a little further to say that when the vote took place on the so-called ethics bill, I swallowed a bitter pill. However, the bill having been adopted, I accepted the regime because, "it was done." Therefore, I want to be shown good reasons as to why there is a proposal to change it. I want to understand the details, and I am having great difficulty obtaining the reasons for the proposal.

Honourable senators, this bill is well-intentioned. I would submit that there is a need for correction. I would also submit that there is a great need for the examination of the details of this bill. I hope that honourable senators would be fair and just, and I hope what Senator Fox says does not pertain to the "gotcha." That is a strange word, "gotcha."

To Senator Fox, I would say that I have seen Liberals engaged in some "gotcha" stuff. Boasting is not something that is desirable. I am not boasting, but when certain ministers and the RCMP were going after Mr. Mulroney, that bothered me deeply, that anyone could do that to a prime minister.

I want honourable senators to know that it is not an easy thing to take a different view or opinion when one serves in a caucus, but I was out having lunch with a dear friend of mine, who shall remain nameless, a senior judge, and I told him how distressed I was at this extra-political attempt to destroy Mr. Mulroney personally. It seemed to me that having wiped him out politically would have been enough.

• (1720)

I remember he said to me, “Anne, if you feel so strongly, you have a duty to speak. If you see something that is wrong, you have a duty to say so.” It reminded me of my parents, my mother and the grand school mistresses who educated me. If you see something that is wrong, you have a duty to try to correct it. Of course, you accept the results as the outcome.

Having said that, honourable senators, I look forward to the debate. I look forward to the exchange. I am already reading rather strenuously for it. I hope that we will be dutiful, constructive and extremely civilized in all of our dealings.

Honourable senators, I thank you for your attention, and I hope that we understand a little bit about how I was raised, in my Afro-Saxon racial collective unconsciousness.

**Hon. Jeremiah S. Grafstein:** Honourable senators, the debate today stimulated me to look at a question that has not been raised previously. Looking at the scope of the bill with its sweeping changes that, in the view of many of us, change the essential characteristics of both Houses of Parliament with respect to their powers of oversight, we have heard concerns enunciated on both sides. Senator Segal, Senator Joyal, the leader on this side and Senator Day all have concerns about this bill, but it is a question of the overall sweep of this bill as it affects Parliament’s ability to function as an independent body as a check and balance against the executive. As Senator Joyal so articulately pointed out, it is obviously a wholesale delegation of powers to the executive, dealing with constitutional powers that have always been within the purview of both Houses.

Senator Oliver will recall that this was a matter of great debate back in 1883 with *Hodge v. The Queen*, and I will refer him to the principle of *delegatus non potest delegare*. If you go through the cases, you will conclude that if there is an abdication of power, then that offends the Constitution.

I ask the honourable senator who is the sponsor of this bill whether the law officers of the Crown have looked at this question and whether they have opined that this bill is constitutional and does not offend a wholesale delegation of the powers of both Houses.

**The Hon. the Speaker:** Further debate? Are honourable senators ready for the question?

**Hon. Senators:** Question!

**The Hon. the Speaker:** It was moved by the Honourable Senator Oliver, seconded by the Honourable Senator Champagne, that this bill be read a second time.

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

**Some Hon. Senators:** Agreed.

**An Hon. Senator:** On division.

Motion agreed to and bill read second time, on division.

REFERRED TO COMMITTEE

**The Hon. the Speaker:** When shall this bill be read a third time?

On motion of Senator Oliver, bill referred to the Standing Senate Committee on Legal and Constitutional Affairs.

## LEGAL AND CONSTITUTIONAL AFFAIRS

### COMMITTEE AUTHORIZED TO MEET DURING SITTINGS OF THE SENATE

Leave having been given to proceed to motion No. 80:

**Hon. Donald H. Oliver,** pursuant to notice of June 22, 2006, moved:

That the Standing Senate Committee on Legal and Constitutional Affairs have the power to sit during sittings of the Senate up to and including Thursday, June 29, 2006, and that the application of rule 95(4) be suspended in relation thereto.

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

Motion agreed to.

## STATE IMMUNITY ACT CRIMINAL CODE

### BILL TO AMEND—SECOND READING— DEBATE CONTINUED

On the Order:

Resuming debate on the motion of the Honourable Senator Tkachuk, seconded by the Honourable Senator Meighen, for the second reading of Bill S-218, to amend the State Immunity Act and the Criminal Code (civil remedies for victims of terrorism).—(*Honourable Senator Fraser*)

**Hon. Jeremiah S. Grafstein:** Honourable senators, I support the principle of Bill S-218. The purpose of the bill is very narrow and focused. It applies to the consequences of the acts of terrorism as already defined under our law, but this bill goes further. This bill affords civil redress through the courts by victims and their families who have been damaged or suffered demonstrable losses because of acts of terrorism.

Victims and family members can launch suits against states that support terrorist organizations banned in Canada as terrorist organizations. The plaintiff in any such lawsuit must satisfy the onus of damage to the victims and establish state sponsorship of such terrorist organizations. This caveat should provide ample protection against nuisance suits of those who would mindlessly appropriate this proposed civil remedy and redress.

This bill, as Senator Tkachuk pointed out, is a necessary companion piece to the United Nations Security Council resolution 1373, which honourable senators will recall was a counterterrorism measure adopted on September 28, 2001, following the September 11, 2001 surprise terrorist attacks in the United States.

This resolution was adopted under Chapter VIII of the Charter of the United Nations. It is therefore binding on all UN members. The UN resolution “called on states to work together urgently prevent and suppress terrorist acts...”

It was decided that all nations shall:

- (a) Prevent and suppress the financing of terrorist acts;
- (b) Criminalise the wilful provision or collection, ....of funds.....in order to carry out terrorist acts;
- (c) Freeze without delay funds and other financial assets or economic resources of persons who commit terrorist acts or participate in or facilitate the commission of terrorist acts; ...and of persons or entities acting on behalf of, or at the directions of such persons and entities...

The UN resolution was aimed at intersecting and constructing barriers to the free movement of funds, organizations and fundraising of such terrorist groups. The resolution calls on all states to adjust their national laws to ratify all the existing international conventions on terrorism.

Section 83.14(5.1) of the Canadian Criminal Code states,

5.1) Any proceeds that arise from the disposal of property under subsection (5) may be used to compensate victims of terrorist activities and to fund anti-terrorist initiatives in accordance with any regulations made by the Governor in Council under subsection (5.2).

This is not new. British Columbia, Ontario, Manitoba, and Alberta have introduced legislation giving provincial governments the right to seize the proceeds of criminal conduct. In B.C., legislation authorizes the confiscation and conversion of seized assets into cash that can be used to compensate the victims of illegal activity. That is all to the greater good of the public interest.

The Canadian Constitution is clear that civil liberties and remedies may be added to federal legislation. Such civil remedies can be rationally and functionally connected to a federal statute, as Senator Tkachuk has proposed in this measure.

Honourable senators, I agree with the principle of this bill. I trust that the Standing Senate Committee on Legal and Constitutional Affairs will examine it in detail. A number of the provisions as drafted have constitutional implications.

I am concerned specifically about the issue of retroactivity to ensure it meets the international and constitutional normative principles.

[ Senator Grafstein ]

• (1730)

There is a clear line of domestic and international precedence to deal with the issue of retrospectivity to horrendous acts of violence against innocence. Not retroactivity: I am talking about retrospectivity.

There is a presumption in the common law against retroactivity. Plaintiffs carry the heavy onus of demonstrating retrospective remedies do not impinge vested rights. However, if the objective of these funds is not to support international law or to contradict international law as accepted by a state and have mischief as its objective, or is contrary to public safety, this onus can be displaced.

I commend Senator Tkachuk for his leadership on this issue. Justice delayed is justice denied. I support the principle of this bill to grant civil remedies to the victims of injustice and terrorism. Let us move this bill to the committee as soon as possible.

This bill will bring greater accountability to those states that support international resolutions in name but not in domestic practice or in policy. They act without reference to their international commitments. To these, their international commitments, this bill is a good and effective means to bring terrorist action against citizens to account.

Justice delayed is justice denied. I commend this bill for your speedy consideration in committee.

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

[Translation]

## FINANCIAL ADMINISTRATION ACT BANK OF CANADA ACT

BILL TO AMEND—SECOND READING—  
DEBATE CONTINUED

On the Order:

Resuming debate on the motion of the Honourable Senator Segal, seconded by the Honourable Senator Meighen, for the second reading of Bill S-217, An Act to amend the Financial Administration Act and the Bank of Canada Act (quarterly financial reports).—(*Honourable Senator Fox, P.C.*)

**Hon. Francis Fox:** Honourable senators, I would first like to congratulate Senator Segal on his initiative in proposing the adoption of Bill S-207, which was debated over the course of an afternoon during a previous sitting.

This bill addresses a topic that is very important to us, namely, the government’s proper management of public funds and Parliament’s control of public expenditure. Bill S-217 will provide both Houses with additional tools in order to improve the review of government spending by the departments, Crown corporations and the Bank of Canada.

With this bill, Senator Segal is proposing that the public administration, Crown corporations and the Bank of Canada submit quarterly financial reports to both Houses.



In doing so, the government would be following the example that is well established in the private sector, whereby companies listed on the stock exchange are required to produce quarterly financial reports available to the public and shareholders.

Although I agree with the principle of this bill, I would nevertheless like to point out a few issues that I believe deserve our attention and that should be the subject of an in-depth review before the Standing Senate Committee on National Finance after the bill is adopted at second reading.

Honourable senators, we must ensure that these major changes in how we operate are made with a view to improving the efficiency of the expenditure review process, while meeting the requirements of a reasonable cost-benefit ratio.

It goes without saying that this quarterly review will have significant impact on the system at all levels. The ministers themselves will know that they will face a quarterly review and, consequently, that they will have to monitor more closely the relevance, and the development and control of programs for which they are responsible. This is all very positive.

The entire federal administration, including ministers and deputy ministers, will have to become more vigilant, which should make it possible to find and eliminate potential overspending.

These changes should force us to re-examine our own ways of doing things and motivate us to turn to outside expertise which, if I am not mistaken, should happen with the creation of the parliamentary budget office proposed by the government. Otherwise, our role of monitoring expenditures would become less effective, not more effective, as a result of this measure because, rather than examining one report per year for each department and agency of the federal administration, we would be examining four per year for each one.

Thus, we should examine the questions of how, who and how much: how will all this data be processed and presented in order for us, as parliamentarians, to do our work efficiently; who will help us analyse all of it; and, finally, how much will this cost?

If we do not change our way of doing things, if we do not have access to external expertise, we run the risk of passing a measure that quadruples the burden on all branches of government administration and Parliament without bringing any of the benefits we are counting on in terms of improved transparency, better parliamentary control and better management.

I believe that the principle of Bill S-217 as proposed by Senator Segal deserves our support. It is up to us to find effective ways to apply it.

In that sense, I would be very interested in what the experts at the Treasury Board and the Office of the Auditor General might have to say about this during the hearings. We should also ask organizations and groups that monitor the government's use of public funds to appear before the committee and share their comments with us. These organizations most likely have

expectations with respect to how we produce our reports. I would like them to explain to us how we can simplify their lives and, at the same time, our own.

I would like to reiterate my interest in Senator Segal's initiative, which focuses on improving our oversight of public accounts and management of public funds. I think that the more transparent we are, the more we can promote the establishment of a healthy democracy in our country.

I therefore move that Bill S-217 be adopted at second reading and referred to the Standing Senate Committee on National Finance.

On motion of Senator Comeau, debate adjourned until the next sitting of the Senate.

[English]

## INCOME TAX ACT

### BILL TO AMEND—SECOND READING— DEBATE CONTINUED

On the Order:

Resuming debate on the motion of the Honourable Senator Austin, P.C., seconded by the Honourable Senator Carstairs, P.C., for the second reading of Bill S-215, to amend the Income Tax Act in order to provide tax relief.—(*Honourable Senator Di Nino*)

**Hon. Consiglio Di Nino:** Honourable senators, I am pleased to join in the debate for Senator Austin's private member's bill, Bill S-215.

The good senator gave a lengthy and detailed presentation on what I believe is an attempt to compare, at least in part, the Liberal party's platform of the last election with the Conservative government's implementation of its election platform. I find myself wondering if Senator Austin is floating these ideas to influence his party's platform for the next election.

I agree with Senator Austin that there are fundamental differences in the approach of our two political parties to provide Canadians with tax relief. That is what democracy is all about. All parties appeal to the electorate to attempt to win a vote. Platforms are prepared and presented to Canadians for their judgment.

On January 23, 2006, Canadians voted in large enough numbers to elect a Conservative government. Yes, it is only a minority government, but in our system that government is legitimate and acceptable.

Canadians chose a Conservative party in sufficient numbers to allow us to govern. It seems to me Senator Austin has not fully accepted the fact that his party lost the last election, a decision the citizens of Canada made.

Let me restate for the record the main provisions of the 2006 budget, which should go a long way towards refuting the honourable senator's concerns raised during his speech. Those concerns were about giving Canadians tax relief.

