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Wednesday, June 5, 2013

The Honourable NOËL A. KINSELLA
Speaker

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THE SENATE

Wednesday, June 5, 2013

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

Prayers.

[Translation]

SENATORS' STATEMENTS

FINANCIAL REGULATORY OVERSIGHT

Hon. Donald H. Oliver: Honourable senators, a newspaper article on the state of the financial system in the United States piqued my curiosity recently. It prompted me to take a closer look at our own system in Canada and its benefits.

Last month, James Dimon from JP Morgan Chase, the biggest bank in the U.S., almost lost his job because he refused to give up being both chairman of the board and president and CEO.

[English]

JP Morgan recently lost \$6 billion, and some shareholders had been calling for the bank to strip Dimon of his chairmanship. They argued this step would install more checks and balances on Dimon and other senior executives. It would also ensure more accountability and greater oversight. Dimon told a group of investors that he wanted to remain both chairman and CEO of the bank. On May 21, 32 per cent of the shareholders voted to split the position; so Dimon kept both jobs.

Honourable senators, nearly two decades ago, we had this very debate in the Standing Senate Committee on Banking, Trade and Commerce. We produced a major report on good corporate governance that led to our banks separating the two positions. Canada set the standard for the G7.

I discussed this issue recently with Paul Volcker at a private dinner in New York. He told me how much he admired Canada's good governance leadership. He referred to the pending vote at Morgan Chase.

Honourable senators, Mr. Volcker is known for his nearly 30 years of service to the U.S. government, which included two terms as Chairman of the Federal Reserve System from 1979 to 1987, best known as the Fed. Mr. Volcker and I chatted about the strength of our economy. He told me that since 2008, Canada has managed better than any other country in the G7 to recover from the economic crisis. He had many great things to say about our successful management of the crisis and lauded our financial governance. For example, we addressed the fact that Canada has the Office of the Superintendent of Financial Institutions, OSFI, which has the prudential role of overseeing our financial institutions. He agreed that OSFI has a number of rules and regulations that have enabled us to do well during the crisis.

Last week, for instance, Mr. Volcker publicly said that the United States does not need six financial regulatory agencies. He said, "It is a recipe for indecision, neglect and stalemate, adding

up to ineffectiveness." Rather, he thinks that two or three agencies are all that is needed. He is concerned that there are too many agencies and regulators involved in overlapping responsibilities with different priorities and different governances. He told me that they are easily jealous and determined to maintain their own turf.

Honourable senators, we are lucky to have a much more simplified and effective system in Canada. We should be proud of what Canada has accomplished since the financial turmoil began more than five years ago. Prime Minister Harper, Minister Flaherty and the executive branch have done tremendous work to help Canada weather the storm. We are also grateful, of course, for the support of the Bank of Canada and OSFI.

ATLANTIC CRIME PREVENTION CONFERENCE

Hon. Catherine S. Callbeck: Honourable senators, I would like to tell you about an important event that began earlier today in my home province of Prince Edward Island: the twenty-sixth Atlantic Crime Prevention Conference. This annual conference is a venture of the Atlantic Community Safety Association, while the local planning committee includes representatives of the Mi'kmaq Confederacy of Prince Edward Island, Summerside Police Department, Community Legal Information Association: Prince Edward Island and the PEI Department of Environment, Labour and Justice.

The conference brings together more than 100 crime prevention stakeholders, including police officers and community leaders, health professionals and social workers, educators and academics, and business people and community builders — all those who have an interest in crime prevention. For the next two days, participants will attend workshops with a focus on youth engagement, community safety, and front-line workers. They will share promising practices, personal experiences and lessons learned under the theme of "Safer Communities, Better Tomorrow."

We all know the importance of crime prevention. Research shows that well-designed interventions reduce the social and economic costs of criminal activities as well as the costs related to the criminal justice system. Crime prevention translates into healthier families and safer communities — ultimately a better quality of life for everyone.

In her opening remarks, the Minister of Environment, Labour and Justice for Prince Edward Island, the Honourable Janice Sherry, said:

Justice is not simply a system of rules and punishments — of catching and punishing wrongdoers.... Our approach to justice reflects our beliefs about what is right and wrong, about fairness and compassion, and about how people can live together in peace and safety.

Honourable senators, lives are changed through crime prevention, but it takes many people working together to achieve this. These annual conferences are an invaluable resource for anyone interested in making Atlantic Canada a safer place to live. I would like to congratulate the Atlantic Community Safety Association, as well as the tireless members of the local planning committee. I offer my very best wishes to all this year's participants for building safer communities across our region.

[Translation]

ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT

BETTER LIFE INDEX

Hon. Suzanne Fortin-Duplessis: Honourable senators, today I want to talk about Canada's performance on the OECD's better life index, version 3.0, which ranks Canada third among OECD countries. On May 28, the OECD released its latest statistics on people's priorities in 11 areas it has identified as essential for well-being.

Many Canadians took part in this exercise and expressed their concerns about the policy direction that is needed in order to improve their quality of life. They indicated that they were highly satisfied with respect to a broad range of criteria presented by the OECD. I want to stress the economic criteria of the index.

As far as income and employability are concerned, Canada performs well. Our average disposable income is over 20 per cent higher than the OECD average.

In terms of employment, over 72 per cent of people who are of working age in Canada have a paid job, more than the OECD average by 6 per cent. What is more, it is important to note that the percentage of the labour force that has been unemployed for a year or more is currently 1 per cent in Canada.

• (1340)

In Canada, 88 per cent of adults aged 25 to 64 have earned the equivalent of a high school diploma. There is only a slight difference between women and men. Canada is among the best countries in the OECD with respect to reading literacy, math and science. Regardless of their socio-economic background, first language or origin, Canadian students lead the pack when it comes to achieving good results.

The index reminds us that we have an enviable life expectancy, for both men and women. The life expectancy at birth in Canada is 81, which is, once again, above the OECD average.

In conclusion, I want to reiterate that I was very proud to read the OECD Better Life Index 3.0. I remind honourable senators that the quality of life of all Canadians is an ongoing concern for the Government of Canada.

[English]

BURMA

HUMAN RIGHTS

Hon. Salma Ataullahjan: Honourable senators, today I wish to call your attention to the severe human rights violations in Burma. Burma, also known as Myanmar, has been leading a systematic and wide-ranging persecution of its religious minorities. While 90 per cent of the country is Theravada Buddhist, 4 per cent of the population is Christian. Another 4 per cent of the population is Muslim, and the last 2 per cent consists of other forms of Buddhism.

The discrimination reached a heightened state of violence in June of 2012, particularly toward the Rohingya Muslims along Burma's western border. The United States has described the Rohingya as one of the most persecuted minorities in the world. Despite having a presence in Burma since the 7th century, the Rohingya were stripped of their citizenship in 1982 and have been treated as illegal immigrants. Rohingya Muslims have to seek permission to travel, to marry and to repair their homes and mosques. They cannot access government services or send their children to school.

Burmese authorities have destroyed over 1,400 buildings, including mosques, and conducted mass arrests. One of the most violent episodes occurred on October 23, when a coordinated attack against nine townships destroyed villages and killed 70 residents, including 28 children who were hacked to death. All the while, security forces stood aside or assisted in the day-long massacre.

More than 125,000 Rohingya have been forcibly displaced. The vast majority have gone to camps, where they struggle to survive. They rely on outside aid, but aid agencies are often denied travel authorization or intimidated by government officials.

In December, the United Nations Emergency Relief Coordinator described the Rohingya camps as among the worst he has seen in the world. Just last week, Burmese authorities decided to reinforce a two-child policy on the Rohingya to quell the growing population.

Canada and the Minister of Foreign Affairs have been outspoken about the situation in Burma. Minister Baird has stated:

Canada stands ready to assist the Burmese government...to build on the democratic fundamentals and the freedoms and rights of their people, including freedom of religion.

Honourable senators, as citizens of the global community, we must protect and promote the freedom of religion or belief consistent with Canadian values. Let us give voice to the voiceless and speak out against what Human Rights Watch calls a campaign of ethnic cleansing in Burma.

ROUTINE PROCEEDINGS

EXPORT DEVELOPMENT CANADA

CANADA ACCOUNT OPERATIONS— 2011-12 ANNUAL REPORT TABLED

Hon. Claude Carignan (Deputy Leader of the Government): Honourable senators, I have the honour to table, in both official languages, the report by Export Development Canada on Canada Account Operations for the fiscal year 2011-12.

[Translation]

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

YALE FIRST NATION FINAL AGREEMENT— REPORT TABLED

Hon. Claude Carignan (Deputy Leader of the Government): Honourable senators, I also have the honour to table, in both official languages, the Yale First Nation Final Agreement.

CANADA-EUROPE PARLIAMENTARY ASSOCIATION

PARLIAMENTARY MISSION TO THE REPUBLIC OF LITHUANIA, APRIL 3-9, 2013—REPORT TABLED

Hon. Michel Rivard: Honourable senators, I have the honour to table, in both official languages, the report of the Canadian parliamentary delegation of the Canada-Europe Parliamentary Association respecting its participation in a parliamentary mission to the Republic of Lithuania, the country that will next hold the rotating presidency of the Council of the European Union and to the European Parliament, held in Vilnius, Lithuania, and Brussels, Belgium, from April 3 to 9, 2013.

[English]

MEETING OF THE STANDING COMMITTEE OF PARLIAMENTARIANS OF THE ARCTIC REGION, MARCH 12-13, 2013— REPORT TABLED

Hon. Percy E. Downe: Honourable senators, I have the honour to table, in both official languages, the report of the Canadian parliamentary delegation of the Canada-Europe Parliamentary Association, respecting its participation at the Meeting of the Standing Committee of Parliamentarians of the Arctic Region, held in Washington, D.C., United States of America, from March 12 to 13, 2013. No senators participated in these meetings.