• (1740)

Honourable senators, the budget reflects the Conservative Party's commitment to Canadians, who seem to have largely embraced and praised its contents. Senator Austin seems to want to know what this government is doing for Canadians. I will list some of the benefits Canadians will gain from Mr. Flaherty's budget.

Reducing the GST from 7 per cent to 6 per cent effective July 1, 2006, with a commitment to a further reduction of 5 per cent; and reducing the last personal tax rate from 16 to 15.5 per cent, are two initiatives that will put money back into the pockets of Canadians for them to do with as they wish.

The government introduced the universal child care benefit, providing families with children under the age of six years a monthly payment of \$100 per child, giving parents a real child care choice as well as setting aside \$250 million per year beginning in 2007-08 to support the creation of new real child care spaces. This is something the previous government was not able to do in the 13 years it was in power, notwithstanding its promises.

Removing hundreds of thousands of low-income Canadians from the tax roll is a direct benefit to those needy men and women. Effective January 1, 2007, the government is introducing a tax credit of \$500 per child under the age of 16 to help promote physical fitness and good health. Persons with visible disabilities will also benefit by increasing the maximum child disability benefit to \$2,300 from \$2,044 effective July 1, 2006; increasing the amount of refundable medical expenses, RMEs, to \$1,000 from \$767 for the 2006 taxation year; and extending eligibility for the child disability benefit to middle- and higher-income families.

On the health care front, transfers will rise by 6 per cent this year and next. Also, \$5.5 billion will be provided to help develop a patient wait-times guarantee.

Unlike the previous government, we have not forgotten Canada's farmers. The Harper government provided an additional \$1.5 billion in new funding just for this year.

Pensioners will benefit from Budget 2006 proposals as well. Starting with the 2006 tax year, the amount of eligible pension income that can be claimed under the pension income credit will be doubled to \$2,000. This is a real benefit.

Post-secondary students have not been ignored. They will benefit from a new \$500 tax credit to help with their textbook costs. As well, the current \$3,000 exemption limit for scholarships, fellowships and bursary income will be eliminated, resulting in making all of these programs exempt from income tax, and eligibility for student loans will be expanded to assist more students from middle-income families.

Also, the budget will provide a new tax credit of up to \$2,000 per year for employers who hire and train apprentices to help them cope with the difficulties they face in finding skilled tradespeople. In addition, apprentices will be eligible for \$1,000 grants as of January 1, 2007 under a new apprenticeship incentive program.

There is a new tools tax deduction up to \$500 for tradespeople for the cost of tools in excess of \$1,000 that they must acquire as a condition of their employment. Moreover, the \$200 limit on the cost of tools eligible for the \$100 capital cost allowance will be increased to \$500. This will not only help the tradespeople, but will also benefit manufacturers and those who sell these tools.

Budget 2006 also proposes a new tax credit for public transit users who purchase monthly transit passes or passes for a longer period of time. Not only will this provision provide millions of transit users with tax relief, it will also help improve the environment.

Honourable senators will remember the introduction by the Liberal government of a new head tax on immigrants in the amount of \$975 per person. This government has committed to reducing this fee to \$490 immediately, with a further commitment to eliminate it as soon as practicable.

As well, the budget increases immigration settlement funding by \$307 million. In addition, the Conservative government is establishing a Canadian agency for assessment and recognition of foreign credentials, something long awaited by qualified professionals who choose to make Canada their new home.

Prime Minister Harper's government is making the Canadian Forces a big winner by providing the appropriate resources to help them in their difficult challenge of making and keeping peace wherever they are needed in the world. In the last couple of days we have seen and heard hard evidence of this with the announcements of the Minister of Defence.

Small businesses will benefit on a number of fronts to help them create more jobs. Effective January 1, 2007, the threshold for small business income eligible for a reduced federal tax rate will be increased from \$300,000 to \$400,000. The 12 per cent rate for eligible small business income will be reduced to 11.5 per cent in 2008 and 11 per cent in 2009. Effective July 1, 2006, 100 per cent Canadian wine produced by small vintners will be exempt from duty. The rate of excise duty for beer produced by small brewers will be reduced effective July 1, 2006.

The excise tax on jewellery will be repealed effective immediately. I wish to thank all honourable senators who supported the private member's bill on this issue. I believe it helped convince the Minister of Finance to help eliminate this tax.

Corporate tax reductions in this budget include a reduction in the general corporate tax to 20.5 per cent on January 1, 2008 and to 19 per cent by 2010. Effective January 1, 2008, the corporate surtax will be eliminated and effective January 1, 2006, the federal capital tax will be eliminated, two years earlier than originally scheduled.

This budget includes the removal of the tax liability faced by Canadians in the fishing industry when transferring fishing properties to their children. In addition, equal treatment will now be given to the fishing industry by giving them the same \$500,000 lifetime capital gains exemption enjoyed by farmers and small business owners.

The forest industry will benefit from an investment over the next two years of \$400 million to encourage long-term competitiveness of this crucial industry to assist worker adjustment and to address the pine beetle infestation in British Columbia.

The capital gains on donations of publicly listed securities to charities will be eliminated immediately. This will help create a donation pool estimated at some \$300 million annually that can be used to support worthy charitable causes and projects. At the same time, this budget increases funding to the culture and arts community by \$50 million over the next two years. These two provisions are a huge benefit for all public charitable and not-for-profit organizations, for the arts community and, indeed, for all Canadians.

That, honourable senators, is pretty good tax relief benefit to Canadians under this new government.

Senator Austin is right when he says that there are those who are not entirely supportive of the government's approach to tax relief. I would be shocked if any government action or proposal would receive unanimous support from anywhere. That simply will not happen. The issue is what Canadians think. Are they happy, or at least satisfied, that the Conservative government has begun to address the problems and issues of importance to them? It seems to me that more and more Canadians are giving Mr. Harper and his government a pretty solid stamp of approval, and that is the important opinion.

I believe that all fair persons would agree that, for a government that has only been in power some five months, this government has done very well indeed. I think honourable senators would agree that, in the short period of time it has been in power, this government has kept many of its electoral promises. My suggestion is to stay tuned; more good things are yet to come.

With respect, I urge my honourable friend, Senator Austin, for whom I do have a great deal of respect, to stop fighting the last election. His time would be better spent preparing for the next one.

On motion of Senator Tkachuk, debate adjourned.

• (1750)

## FOREIGN AFFAIRS

### BUDGET, ENGAGE SERVICES AND TRAVEL— STUDY ON MATTERS RELATING TO AFRICA— REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the second report of the Standing Senate Committee on Foreign Affairs, (budget—study to examine and report on the development and security challenges facing Africa—power to hire staff and travel), presented in the Senate on June 22, 2006.—(*Honourable Senator Segal*)

**Hon. Hugh Segal** moved the adoption of the report.

**Hon. Terry Stratton:** Honourable senators, as chairman of the Subcommittee on Budgets, we have examined the larger budgets that will be debated this evening rather than the smaller ones, meaning those under \$75,000 that will not necessarily be debated. However, for those that are fairly significant, such as this one, because of the dollar value, it is worth asking questions.

The subcommittee did approve all budgets, as did the Standing Committee on Internal Economy, Budgets and Administration; that is not the issue. In several instances, three out of the seven were approved in a phased manner. In other words, three of them did not get their full approval. Nevertheless, there are and should be questions to be asked with respect to some budgets. For example, the Standing Senate Committee on Foreign Affairs went to Africa last year. It is now asking to return to Africa once again.

The question in my mind is: There is a request for \$345,000 to travel to Africa. Why, one year after going, does the committee need to return? There should be an explanation from the chair to this chamber as to why the committee is doing that at this stage.

**Senator Segal:** I thank the honourable senator for his thoughtful and focussed question. I also wish to thank him for the consistency of the question, because it was the same question that he asked when we appeared before his committee a short time ago.

I absolutely respect not only the right of the subcommittee but also the Standing Committee on Internal Economy, Budgets and Administration and this house to be diligent in the scrutiny of all expenses and to ask tough questions. All of us have a duty of trust and responsibility and should be delighted for the chance to respond in some detail, which I am now pleased to do.

When the committee visited Africa in the last Parliament, it was at the beginning of a detailed study of development, security, political governance and social issues as it related to Africa. Since that constructive visit — which was before my time on the committee, but the testimony that was received and the records of that discussion were broad and helpful — the committee has held hearings in which over 120 witnesses have appeared to answer detailed questions and make various representations. This has allowed honourable senators on the committee to develop a series of thematics for the final report, which we hope to have completed this fall.

In that respect, we focussed specifically on the private sector and how the private sector's development will assist in dealing with Africa's opportunities and great potential. Our obligation as Canadians to be supportive of both is deemed to be appropriate, unanimously agreed to at the committee for our area of focus.

Travelling to those specific countries where the private sector has been explicitly successful, where they have shown immense initiative and empowered Africans to make progress, both socially and politically, struck the members of the committee as a constructive way to complete its work and to ensure that we have straight-up testimony at the coalface from individuals who are working so hard to build this sort of economic framework.

As a matter of record, this committee, under the distinguished leadership of the former chair, returned hundreds of thousands of dollars to the Senate because the committee acted in a frugal and responsible way, and I expect no less in this process.

**Senator Stratton:** While the honourable senator has explained the necessity of travelling to Africa, why indeed is the committee travelling to the United Kingdom, Norway and the Netherlands?

**An Hon. Senator:** It is on the way.

**Senator Segal:** I thank the honourable senator for that question. One of the things that our committee has been very concerned about, and I believe it reflects the view that we all share, is that Canadian foreign aid and investment in that part of the world be efficient, effective, and also generate opportunities for economic development.

We have heard expert testimony from various sources that other aid agencies have been operating in a fashion that generates more money to those who should be receiving it with less administrative cost than is the case for CIDA.

I know the honourable senator would be concerned about economies of scale; we were particularly encouraged by a report prepared by the C.D. Howe Institute that suggested that there are more efficient ways of achieving the aid goals, and they listed those specific countries as countries the committee would benefit from visiting so as to have hard evidence with which we could use in the process of shaping our final report to this chamber.

**An Hon. Senator:** Hugh Segal for Prime Minister!

**Senator Stratton:** Will the entire committee go to the United Kingdom and Norway, or is it, rather, a smaller fact-finding group?

**Senator Segal:** Honourable senators, we are consulting with both sides as to who will be available on the committee to attend. We hope many of our members will be able to do so, but it may be a smaller number than the total membership. We would endeavour to manage that in a way which assured participation on the part of our members and also absolute fiscal frugality with respect to the administration of the public purse.

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

**Hon. Senators:** Agreed.

Motion agreed to and report adopted.

## NATIONAL SECURITY AND DEFENCE

### BUDGET, ENGAGE SERVICES AND TRAVEL— STUDY ON NATIONAL SECURITY POLICY— REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the third report of the Standing Senate Committee on National Security and Defence, (budget—study on the need for a National Security Policy—power to hire staff and travel), presented in the Senate on June 22, 2006.—(*Honourable Senator Kenny*)

**Hon. Colin Kenny** moved the adoption of the report.

**Hon. Terry Stratton:** Honourable senators, as with the previous presentation of a budget from the Standing Senate Committee on Foreign Affairs, I have questions for the chairman of the Standing Senate Committee on National Security and Defence.

Why, when the committee was in Afghanistan a short while ago, is it returning to Afghanistan? I have a real concern about travelling to a war zone. It is my view that such a trip would place the lives of committee members in jeopardy. As well, additional forces will be required to ensure the security of committee members while they are there.

I question whether this is the appropriate time to travel to Afghanistan. Is there a reason to go there? Has such a trip been cleared with the authorities in Afghanistan as to the safety of both committee members and the safety of soldiers who would be charged with securing the safety of committee members?

**Senator Kenny:** I thank the honourable senator for his question. I do not think I can match or even come near Senator Segal's eloquence in replying, but I will be pleased to try.

In anticipation of the next question, I will run through the entire trip in sequence for the honourable senator.

• (1800)

**The Hon. the Speaker:** Honourable senators, I wonder if the chair could get some guidance from the house. We are close to six o'clock. What is the will of the house?

**Hon. Gerald J. Comeau (Deputy Leader of the Government):** I believe, Your Honour, that if you were to seek advice, you would find that we have agreed not to see the clock.

**The Hon. the Speaker:** Is it agreed, honourable senators, not to see the clock?

**Hon. Senators:** Agreed.

**Senator Kenny:** The trip as proposed would have the committee going to London, England, first, to look at the issues of rail security and home-grown terrorists. Everyone is aware of the recent problems here in Canada with home-grown terrorists appearing in the Toronto region and more recently in Miami in the United States. The committee has been concerned with this phenomenon inasmuch as it is extraordinarily difficult for the officials, the police and the intelligence service to address the problem of home-grown terrorists.

In the U.K., we have meetings that are in the discussion stages with The Home Office; the London Underground; Metropolitan Police Special Branch; The Security Service, better known as MI5; and with our RCMP and CSIS liaison officers to review the issue.

In Rotterdam, we will look at the Port of Rotterdam, which is arguably the most secure port in Europe, with a dedicated seaport police who work in conjunction with the AIVD, which is the general intelligence and security service of the Netherlands. We will also meet with the Dutch foreign intelligence service, together with our RCMP and liaison officers who are resident in The Hague.

We are doing this because it makes economic sense on the way to Afghanistan to take advantage of the flight across the Atlantic. If the committee is to go that distance, it seems opportune to spend three extra days to pick up this information. This trip, incidentally, ties in directly with Senate studies, in fact with three reports that the Senate has issued or that the committee has tabled out of the last 13 reports, and it is a direct continuation of that.

In the United Arab Emirates, more specifically in Dubai, we will look at Dubai Ports World. I am sure honourable senators are familiar with the problems that happened in the United States last March when Dubai Ports World purchased the P&O terminals in six American ports. We have a Dubai Ports World in Vancouver, and that terminal is an important part of the Port of Vancouver. We think it is important to have assurance that the security of that company and that port functions well. We have had some experience with the officials in Dubai, and liaison officers there are making arrangements for us to see the operation of the port there.

That stop brings us close to a base that should not be mentioned here, but that is the principal stepping-off point to getting into Afghanistan. This visit to Afghanistan is to Kandahar, whereas the visit last year was to Kabul. The committee is there at the invitation of General Hillier, the Chief of the Defence Staff. When the committee was in Kabul last, we looked in particular at how well the concept of 3D — defence, development and diplomacy — functioned. We could not find good evidence of that when we were there last time, and we reported that back and had discussions with the Chief of the Defence Staff. In fact, the situation was such that some of the senior officers there had not met the ambassador and had not in fact been to the embassy. That was something we rectified. General Hillier assured us that if we came back this summer, spring or fall, he would show us a very different situation where development, diplomacy and defence functioned hand in glove. We are there at his direct invitation.

We have been in discussions with the minister. I have had three meetings with the minister on the subject. In fact, the committee raised the question of coming at a time that did not inconvenience General David Fraser and the troops on the ground. The minister understood that. He is in accord with it. He is finding a date. In fact, I expected him to be back to us by Friday, but he was otherwise occupied. I expect to hear from him today or tomorrow.

As far as the risks go, I suppose there are risks. It is not a nice place. Everyone on the committee is going voluntarily. No one is forced to go. In fact, the committee is eager to go.

Senator Campbell, I saw that.

Frankly, I think it would be difficult for some of us to look the troops in the eye if they are over there and we are not prepared to go over and see how they are doing. I know that is certainly the case for me.

I went with Senator Atkins last week to Petawawa to meet the troops going over next, the RCRs. We met with the young men and women who will serve over there in September when we expect to be there. We were absolutely impressed with their level

of morale and enthusiasm. After going through a strenuous six months of training, they were facing three weeks of leave. The impression Senator Atkins and I got was that they wanted to go right away. They were so keen to go they did not want to complete their leave.

We saw them in a variety of circumstances dealing with improvised explosive devices, going through the rules of engagement and taking advanced first aid courses. We saw a group of incredibly impressive young men and women, and we told them we looked forward to seeing them over there.

One question we asked each of them we spoke with, and we spent time alone with some of the enlisted people, was how they felt about their training and their equipment. To a man and woman, they felt that their training was terrific and that their equipment was superb. The closest we came to a complaint was from one individual who had a green T-shirt instead of a sand-coloured T-shirt, but only about three inches of it was visible. Everyone else was pleased with the equipment they had.

• (1810)

The committee, when it is there, wants to see if they still have the same view after they have been there three months and whether their training has served them well. We have been told, again, by the Chief of the Defence Staff that a visit such as ours would be a positive morale boost and that parliamentary interest in missions like this on site is extremely valuable.

There are precedents for this trip. Members in this room were with me when we travelled to the former Yugoslavia in 1993. When we were there, we passed through towns where the buildings were still on fire, and the place where we stayed was shelled at night. I cannot pretend it was a pleasant experience, but it goes with the turf. If we are on the National Security and Defence Committee, we should see the troops in action or I do not think we are much of a committee. I think I speak for all members of the committee when I say that.

We have been looking closely at 3D. It is your question, sir, and I am doing my best to deal with it.

We have been concerned about how well defence, diplomacy and development worked together, and we have had great difficulty making the connection thus far. We have gone to the Canadian International Development Agency, and they have global figures for last year. We do not have any specific figures for the state of Kandahar. We find that Canadian aid is going in principally through the UN, not an organization that is renowned for its efficiency or its probity. So far, we have not gotten a breakdown of individual programs functioning there, and the committee has a grave concern that if the aid does not follow the arrival of our troops swiftly, the troops will soon be seen as occupiers instead of liberators and enablers. That perception will have grave consequences, not only for the success of the overall mission but also on the safety of our troops. They rely heavily on the aid coming in a timely way so the people of Afghanistan see them as not only bringing stability to the place but also improving the way they live.

One difficulty right now is ensuring Kandahar is sufficiently stable for non-governmental organizations to function there, and for our aid officers to function there. We also have an interest in the RCMP. We anticipate six officers will be there by the time we arrive. Only one is there now, but the six will be active in training the police force.

We will also meet with the Canadian Security and Intelligence Service, CIDA and Foreign Affairs Canada officials for a better understanding of how well the triple D approach works.

In summary, we have combined the trips or visits to take advantage of the expensive cost of the flight across the Atlantic, and to gather useful, we hope, information on problems that are real to Canadians in light of the arrests 10 days ago. Port security remains one of our greatest vulnerabilities. We have not had any progress in port security in Canada for a number of years. It is a high priority for us. We want to see that it is also a high priority for the government. We think we can make a much better case after looking at two excellent ports in two different countries in the course of the visit there.

**Senator Stratton:** When you answer the question on the costing — the Prime Minister was there, of course, and the House of Commons committee travelled there or will travel there — I am worried about overkill. No pun is intended. I have not finished my question. I will ask you to answer the question as part of my supplemental question.

With respect to the Kandahar camp, you have three days at \$55 a day times seven people for a total of \$1,200 for staying in that camp. That figure cannot possibly be the total cost. You will have armed forces protecting you, touring you around, and more or less devoting their lives to you for those three days. Those costs are nowhere near \$55 a day or \$1,200 for three days. Do you not think that in the future when you go to Camp Mirage and stay for \$700 a day that the true costs should be reflected, or at least explained, in a way that indeed you cannot account for the costs in total but there are costs?

**Senator Kenny:** In response to your preamble, my initial meeting with the minister was together with the chair of the committee from the other place. They did not appear to be terribly well-organized and did not have a view on whether they wanted to go, who wanted to go or how they might go. The chair undertook to consult his committee and get back to the minister when the committee had a consensus.

I have not asked the minister whether the committee has gotten back to him or not.

As far as the other costs go, no, I do not agree with you, Senator Stratton. To expect us to come up with those costs is something unreasonable. The costs vary according to the situation, and whenever we visit a base there are costs. People do things they would not normally do. It is part of the parliamentary function that is built in and, as you well know, it is under a totally different cost centre. It is almost like attributing the costs of the gardeners out front or the RCMP who drive around the building to the costs of the functioning of the Senate. You can make a case for that, but that is not something that the Senate is responsible for. We do not try to justify what Public

Works and Government Services Canada spends, what the RCMP spends or what the NCC spends. We know it is there. I do not deny those costs exist, but I do not think it would be a good use of our time or taxpayers' money to ask the minister or the Chief of Defence Staff to cost out in detail what it will cost for us to be there under a range of options, depending on what the current security situation is.

I do not think it is necessary for the Senate to have that sort of information. It is certainly not asked for when the Standing Senate Committee on Agriculture and Forestry visits an experimental farm or when the Standing Senate Committee on Energy, the Environment and Natural Resources visits a national park or so on and so forth. In my experience, we have never asked another department what the costs are when someone visits them. I think they take that as one of the ongoing costs of doing business. In this case, they are certainly welcoming us, and they went out of their way to do that with Senator Atkins and me last week. I am sure costs were associated with that visit as well.

• (1820)

**Hon. David Tkachuk:** Honourable senators, I have several questions. Under "professional services" — for military adviser, on page 297 of the journal — there is a budget of \$128,650 in consulting and salaries for the staff of the committee. Who do those people work for?

**Senator Kenny:** Those people work for our committee.

**Senator Tkachuk:** Would the honourable senator indicate who hired them?

**Senator Kenny:** Those employees were interviewed by the steering committee and the steering committee hired them.

**Senator Tkachuk:** When the honourable senator says that these people work for the committee, do they work equally among all the members? Who assigns them? Who is in charge of the staff and the requests that they may get from the committee to do certain work for senators — or do senators call them directly?

**Senator Kenny:** We follow the custom of the Senate; the chair of the committee has the responsibility to direct the staff. Having said that, the staff deal independently of the chair whenever the staff have a request to meet with them.

Members of the committee had individual briefings to the extent that they wished — some longer, some shorter. Staff members respond directly to committee members without asking my leave. As perhaps the honourable senator noticed when he came and sat with the committee, staff members meet with the committee prior to each witness where the committee and the staff sit down together and discuss desirable lines of questioning. We also meet after each witness. The committee members tell the staff their views of what the testimony was and staff, in turn, respond and give them their views on whether the witnesses were credible from their perspective.

There is open communication between the staff and the committee, but I have the responsibility, as chair, to administer their work on a direct basis. The hiring and pay is something that is decided by the steering committee.

[ Senator Kenny ]

**Senator Tkachuk:** In regard to the individual trips to the conferences in Atlanta, Zurich and London, I notice there is one senator and then there is another one senator and then there are two senators. In the case of the one senator, who chooses who goes and who has gone in the past? In the case of the two senators, is that one senator from each side? Also, is it chosen by the steering committee or does the deputy chair and the chair choose the separate member?

**Senator Kenny:** The deputy chair and the chair certainly do not choose separate members. The committee has never functioned that way and it will not function that way. The committee functions in a collective way. The way people have been chosen in the past has often been discussed by the committee, and the decision depends on who is free and who has a particular interest in it. However, if the honourable senator inquires of members of the committee, he will find that no one has been short-changed. If people have not gone on a trip, it is because they have said that they could not go, they were not free to travel. There has been a remarkably non-partisan approach on the committee and Senator Forrestall, when he was alive, ensured that was the case.

**Senator Tkachuk:** I am sure that Senator Forrestall did that. Could the staff — there are many of them — prepare a report on the number of conferences that the committee has gone on, on single or double trips over the last five years, and who the senator was, and could that be tabled in the chamber?

**Senator Kenny:** That is not something that would be difficult to do, but it is not something that is part of a budget presentation.

**Senator Tkachuk:** I am just asking for information on the budget, so I think that is a reasonable request for a senator to make in this chamber, and for a senator to table in the Senate chamber.

**Senator Kenny:** As I said, I have no difficulty providing lists of people who have been asked to go on trips and who actually went on them at the end of the day, but it is not part of a budget presentation.

**Senator Tkachuk:** I thank the honourable senator for his responses.

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

**Hon. Senators:** Agreed.

Motion agreed to and report adopted.

### FOREIGN AFFAIRS

#### BUDGET, ENGAGE SERVICES AND TRAVEL— STUDY ON ISSUES RELATED TO FOREIGN RELATIONS—REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the third report of the Standing Senate Committee on Foreign Affairs, (budget—study on Foreign Relations in general—power to hire staff and travel), presented in the Senate on June 22, 2006.—(*Honourable Senator Segal*)

**Hon. Hugh Segal** moved the adoption of the report.

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

**Hon. Senators:** Agreed.

Motion agreed to and report adopted.

### FISHERIES AND OCEANS

#### BUDGET, ENGAGE SERVICES AND TRAVEL—STUDY ON ISSUES RELATING TO NEW AND EVOLVING POLICY FRAMEWORK FOR MANAGING FISHERIES AND OCEANS—REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the third report of the Standing Senate Committee on Fisheries and Oceans, (budget—study of the Federal Government's New and Evolving Policy Framework for Managing Canada's Fisheries and Oceans—power to hire staff and travel), presented in the Senate on June 22, 2006.—(*Honourable Senator Rompkey, P.C.*)

**Hon. Larry W. Campbell,** for Senator Rompkey, moved the adoption of the report.

**Hon. Terry Stratton:** Would the honourable senator go through the reasons for this particular study? We have already accepted the costing, but I would ask him to go through the real reasons for the study so that we can better understand why we are spending this sum of money.

**Senator Campbell:** I thank the honourable senator for his question.

While I am new to this committee, I have read up on all the reports and have been involved in some of the previous studies. This is part of the ongoing responsibility of the committee to look at the emerging policy framework for managing Canada's fisheries and oceans.

Being from the West Coast, I am sure I do not have to remind anyone from the East Coast of the difficulties that our fishers have experienced over the past number of years, not only in maintaining their life but also in maintaining the stocks, the resource that they fish.

While we are in the East, the committee will be considering issues about Canada's jurisdiction over the oceans, how this is enforced and how these questions affect fishermen and their communities.

The committee ultimately wishes to develop recommendations that will help to ensure the long-term viability of this important resource and the communities that depend on it. In studying the fisheries, it is of critical importance to get out and meet with the fishermen and the people involved in the industry in their communities and to see the sites first-hand.