LEGAL AND CONSTITUTIONAL AFFAIRS

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

Hon. Bob Runciman: Honourable senators, I give notice that, at the next sitting of the Senate, I shall move:

That, for the purposes of its consideration of a government bill, the Standing Senate Committee on Legal and Constitutional Affairs be authorized to meet from

3:00 p.m. to 8:30 p.m. on Wednesday, June 12, 2013, and until 3:00 p.m. on Thursday, June 13, 2013, even though the Senate may then be sitting, and that rule 12-18(1) be suspended in relation thereto.

[Translation]

QUESTION PERIOD

INDUSTRY

2011 NATIONAL HOUSEHOLD SURVEY

Hon. Claudette Tardif (Deputy Leader of the Opposition): Honourable senators, my question is for the Leader of the Government in the Senate.

Last month, Statistics Canada released its National Household Survey. This is what Statistics Canada had to say about it:

It will not, however, provide a level of quality that would have been achieved through a mandatory long-form census.

In fact, the data quality was so poor that they could not even report on 1,100 Canadian communities. In Saskatchewan, they reported on only 57 per cent of municipalities.

In 2006, census data from only about 200 communities across Canada were suppressed. It is obvious that rural communities and even entire regions of the country are under-represented in the data.

How can the government claim that this information is as accurate and useful as that obtained with the long-form census?

[English]

Hon. Marjory LeBreton (Leader of the Government): Honourable senators, Statistics Canada also had this to say:

At the national, provincial level, all of this information is pretty solid. It's high quality.

Obviously, the National Household Survey has provided useful information and data for Canadian communities, representing 97 per cent of the population. This was the first time, honourable senators, that there has been a voluntary long-form census. Clearly, there are some areas that require improvement and, obviously, by the time it is necessary to conduct the next census, the areas of concern will have been addressed.

• (1350)

I believe that the results of the first effort in a voluntary long-form census were very positive and that the data was extremely useful to communities representing 97 per cent of the population.

Senator Tardif: Honourable senators, even if more Canadians answered the survey, the data is much less accurate and reliable because it is less representative of the population.

The response rate went from 94 per cent to 68 per cent. Groups such as rural and First Nations communities are being left out. The experts at Statistics Canada have confirmed that the data in the Conservative's new survey is deeply flawed. I quote Statistics Canada:

... it is difficult to anticipate the quality level of the final outcome....

It will not, however, provide a level of quality that would have been achieved through a mandatory long-form census.

The former head of Statistics Canada even resigned in protest after the government gutted the census.

Let me also quote Ian McKinnon, Chair of the National Statistics Council, a government agency that advises Canada's Chief Statistician at StatsCan.

This will not have the detail or precision of the traditional long-form census. For small groups and small areas, it will be harder to get a clear view of Canada.

David Bellhouse, a statistics professor at the University of Western Ontario, says:

Because of the minimal response in some areas, the data are basically useless at the community level....

Those data are completely unreliable in terms of any kind of planning purpose for people wanting to use the data for planning about their community.

Honourable senators, why is the government not interested in knowing the true picture of this country?

Senator LeBreton: Honourable senators, we certainly are interested in knowing the true picture of this country. We are committed to collecting statistical data while protecting Canadians' privacy.

Again, in the last voluntary long-form census, more than 2.5 million households responded to the survey. As I indicated to the honourable senator, this is the first time for a voluntary long-form census. There are ways that it can be improved that respect and balance the need for public data and the requirement to protect the privacy of Canadians.

We have the mandatory short form as well. There have been suggestions by experts that a few more questions could be added to the short form.

As well, honourable senators, there are many organizations in addition to Statistics Canada in this country that provide reliable data that is available to many organizations that rely on statistical data to serve their various communities.

[Translation]

Senator Tardif: Honourable senators, this lack of information affects small communities in particular, such as francophone minority communities. Compared to the 2006 census, there are five times the number of communities, including many small rural communities, for which there is no data.

The Federation of Francophone and Acadian communities of Canada, and many other groups, had warned the government of the negative impact that its decision could have. I would like to quote what the federation's executive director said after the data were released:

Our communities are small. They are dispersed. We have a problem if Statistics Canada cannot guarantee that small communities will figure into its analysis of trends based on the results of the National Household Survey. Whether we are talking about employment income, women's income, education, or access to various services, we cannot analyze the data. Municipalities and villages lack the information to establish their policies.

Why is the government refusing to ensure that taxpayers' money is spent wisely by using reliable data?

[English]

Senator LeBreton: Honourable senators, I have clearly answered that question. Statistics Canada has said that a lot of good data has come from the voluntary long form.

I did indicate that this was the first time there has been a voluntary long-form census. Some groups have indicated that they would like to see the data be more conclusive. These considerations will be taken into account when Statistics Canada and the government prepare the questions for the next long-form census. People will then be more used to the long form. Whatever questions they put on the mandatory form will address the concerns of the groups that feel this does not produce the data they require.

Hon. James S. Cowan (Leader of the Opposition): May I just remind honourable senators that civil society across the country and the opposition parties in the other place brought to the government's, as it was designing this voluntary census, that it would inevitably be the result that the number of respondents from economically disadvantaged sectors of our society, such as Aboriginal groups, was going to be a problem. The government chose to ignore those warnings, and now the proof is in the pudding. The leader said repeatedly, "Let us just wait and see." What we see is exactly what we said we would.

Why did the government not take seriously the warnings that came not only from opposition politicians but from organizations and governments across this country that relied on this information to make the decisions that they need to make with the scarce resources available to them?

Now the answer is, “This was the first time; we will do better next time.” In the meantime, all of these organizations and levels of government will have to rely on inaccurate and incomplete information. Why is that?

Senator LeBreton: As Statistics Canada has said: At the national and provincial levels, all of this information is pretty solid. It is high quality.

It is a stretch, honourable senators, to say that this has not produced useful data. It has produced useful data representing 97 per cent of the population.

Going back to the intent of the voluntary long form, many people, including myself, felt it was an invasion of their privacy. Even with the original mandatory long form, many groups did not respond to the long form even under threat of severe fines.

It has produced very useful data. We have all seen the useful data in terms of the growth of our population and where various immigrant communities are settling.

It is true that when the next voluntary long form is designed, Statistics Canada will, I am sure, incorporate questions that will elicit the kind of information that 3 per cent of the population required and did not get in the last one.

Hon. Joan Fraser: Honourable senators, the leader reminds me of the old line about how one can drown in a puddle that is an average of four inches deep because it might be 10 feet deep in one place and one inch in another.

What is missing from the system that the government insisted Statistics Canada adopt is information about some of our most vulnerable populations — the little isolated groups.

• (1400)

In Quebec there are 300 municipalities for which the data is deemed not valid. A very significant number of those, incidentally, include English Quebecers, who are doubly vulnerable. Like all language minority communities — but the problems in Quebec are in some senses even more acute — they have great difficulty persuading all the governments that are supposed to be serving them of the various needs they have to ensure the vitality of their communities.

Census data was an absolutely essential element for those communities and now they do not have it. I repeat: Now they do not have it. It is going to be very easy for governments to say, “Oh, well, obviously there is no need; there is no data to show there is any need.”

The next census could be too late for some of those communities. Does the government not have at least the decency to apologize to them?

Senator LeBreton: Honourable senators, speaking of puddles, the issue that many on that side make is like taking a stagnant puddle and turning it into a whirlpool.

The fact is that the government made a decision. There was a mandatory short-form census that produced very reliable data. The voluntary long-form census produced, in the words of

Statistics Canada, data that was of high quality, affecting 97 per cent of the population. Very clearly, as we go forward to design the next census form for the mandatory short form and the voluntary long form, Statistics Canada officials will take into account some of the concerns that have been raised.

Again, honourable senators, most Canadians respond to the mandatory short form. That is where a lot of the top-line data is obtained. In the voluntary long form, there was a high rate of participation; 2.5 million households responded to it. I would very much question the senator's conclusions that whole segments of the population have been left out and, therefore, cannot be assisted by the data that is already there.

Senator Fraser: I do not know what the leader calls more than 1,100 municipalities, but I call that a significant part of the Canadian population, including 300 in my province.

The leader said the government made a decision. I am suggesting to her that the evidence is now in that the government made the wrong decision.

An Hon. Senator: It's not the first time!

Senator Fraser: We will, of course, await with interest to see what happens with the next census and I do hope there are very significant improvements. However, in the meantime, what steps does the government plan to take to help all those small communities that have been just left off?

Senator LeBreton: First, honourable senators, I have not seen the evidence that the senator claims, namely that 1,100 municipalities across Canada are completely devoid of any statistical information for making important decisions with regard to their municipalities.

The Honourable Senator Fraser believes that the government made the wrong decision. I would argue that the government made the right decision not to intrude into the privacy of Canadians by asking Canadians to participate in the census on a voluntary basis and not being ordered by government to do so. There is already a mandatory short-form census, as we know, and I do not believe that a long-form, voluntary census that was responded to by 2.5 million households, covering 97 per cent of the population, could be considered a failure.

FOREIGN AFFAIRS

ARMS TRADE TREATY

Hon. Roméo Antonius Dallaire: Honourable senators, my question is for the Leader of the Government in the Senate. When we are engaged in international treaty negotiations, there are two phases: The first phase is signing the treaty, ultimately, that you have worked on and have been engaged with; the second phase is bringing it home and going through a process of ratification. That is whether or not it meets all our requirements. If it does not, then we do not ratify it and it is held in abeyance or we seek, from the original treaty arrangement, some special clauses to meet our requirements.

I am bringing to honourable senators' attention, if I may, the landmark Arms Trade Treaty. At the end of the Cold War, all the small arms that were available for mobilization stocks — and we

are talking now of about 400 million weapons that 9-year-olds could use — were not destroyed. They were sold off around the world to every Tom, Dick and Harry who wanted these weapons. The five permanent members the Security Council are the five major producers of light weapons in the world and they produce about 1 million a year.