The difference, as honourable senators will know, between the committee's request and the amount recommended for release is for additional domestic travel planned for early 2007. We asked for \$396,312, and the Standing Committee on Internal Economy,

Budgets and Administration has recommended the release of \$210,056, which is enough for the committee's planned work through the end of 2006. We will be back knocking on the door in 2007.

I hope I have answered the question.

Motion agreed to and report adopted.

• (1830)

[*Translation*]

### TRANSPORT AND COMMUNICATIONS

#### BUDGET, ENGAGE SERVICES AND TRAVEL— STUDY ON CONTAINERIZED FREIGHT TRAFFIC— REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the fourth report of the Standing Senate Committee on Transport and Communications, (*budget—study on the examination of containerized freight traffic handled by Canada's ports—power to hire staff and travel*), presented in the Senate on June 22, 2006.—(*Honourable Senator Bacon*)

**Hon. Lise Bacon** moved that the report be adopted.

[*English*]

**Hon. Terry Stratton:** Honourable senators, we did not have the opportunity in the Subcommittee on Budgets to review budgets in detail because of the Senate's potential adjournment for the summer last week. I ask Senator Bacon to tell the house the reason for the study on the examination of containerized freight traffic when it is known that the Standing Senate Committee on Security and Defence is doing similar work. Is this study along the same line or is it a different avenue of study?

[*Translation*]

**Senator Bacon:** Honourable senators, this has nothing to do with security. There are enough problems and issues with current and future containerized freight traffic handled in various ports.

We were asked to look at Pacific ports of entry—Vancouver and Prince Rupert. I also think we will have to knock on your door again for Halifax on the East Coast and Montreal in central Canada.

However, we are to examine major inbound and outbound markets served by these ports and current and future policies. We also have to consider the entire intermodal network—trains and trucks that transport the containers shipped to these ports.

Therefore, this has nothing to do with the Standing Senate Committee on National Security and Defence's study. I would note, honourable senators, that we do not go beyond Canada's borders.

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

**Hon. Senators:** Agreed.

Motion agreed to and report adopted.

[ Senator Campbell ]

[*English*]

### BANKING, TRADE AND COMMERCE

#### BUDGET AND ENGAGE SERVICES—STUDY ON CONSUMER ISSUES ARISING IN FINANCIAL SERVICES SECTOR—REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the fourth report of the Standing Senate Committee on Banking, Trade and Commerce, (*budget—study on consumer issues arising in the financial services sector—power to hire staff*), presented in the Senate on June 22, 2006.—(*Honourable Senator Grafstein*)

**Hon. Jerahmiel S. Grafstein** moved the adoption of the report.

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

**Hon. Senators:** Agreed.

Motion agreed to and report adopted.

#### BUDGET AND ENGAGE SERVICES—STUDY ON ISSUES DEALING WITH DEMOGRAPHIC CHANGE— REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the fifth report of the Standing Senate Committee on Banking, Trade and Commerce, (*budget—study on demographics—power to hire staff*), presented in the Senate on June 22, 2006.—(*Honourable Senator Grafstein*)

**Hon. Jerahmiel S. Grafstein** moved the adoption of the report.

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

**Hon. Senators:** Agreed.

Motion agreed to and report adopted.

### ABORIGINAL PEOPLES

#### BUDGET, ENGAGE SERVICES AND TRAVEL—STUDY ON INVOLVEMENT OF ABORIGINAL COMMUNITIES AND BUSINESSES IN ECONOMIC DEVELOPMENT ACTIVITIES—REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the second report of the Standing Senate Committee on Aboriginal Peoples, (*budget—study on the Involvement of Aboriginal Communities and Businesses in Economic Development Activities in Canada—power to hire staff and travel*), presented in the Senate on June 22, 2006.—(*Honourable Senator Segal*)

**Hon. Gerry St. Germain** moved the adoption of the report.

**Hon. Terry Stratton:** Honourable senators, again I ask why the Aboriginal Committee is doing this study. It is my understanding that the committee will try to determine why some reserves are successful in economic ventures and others are not. Some Aboriginal communities are successful in what they do and some businesses are successful in what they do, and others are



not? First, perhaps the honourable senator could give the house an overview of that. Second, could the honourable senator explain why so many trips are planned, because the number is significant.

**Senator St. Germain:** I thank Senator Stratton for his questions.

Honourable senators, the committee commenced under the chairmanship of Senator Sibbeston. Senator Gill and I have found that emerging from the study is the fact that governance is a dominating factor in the success story of our Aboriginal peoples. When they are able to take control of their destiny, it appears, in many instances, that economic development begins to happen within the communities.

As honourable senators are aware, Senator Sibbeston and I have undertaken a fact-finding trip to the North for this study. We covered the entire region along the Mackenzie Delta into the Northwest Territories. We also took one trip with the committee as a whole to Northern British Columbia and Alberta. We have reduced the amount of travel with the full committee but we plan one trip to northern Saskatchewan, Manitoba and northwestern Ontario, with the rest of the trips designated as fact-finding.

I can assure honourable senators that when the committee has acquired sufficient information, the travel for the study will end. We would not travel for the sake of travelling. Traditionally, we have returned money from the Aboriginal Committee studies to the Senate. I have no reason to believe that this tradition would not continue.

Travel costs to some of these remote places is expensive. If we do not go to the people, the people feel that they are not part of the equation. I do not think that any of us are truly excited about travelling to some of these remote communities but it is a necessity. If we are to improve the plight of our Aboriginal peoples, some of whom live in third-world conditions, then it is our responsibility as a Senate to ensure that we present a report to the country by way of a study. Senator Gill and I have some concerns about the fact that many studies seem to end up on shelves collecting dust and do not receive proper attention. That group includes comprehensive studies on Aboriginal peoples, including the Resource Centre for Academic Technology, RCAT.

I hope that answers the honourable senator's question. Certainly, the committee will mitigate the costs by compiling a report to the Senate as soon as we have satisfactory information.

**Hon. Wilfred P. Moore:** I know that Senator St. Germain and his committee will do superb work in the best tradition of the Senate of Canada. I am also thinking about the question that Senator Tkachuk put to the Chair of the Standing Senate Committee on National Security and Defence.

• (1840)

Would the honourable senator like a question about his staffing, about who is hiring, and about travelling and who went on trips and who did not make it? I do not think I will ask that, because I find it embarrassing. I am sure the honourable senator will do the right thing.

**Hon. Joan Fraser (Deputy Leader of the Opposition):** This is a fairly simple question to Senator St. Germain, who happens to be the target of it. I have noticed in the past with various committees that sometimes we start from Ottawa, we go off some place and come back, and then we go from Ottawa to another place. I wonder if, on some of those occasions, it might not be more cost-effective to do more of a sweep, to go from Ottawa to point A and then to point B before returning to Ottawa.

Did the honourable senator do any cost analysis to find out, for example, whether or not it would be more or less expensive to go to Roberval in Quebec — I say "Roberval" because I do not want to mispronounce the name of the reserve — and then to Labrador, or to go to Nova Scotia and then to Labrador, without returning to Ottawa in the interval?

**Senator St. Germain:** I thank the honourable senator for her question.

These are fact-finding trips, honourable senators. We certainly make every attempt to mitigate costs, and if we are going to an area, we will not go from here to there and back. We would make a round trip and try to cover all the areas with as little cost as possible to the Canadian taxpayer. There is no question about that.

We work quite closely with our staff. I can assure the honourable senator that the senator sitting behind her, Senator Gill, is frugal and conscientious in ensuring that we get maximum value for the dollars spent.

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

**Hon. Senators:** Agreed.

Motion agreed to and report adopted.

BUDGET AND ENGAGE SERVICES—  
STUDY ON CONCERNS OF FIRST NATIONS RELATING  
TO SPECIFIC CLAIMS PROCESS—  
REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the third report of the Standing Senate Committee on Aboriginal Peoples, (budget—study on the general concerns of First Nations in Canada related to the federal specific claims process—power to hire staff), presented in the Senate on June 22, 2006.—  
(*Honourable Senator Segal*)

**Hon. Gerry St. Germain,** for Senator Segal, moved the adoption of the report.

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

**Hon. Senators:** Agreed.

Motion agreed to and report adopted.

## BANKING, TRADE AND COMMERCE

### BUDGET AND ENGAGE SERVICES— STUDY ON PROCEEDS OF CRIME (MONEY LAUNDERING) AND TERRORIST FINANCING ACT— REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the sixth report of the Standing Senate Committee on Banking, Trade and Commerce, (budget—study on the review of the proceeds of crime (money laundering) Act—power to hire staff), presented in the Senate on June 22, 2006.—(*Honourable Senator Grafstein*)

**Hon. Jerahmiel S. Grafstein** moved the adoption of the report.

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

**Hon. Senators:** Agreed.

Motion agreed to and report adopted.

### BUDGET AND ENGAGE SERVICES—STUDY ON ISSUES DEALING WITH INTERPROVINCIAL BARRIERS TO TRADE—REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the seventh report of the Standing Senate Committee on Banking, Trade and Commerce, (budget—study on Interprovincial Barriers to Trade—power to hire staff), presented in the Senate on June 22, 2006.—(*Honourable Senator Grafstein*)

**Hon. Jerahmiel S. Grafstein** moved the adoption of the report.

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

**Hon. Senators:** Agreed.

Motion agreed to and report adopted.

### BUDGET, ENGAGE SERVICES AND TRAVEL— STUDY ON PRESENT STATE OF DOMESTIC AND INTERNATIONAL FINANCIAL SYSTEM— REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the eighth report of the Standing Senate Committee on Banking, Trade and Commerce, (budget—study on the present state of the domestic and international financial system—power to hire staff and travel), presented in the Senate on June 22, 2006.—(*Honourable Senator Grafstein*)

**Hon. Jerahmiel S. Grafstein** moved the adoption of the report.

**Hon. Terry Stratton:** The hour is getting close to 7:00 and some of us have to go to the Standing Senate Committee on Legal and Constitutional Affairs for Bill C-2. I would ask that Senator Grafstein keep his comments as brief as possible, but perhaps he could go through an explanation as to why he is doing this. The honourable senator can be succinct; I know that Senator Austin appreciates that.

**Senator Grafstein:** Honourable senators, the Standing Senate Committee on Banking, Trade and Commerce is frugal and sensitive to taxpayers' considerations. This is the first trip that our committee has taken, despite a number of productive reports.

In terms of comparison to other committees, this is the first time we have travelled. We intend to travel to Washington and New York to pursue a number of issues that have been the subject matter of reports and consideration by the committee. We intend to meet with Federal Reserve officials in Washington and New York, as we do with the Governor of the Bank of Canada, to consider monetary policies that affect North America.

We intend to meet with securities officials in New York and Washington, particularly to look at enforcement provisions that we have considered in our committee.

We intend to meet with our counterparts in U.S. banking to discuss internal trade issues affecting money laundering and the proceeds of crime and the new economic models that we are now studying with respect to those organizations that straddle the border.

We intend to explore the consequences of the deepening U.S. deficit and the impact on the Canadian economy if it gets any worse. We intend to explore briefly, if we can, the hedge funds with respect to U.S. regulatory authorities. We have touched on this issue and we want to know what is being done in this regard.

Finally, we intend to talk to our American counterparts in Washington about the Western Hemisphere Trade Initiative, which, if put into place, as proposed, by the end of this year, will have a devastating effect on border states and the cities along the border.

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

**Hon. Senators:** Agreed.

Motion agreed to and report adopted.

## HUMAN RIGHTS

### BUDGET, ENGAGE SERVICES AND TRAVEL— STUDY ON INTERNATIONAL OBLIGATIONS REGARDING CHILDREN'S RIGHTS AND FREEDOMS— REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the second report of the Standing Senate Committee on Human Rights, (budget—study on the Rights and Freedoms of Children—power to hire staff and travel), presented in the Senate on June 22, 2006.—(*Honourable Senator Andreychuk*)

**Hon. A. Raynell Andreychuk** moved the adoption of the report.

**Hon. Terry Stratton:** Honourable senators, could I perhaps have an explanation as to the expenditure of this money? I know it is a tie-in to the previous study and a continuation of it, as I understand it, so perhaps a few words of explanation would help.

**Senator Andreychuk:** I believe Senator Stratton is correct that this is the continuation of the study that was commenced on the Convention on the Rights of the Child and assessing how Canada is doing in implementing this treaty.

The committee made a brief trip to Atlantic Canada, and we were interrupted in our study when Parliament dissolved. We are asking to go to Western Canada. We are taking Senator Fraser's comments into account in compressing the travel by starting on a weekend. We will carry out our studies during full days in Vancouver, Edmonton, Regina and Winnipeg. That is the bulk of the expenditure. We will have one week of very long days. Then we are proposing to utilize weekends and go to Toronto and then to Montreal for a total of three days.

I believe the rest is self-explanatory. We are looking for a continuance of an editor in French, and this time an editor in English.

**Hon. Percy Downe:** The honourable senator has long service in the Senate. What are her views with respect to the cost to the Senate and the cost to committees? It is my understanding that the total cost of running the Senate is roughly \$82 million a year. Committees constitute 4 per cent of our budget. Does she think that is good value for money?

**Senator Andreychuk:** I think that every committee should speak for itself. This committee is good value for its money. When the Human Rights Committee started, we did not travel. We wanted to do an assessment of what was possible. We wanted to ensure that we were not duplicating other studies by academics, groups or government.

We worked cautiously and called witnesses to Ottawa. We then embarked on the massive study on the Convention on the Rights of the Child, having convinced both the Senate and members on the committee that we were not duplicating anyone's work and that the area of international treaties and their implementation in Canada was not being studied or fully understood by all Canadians.

If the honourable senator were to ask the average Canadian if they believe that when Canada signs an international treaty that Canada is bound by it, most Canadians think that we are bound by the treaty. However, we are not, unless it is properly implemented in Canada.

• (1850)

Therefore, we thought this study was valuable. We also thought that the study of children from a parliamentary oversight point of view had not been done before in a comprehensive way. Consequently, we embarked on it.

Not only have we been efficient with the money, but the previous report was written by members of the Senate with the assistance of one library researcher. We did not hire professionals; we did not contract out. We did the work ourselves. That kind of dedication should speak for itself. We hope the product will so indicate.

I judge the value of committees not by how much money was spent or what policies we scrutinized or supported but, rather, by what policies we effectively changed.

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

**Senator Andreychuk:** What committees have taken a position that may be shared by some Canadians but has not been the subject of study by the House or somewhere else? What committees have effectively and doggedly pushed the issue to change a policy on behalf of Canadians?

I remind senators that in committee we studied Aboriginal veterans at a time when nobody else did. We were cost-efficient in that, and we persuaded the Aboriginal community to re-think their strategy of honouring their own veterans. I believe we made a dramatic change in the governments.

We changed government's opinion to look at two of our recommendations immediately. We have yet to persuade the government on others. We have the report. It is still there. We continue to try to make the changes.

I believe Canadians will assess our work from the area that they work in and understand. If it affects their lives to the betterment, they will say it is good value.

**Senator Downe:** I thank the senator for her comments. I share her view totally. The value of Senate committees is the work they do and the reports they produce as opposed to the money they spend.

I am concerned that we spend such a small percentage of our total budget on committees because in my experience, even in my short time here, the committees do the most valuable work in the Senate. I urge all senators to join me in getting more funding for committees.

**An Hon. Senator:** Hear, hear!

**Senator Andreychuk:** That is good support for committees, but it has to be balanced. I would not say what we do in committees and in Parliament is dollar for dollar.

As I sit with very few numbers here; I think it is incredibly important that we be here. Senators have spoken this evening more eloquently than I can on the value of the dialogue, the debate and the compromises that need to be made in the chamber. The essence of our work and our reason for being here is to scrutinize legislation. We are here ultimately to look at the legislation and to make what other policy initiatives and changes we can.

I still maintain our need to be balanced by working on committees.

**Senator Downe:** Do you agree that 4 per cent is the right amount for committees? In your opinion, given your long experience not only in the Senate but also outside government experience, is that enough funding for committees?

**Senator Andreychuk:** I will defer to my colleagues on the Standing Senate Committee on Internal Economy, Budgets and Administration. I do not believe you can judge committee budgets by four or five per cent. We have started to look at each committee to determine whether that money is effectively utilized. If we come to a conclusion that we need more, then we should make our compelling case for that. That is why we need scrutiny.

The other thing we still lack, although we are starting to talk about it, is the fairness between committees. I see Senator Bacon Shaking her head in approval.

**Senator Stratton:** Hear, hear!

**Senator Andreychuk:** She eloquently stated here that all committees should have the same rules and the same chances to make their case, and the approach should not be piecemeal. I wholeheartedly support that approach in that we know what the rules are.

Every committee could spend more and do more work, but there must be a limit to the money we expend and the product we produce. We look at cost effectiveness, our impact and then our other work, and we balance all of those. Whether committee funding is 4 per cent, 3 per cent or 10 per cent will depend on the issues and the various Parliaments as they come and go.

**The Hon. the Speaker:** Is there further debate?

**Senator Comeau:** Question!

**The Hon. the Speaker:** It is moved by Senator Andreychuk, seconded by Senator Tkachuk, that the second report of the Standing Senate Committee on Human Rights be adopted now.

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

Motion agreed to and report adopted.

### RULES, PROCEDURES AND THE RIGHTS OF PARLIAMENT

#### SECOND REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the second report of the Standing Committee on Rules, Procedures and the Rights of Parliament (amendment to rule 28(3)—user fee proposals), presented in the Senate on June 13, 2006.—(*Honourable Senator Di Nino*)

**Hon. Consiglio Di Nino** moved the adoption of the report.

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

**Hon. Senators:** Agreed.

Motion agreed to and report adopted.

### STUDY ON NATIONAL SECURITY POLICY

#### INTERIM REPORT OF NATIONAL SECURITY AND DEFENCE COMMITTEE ADOPTED

The Senate proceeded to consideration of the second report (interim) of the Standing Senate Committee on National Security and Defence, entitled: *The Government's No. 1 Job: Securing the Military Options It Needs to Protect Canadians*, tabled in the Senate on June 21, 2006.—(*Honourable Senator Kenny*)

**Hon. Colin Kenny** moved the adoption of the report.

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

**Hon. Senators:** Agreed.

Motion agreed to and report adopted.

### STUDY ON PRESENT STATE AND FUTURE OF AGRICULTURE AND FORESTRY

#### INTERIM REPORT OF AGRICULTURE AND FORESTRY COMMITTEE—DEBATE ADJOURNED

The Senate proceeded to consideration of the third report (interim) of the Standing Senate Committee on Agriculture and Forestry, entitled: *Agriculture and Agri-Food Policy in Canada: Putting Farmers First!*, tabled in the Senate on June 21, 2006.—(*Honourable Senator Fairbairn, P.C.*)

**Hon. Joyce Fairbairn:** Honourable senators, I know the hours are passing, but it is with a sense of urgency that I wish to speak on the report tabled last week by the Standing Senate Committee on Agriculture and Forestry following our recent study of the crisis eroding our grains and oil seed industry in Canada.

“Putting Farmers First” in the title of the report expresses the unanimous concern of our committee members, whom I wish to thank for their vigorous participation over the last several weeks to enable us to offer recommendations to the government, which, with goodwill and commitment, can produce a meaningful response of direct assistance as well as a rigorous plan for the future.

I should add that, over the weekend in Southern Alberta, it was interesting in a variety of conversations how powerful three little words can be. In an industry that does not often believe its concerns are really anywhere near the top of a government agenda, “putting farmers first” is not something they are used to hearing. They hope our response is real.

Sadly enough, it often takes a crisis such as bovine spongiform encephalopathy, BSE, and the instant shutting of borders against our cattle industry, to bring together the players from governments at all levels, along with producers and processors, to find even a temporary solution.

At the same time, an equally disturbing reality is playing out in our grain and oil seeds industry across Canada, with steadily declining prices. The Canadian Federation of Agriculture told us that from 2002 to 2005, the price dropped by over 25 per cent and remains extremely low.

The situation that is facing us today and has been facing us for several years has now risen to proportions that reach well beyond current and past policy efforts.

• (1900)

Policies can be changed as we are suggesting in this report. On the other hand, it is true that in some respects we have little, if any, control over certain elements such as drought, flooding, hail,

wind and destructive insects that devastate fields, or those that bring with them far-reaching diseases from all corners of the world. As we note in the report, between 1995 and 2005 farm debt has increased by more than 90 per cent to reach a sum of \$51 billion.

Today, we are looking at how we can best create assistance that can be used quickly by our farmers through programs that are both predictable and bankable. This was a suggestion that caught the attention and approval of the Minister of Agriculture and Agri-Food, Chuck Strahl, in a very positive way.

That proposal is reflected in our first recommendation:

In addition to income stabilization, production insurance and other business risk management programs, the government should implement a direct payment program for the next four years with payments calculated on the basis of historical yield and acreage.

Honourable senators, in other words, no waiting around endlessly or struggling through reams of paperwork. Combine this with Bill C-15, which the Senate passed last week, streamlining and increasing support from other programs now in place, and this will ease some concerns from farmers and farm groups who underline the importance of making a living from the marketplace and receiving a fair price for their products.

However, our report points out that this inflow of money will have little effect if Canada does not continue to move vigorously to ease the barriers that keep our farmers from taking advantage of future market opportunities outside our borders. As always, they prefer to be able to receive returns from the market rather than have to count on perpetual government support. That is where our second recommendation comes into play.

We are proposing a truly made-in-Canada farm bill that would include improving the producers' position in the value chain, which was at the core of a recent report from our committee that focused solely on the opportunities of value-added processes so the farmers' income did not stop cold at the farm gate. The next issue deals with aiming towards investing throughout the entire production chain the infrastructure required to foster the use of biofuels. This is an issue that has been repeatedly brought forward by our witnesses and our senators, particularly Senator Mercer and Senator Mitchell.

The bill would also include investing in research and innovation, incentives for producers as providers of social benefits beyond food production such as environmental benefits. The new farm bill would include an aggressive trade strategy that finally benefits farmers through the World Trade Organization and bilateral agreements.

Many honourable senators in this chamber will know that there has been growing government concern and attention to a number of the issues highlighted in these two recommendations.

Work is always vigorous in the field of research, for instance, for long-term viability and growth. We as Canadians can boast of having the very best scientists in the world. We have been very

active participants in the World Trade Organization meetings, refusing to simply accept the actions of the European Union and the United States and continuously pushing for the end of all forms of export subsidies, substantial reduction in trade distorting subsidies and pressure for significant market access improvement.

We will be vigorous and vocal during the talks ahead in Geneva. However, we will not forget that a report such as this would not be necessary if our Canadian farmers had not been blocked out of the marketplace time and again as a result of the actions of the European Union and our neighbours to the south. The American farm bill has brought great revenues into the pockets of their producers, while ours are losing not only their dollars but also their international market access. We do not expect magic solutions from the WTO attitude on subsidies. Our minister, David Emerson, vigorously reminded the committee that Canada must pull up its socks and invest its resources and talent in bilateral trade agreements to open up markets around the world. This is the course that many smaller countries and smaller players in this rugged business are doing right now. Canada, long known and respected as a trading nation, should be leading the pack.

Mr. Emerson and his officials are working hard on an approach that will hopefully lead us vigorously into regional agreements. The United States is already hard at it, which is a signal that we have to jump in to protect and expand our market share. At the centre of all this must be a strong commitment to and involvement with our farmers on the ground or it simply will not work, not for them and not for our country.

Over the years, I and others have talked about the necessity of a truly Canadian farm bill, but other pressures have always prevailed. Now is the time to move on with plans and support that will go far beyond our current agricultural policy framework. We must never forget, at the core of all these concerns we still have the finest, smartest and most committed farmers in the world. Throughout our history, their production has been one of our strongest foundations and one that is all too often taken for granted in the urban world of supermarkets. We have a valid future in our farm community if we, as individual citizens at every level, rural or urban, understand and support the value of our land and those who care for it and produce for us and the world.

They are hurting, honourable senators, and their families are hurting. Without their strength and support, our rural infrastructure of small towns and villages will hurt. Some will quietly shut down, which would profoundly affect smaller cities such as mine in Lethbridge, Alberta, which benefits hugely from the strength of surrounding agriculture land and the farmers who work it.

In recent years, we have continuously been hearing this from witnesses before our committee. They are still committed to their land and to their way of life, but they are growing in anxiety that their young people, their daughters and sons, will not be willing to pick up the family history and keep it growing.

Honourable senators, over the summer our researchers and committee staff will work on a plan to help us engage in a study. It has been promoted in the past within this country by Senator Segal, and it will be a study on the extent of rural poverty and what a country that cares is prepared to do about it.

• (1910)

In the fall, with your support, our committee will travel across the country to see the reality for ourselves and bring every bit of encouragement that this government and this Parliament is prepared to offer. We will seek to understand the reality of rural poverty and bring messages of support, assistance and progress through participation in new areas such as biodiesel and ethanol plants, strongly supported by Senators Mitchell and Mercer. We will talk about infrastructure development in transportation, waterworks, management systems and environmental programs. We will try to explain the process of words and persuasion that we are promoting in Ottawa and that the government and Parliament are trying to convey in the world of international trade — exactly what Canada does best.

This report has provided a foundation for a path forward. Farmers who spoke out in my area last weekend vigorously support the notion of a “farmers first” policy. They are proud and independent, but they are also realistic in their concerns.

Andy Kovacs, from Lethbridge, representing the Alberta Soft Wheat Producers Commission, on hearing about our report, said that short- and long-term solutions to agriculture problems are essential and government has to decide to make a viable investment in the business. He said, “We in agriculture don’t want to keep running back to government for money.”

Merv Craddock of Purple Springs, Director for Wild Rose Agricultural Producers, was all for the “farmers first” policy and noted, “One thing we must be aware of is that farmers have very little power in our economic system, and they must find ways to get some rather than having to keep running back to government for money.” Many would agree with those words.