We have fought now for close to 15 years steady on bringing in this Arms Trade Treaty. I was involved in it with the previous government. Specifically, this government was engaged and last July nearly scuttled the whole thing by introducing an angle to it that caught people by surprise. The angle was to ensure that this treaty will not control the domestic use of weapons in any country. Now, we could say that is for us with regard to hunting, and so on; other countries have a whole different connotation. Finally, in March, it was accepted. Canada's significant amendment was accepted.

Why did we not sign it?

Hon. Marjory LeBreton (Leader of the Government): Honourable senators, as the Honourable Senator Dallaire knows because he worked on this file, Canada will always work toward keeping arms out of the hands of criminals, terrorists and those who abuse fundamental human rights. That is precisely why we are, or were, among the 154 countries that agreed to move this treaty forward.

At the same time, as the senator pointed out, the implications for lawful and responsible firearms owners in this country could be impacted. That is why we took on the role we did at the United Nations, namely to ensure this does not happen.

At the moment, honourable senators, we are taking the time to consult with the provinces and stakeholders and seeking their views before proclaiming on this.

Senator Dallaire: Honourable senators, we have an international treaty that is very much the purview of the government. We also have a long-gun registry exercise, if you remember, for which we went through incredibly extensive debates. This thing was debated from every angle possible. People know where the country sits with the long-gun registry and knows what happened. In fact, your government implemented your philosophy and your plan in that regard.

I find it very difficult that, after a number of years of negotiations, concurrently with the whole long-gun registry exercise, we now hear that, when it comes time to sign it after having won this great concession, we will be consulting with Canadians before the government takes any decision.

What the hell have we been doing before that? I do not understand why you have to consult with Canadians when we know what the answer is, and you still have the route out, when ratifying, of bringing in another amendment, if necessary. Why not sign when the day was there with all the rest of our allies?

Senator LeBreton: Honourable senators, concerns were expressed by various groups and provinces in the country. It was decided that we would make absolutely sure that their

concerns were properly addressed and that the intent of the treaty was properly understood before proceeding.

Senator Dallaire: Honourable senators, if we did that with every treaty that we were considering, we would never sign a treaty. That is the responsibility of the federal government and its civil servants, to know what is going on in the country, to go with a mandate and to apply that mandate, particularly when they were able to influence the whole world to change the treaty to meet our requirements.

• (1410)

It is rather interesting that we did not sign. Look at the countries that did. There were 67 that signed that day. Australia, which has the Outback and the gang that uses weapons there, signed. Belgium, which is a major arms producer, signed. Germany, France, Italy, Japan, even Mexico — and we know what the hell is going on with arms down there — have signed.

How is it possible that those people looking at the content felt strongly enough to be able to sign a treaty that we modified to meet our requirement, and when it came time for us to sign, we said “no”?

Senator LeBreton: Actually, we did not say “no.” Senator Dallaire listed several countries that took the opportunity to sign. There are 154 countries involved in this treaty, and we have been working with them to move this forward.

My answer a moment ago still stands. There were clearly people in this country who did not fully understand the intent of this treaty, and we simply made the decision to further consult and educate with these groups before taking further steps.

Senator Dallaire: Honourable senators, do you remember the debate we had on Bill S-7, which was about submunitions, and how the argument that kept coming back from that side was interoperability and working with our closest allies with regard to applying the rules of war and with regard to weaponry? We wanted to be close to them. By the by, we also wanted to stay close to what we call the Five Eyes. We used to call them ABCA, which is Australia, Britain, Canada and the United States, and then we added New Zealand.

The others have signed. President Obama has gone public and said he is signing. He is signing, not tomorrow morning, but he said he is signing. We said that we are going to study it and consult.

Surely, honourable senators, the government has the strength of character and the conviction that it needs to handle the small arms treaty and to sign it. Would the government be prepared to sign it tomorrow?

Senator LeBreton: Now Senator Dallaire is applying a standard to us that even — as he said, President Obama said he will be signing. I simply said that we are part of this group that agree to

move this treaty forward. There were questions and concerns raised by certain individuals and groups in this country that we said we would clarify and further explain our position.

As Senator Dallaire points out, even though he named several countries, the United States is not one of them for the moment. They obviously have their reasons. They may have the same concerns or they may be doing the same thing we are doing, which is further assuring those who are concerned about it.

I do not see why the honourable senator would hold this government to a standard other than what he is holding President Obama to.

ABORIGINAL AFFAIRS AND NORTHERN DEVELOPMENT

PRIVACY CONCERNS—CINDY BLACKSTOCK

Hon. Lillian Eva Dyck: Honourable senators, I could not help but notice in the leader's answers to the questions about Statistics Canada that she cited the government's obligation to balance the right of privacy of the individual versus the right of citizens to know. How did that carry out in the case of Dr. Cindy Blackstock, who we well know is Executive Director of the First Nations Child & Family Caring Society of Canada? A report released last week, on May 28, by the federal Privacy Commissioner highlights a troubling pattern of invasive and unwanted government surveillance of Dr. Blackstock. Government documents quite clearly show that federal departments monitored her personal Facebook page, tracked people who posted to her page and followed her around. How can the government then justify those kinds of invasions into the privacy of Dr. Blackstock?

Hon. Marjory LeBreton (Leader of the Government): Honourable senators, obviously we take Canadians' rights to privacy very seriously. I am pleased to know that the recommendations of the Privacy Commissioner with regard to Cindy Blackstock have been discussed with the Department of Aboriginal Affairs. The department assures the government that all of the recommendations of the Privacy Commissioner with regard to Dr. Blackstock have been or will be implemented.

VISITORS IN THE GALLERY

The Hon. the Speaker: Honourable senators, may I draw your attention to the presence in the gallery of a delegation led by the Honourable Sephiri Enoch Motanyane, Speaker of the National Assembly of the Kingdom of Lesotho. They are accompanied by the distinguished High Commissioner of Lesotho, Her Excellency Mathabo Tsepa.

On behalf of all honourable senators, welcome to the Senate of Canada.

Hon. Senators: Hear, hear!

[Senator LeBreton]

ORDERS OF THE DAY

CANADA TRANSPORTATION ACT

BILL TO AMEND—SECOND READING

On the Order:

Resuming debate on the motion of the Honourable Senator Unger, seconded by the Honourable Senator Smith (*Saurel*), for the second reading of Bill C-52, An Act to amend the Canada Transportation Act (administration, air and railway transportation and arbitration).

Hon. Terry M. Mercer: Honourable senators, I rise today to speak on Bill C-52, the Fair Rail Freight Service Bill. I thank my honourable colleague Senator Unger for her remarks here in the Senate yesterday.

While this is not a complicated bill, it is an important one. Since the Rail Freight Service Review reported on its findings concerning the relationship between shippers and railways, we now have a bill that tries to correct the oftentimes one-sided relationship. As we have heard already, the aim of the bill is to give shippers a legislated avenue to resolve disputes and to come to agreements concerning levels and quality of service.

Shippers can be involved in any number of different sectors here in Canada, from pulse products to wheat, to minerals, fish and wood. While each may be different, the method of transporting new products is not. Rail built this country and will continue to help it grow.

Honourable senators, in dealing with service providers and shippers in the various industries, the Rail Freight Service Review Panel made this recommendation, among others:

Railways should enter into good faith negotiations to establish service agreements upon request by stakeholders who have an operational or commercial relationship with them, including the establishment of "boiler plate" agreements with groups, such as small shippers.

... disputes related to the initial establishment or renewal of service agreements, i.e. failure to reach agreement on the terms and conditions of service agreements or renewals, should be eligible for dispute resolution.

To help make the system more effective and fair, not only for shippers but for the railways as well, this bill attempts to provide incentive for both parties to agree to a settlement on service before going to arbitration. There is also a process for that arbitration, should it come to that point.

While the government says this process will be efficient and fast, 45 days seems quite long when a shipper is trying to get their product to market. While I agree that arbitration is a preferred last resort but a likely avenue through which both shippers and railways will resolve a dispute, the length of time seems a bit long.

• (1420)

I plan on asking the witnesses, when the bill comes to committee, about this process and whether it has been designed correctly.

If and when an arbitrator makes a decision and the shipper gets a service agreement on whatever terms have been decided upon, the government says that this agreement will be confidential, cannot be appealed, and thus has the value of a contract. How long do you think it will take one shipper to determine what another shipper's deal is? How will we resolve those disputes when the agreements are binding and non-negotiable? What about proper access to the arbitration process: Is it complex? Is it lengthy? Is it costly?

If you can answer yes to any of those questions, then the obvious is clear: Only larger shippers will benefit and the little guy will lose again, which seems to be what this government is all about. We must ensure that the process is fair and equitable across the board.

Honourable senators, this legislation will require that the railways provide their customers with service level agreements that are enforceable and fair. However, what is in here to protect the railways?

An arbitrator must include such things in an agreement like standards for proper timelines of delivery and provisions for dealing with an interruption in service. The Canadian Transportation Agency also would have the power after an arbitration decision to impose administrative monetary penalties, the new chic words for a fine. They will be able to impose a fine of up to \$100,000 for a violation of the agreement by a railway.

What happens when a shipper fails to abide by its end of the agreement? If a shipper promises to fill 20 cars, for example, on Tuesday, what happens when they only have eight of those cars filled on Monday night? It will affect the entire movement of other freight that is associated with that train that is coming by. What recourse does the railway have to deal with those situations? Again, those are more interesting questions for our witnesses when the bill comes before us at committee.