Honourable senators have a chance to make that happen, not only for the benefit of those who produce, but also for the security of the consumers of our urban centres who really do not understand where their bread and beef is coming from and what they must do to support our agriculture community in its effort to protect an independent future for its farmers and their families across this land. They are a foundation piece of our country’s future, and I hope that all honourable senators will support this report as well as our efforts to carry it further in the months ahead, because we simply cannot — must not — let our farmers down.

On motion of Senator Comeau, for Senator Gustafson, debate adjourned.

[*Translation*]

## AGREEMENTS BETWEEN FEDERAL GOVERNMENT AND PROVINCES AND TERRITORIES ON CHILD CARE

### INQUIRY—DEBATE CONTINUED

On the Order:

Resuming debate on the inquiry of the Honourable Senator Trenholme Counsell calling the attention of the Senate to concerns regarding the Agreements in Principle signed by the Government of Canada and the Provincial governments between April 29, 2005 and

November 25, 2005 entitled *Moving Forward on Early Learning and Child Care*, as well as the funding agreements with Ontario, Manitoba and Québec, and the Agreements in Principle prepared for the Yukon, the North West Territories and Nunavut.—(*Honourable Senator Fraser*)

**Hon. Maria Chaput:** Honourable senators, I would first like to thank the Honourable Senator Trenholme Counsell for her inquiry regarding the agreements in principle signed by the Government of Canada and the provincial governments between April 29 and November 25, 2005, entitled *Moving Forward on Early Learning and Child Care*.

My remarks today will deal largely with the agreement with Manitoba.

In Manitoba, on November 18, 2005, we received a news release, entitled: “Governments of Canada and Manitoba Sign Funding Agreement on Early Learning and Child Care.”

Under this agreement, Manitoba would receive \$174.4 million over five years to support its early learning and child care goals. Manitoba had already signed on April 29, 2005, an agreement in principle in which it committed to release an action plan identifying its priorities and how it intended to meet them.

The November 18, 2005, announcement was a further indication that we were on our way to realizing a high-quality, developmental-based system of early learning and child care across the country.

The signing of this funding agreement meant that children and families would very soon be seeing decreased waiting lists and more affordable child care, and that early childhood educators would have more training opportunities.

The agreement in principle signed on April 29, 2005, included a language clause for the francophone communities in Manitoba, a first in our history. The funding agreement signed on November 18, 2005, recognized their particular needs and the programs they would require as a result.

Accordingly, francophones in Manitoba were party to those agreements in their own right and fully equal to the Anglophone majority, the provincial government and the federal government.

Honourable senators, Manitoba’s Action Plan—Key Objectives describes how Manitoba intends to invest new federal funds to meet the targets initially set. It also outlines how the Province will meet the objectives of the 2005 agreement in principle between Manitoba and the Government of Canada.

Manitoba’s plans are based on what the citizens of the province have said are their main priorities in order to improve early learning and child care services in Manitoba.

Manitoba’s action plan, which includes all stakeholders in early child care, identifies funding for five key areas: first, workforce stabilization and development; second, sustainability of existing non-profit centres; third, affordability and accessibility of child care; fourth, improving quality environments; and fifth, additional steps to enhance quality.

[ Senator Fairbairn ]

Thus, this initiative will be guided by the QUAD principles: quality, universal inclusiveness, accessibility, and development. Manitoba is committed to reaching specific goals, and the results will be communicated to Manitobans in annual reports on early childhood development.

Manitoba's action plan and its key objectives for the first two years of the federal government's financial commitment included targets and objectives as well as the plan's key principle, for example, providing funding to allow average salaries for early childhood educators to be \$27,000 to \$30,000 annually; funding for 3,000 more spaces, including 120 spaces in French-language programs; funding to allow 200 nursery school spaces to be offered at a reduced parent fee to provide better access for more low-income families; funding to support the building, renovation or expansion of 50 child care centres; 30 per cent of all early learning and child care renovation or capital development to be in school buildings.

All this, honourable senators, was in the plan developed between the province, the federal government and the community.

The plan also indicated that the first two years of federal funding would support the stabilization of Manitoba's early learning and child care workforce and the licensed, not-for-profit delivery system. This would set the stage for continued improvements and further expansion which would be possible because of expected increases to federal funding beginning in 2007-08.

• (1920)

[English]

In March 2006, the Manitoba Child Care Association issued a statement, "What's Happening with Child Care in Manitoba?" In the statement, they talked about the change that took place after the 2006 federal election and the new federal government providing notice that they will terminate the learning and child care funding agreements effective 2007. Here are some of their concerns.

Manitoba has already disbursed first-year federal funds of more than \$20 million to enhance quality and support operations in existing and new learning and child care programs. Will those funds be clawed back from child care centres and family child care homes, throwing over 1,000 programs into financial chaos? Will the province find replacement child care dollars within Manitoba's budget, or will parents' fees increase to offset the loss of federal dollars? Also, most licensed child care programs in Manitoba have long waiting lists, and many communities do not yet have any regulated child care services.

Honourable senators, what will be lost in Manitoba when the bilateral agreement is terminated in 2007? To begin with, there will be no federal funding in years three, four and five of the agreement.

What are some of the things that are at risk without federal funding? Some examples include: The freeze on maximum fees; the start-up grants to support full inclusion of children with disabilities; and additional funds to support the building, renovation and/or expansion of 50 child care centres, many of them with our schools.

Honourable senators, over the years, the family has changed. Mothers with preschool children are now in the workforce and contribute \$27 billion per year to the Canadian economy. Many parents are fortunate to have family or community members willing and able to babysit. Parents may work opposite shifts but may recruit a retired but still energetic grandparent. These informal arrangements can work well, as long as there is a match of child rearing philosophies and language.

[Translation]

On Wednesday, June 20, 2006, the Child Care Advocacy Association of Canada issued a press release with the headline, "Canadians Rejecting Government Child Care Allowance Poll Shows," stating and I quote:

The results of a poll released today show that Canadians are rejecting Stephen Harper's plan to distribute a \$1,200 child allowance to parents with children under six years of age. The Environics poll asked more than 2,000 Canadians their views on child care and the response was clear—76 % of Canadians support a national affordable child care strategy such as the 2004 federal-provincial agreement that was cancelled by the Conservative government.

More importantly for the minority Conservative government, many Canadians are saying that their opposition to the child care allowance is enough to influence how they will vote in the next federal election. This is also true for one third of Conservative voters.

This will be a major issue in the next election, predicts Monica Lysack, Executive Director of the Child Care Advocacy Association of Canada. Stephen Harper should be very worried.

Canadians perceive the Conservative allowance as an effort to buy them off as cheaply as possible, without actually solving the problem...

Laurel Rothman, the National Director of Campaign 2000, a campaign to end child poverty, had this to say:

After taxes and the loss of other benefits like the young child supplement, the net benefit will actually be much lower than \$1,200 for many Canadians.

In fact, families in the lower middle-income range will take home the least — as little as \$301. Ms. Rothman asks:

Compare \$301 to the cost of full-time, regulated child care — which can be as much as \$12,000 a year — and tell me, who is this going to help?

It turns out that families in the highest income bracket will receive the most from Harper's plan, with net benefits of \$971. Ms. Rothman notes that Campaign 2000 supports an equitable child benefit and funding for a universal child care system.

In closing, I would like to point out once again the particular needs of francophones living in a minority situation with regard to the critical period for learning language in early childhood.

Establishing a range of services to be provided in early childhood to foster the development of language, culture and identity of a young child and encourage his or her future participation in French-language education always emerges as a priority for ensuring the survival of minority francophone communities.

On Tuesday, March 25, 2006, my honourable colleague, Senator Segal, asked me this question:

If I understand correctly, you suggested at the start of your remarks that Conservative policy will restrict the growth of French-Canadian culture and education outside Quebec. Am I to understand that, in your opinion, this is the purpose of our policy? Am I correct in my understanding of your remarks here before your colleagues in the Senate of Canada?

Today, I would like to reiterate my answer to him. Early support and intervention are essential to preserving the cultural and linguistic heritage of francophones in minority communities, as well as to the success of their schools.

Abolishing agreements in principle that included a linguistic clause to protect us was the first step. Without funding agreements — in this case, a five-year funding commitment by the federal government — the Government of Manitoba, which supports us, will be unable to improve french-language early childhood services in French on its own.

The first two years of federal funding were intended to help stabilize workers in education and in the accredited, non-profit daycare system. That would have created the necessary conditions for improving and expanding services, achievements that would have been made possible by federal funding planned to begin in 2007-08. The new federal funding would not have replaced current provincial investments. On the contrary, it would have made it possible to improve and expand Manitoba's early learning and child care systems.

Francophones in Manitoba will lose early childhood services, daycare spaces linked to their French schools, and a course at the Collège universitaire de Saint-Boniface. You have asked whether the Conservative policy would reduce or limit the development of French culture and education outside Quebec? My answer is still yes, but a qualified yes.

I do not think that the purpose of the Conservative government's policy was to undermine minority language rights in Canada. The Conservative government made amendments to strengthen the Official Languages Act and, in its election platform, expressed support for official languages in Canada.

Rather, I believe that this policy was developed by a new government that had not sufficiently considered its negative impact on the development of children in Canada and official language minority communities in Canada.

On motion of Senator Fraser, debate adjourned.

[ Senator Chaput ]

• (1930)

## THE SENATE

### AMENDMENT TO THE CONSTITUTION OF CANADA— WESTERN PROVINCIAL REPRESENTATION— DEBATE ADJOURNED

**Hon. Lowell Murray**, pursuant to notice of June 22, 2006, moved:

That:

WHEREAS an amendment to the Constitution of Canada may be made by proclamation issued by the Governor General under the Great Seal of Canada where so authorized by resolutions of the Senate and House of Commons and of the legislative assemblies of the provinces as provided for in section 38 of the *Constitution Act, 1982*;

AND WHEREAS it is desirable to amend the Constitution of Canada to provide for a better balance of western regional representation in the Senate;

AND WHEREAS it is desirable that the 24 seats in the Senate currently representing the division of the western provinces be distributed among the prairie provinces of Manitoba, Saskatchewan, and Alberta, and that British Columbia be made a separate division represented by 12 Senators;

NOW, THEREFORE, the Senate resolves that an amendment to the Constitution of Canada be authorized to be made by proclamation issued by Her Excellency the Governor General under the Great Seal of Canada in accordance with the schedule hereto.

### SCHEDULE AMENDMENT TO THE CONSTITUTION OF CANADA

#### 1. Sections 21 and 22 of the *Constitution Act, 1867* are replaced by the following:

- “21. The Senate shall, subject to the Provisions of this Act, consist of One hundred and seventeen Members, who shall be styled Senators.
22. In relation to the Constitution of the Senate, Canada shall be deemed to consist of Five Divisions:
  1. Ontario;
  2. Quebec;
  3. The Maritime Provinces, Nova Scotia and New Brunswick, and Prince Edward Island;
  4. The Prairie Provinces of Manitoba, Saskatchewan, and Alberta;
  5. British Columbia;

which Five Divisions shall (subject to the Provisions of this Act) be represented in the Senate as follows: Ontario by Twenty-four Senators; Quebec by Twenty-four Senators; the Maritime Provinces and Prince Edward Island by Twenty-four Senators, Ten thereof representing



Nova Scotia, Ten thereof representing New Brunswick, and Four thereof representing Prince Edward Island; the Prairie Provinces by Twenty-four Senators, Seven thereof representing Manitoba, Seven thereof representing Saskatchewan, and Ten thereof representing Alberta; British Columbia by Twelve Senators; Newfoundland and Labrador shall be entitled to be represented in the Senate by Six Senators; Yukon, the Northwest Territories and Nunavut shall be entitled to be represented in the Senate by One Senator each.

In the Case of Quebec, each of the Twenty-four Senators representing that Province shall be appointed for One of the Twenty-four Electoral Divisions of Lower Canada specified in Schedule A. to Chapter One of the Consolidated Statutes of Canada.”

**2. Sections 26 to 28 of the Act are replaced by the following:**

- “26. If at any Time on the Recommendation of the Governor General the Queen thinks fit to direct that Five or Ten Members be added to the Senate, the Governor General may by Summons to Five or Ten qualified Persons (as the Case may be), representing equally the Five Divisions of Canada, add to the Senate accordingly.
27. In case of such Addition being at any Time made, the Governor General shall not summon any Person to the Senate, except on a further like Direction by the Queen on the like Recommendation, to represent one of the Five Divisions until such Division is represented by Twenty-four Senators or, in the case of British Columbia, Twelve Senators, and no more.
28. The Number of Senators shall not at any Time exceed One hundred and twenty-seven.”

CITATION

**3. This Amendment may be cited as the Constitution Amendment, [year of proclamation] (western provincial representation in the Senate).**

He said: Honourable senators, as our former colleagues Senators MacEachen and Frith repeatedly reminded me during the debates in the 1980s, the Senate is an independent player in the constitutional amendment process. If the motion before us now is passed by the Senate, the next step will be to refer it to the other players: the provincial legislatures and the House of Commons.