Honourable senators, no legislation is ever perfect. Even with our due diligence in the house of sober second thought, I often prefer to see a review process built into the legislation for mandatory review on how it has worked and what can be done to improve or change it. This, however, does not appear to be the case with Bill C-52. While there is mandatory review of the larger Canada Transportation Act scheduled for 2015, when there will be a new government, would it not be proper to include a mandatory review of the very changes we are discussing today?

Honourable senators, there appears to be broad support for this legislation, but I am interested to hear from as many witnesses as possible. We need to hear from the shippers and from the railways, and we need to hear from the workers and their unions. We need to hear what they see as beneficial in the legislation and, more important, what is not.

Will Bill C-52 get the job done? I look forward to finding out.

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

Some Hon. Senators: Question.

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

Hon. Senators: Agreed.

(Motion agreed to and bill read second time.)

REFERRED TO COMMITTEE

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

(On motion of Senator Carignan, bill referred to Standing Senate Committee on Transport and Communications.)

VISITORS IN THE GALLERY

The Hon. the Speaker: Honourable senators, I wish to draw your attention to the presence in the gallery of the participants of the Tenth Canadian Parliamentary Seminar, organized by the Canadian Branch of the Commonwealth Parliamentary Association.

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

Hon. Senators: Hear, hear!

THE SENATE

MOTION TO INVITE THE AUDITOR GENERAL TO CONDUCT COMPREHENSIVE AUDIT OF SENATE EXPENSES INCLUDING SENATORS' EXPENSES— DEBATE ADJOURNED

Hon. Marjory LeBreton (Leader of the Government), pursuant to notice of June 4, 2013, moved:

That the Senate invite the Auditor General of Canada to conduct a comprehensive audit of Senate expenses, including senators' expenses.

She said: Honourable senators, last week I was extremely pleased that the Senate adopted tough new rules governing travel and expenses put forward by Conservative senators and supported by all senators in this chamber.

These strong new measures will improve accountability and prevent abuse by closing the loopholes. While this was an important step forward, more needs to be done. Canadian taxpayers need to know that their money is spent wisely and in accordance with the law. Over the past few weeks, I have received thousands of emails, calls and letters from hard-working, conscientious Canadians who want more accountability in the Senate. As I was pointing out earlier to some colleagues, these are not the normal run-of-the-mill emails we get on any given issue when it is obviously a form letter that is repeated over again. These were individual emails, phone calls and letters, obviously written many times for the first time by the people who were sending them in. As a result of reading and responding to these

emails, I realized that we must respond to their concerns and go beyond what has already been done, and we must deliver. Simply put, Canadians deserve more from us.

The government of which I am proud to be a member has taken many steps to strengthen accountability and transparency in government and brought in accountability legislation to back this up. Today, I am moving forward on this promise of accountability by introducing this motion calling upon the Auditor General of Canada to conduct a comprehensive audit of Senate expenses.

The Office of the Auditor General is a respected body that has the capacity to ensure that the taxpayers' dollars are spent wisely. We must all face reality, honourable senators, and listen to Canadians who are outraged by what has happened in the Senate. Our government has never stood for the status quo in the Senate, and it does not stand for the status quo now.

I therefore call on all honourable senators, on both sides, to support this motion.

Hon. Hugh Segal: Will the honourable minister take a question? In congratulating the minister on this superb initiative, which I very much support, I wondered whether she could indicate her understanding of what will transpire once this Senate, hopefully as soon as possible, passes this motion? Would there be a letter sent by His Honour the Speaker to the Auditor General inviting him in? Would the Internal Economy Committee, which represents both sides, be involved in the process?

Could she give us some guidance on that?

Senator LeBreton: I have thought about that myself. I do want to thank Senator Segal. He was one of the ones who advocated this many times, not only in this place but in other places.

• (1430)

I cannot presume to know exactly how the Auditor General will proceed with the handling of this motion, but I would expect that the next step after the motion is passed — and I could be wrong — is that the Auditor General would be in contact with the Clerk of the Senate, who of course is also the Clerk of the Internal Economy Committee, and the process would go on from there.

That is my understanding. I could be wrong, but I think that is the normal course of events.

Hon. Anne C. Cools: Honourable senators, I wonder if the honourable Leader of the Government in the Senate would accept another question.

I have read a fair amount on some of these questions. Could the honourable senator share with us either the statutory law or the constitutional law on which she is relying? My understanding has always been that the Senate and the House of Commons are not part of the public administration of the Government of Canada. I wonder if she could share with honourable senators the law she is relying on, and then I have another question to that.

Senator LeBreton: Honourable senators, I am not a legal and constitutional expert — and never pretended to be, never wanted to be and never will be — but when I pondered this thought over

the weekend, responding to Canadians, our neighbours and friends and supporters on both sides, I came to my conclusion. Many of the emails and letters I have received were very critical of the institution of the Senate because of the perception that we were trying to manage this from within.

I acted as a member of this institution. When I came to the decision that this would be the prudent course of action to follow, of course I contacted the Prime Minister and told him that I was planning to do this. The Prime Minister had no involvement other than to give me his full support.

With regard to all of the legalities, I have been given to understand that I am fully within my rights, as a member of this body, to move the motion I have moved. That is basically how it came about.

Senator Cools: I understand the honourable senator to be saying that she is moving this motion not as an individual member of the Senate but as the Government of Canada. That is quite clear.

That brings me to my next question. The reason I ask, honourable senators, is because it is quite clear that the decision to bring this motion was not made within the Senate, because it was reported in the news several days ago that she was going to introduce this. There was no debate, discussion or consultation here.

My next question is, I have always understood that prior to 1878 when the Auditor General was then the deputy minister of finance, that the permission of the government had to be obtained for audits to be performed outside of the departments. The current Auditor General Act says that the Auditor General may accept certain assignments if they do not interfere with his primary responsibilities, whenever the Governor-in-Council so requests. I understand that the Governor-in-Council must have taken a decision to go this route, or am I wrong on that?

Previously, in the old law, in 1878, when the position of Auditor General was created, the decision used to be made by the Minister of Finance. I am sure the honourable senator knows that in respect of the attestation of estimates and so on, the Minister of Finance is the appropriate minister for the Auditor General.

Could the leader clarify carefully and clearly to us that this is a decision of the Governor-in-Council?

Senator LeBreton: Honourable senators, I indicated on Monday that I would move this motion. I put the motion before the Senate yesterday. I acted in my capacity as Leader of the Government in the Senate, but also as a member of the Senate and obviously as a person concerned with these issues in the last few months as all of us have been.

I followed the proper process. I put a motion down before the Senate, and now it is the decision of the Senate whether to support this motion. That is the proper way to do this.

I want to make it clear that I was motivated to do this — and I am sure any of us who are paying attention would know — for the sake of this institution and the sake of the fine reputations of

everyone in this institution who have been the subject of some considerable hostility by the Canadian electorate. This was in direct response to pleas from Canadians all over the country, tax-paying, hard-working Canadians, asking us to please take measures to make what we are doing here more transparent and accountable.

That was my motive. I thought long and hard about it. I sought support once I had made up my mind that this was the way I wanted to proceed, and I am very happy that I have the support of my colleagues in government.

Senator Cools: Honourable senators, I have observed that on several occasions in the last week or two the leader has referred to the Senate in words something like, “the public does not view the Senate as a legitimate institution.” Does that mean then that the public does not view the Senate leader as a legitimate leader or that the public does not view the Prime Minister as a legitimate Prime Minister? This institution is in the control of the majority. At this point in time, it is a majority of the Conservative Party, the government.

“Legitimacy” is an interesting word to be used. Perhaps it was the wrong word. It seems to me that if the legitimacy is in question, then the legitimacy that would have to be questioned is that of the government itself.

Senator LeBreton: I have said that, honourable senators, and I said that because I believe it because it is very much supported by anyone who is listening to the public, listening to their neighbours, watching what is happening around the country or listening to the various open-line shows and political talk shows.

There is no question, and I am simply stating a point of fact, that the legitimacy of the Senate is being severely questioned by the Canadian population. Honourable senators can then extrapolate from that whether I am legitimate or whether we are all legitimate or who is legitimate.

Obviously, we have a reference to the Supreme Court of Canada for political direction on what options there are to the government in terms of reforming the Senate, but, until we have that direction from the court and the decisions of the court, there are things we can do at the present time under existing circumstances. We have the capability and capacity within ourselves on both sides of the chamber to take these actions, even though they will not completely satisfy the public's demand for whatever type of Senate they want to see, whether it is status quo, a reformed Senate, or even the abolition of the Senate. We, as a group, are not in a position to adjudicate on that. There are things we can do now. That is why I moved my motion. Let us at least do now what we can to restore some public confidence that we hear them and that we will take action to ensure we are fully accountable for the money they send here in order for this place to function.

• (1440)

Hon. Terry M. Mercer: My question is for the Leader of the Government in the Senate. I do not want this misinterpreted as I am not speaking against it, but I am concerned about the

knee-jerk, band-aid reaction to a serious problem. Why not fix this correctly, which means it fixing it not only in the Senate but also in the House of Commons?

Specifically, would the leader envision an audit of the office of the Speaker of the Senate, not just of Senator Kinsella as a member of the Senate? Would the leader envision a detailed audit of that office, no matter who occupies the position of Speaker of the Senate, in her proposed audit?

Senator LeBreton: Honourable senators would not take kindly to members of the House of Commons giving direction as to how the Senate should conduct its affairs or proceed with policing senators. My motion focuses on the institution of the Senate. Far be it from me to go beyond that.

Senator Mercer: Does it include the office of the Speaker of the Senate?

Senator LeBreton: I said in my motion “all Senate expenses.” I will not speak for His Honour, but clearly each and every senator has an obligation to conduct himself or herself in the proper way and to be mindful of the law and of taxpayers' dollars. Any honourable senator would agree with that statement.

As Senator Mercer knows, all senators have been out in their communities, certainly I have been out in mine, and have heard plenty about this subject. It was the emails and letters that really brought it home to me that this is not a normal issue where people express concern and then it passes. This has severely rocked the public's confidence in the institution of the Senate. All honourable senators are fooling themselves if they do not recognize that.

Senator Mercer: This is interesting, honourable senators. I am not disagreeing because all senators hear it and read it in the same emails and understand that the confidence has been shaken not only in this institution but also in all parliamentary institutions, including the Government of Canada. All honourable senators have to think about that.

The wording of the motion does not seem broad enough to capture some of the other things that Canadians should know. For example, travel is a major component of expenses. The audit will not report on the travel of government members of the Senate who are requested to travel with ministers or to make political or government announcements. I do not see that being captured in the motion.

How will that be accounted for? How will Canadians know how much money is being spent, by whom and where?

Senator LeBreton: Honourable senators, ministerial travel and expenses are already reported. I hate to disappoint Senator Mercer, but that information is available. It was probably the same in the previous government when senators on the other side travelled with ministers or made representations on behalf of the government. Both sides of the house have senators with certain expertise in foreign affairs and the

diplomatic area. Those expenses are accountable, completely transparent and accessible through ministerial travel and departmental expense claims.

The motion addresses tax dollars specifically designated for the operation of the Senate. While Senator Mercer may find these other areas interesting, and they may be good questions to ask, they do not fall under the purview of tax dollars allocated to the Senate. Information on all ministerial and departmental travel is accessible and publicly available. As honourable senators know, in my speech a week ago I advocated that system for senators.

Senator Mercer: I do not know that the leader was listening to what I said, so I will move on to another question, which may be at the crux of one of the problems that may be encountered. This government, through its economic action plans and pending legislation, has cut a significant amount from the Auditor General's budget. If I recall, \$7 million has been cut from the Auditor General's budget.

Canadians have tremendous respect for the Office of the Auditor General and the good work they do. The leader is asking the Auditor General to do an important job, but I believe it is a lot of window dressing on the part of the government because they have taken \$7 million out of the Auditor General's budget.

Has the leader thought about talking to her cabinet colleagues about restoring some of that funding to the Office of the Auditor General so they can do the proper job that the leader is asking them to do?

Senator LeBreton: All savings in the various government departments were made in cooperation and collaboration with the departments. Savings were found in efficiencies. In no case were savings presented to the government that would in any way reduce or impede the ability of those offices to fully function. The same is true of the Office of the Auditor General.

Honourable senators, the government has consulted with all departments and asked them for savings of between 5 per cent and 10 per cent. Each department came back with recommendations of where the savings could be made in their operations. That was very much appreciated because we always look for efficiencies. The Office of the Auditor General is no different. In no way does that impede the ability of the Auditor General to fully perform his functions. It is the same for any agency or department of government.

Senator Cools: Honourable senators, I am very struck by this phenomenon of the Auditor General. I understand the Auditor General Act to say that the Auditor General reports to the House of Commons. He cannot report to the Senate. In concrete and practical terms, how will this motion work? Am I to understand that the Auditor General will report on the audit of the Senate to the House of Commons? That is my understanding according to what is being said, although I could be wrong as there has been no time to study this motion. In the past I have done much work on the Auditor General Act. I could be wrong and if that is so, then I apologize and withdraw. However, my understanding is that the Auditor General reports to the House of Commons. How will the Auditor General report to the House of Commons on activities in the Senate?

• (1450)

Senator LeBreton: Actually, my motion said nothing about the House of Commons. We will debate the motion here. My motion simply states what it states.

Honourable senators, the Auditor General has been into the Senate in the past, has reported on expenditures in the Senate and did not report on expenditures in the Senate to the House of Commons. They reported on the expenditures of the Senate to the Senate, through the Internal Economy Committee.

Senator Cools: So the government leader points to the power in the Auditor General Act that allows him to report to the Senate with respect to these audits? I could be wrong. Prove me wrong.

Senator LeBreton: Again, honourable senators, thank goodness I am not a constitutional or procedural lawyer. I am simply relying on my own knowledge that the Auditor General has been in the Senate before, just as the Auditor General has been in the House of Commons. In the case of the House of Commons, they reported through the Board of Internal Economy of the House of Commons. In the case of the Senate, when the Auditor General completed their work, they reported it back and made it public through the resources in the Senate, namely the Internal Economy Committee.

Hon. James S. Cowan (Leader of the Opposition): Honourable senators, I just wanted to make a comment or ask a question with respect to the issue that Senator Mercer alluded to a moment ago — the cuts in the budget of the Auditor General.

I have a news report from November 23, 2011. That was just before the new Auditor General took office. The Acting Auditor General spoke to the House of Commons Public Accounts Committee, and he is reported as having told them that the Auditor General's office will, by 2014-15, cut about \$6.5 million, close to 8 per cent of its \$88 million annual budget. Doing so will see approximately 60 employees, 10 per cent of the staff, lose their jobs, including some auditors.

Does the leader have any comment on that?

Senator LeBreton: Honourable senators, I already commented on that. All departments and agencies of the government rely on taxpayers' dollars. We went through the process of going to each department and agency as part of the deficit reduction program. It was done through Treasury Board. Each department would present to Treasury Board. They were asked to go through all of their expenditures and all of their operations and come up with a figure of between 5 per cent and 10 per cent. Some departments and agencies came back with 8 per cent of their budget that they indicated they could quite reasonably cut and still carry on the services that they had before. Some departments, of course, were not able to find savings of any more than 5 per cent, but it averaged out across government, if my memory serves me correctly, to about 8.5 per cent savings across the board.

The Auditor General's office would have been part of that process and, obviously, those were the results.

Hon. Wilfred P. Moore: Honourable senators, my question is also for the Leader of the Government in the Senate.

In the course of your remarks in support of your motion, you said that Canadians are outraged by what has happened in the Senate. What do you think has happened in the Senate that has caused that outrage?

Senator LeBreton: Would the honourable senator like the 15-foot high pile of clippings that I have on my desk?

Obviously, honourable senators, I will not go through all of the events that we went through, as a body, starting last December and then followed up with Senator Cowan's letter and the process that we put in place in the Senate.

Again, as I pointed out many times, it was when we got the majority on this side that we put in place a process —

An Hon. Senator: Oh, oh.

Senator LeBreton: Well, he asked the question; I will answer it.

We put in place a process whereby senators' expenses were reported on a quarterly basis. This obviously drew the attention of the media and, through the media, the public. Obviously, the process that we initiated exposed some very serious issues, which have all come to light and which we have tried to deal with. I thought we dealt with them appropriately through the process we followed, starting with the actions of the Internal Economy Committee, the letter that Senator Cowan and I co-signed, the references to the external audits, the commitment to table the audits, and then the commitment to put reports into the Senate as a result of those audits. We followed all of that process.

I do not believe, honourable senators, that any of us has any lack of understanding of how it is that we are where we are now. We certainly understand how this particular issue caught fire with the public.

Again, it goes back to my public comments and then my speech in the Senate. When the focus is on the Senate, because of the nature of how it is viewed by the public, it really focuses the mind of the public. Since the public has a problem with this institution to begin with, it is obvious that the type of events that we have been dealing with only light the fire of public opinion and, of course, that is what we have all been dealing with.

Senator Moore: I did not hear you answer as to anything in particular. You have been skating around it. You did not answer anything that happened in the Senate that you thought would have been raised in public.

Maybe you can answer this: Do you think anything happened outside of the Senate that would have caused such outrage?

Senator LeBreton: First of all, honourable senators, we all know the news stories. Of course, some are accurate, and some are not.

Even when we were following the process, when you look back at this, these stories have been very dominant since mid-February. We felt that we had followed a process, which we thought culminated on May 9. Obviously, other information and events came to light after May 9 which further exacerbated the problem.

However, it all focuses in on the perceived activities of people in the Senate that have precipitated the situation we are in now.

Senator Moore: You mentioned earlier about the Internal Economy Committee. Do you think it pleased the public of Canada to know that the Internal Economy Committee, through its chair, leaked information to a senator who was being looked at because of his travel expenses?

Do you think it helped the Canadian public to have faith in the Senate, let alone in the whole Canadian government, to know that a go-soft deal was arranged and was participated in by two of the three members of the steering committee?

Do you think it helped the Canadian public to have faith in our institution to know that a \$90,000-payment was arranged to that particular senator, Senator Duffy, and that it was done through the Prime Minister's office, with the cooperation of some other people in this chamber? That was outside of the chamber. That is huge.

Do you think that those things would have undermined or helped?

• (1500)

Senator LeBreton: Senator Lavigne — excuse me; a Freudian slip — Senator Moore, we have answered all these questions before. We can regurgitate all of the conspiracy theories, the various versions of what went on and what did not go on. There were reports tabled in the Senate in the Internal Economy Committee. Do I think these things are harmful? Of course, I think they are harmful, just as I thought the actions of Senator Lavigne were harmful; just as I thought the actions of Senator Thompson were harmful.

As I pointed out in my speech last week, which seemed to get a few people on the opposite side very excited, the fact is that had the rules we have applied to the Senate in the last two years been in place for the last 10 years, we might not even have been facing this right now because this would have been dealt with a long time ago.

Senator Cowan: Honourable senators, during the last few weeks the government has done everything it can think of to divert the public's attention away from the real issue of concern to Canadians. The latest diversion is this proposal for the Auditor General to conduct a comprehensive audit of the Senate, when all Canadians know that the real problem is what took place in the Prime Minister's Office.

Some Hon. Senators: Hear, hear.

Senator Cowan: A very experienced Ottawa journalist put it very well on Friday. She said of the Prime Minister:

He's got a problem. He's not explaining the key issue, which is why would a guy give someone \$90,000 to get rid of a problem, the problem being faulty expenses.... Why would the chief of staff to the Prime Minister do that in return for that senator to get a free ride in the Senate, to get chunks of information taken out of a report that made him look bad.... Why would it happen, and how come the Prime Minister wouldn't know about it?