Of course, the three-year time period between the adoption of the initial resolution and its proclamation applies to this initiative, as it does to any proposed amendment introduced under subsection 38(1). In addition, the 1996 federal Constitutional Amendments Act on so-called regional vetoes applies only to proposed amendments introduced by a minister of the Crown and therefore does not apply in this case.

In 1867, the Senate had 72 seats: 24 for Quebec, 24 for Ontario and 24 for the Maritime provinces. The 24 seats for the Maritimes, which were to be divided 10-10-4 between Nova

Scotia, New Brunswick and Prince Edward Island, were divided 12-12 between Nova Scotia and New Brunswick pending Prince Edward Island’s decision to join Confederation.

When Prince Edward Island joined in 1873, it was granted its four seats, and Nova Scotia and New Brunswick each lost two seats.

The Fathers of Confederation had also planned for Newfoundland’s future entry into Canada by reserving four Senate seats for the former colony. As it happened, during the negotiations that preceded their province’s 1949 entry into Confederation, Newfoundlanders managed to obtain six seats.

Similar arrangements were made for the future western provinces in the resolutions of the Quebec Conference in 1865 and were enshrined in the Constitution Act, 1867:

[English]

The North Western Territory, British Columbia and Vancouver shall be admitted into the Union on such terms and conditions as the Parliament of the Federated Provinces shall deem equitable.

[Translation]

Three years later, the Manitoba Act of 1870 gave that province two seats in the Senate and, subsequently, three and then four as the population grew.

In 1871, British Columbia was given three seats. In 1905, Alberta and Saskatchewan each obtained four seats on the condition that their representation could grow to six seats following the next census. It was the Constitution Act, 1915, that created the Western division with 24 seats equally divided among the four provinces. Since 1975, the Northwest Territories and the Yukon, and since 1999, Nunavut, have been entitled to representation in the Senate.

From this brief history, I note that governments in days gone by adjusted representation in the Senate according to current or anticipated political and demographic changes.

[English]

The Fathers of Confederation foresaw the entry of the eastern provinces into confederation and made provision for their representation in the Senate. They also foresaw population growth in those sparsely settled areas and made provision for the number of senators from those provinces to increase over time. The Constitution Act 1915 created the western division, with 24 seats equally divided among the four provinces.

The process of adjustment to reality in Western Canada stopped in 1915. In terms of western representation, the Senate has stood still for more than 90 years. The geographic, demographic, cultural, political and economic realities of Western Canada are underrepresented in this place. Western Canada’s importance in this country is not properly reflected in the composition of this chamber. In that respect, we are deficient as a national institution. Whether we are appointed or elected, whether senators serve to the age of 75 or for a fixed term of eight years, the gross under-representation of Western Canada is indefensible. Even if no other change were made to the Senate, this ought to be put right.

Honourable senators will recall that after the Quebec referendum of 1995, the Chrétien government brought in the Constitutional Amendments Act, which imposed on the federal government a formula requiring consent of a majority of provinces in four regions before a minister of the Crown can proceed with constitutional amendments under section 38. The inclusion of British Columbia as part of the western region in the bill brought on strong protests in that province and in both Houses of our federal Parliament. After trying unsuccessfully to calm the protests with soft-soap reassurances, the government finally gave way and amended the bill to acknowledge the reality of British Columbia as a distinctive fifth region. During the debate in the House of Commons, on November 30, 1995, the Reform MP for Calgary West, Mr. Stephen Harper, weighed in as follows:

British Columbia is obviously a distinctive and strong region with a vibrant economy, a great future regardless of what happens politically in this country. It is growing. It is larger both in terms of geography and population than all of the Atlantic provinces combined. It is certainly not going to view itself as part of some western region. Why, then, has it been defined this way?

To which Senator Austin and I offer a hearty hear, hear!

**Senator Tkachuk:** Hear, hear, too!

**Senator Murray:** On December 11, 1995, Justice Minister Allan Rock explained the government's change of policy. The province's economy, he said, and its position on the Pacific,

...make it different from the provinces in the prairies. This recognition coincides with the position that B.C. governments have taken for over 20 years. Indeed it was a position of Premier W.A.C. Bennett in 1971 that British Columbia should be recognized for constitutional purposes as a separate region.

In our proposed amendment, we would raise British Columbia's representation from its present six to 12 senators. The amendment proposes to bring the new western division to 24 senators, an increase of four for Alberta and one each for Saskatchewan and Manitoba.

I anticipate objection being made to this motion on the grounds that it is not timely to "reopen the Constitution." To that objection, I would offer two arguments. First, by trying to act unilaterally and use section 44 of the Constitution to bring in a fixed term of eight years for senators, and by suggesting that the federal government, again acting unilaterally, can achieve an elected Senate by circumventing the constitution, Prime Minister Harper has reopened the larger issue.

• (1940)

He knows there is a serious imbalance in regional representation affecting Western Canada. Does he believe, as with a fixed term and election of senators, the regional imbalance can be corrected by some unilateral unconstitutional tinkering? What about powers? Does anybody believe that they can be addressed effectively outside of the constitutional amending process?

[ Senator Murray ]

The amending formula is less than 25 years old. The first ministers who devised it obviously wanted to ensure that important changes to the Senate were placed beyond the reach of Ottawa acting alone, and this is what they did ensure with the amending formula. If this amendment is approved by the Senate, and begins to gather provincial support, we will be on the way to creating an important building block for Senate reform.

The government may be emboldened to move on election, terms of office, and powers in the same way — the right way, within the Constitution, not outside of it.

Second, I do not believe we should be spooked forever by the fact that attempts since 1982 to make substantive amendments to the Constitution have failed. If the Senate approves this proposed amendment, there will be three years ahead in which the provinces and the House of Commons can take it up. At least we will have focussed some attention and some debate on an issue of fairness to western Canada that ought to be of interest and concern to the whole country.

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

**Hon. Marcel Prud'homme:** Anyone who speaks of reform of the Senate can do nothing but attract all of our attention. I sat on the committee on the reform of the Constitution in 1970, and we went all across Canada with Mr. Molgat, the co-chair with Mr. McGuigan, who became the Minister of Justice. The questions especially dealt with that aspect of the Senate. Every proposal on earth was put forward to the committee and one which we agonized with, was of this kind — honourable senators will see in the library, the report on the Constitution, 1970/71. We went all across Canada for one year, and I mean every part, including places in Quebec where they did not want us to sit. I decided that over the Senate's body we were going to sit and with patience we succeeded in sitting where we were not even welcome.

The difficulty that I see in this — and the honourable senator will help me in my reflection — is that by adding 12 to British Columbia, it fits very well. Anybody who is educated like me, in the classical education, knows that Canada is made up of five regions. All French Canadians were taught that Canada is made up of five regions: La Colombie-Britannique — they could not come to terms to call it British Columbia — the Prairies, Ontario, Quebec and the Atlantic provinces. That was the teaching I went through.

We now have a proposal for 24 seats, and the honourable senator has a good point, that the 24 should be divided. Does that mean divided equally? I can assure honourable senators, there will be quite an uproar by the people of Alberta if the 24 seats were divided amongst the three provinces, as I seem to understand the motion. Will these 24 be divided equally with eight for each of the three Prairie provinces and 12 for British Columbia?

I would like to get the view of the honourable senator at this point.

**Senator Murray:** Honourable senators, the proposal in the motion to amend is to divide the 24 senators in the Western region; 10 to Alberta and seven each to Saskatchewan and Manitoba.

**Hon. Jack Austin:** Honourable senators, as the seconder of this motion, I wish to add just a few comments to the presentation of my colleague, Senator Murray.

On May 26 last, Prime Minister Stephen Harper, in a speech to the Victoria Chamber of Commerce, gave four interesting undertakings.

The first was to move forward his democratic reform program. The second was to ensure that B.C. be given its fair share of seats in the House of Commons. The third was that election dates be fixed at four years, which would place the next federal election in 2009. The fourth was that the Senate be reformed to better reflect the regions.

It is that last undertaking, or particularly the issue of a fairer representation in the Senate for British Columbia and the Prairie provinces, that is addressed by this resolution.

On June 1, Premier Gordon Campbell responded publicly to the Prime Minister's reference to the Senate by stating that B.C. should be treated as a fifth region, with 20 per cent of the seats. As is well known, B.C. and Alberta have 23 per cent of the Canadian population, but with 12 Senate seats between them, they have about 12 per cent of Senate seats, or about half of their representational entitlement.

*The Vancouver Sun*, in a June 2 editorial about the Senate, stated:

Real reform would start with a seat redistribution to recognize the rise of the west.

The editorial continued:

... Harper should stick to his other priorities rather than frittering around at the margins with the kind of half-hearted measures he has proposed so far.

In any event, the first issue in Senate reform is to meet the expectations of British Columbia, Alberta, and the other Prairie provinces that, as key regions of Canada, they have a fair and equitable representation in this chamber of Parliament. A chamber that has primary responsibility to represent the regions of our country.

Without meeting this western expectation, reform of the Senate will not be supported in any constitutional process — not by the prairie region and not by the British Columbia region.

This resolution is not intended to reapportion Senate seats. Quite frankly, it is a part of the role of the Senate to reinforce the parliamentary presence of the lesser populated provinces.

It is appropriate that the provinces of Saskatchewan and Manitoba, with populations of about 1 million each, be represented by seven senators each while B.C., with 4.2 million people, has only 12 senators.

It is also appropriate that the four Atlantic provinces be represented by 30 senators while their population in total is less than half of British Columbia, which here is proposed to have 12 seats, having now only six seats.

To be noted, Quebec has 24 Senate seats, which is in line with its proportion of the Canadian population. This resolution would bring B.C. and Alberta in line with Quebec, although they would have two less seats in the Senate and have about half a million more in population. Nonetheless, that is fair enough.

Again, I repeat my conviction that the lesser populated provinces are entitled to a larger role in the Senate to offset the dominant legislative role which is held by the large provinces of Ontario and Quebec. That was the wise intention of the framers of the Constitution.

As to Ontario, its representation in the Senate is substantially below its population ratio, but then its representation in the House of Commons is more than one third of its total members.

The Senate was correctly founded at Confederation to be a balance for the regions against the rise in population and the dominance thereby of the House of Commons representation by a single region or two regions of Canada.

• (1950)

The result of the passage of this resolution by the Senate, House of Commons and seven provinces, representing 50.1 per cent of Canada's population, would be to create a Senate of 117 members. That is possibly an even more workable number than today, given the increased legislative and policy work in the Senate that we have assumed.

I have said that the Senate representation is the first step in any changes that are to be effective in the Senate. The second step relates to the method of selecting senators.

As Senator Murray has said, Bill S-4 is one proposal and there are many others — in my view, better ones, but I will keep those for another day.

The third step relates to the legislative authority of the Senate and its relation to the House of Commons and the executive branch of government. Senator Murray mentioned this point. That, too, for me is for another day.

All of these changes, including those proposed by Bill S-4, require constitutional process, including the participation of the provinces. In the past, constitutional change has experienced much political trading, wish lists and subject matter far from the intended agenda. Here I think of the Charlottetown agreement.

My hope is that this change will not raise what has been called "horse trading." It is not a proposal of any government in Canada, but of the Senate. We have nothing to trade. We offer a constructive first step in constitutional reform of the Senate.

Should it be the judgment of the Senate to adopt this resolution, it will be sent to the House of Commons and to the provinces to consider. It is proper for the Senate to act. No part of the political system has more responsibility for proper representation of our regions and divisions than the Senate.

This is the place to begin a process of reform with a fair and equitable measure, which will build goodwill for other steps that may come in due course.

Honourable senators, I recommend the adoption of this resolution; and, if the chamber is ready, I would move that the resolution be referred to the Special Senate Committee on Senate Reform. This will permit the matter to be considered until —

**Hon. David Tkachuk:** Would the honourable senator take a question?

**Senator Murray:** I would love to adopt it. However, once we have adopted it, it is adopted. I think we cannot do both. Somebody may want to adjourn the debate.

**Senator Tkachuk:** I would like to ask a question.

**Senator Murray:** I wanted to make the point that the motion would not be to adopt the motion; it is not a second reading. The motion would be to refer it.

**Senator Austin:** My motion would be that the resolution be not read a second time, but the subject matter thereof be referred to the Special Senate Committee on Senate Reform.

**The Hon. the Speaker:** Honourable senators, what is before the house is a motion that speaks to a constitutional resolution; it is quite unlike a bill.

Senator Austin, you have the floor to conclude your remarks on the motion for the resolution that is before the house.

**Senator Austin:** I made my remarks, honourable senators. I would like to have the Senate examine this resolution.

**Senator Tkachuk:** Would the senator take a question?

**Senator Austin:** Yes, I will in a moment. I would like to deal first with the question in front of us. At the appropriate time, I will propose that the subject matter of this resolution be referred to the Special Senate Committee on Senate Reform.

**Senator Tkachuk:** Just so it is clear, after I ask a question, then I can either move the adjournment or someone else can move the adjournment; is that not correct, Your Honour? I want to know what is happening here.