The Prime Minister has not been able to answer that question.

The Leader of the Government in the Senate has not been able to answer that question.

The Auditor General of Canada will not be able to answer that question. The Auditor General will have no ability to delve into this question because the government is asking him to scrutinize taxi receipts, and not the payment of more than \$90,000 from the Prime Minister's Office to a sitting parliamentarian undergoing an outside audit of faulty expense claims.

Late last evening, I received an email that was copied to other members of this chamber from a resident of Ottawa. This is what it says; I think it captures the situation very well:

Canadians are divided as to whether getting the Auditor General to probe Senators' expenses will improve things on Parliament Hill. Probing the expenses incurred by Senators would not have resulted in Canadians finding out that Senator Duffy had secretly been given \$90,000 by the Prime Minister's Chief of Staff Nigel Wright, nor will it result in finding out if any other Senator had secretly been given any money.

Yes Canadians are concerned about Senators' expense claims, but a secret deal made in the Prime Minister of Canada's office involving his chief of staff is extremely serious and may in fact be illegal. Canadians are concerned that focusing on problems in the Senate will deflect attention away from the real problem which is about a secret deal involving Senator Duffy and the Prime Minister's Chief of Staff Nigel Wright. Canadians wonder if this is a way to make the problem of the \$90,000 secret gift disappear.

The Prime Minister wants us to believe that he knew nothing about this secret deal but only 13 per cent of Canadians believe him. The Prime Minister knew in February that there were problems with Senator Duffy. The Prime Minister is not answering questions posed to him by the opposition and keeps trying to change the channel. However Canadians want to know the truth about the secret \$90,000 given to Senator Duffy.

Despite what the Prime Minister says many questions have yet to be answered. I —

This is the correspondent from Ottawa.

— am one of the 87 per cent who do not believe him.

She lists a number of questions.

1) Did the Prime Minister tell Nigel Wright to handle Senator Duffy's scandal without telling the Prime Minister the details?

2) Why would Nigel Wright, a wealthy Harvard educated lawyer, risk so much by secretly giving Senator Duffy \$90,000?

3) Why were Senators Duffy and Wallin thrown under the bus while Nigel Wright continues to be described as honourable and decent?

4) Is he being defended because he was a key player in Conservative fundraising and one the founding directors of Conservative Fundraising Canada?

5) Was Senator Duffy paid by cheque, cash or money order?

6) Why was Senator Duffy's expense claim changed by Senators Tkachuk and Stewart Olsen, against the wishes of Senator Furey, and damning comments about his expense claims removed when they knew questions were already being raised about his claims?

7) if Nigel Wright was really concerned about reimbursing taxpayers, why not give money to Senators Harb, Wallin and Brazeau?

8) Will Senators urge the Conservatives to ensure that all documents related to the \$90,000 be shown to the public and not destroyed?

9) The Conservative government was elected, not to fix the economy, but because it promised to provide accountability, transparency and rule of law. Are Conservative Senators concerned that these promises have been broken and the Conservative brand tarnished?

Again, I am continuing to quote here:

I am deeply concerned because the Prime Minister promised to reform the Senate but he has done nothing. Three of his appointees are now being investigated for inappropriate expense claims, so much for accountability. One the three was secretly given \$90,000 by the Prime Minister's chief of staff. Other senators battled Elections Canada over the "in and out scandal" in which the Conservative Party pled guilty to election law violations and paid a fine. Whatever happened to "if you commit the crime you do the time?" If you are a rich and/or powerful Conservative, the rule is "if you commit the crime you just have to pay the fine." One has to wonder about the Prime Minister's judgment.

The Prime Minister would like to change the channel and have Canadian focus on reforming the Senate and not the \$90,000. Canadians however want to know the truth about the \$90,000 secretly given, in his office, by his trusted Chief of Staff to Senator Mike Duffy.

The email concludes:

I hope and pray that the New Democrats, Liberals and the media continue to demand that we find out the truth about this secret deal.

Our leader, Justin Trudeau, at noon today released the outline of a comprehensive plan to increase openness and transparency in Parliament. I quote:

“Canadians’ faith in public office holders and publics has been seriously shaken in recent weeks by the ethics scandal rooted in a \$90,000 payment by the Prime Minister’s Chief of Staff to a sitting legislator and the continued secrecy of the Harper Conservatives,” said Mr. Trudeau. “Our proposal seeks to restore confidence in Parliament by making expenses more transparent than ever before.”

The Liberal Party’s Open Parliament plan would do the following: require proactive disclosure of travel and hospitality expenses, open-up meetings of the secretive House of Commons Board of Internal Economy, require quarterly online expense reports that are easily accessible by Canadians, and work with the Auditor General to develop public guidelines to ensure proper spending in Parliament.

“Parliamentarians have the privilege of serving Canadians and Canadians rightly expect them to adhere to the highest ethical standards,” said Mr. Trudeau. “As a starting point, Liberal MPs and senators will be voluntarily adopting a new system of proactive disclosure of travel and hospitality expenses in the fall, and we encourage all other parties to do the same.”

Two weeks ago, I said that the report from Internal Economy recommending changes to the Senate travel policy was a distraction, designed to divert attention from the real issue. I urged that we get rid of the distraction by adopting the report so that we could return to that real issue. That was done. The distraction disappeared and the public’s attention returned to the true story. However, that was not good enough for the government so, out of the blue, with no consultation whatsoever, it introduced this motion to invite the Auditor General to the Senate.

• (1510)

This is nothing more than another distraction to divert public attention away from Prime Minister Harper and his office so, as we did with the twenty-fifth report from Internal Economy, let us treat this motion as the distraction it was designed to be. Let us adopt it, get rid of it and return to the serious issue of what Canadians see as hush money flowing from the office of the Prime Minister of Canada to a sitting parliamentarian summoned to the Senate of Canada on the recommendation of that same Prime Minister.

Honourable senators, if this government spent half as much time addressing the real problems caused by the way in which it conducts itself as it does in trying to change the channel and divert attention away from its own ethical lapses, Canada and Canadians would be far better off.

As I have said many times before, this firestorm is not about our rules; it is about the inability or unwillingness of some to respect those rules. Nor is our problem with the excellent people who work in Senate administration. They do the best they can with the resources that are available to them and we should be grateful to them.

All parliamentarians, not only those of us in the Senate, need to earn the trust and respect of Canadians. Honourable senators, we do not have that trust and respect now. We will regain it only if we take reasonable, responsible steps to address the real issues affecting us and the real issues of concern to Canadians. Canadians are waiting for answers. Unfortunately, they will not get them by the adoption of this motion.

[Translation]

Hon. Pierre Claude Nolin: Honourable senators, I will, without a doubt, vote in favour of the motion. Before doing so, I would like to share my concerns.

In my humble opinion, the exceptional decision that this motion proposes and encourages us to make threatens our rights and privileges as a parliamentary institution. The purpose of my remarks is to try to minimize that threat.

Over the past two days, I have heard the Leader of the Government in the Senate talk on several occasions about what led her to make this decision. I fully accept her reasoning and I understand why she is making this decision. This is an exceptional situation that I think requires us to make an exceptional decision.

I would like to begin by apologizing to the legal experts specializing in parliamentary privilege for what I will call the shortcuts I will be forced to take because I do not have very much time. I apologize to these people whom I greatly admire. At the same time, I would also like to apologize to the Leader of the Government in the Senate. Unfortunately, I am a lawyer and I am going to talk about privilege and the law because I think that our institution benefits from these privileges and that we should try to respect them and the law underlying them when we make our decisions.

First, honourable senators, I would like to remind you that these privileges are recognized in the Constitution Act, 1867. Section 18 of the Constitution Act states:

18. The privileges, immunities, and powers to be held, enjoyed, and exercised by the Senate and by the House of Commons, and by the members thereof respectively, shall be such as are from time to time defined by Act of the Parliament of Canada, but so that any Act of the Parliament of Canada defining such privileges, immunities, and powers shall not confer any privileges, immunities, or powers exceeding those at the passing of such Act held, enjoyed, and exercised by the Commons House of Parliament of the United Kingdom of Great Britain and Ireland, and by the members thereof.

Marleau and Montpetit are often quoted in this chamber, and I think this quote basically summarizes the recognition of our privileges and immunities:

...parliamentary privilege can be viewed as special advantages which Parliament and its Members need to function unimpeded.

These “peculiar rights” can be divided into two categories: those extended to Members individually, and those extended to the House collectively.

I would like to draw your attention to three of those collective privileges that, in my opinion, are being threatened. Before we make our decision, we need to understand that these privileges exist and that is up to us, at least when we are deciding whether or not to support this motion, to recognize them.

The first one is the authority to take disciplinary action. We have that privilege. The Parliament of Canada Act recognizes these privileges, which existed when the Constitution of Canada was created. The second privilege is the right to regulate our own internal affairs. That is an important privilege, one that existed before and that is recognized by the Parliament of Canada Act. Finally, we have the right to investigate.

I mentioned the Parliament of Canada Act. I would like to look at that legislation, which is very important. It is the law that governs our parliamentary institutions. Section 4 of the Parliament of Canada Act states the following, and you will find the exact same wording in Section 18 of the Constitution Act, 1867:

4. The Senate and the House of Commons, respectively, and the members thereof hold, enjoy and exercise

(a) such and the like privileges, immunities and powers as, at the time of the passing of the Constitution Act, 1867, were held, enjoyed and exercised by the Commons House of Parliament of the United Kingdom and by the members thereof, in so far as is consistent with that Act; and

(b) such privileges, immunities and powers as are defined by Act of the Parliament of Canada, not exceeding those, at the time of the passing of the Act, held, enjoyed and exercised by the Commons House of Parliament of the United Kingdom and by the members thereof.

I just referred to paragraph (a). The three privileges that I mentioned existed then and still exist today — it is our responsibility to use them properly.

Paragraph (b) refers to Canadian statutes passed under section 4(b) of the Parliament of Canada Act, which leads me to a section of the act that specifically affects the Senate and sets out the following under section 19.6(1):

19.6(1) The Committee has the exclusive authority to determine whether any previous, current or proposed use by a senator of any funds, goods, services or premises made available to that senator for the carrying out of parliamentary functions is or was proper, given the discharge of the parliamentary functions of senators, including whether any such use is or was proper having regard to the intent and purpose of the regulations made under subsection 19.5(1).

The activities of the Standing Senate Committee on Internal Economy, Budgets, and Administration are governed by the Senate administrative rules.

Honourable senators, having told you all this, at the outset I said that I supported the motion. I want, wanted and still want us to make this decision knowingly.

• (1520)

These privileges exist. The Parliament of Canada Act exists. The Parliament of Canada Act gives the Standing Senate Committee on Internal Economy, Budgets and Administration the exclusive authority to regulate the financial administration of the Senate. However, this chamber may, exceptionally — and I think these are exceptional circumstances — override these privileges and the act that sets out these internal administration powers and decide to give a mandate to the Auditor General.

That said, senators who have more experience than I do in this chamber will know that in the past, the Senate and the House of Commons, or both, have, for exceptional reasons, agreed to give similar mandates to the Auditor General.

This was done not too long ago by the Standing Senate Committee on Internal Economy, Budgets and Administration. This is not the first time. This does not set a precedent.

Honourable senators, I want to point out that this must remain an exception. No one who is listening to us or reading our records in the future must think that we gave up our rights and privileges. On the contrary, we recognized them, understood them and decided to suspend these privileges and rights to vote on an exceptional motion so that the Auditor General has a chance to come do his job and examine the Senate's accounts.

Hon. Serge Joyal: Would the Honourable senator take a question?

Senator Nolin: Indeed, I expect a question.

Senator Joyal: I have been listening carefully, and if I understand correctly, you are suggesting that the mandate given to the Auditor General should be time limited. However, when you read the text of the motion, or at least how I interpret it, and I will read it now:

That the Senate invite the Auditor General of Canada to conduct a comprehensive audit of Senate expenses, including senators' expenses.

The motion's wording does not define a time frame within which this mandate must be carried out. Does the honourable senator feel that the motion should be amended to include a time frame so that — as you, Senator Nolin, pointed out — the Senate's right to manage its own affairs is not simply surrendered indefinitely for the benefit of the Auditor General?

Senator Nolin: Thank you for that very worthwhile question. When I read the motion, I also thought it was somewhat limited in scope. That said, the motion clearly refers to an audit. I think

that the intention behind the wording of the motion is to invite the Auditor General to conduct a single audit of the records available at the time of the audit.

I do not know if the author of this motion would agree to an amendment that would define the time frame for the audit for additional clarity. The fact that the motion says “a” and “comprehensive” suggests that the aim identified by Senator Joyal has been achieved.

Senator Joyal: In a sense, the honourable senator is raising another concern that I heard mentioned in the media, which is that the Auditor General would be invited to audit Senate and senators’ expenses from as far back as seven or eight years ago.

Is that what the Senator understands, that the audit could include both current and past records, meaning that, taken to the extreme, the audit could include records of senators who have since retired?

Senator Nolin: That is where the Parliament of Canada Act reasserts itself. The act mentions the Standing Committee on Internal Economy, Budgets and Administration. I will not use the word “negotiation”, but the Board of Internal Economy would have to set some parameters when it holds its first meeting with the Auditor General’s representatives in order to give substance to this single audit.

I think that the Internal Economy Committee would decide the scope at that point, given its role and responsibility under the Parliament of Canada Act. Will the audit go back five years? Seven years? I think that the chamber must defer to the wisdom of those who are participating in the activities and who are members of the Standing Senate Committee on Internal Economy, Budgets and Administration.

Senator Joyal: That is a much wider interpretation than what I understood from the honourable senator’s speech. I thought we were talking about an audit. If we are talking about an audit, as the motion leads us to believe, then that would mean that we are inviting the Auditor General to conduct an audit.

Believe me, honourable senators. I have no objection to that, since such an audit was already done two years ago. It had a well-defined mandate.

[English]

The terms of reference to the Auditor General had been well defined. In this context, the way I read the motion, there would be no similar kind of definition of a mandate because it states “a comprehensive audit.” “A comprehensive audit” means that there is no limit — it is essentially everything — whereas before, as Senator Nolin put quite clearly, there were parameters to the intervention of the Auditor General, and it was for very specific terms of reference.

However, the honourable senator has, in other words, given to the motion a much wider interpretation than his remarks led me to conclude at first.

[Translation]

Senator Nolin: I am taking the motion as it stands and trying to get the most out of it. We are talking about an audit. Could I have five more minutes, honourable senators?

Hon. Senators: Agreed.

Senator Nolin: We are talking about an audit, and given the statutory authority of the Standing Senate Committee on Internal Economy, Budgets and Administration, it will be incumbent on that committee not to abdicate its statutory responsibility. The Standing Senate Committee on Internal Economy, Budgets and Administration has the authority to define, to set the parameters for the analysis and the use of funds allocated to the Senate for its administration. I do not see the harm in that.

The more I answer the question, the more I see an insurance policy whereby the Auditor General will not be able to use this motion for a fishing expedition. Lawyers often use that expression because lawyers have a tendency to explore when given the opportunity to go fishing for something that they were not looking for in the first place, but that they find interesting when they see the opportunity.

The Standing Senate Committee on Internal Economy, Budgets and Administration should exercise its regulatory authority primarily under our parliamentary privilege, but also under the Parliament of Canada Act. It should ensure that the Auditor General conducts an investigation once and once only. He is interfering in our jurisdiction, at our invitation I admit, but the Internal Economy Committee must exercise all of its authority to oversee this properly.

[English]

Hon. George J. Furey: Honourable senators, Senator Nolin referenced the Internal Economy Committee, but as he knows –

Senator Cools: The motion does not even mention the Internal Economy Committee.

Senator Furey: That is exactly where I am going, thank you.

The honourable senator has mentioned the Internal Economy Committee, but as he knows, this is not a report or a motion from Internal Economy; this is a motion of the Leader of the Government in the Senate.

Where in this motion does the honourable senator see a role for Internal Economy?

• (1530)

Senator Nolin: Honourable senators, I see that role in the Parliament Act of Canada in section 19.6(1) that I read, and I do not want to go through it again. It is quite long.

In the statute, the committee has that authority. It is not this chamber, not the Speaker, not the Leader of the Government in the Senate — no one but the 15 members of the Internal Economy committee.

Senator Furey: Without reference in this motion to Internal Economy, is the honourable senator saying this motion is illegal?

Senator Nolin: No, I am saying this law, this right already exists and it is upon the committee. It is upon them so much that in the case of an emergency, the steering committee of Internal Economy could act. That is in the Parliament Act of Canada.

Senator Furey: What does Senator Nolin propose we do in the event that, after we pass this motion, the Leader of the Government in the Senate takes it upon herself to refer to the Auditor General?

Senator Nolin: Honourable senators, if one reads section 19.6, one can decide to take that motion and use it as the trigger of an action by the committee. She would be totally in her rights and responsibilities to do that.

Hon. Don Meredith: Honourable senators, I thank Senator Nolin for expounding eloquently on this motion. I have a question with respect to how we will vote on this motion and the fact we are in support of it, or the majority of us are.

Can Senator Nolin elaborate on the consequences of us violating these privileges and could the Auditor General refuse to attend, given the fact that there will be a breach of the Parliament of Canada Act?

Senator Nolin: The danger lies in the repetition of doing that, without mentioning that it is not a precedent. It should not be constructed as a precedent. We did not do that two years ago. This time I said no, I will not let that go through. Someone needs to make the point. We have privileges and we have the Parliament Act of Canada. We must state that, ensuring we all understand that we have those privileges and rights but we are ready, knowing that, accept that. However, send that authority for one audit to the Auditor General.

The Hon. the Speaker: Senator Nolin's time has expired, plus the five minutes.

Some Hon. Senators: Five more minutes.

The Hon. the Speaker: Is there unanimous consent for another five minutes?

Hon. Senators: Yes.

[Translation]

Hon. Joan Fraser: Senator Nolin has raised a very important and interesting issue. Without downplaying the will of the Leader of the Government to express the will of the Senate as a whole in this matter — which we share — and in light of the sections of the act that Senator Nolin quoted, would it not be better to amend the motion so that the Senate as a whole instructs the Internal Economy Committee to invite the Auditor General? It seems to me that it would be more evident that the Internal Economy Committee retains all the power, jurisdiction and responsibility that the senator spoke about so aptly. Could we not do that?

Senator Nolin: We could. There is nothing to prevent the chamber from stating the intention of this chamber. However, I did draw your attention to the exclusivity of the mandate of the

Internal Economy Committee. I did not have a great deal of time, so I did not mention it, but I can tell you that paragraph 19.2(1)(b) of the same Act states that “in exercising the powers and carrying out the functions conferred upon it...[I am omitting a few words]...the Committee...may do all such things as are necessary or incidental to the exercising of its powers....”

I believe that the Internal Economy Committee has vast powers. You are aware that the House of Commons' Board of Internal Economy has the same powers. I believe that the committee may have too often waited for instructions from this chamber. I believe that it had the exclusive power — and not just a rudimentary but a statutory power — to ensure the sound management of the funds entrusted to the Senate for its administration.

There is no doubt that we could make the motion more explicit. However, as you know, we lawyers unfortunately believe that less is better.