**The Hon. the Speaker:** Senator Austin has concluded with a motion, which would be a motion to amend the question that is before us. If Senator Austin wants to have it put before the house, it has to be an amendment.

**Senator Austin:** The resolution proposes a constitutional change. I will propose, at the end of the debate, that the subject matter of the resolution be referred to a committee, and that the resolution stay on the Order Paper, and remain on the *Order Paper and Notice Paper* until the Senate determines to dispose of it.

**Senator Tkachuk:** Your Honour, I asked Senator Austin if he would take a question. He said he would after he got the other matter resolved. I thought he was resolving how the process should move forward, but now he has made the motion.

**Senator Austin:** No, no; I am just explaining the process.

**Senator Tkachuk:** Is he explaining his intention?

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

**The Hon. the Speaker:** We are still on Senator Austin's time. He has concluded his remarks. He has not concluded completely, but Senator Tkachuk has asked to ask Senator Austin a question and you have the floor to do so.

**Senator Tkachuk:** Honourable senators, on the question of regions, on the basis that the Senate is here to represent areas of the country that are unrepresented in the House of Commons because of the population, both of the previous interventions have explained that Ontario and Quebec have 24 and the Maritimes has 24 as well. We have recognized the fact that regions get 24 senators; because Ontario got 24, Quebec got 24, the Maritimes got 24. At that time, the Maritimes were pretty small provinces. They originally had 24 in the Maritime provinces.

If the Prairies are also a region, because the motion asks for 24, then I would ask Senator Austin, given the argument that B.C. is a region, why would it only be considered half a region with 12 senators, when it really should have 24? That is what I think. That is what I would support. A region is a region is a region; you do not have a region and half a region.

**Senator Austin:** I am subject to persuasion.

**Senator St. Germain:** I am persuading you.

**Senator Austin:** The Constitution Act, 1867, formerly called the British North America Act, created three divisions in the Senate: Quebec, Ontario and the Maritime division. As Senator Murray has capably explained, over time, changes have taken place. The three northern territories are not part of a division. There is a fourth division, Western Canada, which is the four western provinces. Newfoundland is not part of a division; it has six senators, but it is not part of a division.

What we are proposing to do is to carry forward the intentions of so many people. Senator Murray referred to the present Prime Minister, Mr. Harper; and before that, many have expressed the willingness to see British Columbia have a separate division. I certainly support it and this resolution creates it constitutionally, if it goes through the full constitutional process.

As to the 12 versus 24, quite frankly, I believe that 24 senators for British Columbia is an imbalance in the Western Canadian formula. It is logical in the sense of the past, but I believe that, for the time being, 12 senators are acceptable to the regions of the country and its political leadership. As British Columbia may grow and become a more significant economy and a larger population, as Senator Murray has said, a fair and equitable representation is a subject that can be re-addressed at a future time.

• (2000)

**Senator Tkachuk:** How does the formula work? It seems to me that the more the population grows in B.C., the more members of Parliament they have and the less reason they have for more senators. The population of Ontario and Quebec has grown

substantially since Confederation and they still have only 24 senators. How do you reach such a figure? This is an illogical answer to why B.C. should have 12 senators when in reality it should have 24, like Ontario, Quebec and the three Maritime provinces. Newfoundland was a special consideration being a new province joining Confederation in 1949 and received six senators. In the North, we have territories as part of the federal landscape governed by Ottawa. There is argument to be made that they should not have any senators at all.

**Senator Austin:** At my suggestion, we have proposed that British Columbia have 12 senators, which puts the province in about the position of its population relative to the population of Canada. If British Columbia grows, then fairness and equity would raise its entitlement to the full 24.

**The Hon. the Speaker:** Honourable senators, Senator Austin's time has expired. However, if he were to ask for an extension, would leave be granted that he would have five more minutes?

**Hon. Gerald J. Comeau (Deputy Leader of the Government):** I would agree to five minutes.

**The Hon. the Speaker:** I would encourage honourable senators to look at rule 59(2) of the *Rules of the Senate*, which states that notice is not required for referral of a question to a committee. We have a question, it is a resolution and it is not a bill. Therefore, the house could entertain the question of referring this resolution to a committee but not the subject matter. However, that motion is totally debatable, adjournable, et cetera.

**Senator Austin:** I thank the Honourable Senator for his assistance. Certainly, I would like to see the resolution referred to committee for consideration, given that a committee was established in the Senate to deal with Senate reform. It would be most appropriate if the committee considered this question of Western representation.

**Hon. Gerry St. Germain:** Honourable senators, I have a question. Senator Austin knows the potential growth of Western Canada. Is there an allowance in this resolution for an adjustment of numbers of senators when a population increase occurs? Is there a built-in mechanism to deal with an increase in population in these provinces? As Senator Tkachuk said, if there is to be a division in the West by going through this entire process, why would there not be an automatic trigger for increasing populations to be reflected in increased numbers of senators? Senator Murray experienced the Meech Lake and Charlottetown talks and knows how difficult it is to make Constitutional changes.

**Senator Austin:** Senator St. Germain, we considered that possibility but the complexity of a formula would probably bring this resolution to a halt. We determined to keep it simple and equitable by explaining that B.C. is to receive that proportion of the Senate that represents its current population and leave the resolution of its future entitlement to the future. In that way, we might see the provinces come together to support this resolution, which is an advance on our current situation.

On motion of Senator Comeau, debate adjourned.

## DALAI LAMA

### MOTION TO BESTOW HONORARY CITIZENSHIP—DEBATE ADJOURNED

**Hon. Consiglio Di Nino,** pursuant to notice of earlier this day, moved:

That

Whereas Tenzin Gyatso, the fourteenth Dalai Lama of Tibet, has been recognized with the Nobel Peace Prize as one of the world's leading champions of peace and non-violence;

Whereas His Holiness the Dalai Lama will visit Canada from September 9th to the 11th of this year; and

Whereas the Senate of Canada has previously acknowledged historic visits to Canada by other leading champions of human dignity, such as Raoul Wallenberg and Nelson Mandela, by adopting motions granting them "honorary Canadian citizenship";

Therefore, the Senate of Canada supports the resolution of the Other Place to bestow the title "honorary Canadian citizen" on His Holiness the Dalai Lama of Tibet.

He said: Honourable senators, thank you for allowing me to speak for a few moments. His Holiness the Dalai Lama has been the promoter of peace, non-violence, compassion and universal values all of his life. The recognition of his life commitment to these fundamental values with the Nobel Peace Prize is a testament to this champion of peace. While world conflicts rage around us, His Holiness continues to eloquently and strongly defend the principles he has embraced his entire life of conflict resolution by non-violent means. The fair and responsible position he has taken for the last 50 years in his attempt to resolve the Tibetan issue is an excellent example of this position. The Dalai Lama will visit Vancouver from September 9-11, 2006. When the Senate rises for the summer recess, it is not expected to resume until after his visit. Therefore, today I seek the support of honourable senators to join with the other place in supporting its resolution, which passed unanimously, to bestow the title of Honorary Canadian Citizen on His Holiness the Dalai Lama.

**Hon. Jack Austin:** Honourable senators, I would like to ask a question or two of Senator Di Nino. I have no objection to the substance of the resolution and I recognize the pre-eminent role that the Dalai Lama plays in spiritual affairs. However, I would like the honourable senator to assist with the criteria by which individuals are proposed for honorary Canadian citizenship. Raoul Wallenberg sacrificed his life to save his fellow human beings, and Nelson Mandela stood as an imprisoned person and symbol of equality and dignity for his people in South Africa.

The Dalai Lama is a spiritual leader. What the honourable senator said about him is also to be said of former Pope John Paul II and other spiritual leaders. Of course, many Nobel Prize winners could be included. I would imagine that there must be some distinction amongst these people that led the other place and the honourable senator to believe that honorary citizenship was appropriate in this instance. I am looking for the criteria.

• (2010)

**Senator Di Nino:** I will not speak about others, but as far as His Holiness is concerned, he is a man who, for over 50 years, has been a refugee. He has no country. He is a man who, for over 50 years, has preached and has been recognized with a variety of awards and accolades, particularly by the Nobel Peace Prize some years ago.

He has been a champion of non-violence. He is one of those rare individuals in this world who has stood on a lonely rock many, many times and said that the way to achieve the objective of fairness and the fundamental principle of freedom is not through violence but through non-violent expression.

He has been an icon throughout the world. He has dedicated his whole life to the issue of non-violence. Others may be as deserving, but that is a separate issue, as I said. He is now 71 years old, and for more than 50 years he has steadfastly and constantly preached and continued to live by what he preaches, which is peace, non-violence, respect for others and respect for the positions that others take, even though he may be opposed to them.

He is a unique individual who has affected and influenced those who have had an opportunity to listen to him and to talk to him. Yes, I agree there are probably other people, but I am convinced that His Holiness is among those few unique people in the world who would give honour to our country by being recognized in this way, as well as to honour his work in this area.

**Senator Austin:** Honourable senators, I recognize the difficulty of laying out any kind of objective criteria. What we have heard from Senator Di Nino is subjective, although it is not less valuable because of that.

I would like to be assured by Senator Di Nino that no part of the criteria relates to any political role on the part of the Dalai Lama.

**Senator Di Nino:** Neither the House discussions nor the presentation there, nor my presentation, is intended to reflect politics.

**Hon. Tommy Banks:** I have a question. It is instruction, I guess. I appreciate that Senator Di Nino's proposal is to follow the lead of the House of Commons, but I read in the newspaper that the House of Commons has decreed that His Holiness is a Canadian citizen.

I would have thought that the declaration of honorary Canadian citizenship ought to be made by Parliament rather than simply and only by the House of Commons. I am wondering whether, in his senior position as Speaker, the Honourable Speaker thinks it appropriate that one of the Houses of Parliament should be able, on its own, to declare someone an honorary Canadian citizen.

**The Hon. the Speaker:** Honourable senators, I am a servant of the house. Perhaps that kind of question would be best addressed to the proponent of the matter, unless it is a point of order. If a point of order is raised, that is a different matter.

**Senator Banks:** I do not want to do that.

Senator Di Nino, if this motion had appeared here first, do you think it is appropriate that the Senate by itself should be able to declare His Holiness a Canadian citizen?

**Senator Di Nino:** I do not know the answer to that, and I do not know that the House has so decreed, in effect. There may have been a newspaper report. I was called by someone and I was told that His Holiness had been made an honorary citizen by the House of Commons. I said that I do not believe His Holiness can be made an honorary citizen until it is passed by the Senate. However, I could be wrong. I tend to agree with the honourable senator.

It was passed in the House of Commons unanimously by all parties. I hope that we would join them in this significant act of recognizing one of the few people in the world who has, in an exemplary manner, preached and practiced peace and non-violence. God knows we need that in the world today.

**Hon. Joan Fraser (Deputy Leader of the Opposition):** Our side does not have a formal position on this, so I rise simply to make a couple of suggestions to Senator Di Nino. Both suggestions have to do with the wording of the motion.

My first observation is that I think we have a simple inaccuracy here. The honourable senator's motion says that the Senate of Canada has previously acknowledged historic visits to Canada by other leading champions of human dignity, such as Raoul Wallenberg and Nelson Mandela.

I do not believe that Mr. Wallenberg ever visited this country. We decided to grant him honorary citizenship simply out of recognition of the enormous dedication that he had shown to human rights and dignity, but I do not think he was ever here. For the sake of the record, it perhaps would be a good idea to change your motion to that effect.

While we are at it, I have no idea what the law says about who can grant honorary citizenship, but I would like to have a little more information about who does that. Is it the Prime Minister on the recommendation of Parliament? Is it just Parliament? I do not know.

I wonder if Senator Di Nino would like to adjourn this date for the balance of his time and come back tomorrow and give us a little information.

**Senator Di Nino:** I would be happy to do that. Since we are here tomorrow, hopefully we can deal with it tomorrow. In the meantime, if there are any other questions, I am happy to take them. If I do not have the answers, I will search between now and then.

[*Translation*]

**Hon. Eymard G. Corbin:** Honourable senators, I do not know what the title of honorary citizen adds to the nobleness of an individual who has already been awarded the Nobel Peace Prize.

Until now, the debate has taken place in English. Unfortunately, we did not receive the text in both official languages. I only have the English version. I believe that the

*Rules of the Senate* require that this type of motion be presented to the chamber in both official languages. Given that this was not done, I propose that the debate be adjourned to tomorrow so that I may read the French version of this motion in the *Journals of the Senate*.

[English]

**The Hon. the Speaker:** I was given a copy in both official languages, but they apparently have not been circulated. The chair read it only in English, but we have simultaneous translation.

[Translation]

**Senator Corbin:** Honourable senators, the problem is that no text was distributed. When passing by, I grabbed an English copy that the page had distributed.

I apologize if things were done in order, but it is only now that I have had a chance to peruse this notice of motion. I am certain that the Dalai Lama would like us to respect the rules and regulations of the Senate and of the country.

[English]

**Senator Di Nino:** For the remainder of time I have, as suggested by Senator Fraser, I would be pleased to do that.

On motion of Senator Di Nino, debate adjourned.

The Senate adjourned until Wednesday, June 28, 2006, at 1:30 p.m.

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