[English]

Hon. A. Raynell Andreychuk: Honourable senators, I would like to remind Senator Nolin that we did discuss the release of parliamentary privileges when we allowed the Auditor General in before, so to indicate that this chamber did not pay attention would not be correct. I thank him for reminding us that parliamentary privileges are involved, and they are very important.

Does Senator Nolin believe that, at this point, if Senator Prud'homme were here, he would say that our Senate is under attack and we have to respond for the benefit of the public and the benefit of the Senate and the institution? If we turn to the Auditor General and ask them to “undertake an investigation according to accepted practices and rules, et cetera,” does he not think that is the way to go?

First, I have great confidence in the Auditor General that the Auditor General's function respects our institution, respects the house, respects others and will come here as Auditor General Fraser came here, fully understanding our practices and procedures and doing the audit according to this, as he would when he goes to a ministry or another office. Implicit in all of that is consultation, but as the Auditor General deems necessary. Senator Nolin is absolutely right. Advice or suggestions could be given and he has put them on the record and that is good. I think unfettered turnover at this point will be in the best interests of the Senate and to ask the Auditor General to respect us as an institution. Come and see us. We respect his role, and he will understand parliamentary privilege, the role of Internal Economy and the benefit to all of us in a democracy.

Senator Nolin: To answer quickly, the answer is yes.

Hon. Elaine McCoy: Honourable senators, I would like to thank Senator Nolin. He has made very important points this afternoon as I trust the record will show. I think it would be useful for a motion in amendment, but it would be appropriate coming from him or his colleagues.

I heard him in translation, and I think he said we would be suspending our privileges. I wanted to confirm his understanding of the word “audit.” My understanding of audit is not that we are

putting the Auditor General in control of the Senate. We are asking for the Auditor General's help, as much as we asked Deloitte, KPMG and our own internal auditor before that. This is the fourth audit we will have asked for help with. It is not a suspension or breach of our rights and privileges, nor is it an abdication of our responsibility.

Senator Nolin: Honourable senators, if I said that, it is not what I meant. I do not want us and those in the future who will analyze the decision that we are about to take to think that we are abdicating the privileges we have to administer ourselves, our institution. No one else has that authority.

• (1540)

The Act of Parliament gives exclusive power to one of our committees. That is why I say, no. What I have just told honourable senators is what I meant when I said that I do not want to be seen and I do not want my institution being seen as abdicating a privilege that we have had for more than a century and a half.

Hon. Nick G. Sibbeston: Honourable senators, I fully support the motion. The points I want to make this afternoon are about the way in which the Auditor General would conduct the review.

Some days ago, I heard the Leader of the Government in the Senate suggest in a television interview that the top 10 senators in terms of expenses should be reviewed automatically by the Auditor General each year. It gave me concerns, because I am always in the top 10, sometimes at the very top, over the last few years.

My expenses are high because I live in the Northwest Territories and my constituency goes to the North Pole. Senator Patterson and I argue whether Santa Claus lives in Nunavut or in the Northwest Territories. That is how far away my constituency is. For me to return home, each time I take three or four flights and travel for two days. That is why my expenses each year are so high. I have done a review of my expenses. For the past few years, my airline and booking fees are 69 per cent, 74 per cent and 68 per cent. Travel costs are extremely high in the North where we live.

To give honourable senators some perspective, a typical flight for one person from Yellowknife to Fort Simpson, the last leg of my journey, takes about one hour and costs over \$1,300. For \$100 more, I could fly from Ottawa to Athens, Greece. That is the kind of cost we face in the North. If I want to go to Inuvik next week for the petroleum show, I would have to spend \$2,200 and stay one night each way in Yellowknife.

I have done what I can to restrict my expenses over the past few years, including using flight passes and staying for longer periods when I come to Ottawa.

Honourable senators have the luxury of going home every weekend, but on many weekends I have to stay in Ottawa and suffer being here because it takes so long and is so costly to go to my home in Fort Simpson. If I left on Thursday, I would get there on Friday evening; and Sunday morning I would have to leave again. That is my situation with regard to travel.

A fundamental principle of the Senate is that all senators are equal, no matter what province or territory they represent. That is why we have the 64-point system rather than a fixed travel

budget. We need equal opportunities to travel to and from our resident provinces or territories, so we can properly represent our respective areas.

If an auditor is to examine senators' expenses, he or she should take into consideration the province or territory and the distance that a senator must travel in order to come and go from the constituency and recognize that those further away will incur higher costs.

I do not appreciate being held up every year as the most expensive senator simply because I live so far away. I just wanted to make that point.

Hon. Roméo Antonius Dallaire: Honourable senators, Senator Sibbeston presented an argument in mitigation for the expenditure of the funds that he has been allotted. I find it rather interesting that he receives a budget allocation and that he has, through the listing, a sense of guilt for spending that allotted budget.

After 36 years in government working with budgets in the billions of dollars, I believe that once one defends what one needs to do the job and those resources are provided, then they are to be used, in whatever time frame, effectively and efficiently. If one can find efficiencies, fine. The resources are not there to avoid being used, or to make one ashamed to use them, or to make one feel accountable to the world for using them, without the concept of mitigation like Senator Sibbeston has used, travel. Others might simply use work, volume or engagement in a variety of responsibilities incurred by becoming a senator.

Does the honourable senator not agree that when he was brought to the Senate he was encouraged to know his country beyond where he lives, to see what is happening across the country, to be more knowledgeable to provide sage advice in committees and on legislation, and was given the resources in order to achieve that? If one is being held accountable for using it without mitigation, is that not changing the nature of the job we have been given?

Senator Sibbeston: All honourable senators who live far away from Ottawa, in the three territories, are in the same situation every year of having to answer questions about the fact that we are up in the highest level of spending of all senators.

I do not mind, because I simply say that it costs a lot to travel back and forth. We are a rich country and the country can afford to have senators such as me go back and forth to Ottawa.

I have to deal with questions on expenses, particularly in the North, by the media that ask me just about every year why it costs so much money and why I am at the top of that list. I always tell them that it is a long way to travel back and forth and, if I am to represent the people of my region properly in the Senate, then this is what it takes. I take all measures to keep the costs down. We often stay in Ottawa for a month without going home, while everybody else goes home every weekend; and I accept that.

If there is to be such scrutiny showing the top 10 each year, there must be a way to indicate that the expenses are high because of the high cost of travel to the North Pole and the Northwest

Territories, and leave it at that. Judge me on other aspects of my expenditures.

Honourable senators, I accept the reality that it costs a lot of money for me to sit here every week, but there is nothing I can do about it. I wanted some understanding from honourable senators and, hopefully, the public that it costs a lot of money.

Some Hon. Senators: Hear, hear.

Senator Cools: Honourable senators, I wish to join this debate, but I do so cautiously. I wish to take the adjournment and I wish to explain why.

• (1550)

I think it is fair to say that we are all very concerned about these issues, materially, legally and spiritually. However, I am also of the opinion, honourable senators, that, as difficult as these issues are, unless Internal Economy is named in that motion, the Internal Economy Committee will not be involved in this issue. Internal's involvement would have to be in the motion of the Senate.

The more important matter, honourable senators, is that I have always understood that the Auditor General is not available to be dispatched hither and thither and everywhere. His business is to audit departments of government. I have always understood this and, as I said before, we should look into this matter in a very careful way.

I shall cite the Auditor General Act, in particular sections 5 through 11, which together are headed the "Powers and Duties." I would like to record here section 11. I might be wrong, but I want an opportunity to check this before I speak fully. Section 11 states:

The Auditor General may, if in his opinion such an assignment does not interfere with his primary responsibilities, whenever the Governor in Council so requests, inquire into and report on any matter relating to the financial affairs of Canada or to public property or inquire into and report on any person or organization that has received financial aid from the Government of Canada or in respect of which financial aid from the Government of Canada is sought.

Honourable senators, I had always understood that, for the Auditor General to be allowed to audit the Senate, the Governor-in-Council must allow him to do so, they would have to pass an order-in-council to this end. The Auditor General is not just dispatched at whim or at wish or at Senate command. I have always understood that. I am prepared to be wrong, but I would like an opportunity to ascertain this. To be able to get this, to look at this. I move the adjournment of this debate.

The Hon. the Speaker: The Honourable Senator Cools is moving the adjournment of the debate, seconded by Senator McCoy.

As there is no debate on adjournment, I will put the question to the house. There is no debate on the adjournment motion.

Hon. Claude Carignan (Deputy Leader of the Government): I have a point of order, please, Your Honour.

The Hon. the Speaker: A point of order is okay.

[Translation]

Senator Carignan: Honourable senators, I am aware that this is not a debatable motion, but both sides of the chamber were consulted. We understand senator Cools' interest in the subject, and given how important this motion is, we would be willing to agree to a motion in amendment for one day. We should nevertheless move this motion tomorrow, without fail, so we can then vote on it.

[English]

The Hon. the Speaker: In terms of issues of order, the Deputy Leader of the Government has shared with the house the way we might proceed.

We have a motion before us now to adjourn debate in the name of the Honourable Senator Cools, moved by Senator Cools, seconded by Senator McCoy.

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

Hon. Senators: Agreed.

(On motion of Senator Cools, debate adjourned.)

BUSINESS OF THE SENATE

The Hon. the Speaker: Honourable senators, as another matter of procedure, I am advised that the Auditor General, as one would expect, is following this debate and I am also advised that a communication might come to the Speaker. If that occurs, I want to assure the house that that communication will be immediately tabled.

LANGUAGE SKILLS BILL

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-419, An Act respecting language skills.

(Bill read first time.)

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

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

CRIMINAL CODE

BILL TO AMEND—MESSAGE FROM COMMONS

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons returning Bill S-209, An Act to amend the Criminal Code (prize fights), and acquainting the Senate that they had passed this bill without amendment.

(The Senate adjourned until Thursday, June 6, 2013, at 1:30 p.m.)

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